MRS Logística S.A.

Financial statements as of December 31, 2024

Contents

2024 Highlights

Financial and Operational Results	4Q24	4Q23	4Q24 x 4Q23	3Q24	4Q24 x 3Q24	2024	2023	2024 x 2023
Transported Volume (thousands tons)	47,391	53,638	-11.6%	55,020	-13.9%	202,525	197,486	2.6%
Operating Revenue Net (R$ MM)	1,614.2	1,793.4	-10.0%	1,916.7	-15.8%	7,024.9	6,449.1	8.9%
EBITDA (R$ MM)	746.5	896.0	-16.7%	978.5	-23.7%	3,559.9	3,429.3	3.8%
EBITDA Margin (%)	46.2%	50.0%	-3.8pp	51.1%	-4.9pp	50.7%	53.2%	-2.5pp
Net Profit (R$ MM)	285.8	294.5	-3.0%	459.1	-37.8%	1,415.5	1,200.1	17.9%
Gross Debt (R$ MM)	8,763.8	6,846.7	28.0%	6,118.4	43.2%	8,763.8	6,846.7	28.0%
Net Debt (R$ MM)	4,616.4	3,458.7	33.5%	3,916.0	17.9%	4,616.4	3,458.7	33.5%
Net Debt/EBITDA [1] (x)	1.3	1.0	0.3	1.1	0.2	1.3	1.0	0.3
Investments (R$ MM)	931.1	685.2	35.9%	741.6	25.6%	2,864.5	1,807.1	58.5%

[1] Last 12 months

MRS remains dedicated to the performance and delivery of its investment program with projects for the modernization of its assets, the commitment to the mandatory projects of the concession contract and to the sustainability of the business, investing in the reliability of its assets (permanent track, infrastructure, locomotives and wagons). The Company highlights the renewal of the fleet, with the acquisition of 13 locomotives and 561 wagons for replacement and capacity increase and ends the year 2024 with a total investment of R$ 2.9 billion.

From an operational point of view, the Company transported the highest total volume in its history, reaching the mark of 202.5 Mt, with growth in both Mining and General Cargo.

As part of the continuous focus on financial efficiency, MRS carried out the 12th issuance of debentures in the amount of R$ 2.5 billion, in 3 series, with maturities in 10, 12 and 15 years, with premiums over the IPCA.

The Company ends the year with a cash position of R$4.2 billion and net debt of R$4.6 billion, registering a 1.3x ratio in the net debt to EBITDA ratio, in line with the level reported in the previous quarter and twelve months ago.

The Sustainability Agenda continued to advance in 2024, MRS built its long-term commitment plan, whose public goals will be presented in the Sustainability Report, maintaining transparency about the Company's main ESG initiatives. Also on disclosures, as an advance in the governance of topics relevant to MRS, the Human Rights Policy and the Diversity, Equity and Inclusion Policy were published.

The result of the achievements is mirrored in another year of sustainable growth in revenues, operating margins and profit. Net Operating Revenue from Services and EBITDA ended with R$7.0 billion and R$3.7 billion, respectively, an increase of 8.9% and 3.8%, against the values recorded in 2023. And the EBITDA margin stood at 50.7%. Net Income reached the mark of R$ 1.4 billion in 2024, registering a growing trajectory in the Company's history.

OPERATIONAL BUSINESS PERFORMANCE

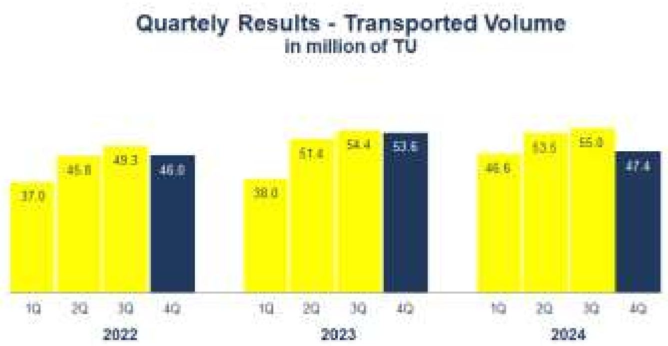
MRS Logística operates mainly in the transportation of inputs and products related to the steel industry, such as iron ore, coal and coke, both to serve the domestic market and for export, and in the transportation of its own General Cargo and other railroads, which encompasses agricultural commodities, steel products, containers, cellulose, among others, in a 1,643 km railway network, in the states of Minas Gerais, Rio de Janeiro and São Paulo, a region that concentrates about half of the Brazilian GDP.

In 2024, the total volume transported by the Company was 202.5 Mt, presenting the best result in its history, with an increase of 2.6% compared to 2023. When analyzing 4Q24 compared to 4Q23, the volume was -11.6% lower, mainly due to the drop in ore transportation.

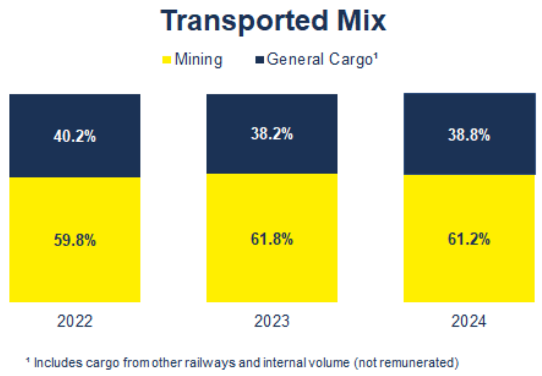
The Mining segment maintained the same pace as in 2023, reaching 123.9 Mt transported and the General Cargo transportation segment presented, in another year, a better performance and a new record in volume, ending 2024 with 78.4 Mt, 4.4% higher compared to 2023. 4Q24 increased 1.4% compared to 4Q23 and decreased -5.3% compared to 3Q24.

Transported Volume Thousand tons	4Q24	4Q23	4Q24 x 4Q23	3Q24	4Q24 x 3Q24	2024	2023	2024 x 2023
Mining	**27,563**	**34,094**	**-19.2%**	**34,077**	**-19.1%**	**123,857**	**122,120**	**1.4%**
Iron Ore	26,953	33,486	-19.5%	33,448	-19.4%	121,540	119,951	1.3%
Export	23,993	30,087	-20.3%	30,144	-20.4%	109,112	106,881	2.1%
Domestic Market	2,960	3,399	-12.9%	3,304	-10.4%	12,427	13,070	-4.9%
Coal and Coke	610	608	0.3%	629	-3.1%	2,317	2,170	6.8%
General Cargo	**19,764**	**19,483**	**1.4%**	**20,876**	**-5.3%**	**78,443**	**75,146**	**4.4%**
Agricultural Products	12,101	12,786	-5.4%	13,600	-11.0%	50,407	50,154	0.5%
Steel Products	1,758	1,765	-0.4%	1,810	-2.9%	7,131	6,636	7.5%
Pulp	2,125	1,455	46.1%	1,731	22.8%	6,813	5,591	21.9%
Container	648	619	4.6%	669	-3.1%	2,576	2,222	15.9%
Construction	664	581	14.3%	767	-13.5%	2,653	2,308	15.0%
Others	2,469	2,278	8.4%	2,299	7.4%	8,863	8,236	7.6%
Billed Volume	**47,327**	**53,578**	**-11.7%**	**54,952**	**-13.9%**	**202,300**	**197,266**	**2.6%**
Unpaid Cargo	64	60	6.0%	68	-6.0%	225	219	2.5%
Total Transported Volu	**47,391**	**53,638**	**-11.6%**	**55,020**	**-13.9%**	**202,525**	**197,486**	**2.6%**

[1] Excludes unpaid load



The mix transported remained in line with 2023, with 61.2% of the Mining group and 38.8% of the General Cargo group, as detailed below.



Mining

The transportation of iron ore, coal and coke in 2024 was 1.4% higher when compared to 2023, mainly benefited by the higher volume of export ore and coal and coke, as explained below.

Transported Volume Thousand tons	4Q24	4Q23	4Q24 x 4Q23	3Q24	4Q24 x 3Q24	2024	2023	2024 x 2023
Mining	**27,563**	**34,094**	**-19.2%**	**34,077**	**-19.1%**	**123,857**	**122,120**	**1.4%**
Iron Ore	26,953	33,486	-19.5%	33,448	-19.4%	121,540	119,951	1.3%
Export	23,993	30,087	-20.3%	30,144	-20.4%	109,112	106,881	2.1%
Domestic Market (A)	2,960	3,399	-12.9%	3,304	-10.4%	12,427	13,070	-4.9%
Coal and Coke (B)	610	608	0.3%	629	-3.1%	2,317	2,170	6.8%
Market + Coal and Coke = (A) + (B)	3,570	4,007	-10.9%	3,933	-9.2%	14,744	15,239	-3.2%

Iron Ore | Export

The volume of iron ore cargo destined for export, in 2024, totaled 109.1 Mt, which represents 88.1% of the volume transported by the Mining group and also 53.9% of the total volume transported by MRS, with a growth of 2.1% when compared to 2023, as a result of the good performance in the first half for the main customers.

When analyzing the performance of 4Q24 compared to 4Q23, there is a decrease of -20.3%, reflecting the unfavorable scenario of the international mining market, together with the drop in ore prices and the increase in quality-related penalties (applied to the percentages of silica and alumina).

Domestic Market | Ore, Coal and Coke

The transportation of iron ore, coal and coke in the domestic market totaled 14.7 Mt in 2024, with a reduction of -3.2% compared to 2023. This result is mainly due to production stoppages at the mills of MRS's main customers, due to corrective maintenance in the ore production process, in addition to impacts on the unloading process.

General Cargo

The transportation of General Cargo, carried out by MRS and other railroads through the paid right of way, includes agricultural commodities, steel products, cellulose, among others.

The result for the year 2024 was the best in MRS's history, totaling a transportation record of 78.4 Mt, which represents an increase of 4.4% compared to 2023.

Transported Volume Thousand tons	4Q24	4Q23	4Q24 x 4Q23	3Q24	4Q24 x 3Q24	2024	2023	2024 x 2023
General Cargo	**19,764**	**19,483**	**1.4%**	**20,876**	**-5.3%**	**78,443**	**75,146**	**4.4%**
Agricultural Products	12,101	12,786	-5.4%	13,600	-11.0%	50,407	50,154	0.5%
Steel Products	1,758	1,765	-0.4%	1,810	-2.9%	7,131	6,636	7.5%
Pulp	2,125	1,455	46.1%	1,731	22.8%	6,813	5,591	21.9%
Container	648	619	4.6%	669	-3.1%	2,576	2,222	15.9%
Construction	664	581	14.3%	767	-13.5%	2,653	2,308	15.0%
Others	2,469	2,278	8.4%	2,299	7.4%	8,863	8,236	7.6%

[1] Excludes unpaid cargo

Agricultural Products

Transported Volume Thousand tons	4Q24	4Q23	4Q24 x 4Q23	3Q24	4Q24 x 3Q24	2024	2023	2024 x 2023
Agricultural Products	**12,101**	**12,786**	**-5.4%**	**13,600**	**-11.0%**	**50,407**	**50,154**	**0.5%**
Soy	22	1,089	-98.0%	1,422	-98.4%	16,196	17,722	-8.6%
Soybean Meal	1,868	1,671	11.8%	1,912	-2.3%	7,434	7,024	5.8%
Sugar	3,239	3,305	-2.0%	3,805	-14.9%	12,543	10,948	14.6%
Corn	6,971	6,720	3.7%	6,461	7.9%	14,233	14,460	-1.6%

The agricultural products transported by MRS are: soybeans, soybean meal, sugar, and corn and accounted for 64.1% of the General Cargo segment.

At the end of 2024, the commodities of sugar and soybean meal increased when compared to the previous year, of 14.6% and 5.8%, respectively. Soybean meal also increased by 11.8% in 4Q24 compared to 4Q23, while sugar decreased by 2.0% when compared to 4Q23, reflecting the rainy season that directly impacts the performance of discharges.

The total volume of agricultural products transportation decreased by 5.4% in the comparison between 4Q24 and 4Q23, mainly impacted by the low price of soybeans at the beginning of the 2024 harvest, which generated a retraction in the market, leading producers to stock up on a larger volume of the product, until the moment of appreciation.

Steel Products

Transported Volume Thousand tons	4Q24	4Q23	4Q24 x 4Q23	3Q24	4Q24 x 3Q24	2024	2023	2024 x 2023
Steel Products	1,758	1,765	-0.4%	1,810	-2.9%	7,131	6,636	7.5%

The steel products segment, which includes the transportation of outbound products (destined for steel mills' customers), inbound products (destined for steel mills themselves) and semi-finished steel (slabs) ended 2024 with transportation of 7.1 Mt, an increase of 7.5% compared to the previous year.

The growth in 2024 was mainly due to the 75.6% increase in the transport of inbound products due to the increase in the share in domestic market routes with new terminals and operational improvements, and also an increase of 52.5% in relation to the transport of semi-finished steel through the capture of MRS to meet import opportunities.

Pulp

Transported Volume Thousand tons	4Q24	4Q23	4Q24 x 4Q23	3Q24	4Q24 x 3Q24	2024	2023	2024 x 2023
Pulp	2,125	1,455	46.1%	1,731	22.8%	6,813	5,591	21.9%

Pulp transportation ended 2024 with a total volume of 6.8 Mt, an increase of 21.9% compared to the previous year, reflecting the maturity of the transportation of one of the main customers in this segment, in addition to the better operational performance.

Containers

Transported Volume Thousand tons	4Q24	4Q23	4Q24 x 4Q23	3Q24	4Q24 x 3Q24	2024	2023	2024 x 2023
Container	648	619	4.6%	669	-3.1%	2,576	2,222	15.9%

The container transportation segment ended 2024 registering the historical record of this segment with a volume of 2.6 Mt, which represents an evolution of 15.9% compared to 2023, mainly benefiting from the transportation of own cargo, which increased by 16.7% compared to the previous year.

For the transportation of own cargo, the routes with the highest representativeness are Santos x Jundiaí, with 34.4% and Santos x Vale do Paraíba with 24.1%. Compared to the previous year, there was an increase of 84.3% on the Rio de Janeiro x São Paulo route and 60.3% on the Rio de Janeiro x Belo Horizonte route.

In MRS's own cargo transportation, 4Q24 increased by 11.1% compared to 4Q23, mainly due to increases in volumes with the entry of new customers and an increase in the share of current customers.

Civil Construction

Transported Volume Thousand tons	4Q24	4Q23	4Q24 x 4Q23	3Q24	4Q24 x 3Q24	2024	2023	2024 x 2023
Construction	664	581	14.3%	767	-13.5%	2,653	2,308	15.0%

The civil construction transportation segment showed a growth of 15.0% when compared to 2023, due to the increase of 16.0% in the volume of sand transported with the entry of a new customer, in addition to the growth of 19.6% in the volume of bagged cement of one of the main customers in this segment with the entry of new terminals.

Other Cargo

Transported Volume Thousand tons	4Q24	4Q23	4Q24 x 4Q23	3Q24	4Q24 x 3Q24	2024	2023	2024 x 2023
Others	2,532	2,338	8.3%	2,367	7.0%	9,088	8,455	7.5%

[1] Includes unpaid load

The transportation of other cargoes includes own cargoes, which include the following products: pig iron, energy mineral coal, limestone for steelmaking, bauxite and "cargoes from other railroads" that incorporate: sulfur, composts and fertilizers, among others.

The other cargo segment recorded a volume transported of 9.1 Mt, showing a growth of 7.5% compared to 2023 and an increase of 8.3% when comparing 4Q24 with 4Q23.

With regard to own cargo, there was a growth of 5.6% compared to 2023, highlighted by pig iron transportation for both export and domestic consumption, which grew 7.5% and 53.8%, respectively, compared to the previous year, considering the favorable macroeconomic scenario. In addition, it is also worth noting the 47.5% increase in the volume of limestone captured by favorable trade negotiations that enabled the increase in production with performance improvements.

The volume of other cargo transported by other railroads in the MRS Network, remunerated by the right of way, increased by 9.1% in the comparison between 2024 and 2023, benefiting from the growth of 30.2% in the volume of phosphates, 11.3% in the volumes of chemical products, and also an increase of 68.9% in urea transports.

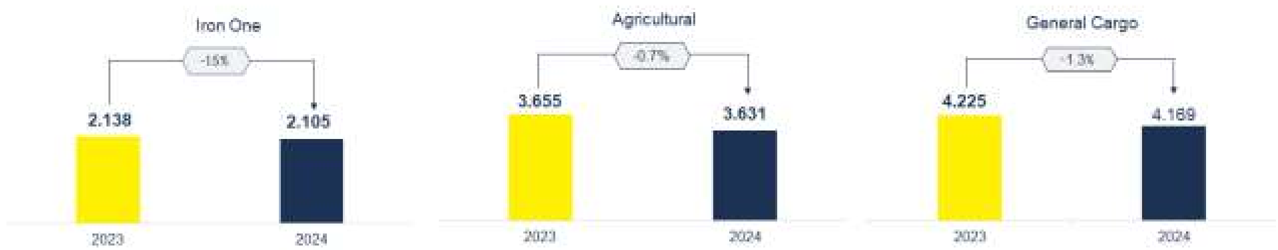
Energy Efficiency

Environmental sustainability and ecological efficiency are part of MRS's main commitments. In this sense, the Energy Efficiency indicator provides the Company with the path to achieve part of these commitments. The management of the theme is done on a daily basis, by measuring the amount of liters of diesel oil consumed in the transportation of 1,000 gross tons in one kilometer (liters per thousand TKB). Energy Efficiency stratifications are carried out by separating the load groups into three classes, considering the particularity of the transportation model: Ore, General Cargo and Agricultural Products. Together, the three classes represent 99.8% of all the Company's gross ton transportation, with the remainder coming from the class called Services, which involve internal activities of unpaid service.

MRS ended the year with an annual historical record of own cargo transported (147MMt) and the result presented by the Energy Efficiency index was 2.474 L/kTKB, exceeding the objective proposed for the year, representing a saving of about 2 million liters of diesel oil.

The result of the ore segment's cargo was 2.105 L/kTKB, representing an improvement of 1.5% compared to 2023. For the General Cargo and Agricultural segments, the indexes also showed gains compared to the previous year of -0.7% and -1.3%, respectively, with results of 3.631 L/kTKB for General Cargo and 4.169 L/kTKB for Agricultural.

Comparison of Energy Efficiency (L/kTKB) by Grouping



The main factors that contributed to the performance of diesel fuel consumption in 2024 were the following:

I. Ore

- Restructuring of the train circulation model in the main "corridor" for the flow of iron ore through strategies related to the dynamics of the trains and the characteristics of the stretch in question;
- Optimization of operational procedures for driving trains in stretches where the profile favors the circulation of the train, allowing the maintenance of performance with less use of acceleration points;
- Adaptation of the train driving model in the stretches that are undergoing the process of complete renewal of the network in order to reduce the impact of diesel fuel consumption, managing the best performance of circulation time;
- Management of stops and speed restrictions of trains in critical stretches unfavorable to Energy Efficiency;
- Reduction of diesel fuel consumption through isolation/shutdown of locomotives commanded at points where the profile of the stretch allows the train to maintain its speed only with the traction of the command locomotive.

II. General Cargo

- Restructuring of train formation models with a focus on reducing the number of locomotives needed for traction in specific circulation designs;
- Productivity initiatives aimed at optimizing assets in order to increase the availability of better performance locomotives;
- Management of the allocation of locomotives (cascading) with better performance in diesel fuel consumption in activities of higher productivity.

III. Agricultural Products

- Maintenance of the cascading strategy prioritizing the allocation of locomotives with the best performance in the flow of Agricultural Products;

- Reduction of diesel fuel consumption through isolation/shutdown of locomotives commanded at points where the profile of the stretch allows the train to maintain its speed only with the traction of the command locomotive.

The Company highlights that a determining factor for the result of global Energy Efficiency is the representativeness of the volume of iron ore. This load grouping is the one with the best Energy Efficiency among all classes, so the reduction of its representativeness directly affects the global index.

The following chart presents the evolution of global Energy Efficiency over the last few years:

Continuing its commitment to reducing the impacts caused by its operations and the constant search for improvement, innovation and technologies that contribute to the evolution of its results, MRS continues with the purpose of renewing its fleet of locomotives, with the arrival of 15 new, more efficient locomotives expected for the year 2025. In addition, the Company continues with the studies and specifications of new technologies, seeking a more efficient and sustainable operation in the medium and long term.

Iron ore's Transit Time, a methodology used to calculate the time it takes to transport cargo from origin to destination, improved in 2024 due to operational changes throughout the year and less impact caused by rainfall.

The impact of the circulation model, in force since 2020 to serve the Scaffolding terminal through the operation of the TNT (Unmanned Train), continues to be present in the circulation of trains. In this model, for the train to cross the Self-Rescue Zone (ZAS) of the Forquilha III Dam in an unmanned manner, it is necessary to comply with a technical and safety protocol that reduces the average speed of the train. However, such procedures did not impact meeting customer commitments and demands.

ECONOMIC & FINANCIAL ASPECTS

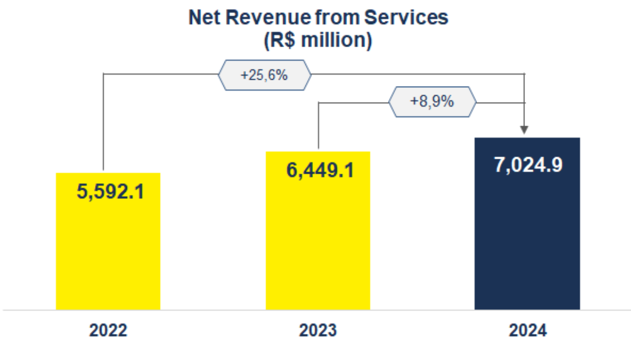
Financial and Operational Results	4Q24	4Q23	4Q24 x 4Q23	3Q24	4Q24 x 3Q24	2024	2023	2024 x 2023
Operating Revenue Gross (R$ MM)	1,726.7	1,899.4	-9.1%	2,041.8	-15.4%	7,484.6	6,873.0	8.9%
Operating Revenue Net (R$ MM)	1,614.2	1,793.4	-10.0%	1,916.7	-15.8%	7,024.9	6,449.1	8.9%
Cost and Expenses (R$ MM)	(946.2)	(954.3)	-0.9%	(965.8)	-2.0%	(3,509.2)	(3,079.2)	14.0%
Other Income and Expenses, net (R$ MM)	78.5	57.0	37.8%	27.9	181.8%	44.2	59.4	-25.5%
EBITDA (R$ MM)	746.5	896.0	-16.7%	978.5	-23.7%	3,559.9	3,429.3	3.8%
EBTIDA Margin (%)	46.2%	50.0%	-3.8pp	51.1%	-4.9pp	50.7%	53.2%	-2.5pp
Net Profit (R$ MM)	285.8	294.5	-3.0%	459.1	-37.8%	1,415.5	1,200.1	17.9%
Net Debt/EBITDA [1] (x)	1.3	1.0	0.3	1.1	0.2	1.3	1.0	0.3
Net Avarage Tariff (R$/ton)[2]	34.1	33.4	2.0%	34.8	-2.1%	34.7	32.7	6.3%

[1] Last 12 months; [2] Including total billed volume

I. Net Revenue from Services: An increase of R$ 575.8 million in 2024, reflecting the growth in the volume of transport and the fare recomposition. The records in the transport of General Cargo and resilience in Mining supported the growth of the volume transported.

II. Costs and Expenses: increase of R$ 430.0 million (+14.0%) in 2024, compared to 2023. This variation is mainly due to the increase in labor expenses, the consumption of materials and services for asset maintenance, in addition to the recognition of regulatory contractual obligations.

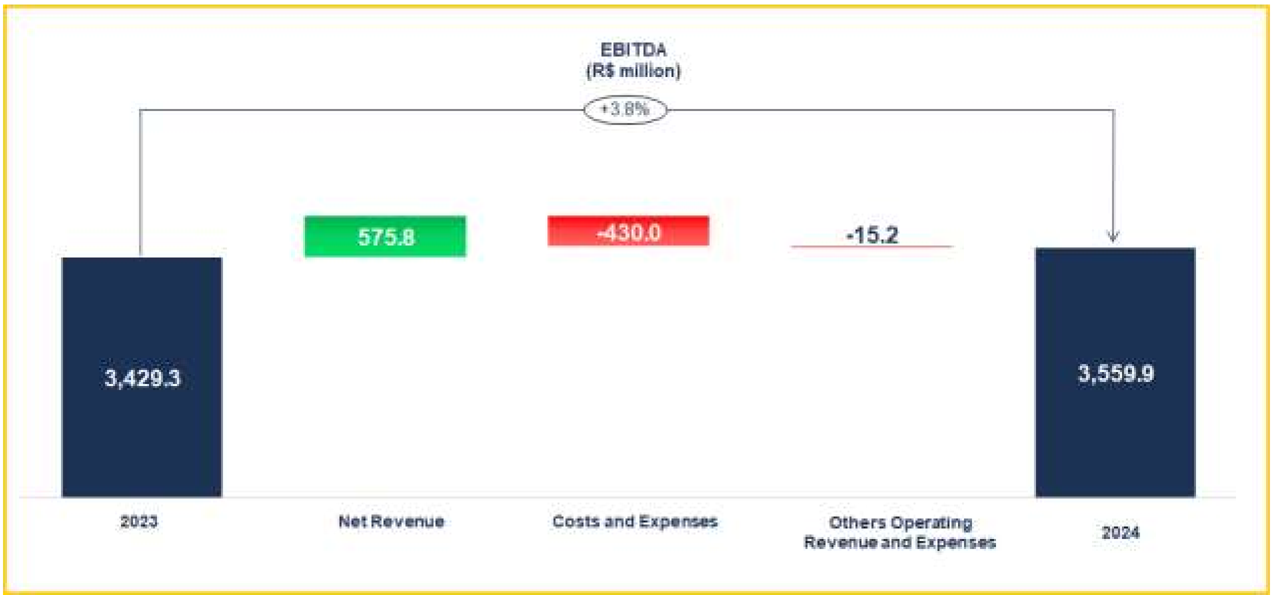
III. Other Operating Revenues and Expenses: compared to 2024, the result of this group brought an unfavorable impact of R$15.2 million, mainly due to the lower volume of revenue from contractual fines and indemnity revenues in 2024.

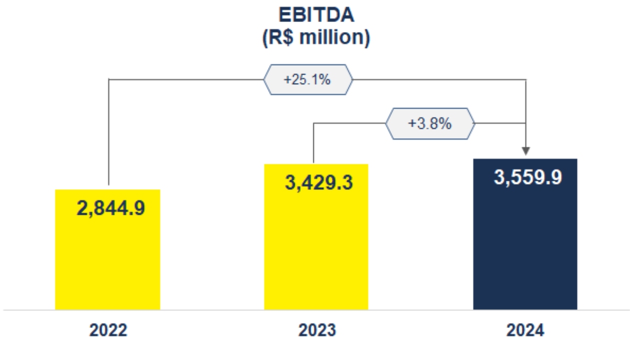


EBITDA

EBITDA ended 2024 with an increase of 3.8% when compared to 2023, reaching R$ 3,559.9 million, with an EBITDA Margin of 50.7%, a reduction of 2.5 p.p. compared to the previous year.

Below, we demonstrate the evolution of EBITDA in more detail:





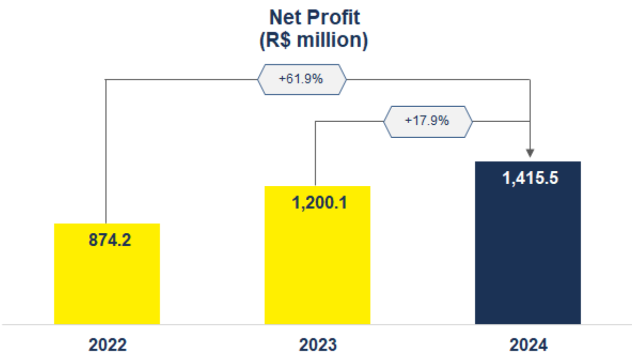
The following table shows the reconciliation of EBITDA:

Reconciliation EBITDA (R$ million)	4Q24	4Q23	4Q24 x 4Q23	3Q24	4Q24 x 3Q24	2024	2023	2024 x 2023
Net Income	**285.8**	**294.5**	**-3.0%**	**459.1**	**-37.8%**	**1,415.5**	**1,200.1**	**17.9%**
(+) Taxes on Profit	90.7	114.8	-21.1%	198.9	-54.4%	632.2	577.4	9.5%
(+) Net Financial Result	100.6	250.3	-59.8%	66.0	52.4%	497.2	740.4	-32.9%
(+) Depreciation and Amortization	269.5	236.4	14.0%	254.5	5.9%	1,015.0	911.3	11.4%
(=) EBITDA	**746.5**	**896.0**	**-16.7%**	**978.5**	**-23.7%**	**3,559.9**	**3,429.3**	**3.8%**
(-) Depreciation Right of Use (lease agreements)	(28.1)	(25.8)	9.0%	(22.8)	23.5%	(94.2)[1]	(92.0)	2.4%
(-) AVP Financial Charges (lease contracts)	(40.5)	(51.1)	-20.8%	(42.9)	-5.6%	(175.1)[1]	(214.2)	-18.3%
(=) Adjusted EBITDA [2]	**677.9**	**819.1**	**-17.2%**	**912.8**	**-25.7%**	**3,290.6**	**3,123.0**	**5.4%**

[1] Detailed information can be found in explanatory notes 14.2 and 32; [2] Depreciation and Amrortization 2023 with adjusted methodology

Net Profit

MRS ended 2024 with Net Income of R$ 1,415.5 million, an increase of 17.9%, equivalent to R$ 215.4 million, when compared to 2023. This variation mainly reflects the growth in turnover and the good operating performance. In addition, this result was influenced by the reversal of provisions that had a significant inflation adjustment, generating a favorable impact on the Financial Result.



Dividends - 2023

At the Shareholders' Meeting held on April 26, 2024, the management's proposal regarding the allocation of the results of the 2023 fiscal year was approved. The total amount of dividends approved on the results of the 2023 fiscal year was R$285.0 million, representing a payout of 25% of the net income, paid on December 20, 2024.

Debt

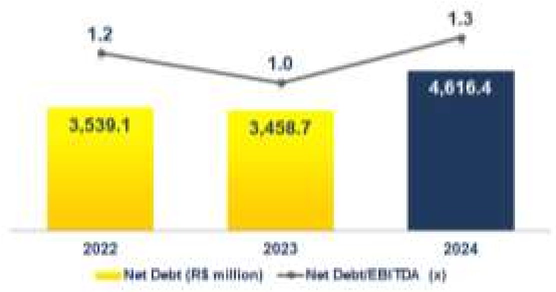
In R$ million	2024	2023	2024 x 2023	3Q24	2024 x 3Q24
(+) Gross Debt[1]	**8,763.8**	**6,846.7**	**28.0%**	**6,118.4**	**43.2%**
(-) Cash[2]	4,147.4	3,388.1	22.4%	2,202.4	88.3%
(=) Net Debt	**4,616.4**	**3,458.7**	**33.5%**	**3,916.0**	**17.9%**
EBITDA	**3,559.9**	**3,429.3**	**3.8%**	**3,709.5**[3]	**-4.0%**
Net Debt/EBITDA (x)	**1.3**	**1.0**	**0.3**	**1.1**	**0.2**

[1] The difference in relation to the sum of the Loans and Financing lines (Balance Sheet) corresponds to Transaction Costs; [2] Includes Restricted Cash; [3] EBITDA accumulated 12 months

The Company's Gross Debt ended 2024 with a balance of R$8,763.8 million, an increase of R$1,917.0 million when compared to 2023. Such increase was mainly due to the 12th issuance of debentures, in the amount of R$2.5 billion. The funding was distributed in 3 series: (i) R$500 million in the 1st Series, IPCA+6.5251% remuneration, maturing in 10 years; (ii) R$1.0 billion in the 2nd Series, IPCA+6.5514% remuneration, maturing in 12 years; and (iii) R$1.0 billion in the 3rd Series, IPCA+6.5796% remuneration, maturing in 15 years.

In 2024, the net debt balance reached R$4,616.4 million versus R$3,458.7 million in 2023. Such increase refers to the movements of amortizations of financing and new funding.

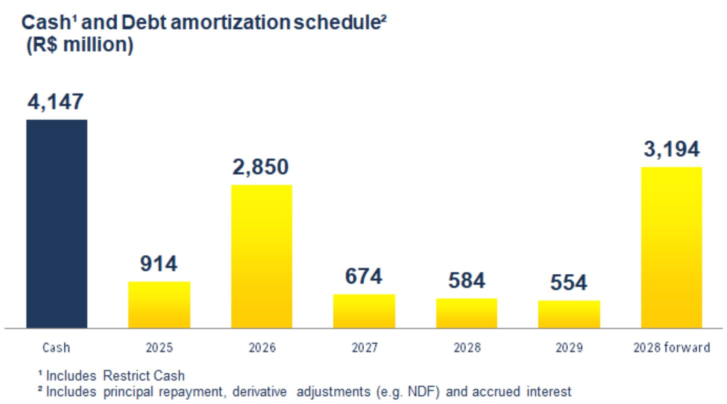
The financial leverage ratio measured by the net debt/EBITDA ratio was 1.3x as of December 31, 2024 versus 1.0x as of December 31, 2023:



At the end of 2024, most of the debt was indexed to the CDI, with the important participation of instruments classified as Capital Market (Debentures and Promissory Notes), in addition to the other lines, classified as bilateral and with BNDES.

Amortization Schedule

The chart below shows the schedule of principal maturities and debt swap adjustments as of December 31, 2024. Therefore, the information presented below differs from the maturity schedule presented in the financial statements as of December 31, 2024, which presents the maturities of the principal. MRS's average debt term in December 2024 was 7.9 years, representing an elongation of the group's debt profile compared to December 2023, which was 6.7 years.



Rating

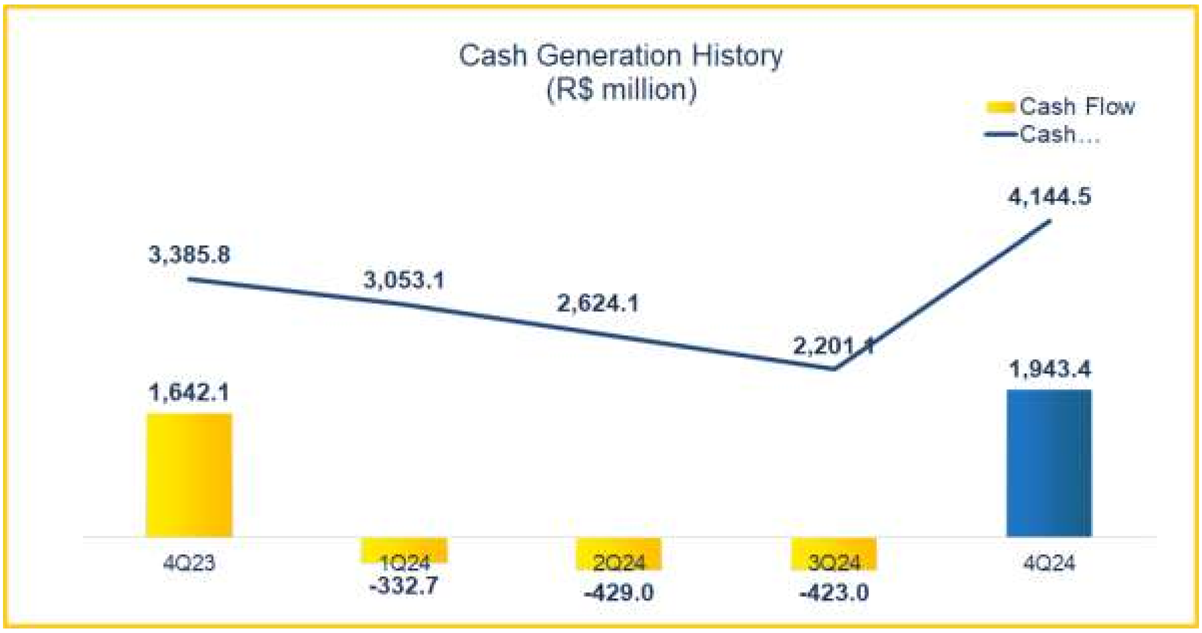
Standard & Poor's	AAA	Stable	BB	Stable
Fitch	AAA	Stable	BB+	Stable

CASH FLOW STATEMENT

The Company ended 4Q24 with a cash balance of R$4,145 million, compared to R$3,386 million in 4Q23, maintaining a good level of liquidity. This positive variation compared to the same period last year was mainly influenced by the 12th debenture issuance carried out in 4Q24.

Cash generation in 2024 reached R$759 million. In 4Q24, it was positive at R$1,943 million, compared to a negative generation of R$423 million in 3Q24 and a positive generation of R$1,642 million in the same period of 2023. This variation in the year is mainly explained by the important operational generation of the period (net profit on a cash basis) in the amount of R$4,079 million, and by the issuance of the 12th debentures, partially offset by the investment activities carried out in the amount of R$2,611 million, and government spending totaling R$1,136 million.

[1] Δ in operating assets and liabilities is composed of the lines of accounts receivable, inventories, suppliers, and social and labor obligations
[2] Tax / Grant is composed of the lines of taxes to be recovered, tax obligations, payments of taxes on profit, payment of lease interest and lease payment
[3] Financing Operations is composed of the lines of payment of interest on loans and financing and payments of loans, financing and instruments
[4] Excludes Restrict Cash



Cash Flow Statement - In R$ million	4T24	4T23	3T24	2024	2023
Cash at the beginning of the Period	**2,201.1**	**1,743.7**	**2,624.1**	**3,385.8**	**866.9**
Net Profit Before IR and CSLL	**376.5**	**409.3**	**658.0**	**2,047.7**	**1,777.6**
Depreciation and amortization	269.4	236.5	254.5	1,015.0	911.3
Monetary variation, exchange rate and financial charges	258.8	362.7	150.1	864.0	969.1
Result on disposal and residual value of fixed assets/ written-off permanent investment	29.0	7.0	3.7	54.7	40.1
Provision (reversal)	27.7	(24.8)	32.3	62.6	(27.9)
Others	12.8	54.2	16.7	34.8	59.9
Net cash-based profit	**974.2**	**1,044.9**	**1,115.3**	**4,078.8**	**3,730.1**
Changes in assets and liabilities	**(207.2)**	**(35.4)**	**(304.8)**	**(1,296.6)**	**(107.7)**
Accounts receivable	(119.2)	(244.0)	(127.1)	1.9	108.2
Inventories	16.4	(19.2)	(10.2)	(31.4)	(58.9)
Taxes recoverable	(30.5)	(35.6)	(26.0)	(65.6)	83.7
Suppliers	(17.4)	132.2	40.2	(248.4)	364.9
Tax obligations	42.5	66.0	28.4	79.0	75.7
Social and labor obligations	55.6	34.8	41.2	44.7	7.0
Payment of taxes on profit	(90.7)	(76.6)	(80.0)	(416.3)	(257.3)
Payment of interest on loans, financing and debentures	(41.3)	(67.7)	(159.5)	(424.9)	(316.3)
Payment of lease interest	(40.5)	(51.2)	(42.9)	(175.1)	(214.3)
Others	17.9	225.9	31.1	(60.3)	99.6
Net cash generated by operating activities	**767.0**	**1,009.5**	**810.5**	**2,782.2**	**3,622.4**
Additions to fixed assets	(834.4)	(719.7)	(949.0)	(2,607.5)	(1,719.3)
Additions to intangible assets	1.6	(181.1)	(2.1)	(12.6)	(225.3)
Disposal of fixed/intangible assets	3.5	6.5	-	8.9	6.5
Capital contribution in subsidiaries	(0.1)	-	-	(0.1)	-
Net cash generated in investment activities	**(829.4)**	**(894.3)**	**(951.1)**	**(2,611.3)**	**(1,938.1)**
Loan and financing borrowings	-	4.4	-	-	688.3
Addition of debentures	2,392.6	1,907.6	-	2,392.6	1,907.6
Payments of loans, financing, debentures and financial instruments	49.6	(48.9)	(140.4)	(962.5)	(1,025.0)
Lease payment	(151.4)	(128.6)	(142.0)	(557.3)	(485.3)
Treasury shares	-	-	-	-	(43.4)
Dividends paid	(285.0)	(207.6)	-	(285.0)	(207.6)
Net cash generated in financing activities	**2,005.8**	**1,526.9**	**(282.4)**	**587.8**	**834.6**
Cash at the end of the period	**4,144.5**	**3,385.8**	**2,201.1**	**4,144.5**	**3,385.8**
Increase (decrease) in cash and cash equivalents	**1,943.4**	**1,642.1**	**(423.0)**	**758.7**	**2,518.9**

PROJECTS AND INVESTMENTS

In 4Q24, MRS invested R$931.1 million and ended 2024, with a total investment of R$2,864.5 million, as detailed below:

Investments R$ million	4Q24	4Q23	4Q24 x 4Q23	3Q24	4Q24 x 3Q24	2024	2023	2024 x 2023
Business Growth and Competitiveness	391.2	174.4	124.3%	390.8	0.1%	1,338.5	460.0	191.0%
Recurring and Other	539.9	510.8	5.7%	350.7	53.9%	1,526.0	1,347.1	13.3%
Total	**931.1**	**685.2**	**35.9%**	**741.6**	**25.6%**	**2,864.5**	**1,807.1**	**58.5%**

In 2024, the Company maintained the performance of projects for the modernization of its assets, the commitment to the mandatory projects of the concession contract and to the sustainability of the business, investing in the reliability of its assets (permanent track, infrastructure, locomotives and wagons), in the renovation of the sections of the track intended for the circulation of trains loaded with ore, in technological improvement projects and in initiatives aimed at opportunities to expand business and capacity.

Business Growth and Competitiveness:

i. Acquisition of locomotives: with the aim of modernizing the fleet, MRS acquired 13 ES-44 locomotives, bringing greater productivity and energy efficiency.

ii. Acquisition of wagons: 561 were acquired, focusing on the GDT model to continue the strategy of increasing capacity and replacing the wagon fleet, aiming to increase productivity in ore loading.

iii. MRS also, in order to meet the investments of the following years, initiated actions for a series of works with deliveries scheduled for 2025 and 2026, with emphasis on the Signaling between the Pindamonhangaba and Pinheirinho Yards (2025), Quilombo Crossing Yard (2025), Areais Crossing Yard (2025), Jurubatuba Regulatory Yard (2026) and Baixada Remodeling (delivery scheduled for 2026).

Recurrent and Others:

i. Modernization of assets: the strategy of carrying out interventions in locomotives, wagons and the railway network was maintained, aiming to increase the levels of reliability and availability of assets, allowing for improved efficiency, safety and optimization of railway operations. In addition, electro-electronics projects were developed that aim to signal and automate the lines along the railroad.

ii. Infrastructure reliability: continuity of the preventive plan of interventions along the road, with the execution of containment works, maintenance of drainage devices and interventions/replacements of bridges or viaducts, aiming to minimize the risks associated with the reliability of the stretch. Conduction of works related to rainfall, with emphasis on the interventions in Serra do Mar and the completion of the stabilization work of the embankment located at km 033 of the Steel Railway.

iii. Sustainability: in 2024, MRS invested in projects associated with compliance with regulatory aspects provided for in labor and environmental legislation, promotion of occupational safety, protection of the environment, related to compliance with the regulatory commitment aimed at the good state of conservation of our buildings and the promotion of prosperity and well-being of our employees

iv. MRS also continued to comply with the mandatory projects of the concession renewal. This year, the initiatives foreseen in the A+2 year of the contract were delivered, with emphasis on the increase in operational safety and improvements in urban mobility. Highlights for large projects, such as the Viaduct in Cubatão and the Large Equipment Workshop. In addition, interventions were carried out in: Conselheiro Lafaiete (MG), Barra do Piraí (RJ), Belo Horizonte (MG), Pinheiral (RJ), Juiz de Fora (MG), Brumadinho (MG) and Antônio Carlos (MG) in addition to the installation of automatic gates in Pinheiral (RJ) and Barra do Piraí (RJ).

STRATEGIES AND PROSPECTS

During 2024, MRS continued to implement its strategic deployment, designed to enable the Company's transformation process resulting from the early renewal of its concession agreement.

This strategy reinforces MRS's commitment to developing integrated logistics solutions, focused on its customers that, supported by the constant search for operational excellence, aim to provide sustainable and profitable growth to the business.

This growth follows MRS's objective to generate a positive impact on the environment and society through the consolidation of ESG practices and commitments and the integral and efficient management of its concession agreement.

To this end, the Company remains dedicated to improving its management model, innovation processes and use of technology as enablers of this strategic plan.

Thus, even in a context of oscillation in relation to iron ore, MRS set new historical records for the volume transported in the different segments, demonstrating the resilience of its strategic plan.

This plan continues to show progress in all its pillars, as can be seen in the topics of Operational Commercial Performance and Economic and Financial Performance of this report.

REGULATORY FRAMEWORKS

From a regulatory perspective, the year 2024 stands out for the continuity of consistent work in search of efficiency and transparency in compliance with the regulatory obligations assumed with the renewal of the Concession Agreement.

Main deliveries made:

1. **Investment plan:** based on the commitment signed with the National Land Transport Agency (ANTT) and the Ministry of Transport, MRS continues to execute the deliveries provided for in the investment plan, ensuring agility, better productivity and safety for the rail transport service. During this period, MRS delivered approximately R$ 340 million in important projects for the development of rail freight transport, asset maintenance operations, as well as for the improvement of urban conflicts and community security. The following investments stand out:

- The completion of three viaducts in Cubatão (SP), Conselheiro Lafaiete (MG) and Pinheiral (RJ), in addition to the completion of the construction of the Workshop for Large Equipment, in the municipality of São Brás do Suaçuí (MG). In addition, it should be noted that MRS delivered a series of other solutions to urban conflicts (fences, level crossings, pedestrian level crossings and automatic barriers) throughout the three states of operation. Finally, it is important to mention that the evaluation of the projects is underway by the National Land Transportation Agency (ANTT).

2. **Completion of phase 03 of the "Integration of Baixada Santista":** MRS concluded an important commitment made in the renewal of the concession by completing the delivery of Phase 3 of the Operational Governance of Baixada Santista, whose objective was to implement a system for planning, optimizing circulation and service to the terminals to define the train circulation scenario. The formal delivery was carried out in a timely manner in October 2024, and ANTT's technical visit took place in November of the same year. In December 2024, the Agency published Technical Note 12217/2024 through which "*ANTT's Inspection declares fully concluded MRS's Contractual Obligation established by Phase 3*".

3. **ANTT inspections and zero fines in 2024:** MRS carried out, together with ANTT, 24 field inspections with the objective of verifying the situation of the concession railway network, in addition to the attestation of the obligations related to investments for year 2 of the agreement, as well as the economic/financial inspections. Overall, about 1,200 km of rail network were covered with the direct participation of the Company's technical areas. During the period, no infraction notice was issued to MRS, due to non-compliance with the requirements evaluated.

4. **Strengthening Railway Safety:** From the safety aspect, MRS raised awareness among employees, drivers and pedestrians at events related to **"Yellow May"**, as well as participated in important forums throughout 2024, such as **"II Safe Roads Workshop 2024 of ABSEV (Brazilian Road Safety Association)"** and the **"Safety Workshop 2024 – Investigation of railway accidents and property security"**, whose agendas were exchanges of experiences between companies in the Brazilian railway sector, government entities and technicians on the subject, focusing on topics related to accident investigation, innovative projects in Safety and Protection of Heritage, as well as measures to raise the standard of safety in transportation modes. Such agendas were important for improving the protection of human life, preventing environmental damage and improving safety techniques.

Achievements:

Finally, in December 2024, the Regulatory Agency promoted the 2nd Edition of the ANTT Award – Highlights 2024, an event that is considered the "Oscar" of the land transportation sector in Brazil and aims to strengthen innovative initiatives in land transportation. With 226 projects registered, the award doubled its scope compared to 2023 and had 6 classes and several categories, including road and rail concessionaires, as well as road passenger transportation and road cargo transportation companies.

MRS, for the **second consecutive year**, won the **Gold trophy** in the special class **"Railroad Regulatory Highlights" of the ANTT 2024 Award**, reaffirming the Company's position as a reference in logistics and its commitment to innovation and operational excellence. In addition, **MRS achieved an extraordinary performance, being a finalist in 10 of the 11 categories and winning in three of them:**

🏆 **Category – "User Attention" - Loading wagons using computer vision:** This project uses artificial intelligence and cameras to monitor the loading of wagons, transforming data into dashboards that help in decision-making.

🏆 **Category – "Energy Efficiency" – Restructuring of the Train Circulation Model:** With a focus on the Steel Railway, one of the most challenging sections of the operation, we implemented an intelligent cadence system, optimizing energy consumption and increasing operational efficiency.

Category – "Internal Management and People Development" - Affirmative Internship Program: The program was created in 2024 with a focus on the inclusion of people with disabilities, aligning with MRS's values of diversity and valuing people.

Image 1: employees receiving the awards at the "ANTT 2024 Highlights Award" event that took place on December 10, 2024, in Brasília/DF.

ANTT 2024 Awards in full: https://www.gov.br/antt/pt-br/assuntos/ultimas-noticias/antt-realiza-a-segunda-edicao-do-premio-destaques-e-fortalece-iniciativas-inovadoras-no-transporte-terrestre

ESG AGENDA

In 2024, MRS built its long-term commitment plan, whose public goals will be presented in the Sustainability Report, which will be released in the first half of the year, maintaining transparency about the Company's main ESG initiatives. The document will follow the GRI (Global Reporting Initiative) and SASB (Sustainability Accounting Standards Board) standards and can be accessed through the institutional (https://www.mrs.com.br/) and Investor Relations (https://ri.mrs.com.br/) websites.

Also on publications, as an advance in the governance of topics relevant to MRS, the Human Rights Policy and the Diversity, Equity and Inclusion Policy: https://ri.mrs.com.br/governanca-corporativa/estatuto-politicas-e-acordo-de-acionistas/were published.

Awards and Recognitions

In addition to the Gold Trophy in the special class "Railroad Regulatory Highlights" of the ANTT Award, as informed in the topic of Regulatory Frameworks, of this document, MRS won the "Transportation and Logistics" category of the Valor 1000 Award, promoted by Valor Econômico, and, for the second time, it was among the 5 best companies in the Transportation and Logistics segment of 100 Startups. In the "The Great Meeting 2024 - High *Performance Teams*", promoted by the Brazilian Union for Quality, MRS was ranked 1st place in the 5S category project. The recognition also came in the "Performance" category of the Suzano Valoriza Award, which highlights the company's best partners.

For the 3rd consecutive year, MRS received the Gold Seal in the Brazilian GHG Protocol Program, the main national recognition for greenhouse gas emission inventories, also contributing to the Public Emissions Registry: https://registropublicodeemissoes.fgv.br/estatistica/estatistica-participantes/1172.

MRS responded, for another year, to the Environmental Performance Index (IDA) questionnaire of the National Land Transportation Agency (ANTT) and there was an evolution from 13th to 9th position in the ranking: https://www.gov.br/antt/pt-br/assuntos/ferrovias/acompanhamento-ambiental-das-concessoes-ferroviarias.

Diversity, Equity & Inclusion

Female representation in MRS's staff continues to increase and, at the end of 2024, women represented 16.1% of the total number of professionals. The number of women in leadership positions is even higher: 26.7% of the total.

The 1st edition of MRS's Mentoring Program for Black People was also a milestone in the year: mentors and mentees walked a path of development and strengthening of trajectories together.

Benefits and Organizational Climate

MRS expanded the benefits package offered to employees with the extension of maternity leave to 180 days, the Assisted Reproduction Support Program and the construction of more breastfeeding support rooms. A partnership with the New Value platform was also started for discounts on products and services.

The second edition of the "MRS Games" had 367 teams, made up of 2.1 thousand employees, who competed in seven modalities: https://youtu.be/XO93CknZV4Y?si=tWZ0usPAg-lt8pfz

The Reception Channel was launched to listen to and guide employees and third parties who may face situations of sexual coercion, sexual harassment or discrimination. After the service, it is possible to decide whether or not there will be formalization in the Whistleblowing Channel: https://canalconfidencial.com.br/mrslogistica/.

Intellectual Capital and Career

MRS continued its initiatives focused on employee development: another edition of Career Week, a new class of the manager training program, in partnership with Dom Cabral Foundation (FDC), and leadership training for all general managers, also promoted by FDC. The Internship Program, the Specialization in Rail Freight Transport at the Military Institute of Engineering (IME) and the Leadership Training Program, in partnership with FIA Business School, were also maintained.

To celebrate dedication and professional trajectories, the "My MRS Journey" program was launched, with an event for 700 employees with 15 years or more of contribution.

INDEPENDENT AUDITORS

In compliance with article 23 of CVM Resolution 23/2021, which deals with the provision of other services by independent auditors, the Company informs that there are no other services provided by Deloitte Touche Tohmatsu Auditores Independentes Ltda. other than the audit of the annual financial statements and reviews of the quarterly information in 2023 and 2024.

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B3 – Over-the-Counter Market

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(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDEPENDENT AUDITOR'S REPORT
INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To the Management and Shareholders of
MRS Logística S.A.

Opinion

We have audited the accompanying individual and consolidated financial statements of MRS Logística S.A. ("Company"), which comprise the balance sheet as at December 31, 2024 and the related statements of profit and loss, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including the material accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of MRS Logística S.A. as at December 31, 2024, and its individual and consolidated financial performance and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil and IFRS Accounting Standards, issued by the International Accounting Standards Board - IASB.

Basis for opinion

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

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. The matter described below was addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Lease contract with the Concession Grantor

Why it is a KAM (Key Audit Matter)

On July 29, 2022, the Company entered into with the federal government, through the Brazilian Land Transportation Agency (ANTT), the 4th addendum to the Concession Arrangement (hereinafter referred to as "Lease Contract"), which extended, in advance, for another period of 30 years, the concession of the cargo railway public transportation service, effective through 2056, which accounting recognition is within the scope of technical pronouncement CPC 06 (R2) - Leases (equivalent to IFRS 16).

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Mainly due to the significance of the balances related to the right of use in assets and lease liabilities in liabilities in the individual and consolidated financial statements, and their particularities, we consider the quantitative and qualitative impacts of the Lease Contact with the federal government as an area of focus in our audit approach and, therefore, a key audit matter.

How the matter was addressed in our audit

Our audit procedures included, but were not limited to: (i) understanding the design and implementation of significant internal control activities related to the monitoring and performance of the obligations set forth in the Lease Contract; (ii) assessing the accounting policies applied by Management to account for the transactions related to the lease contract and whether they were in accordance with the applicable accounting standards; (iii) performing audit procedures relating to the variations in lease assets and liabilities, including the recalculation of the depreciation of the right of use and recognition of the annual inflation adjustment on the contract anniversary date; (iv) inspecting the receipts of payments made and the corresponding bank statements, for all payments made to the federal government in 2024;
(v) assessing the disclosures made by Management in the individual and consolidated financial statements in light of technical pronouncement CPC 06 (R2)/IFRS 16.

As a result of the audit procedures performed, we identified immaterial adjustments not corrected by the Executive Directors, which resulted in internal control deficiency relating to the lease contract recognition process of the Lease Contract. We assessed the nature, timing and extensions of our planned substantive procedures, and we concluded that those one were still appropriate.

As a result of these audit procedures, we consider that the amounts recorded relating to the lease contract, as well disclosures on explanatory notes, are acceptable in the context of the individual and consolidated financial statements for the year ended December 31, 2024 taken as a whole.

Other matters

Statement of value added

The individual and consolidated statement of value added (DVA) for the year ended December 31, 2024, prepared under the responsibility of the Company's Management and presented as supplemental information for purposes of the IFRS, was subject to audit procedures performed together with the audit of the Company’s financial statements. In forming our opinion, we assess whether this statement is reconciled with the other financial statements and accounting records, as applicable, and whether its form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. In our opinion, this statement of value added was appropriately prepared, in all material respects, in accordance with the criteria set out in such technical pronouncement and is consistent in relation to the individual and consolidated financial statements taken as a whole.

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

Management is responsible for such other information. The other information comprises the Management Report.

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiary to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company and its subsidiary to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and execute the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to form an opinion on the group’s financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit and, consequently, for our audit opinion.

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

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

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

Convenience translation

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

Rio de Janeiro, March 11, 2025

DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.

Antônio Carlos Brandão de Sousa
Engagement Partner

2025RJ039398

Balance sheet
(In thousands of reais)

ASSETS	Note	Parent 2024	Parent 2023	Consolidated 2024
CURRENT ASSETS				
Cash and cash equivalents	4	4,144,513	3,385,798	4,144,613
Restricted cash	5	2,880	2,254	2,880
Trade receivables	6	455,502	450,308	455,502
Other trade receivables	8	22,978	16,525	22,978
Inventories	9	311,260	282,163	311,260
Recoverable taxes	10	325,341	261,256	325,341
Prepaid expenses	11	61,074	37,862	61,074
Derivative financial instruments	22	6,444	89,938	6,444
Other current assets	12	42,649	101,318	42,649
Total current assets		**5,372,641**	**4,627,422**	**5,372,741**
NON-CURRENT ASSETS				
Long-term assets				
Trade receivables	6	40,434	77,423	40,434
Other trade receivables	8	68,300	10,038	68,300
Recoverable taxes	10	141,319	240,225	141,319
Prepaid expenses	11	14,763	4,119	14,763
Derivative financial instruments	22	49,488	236,805	49,488
Other non-current assets	12	134,537	111,145	134,537
Investments	13	100	-	-
Property, plant and equipment	14.1	11,929,818	9,821,044	11,929,818
Right-of-use assets	14.2	2,536,925	2,588,242	2,536,925
Intangible assets	15	324,757	348,609	324,757
Total non-current assets		**15,240,441**	**13,437,650**	**15,240,341**
TOTAL ASSETS		**20,613,082**	**18,065,072**	**20,613,082**

Balance sheet
(In thousands of reais) (continued)

LIABILITIES AND EQUITY	Note	Parent 2024	Parent 2023	Consolidated 2024
CURRENT LIABILITIES				
Suppliers	16	838,659	780,947	838,659
Social and labor charges	17	298,355	253,681	298,355
Income tax and social contribution	18	148,787	159,622	148,787
Other tax obligations	19	76,323	84,500	76,323
Borrowings and financing	20	556,333	998,552	556,333
Lease	21	622,888	556,338	622,888
Derivative financial instruments	22	341,818	159,027	341,818
Dividends payable	24	336,385	285,190	336,385
Advances from customers		5,438	3,191	5,438
Provision	25	112,202	21,826	112,202
Other liabilities	26	52,970	39,597	52,970
Total current liabilities		**3,390,158**	**3,342,471**	**3,390,158**
NON-CURRENT LIABILITIES				
Suppliers	16	-	5,820	-
Borrowings and financing	20	7,612,425	5,876,731	7,612,425
Lease	21	949,273	1,478,158	949,273
Derivative financial instruments	22	81,013	-	81,013
Deferred taxes	23	286,735	66,464	286,735
Provision	25	635,560	709,130	635,560
Other liabilities	26	191,981	200,496	191,981
Total non-current liabilities		**9,756,987**	**8,336,799**	**9,756,987**
TOTAL LIABILITIES		**13,147,145**	**11,679,270**	**13,147,145**
EQUITY				
Capital	27.a	4,036,872	3,961,031	4,036,872
Earnings reserves		3,417,221	2,413,736	3,417,221
Legal reserve	27.c	551,518	480,742	551,518
Reserve for investments	27.d	2,865,703	1,932,994	2,865,703
Other comprehensive income	27.e	11,844	11,035	11,844
Total equity		**7,465,937**	**6,385,802**	**7,465,937**
TOTAL LIABILITIES AND EQUITY		**20,613,082**	**18,065,072**	**20,613,082**

See the accompanying notes to the financial statements.

Statement of profit or loss
(In thousands of reais, unless otherwise indicated)

	Note	Parent / Consolidated 2024	Parent 2023
NET REVENUE FROM SERVICES	29	7,024,973	6,449,125
Cost of services rendered	30	(3,909,918)	(3,456,893)
GROSS PROFIT		**3,115,055**	**2,992,232**
OPERATING REVENUES (EXPENSES)			
Sales expenses	30	(18,679)	(22,789)
Administrative and general expenses	30	(595,700)	(510,801)
Other operating income	31	348,339	397,942
Other operating expenses	31	(304,091)	(338,582)
OPERATING PROFIT		**2,544,924**	**2,518,002**
FINANCE INCOME (COSTS)			
Finance income	32	1,124,158	361,529
Finance costs	32	(1,621,341)	(1,101,950)
NET FINANCIAL PROFIT (LOSS)		**(497,183)**	**(740,421)**
PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		**2,047,741**	**1,777,581**
INCOME TAX AND SOCIAL CONTRIBUTION			
Current	33	(410,182)	(422,207)
Deferred	33	(222,049)	(155,225)
PROFIT FOR THE YEAR		**1,415,510**	**1,200,149**
PROFIT PER THOUSAND SHARES OF CAPITAL AT THE END OF THE YEAR - R$		4,188	3,551
BASIC AND DILUTED EARNINGS PER SHARE - R$			
COMMON	28	4,009	3,388
PREFERRED	28	4,410	3,727

See the accompanying notes to the financial statements.

Statement of comprehensive income
(In thousands of reais)

	Note	Parent / Consolidated 2024	Parent 2023
PROFIT FOR THE YEAR	28	1,415,510	1,200,149
Items that will not be reclassified to profit or loss:			
Other comprehensive income	27.e	809	471
COMPREHENSIVE INCOME FOR THE YEAR		**1,416,319**	**1,200,620**

See the accompanying notes to the financial statements.

MRS Logística S.A.

Statement of changes in equity
(In thousands of reais)

	Note	Capital	Other comprehensive income	Earnings reserves: Legal reserve	Earnings reserves: Investment reserve	Earnings reserves: Total	Retained earnings	Total
BALANCE AT JANUARY 1, 2024		**3,961,031**	**11,035**	**480,742**	**1,932,994**	**2,413,736**	**-**	**6,385,802**
Comprehensive income for the year								
Profit for the year	**28**	-	-	-	-	-	1,415,510	1,415,510
Other comprehensive income	**27.e**	-	809	-	-	-	-	809
Total comprehensive income for the year		**-**	**809**	**-**	**-**	**-**	**1,415,510**	**1,416,319**
Contribution from shareholders and distribution to shareholders								
Allocation of profit for the year								
Minimum compulsory dividends	**24**	-	-	-	-	-	(336,184)	(336,184)
Capital increase		75,841			(75,841)	(75,841)	-	-
Legal reserve	**27.c**	-	-	70,776	-	70,776	(70,776)	-
Reserve for investments	**27.d**	-	-	-	1,008,550	1,008,550	(1,008,550)	-
Total capital transactions with partners in the year		**75,841**	**-**	**70,776**	**932,709**	**1,003,485**	**(1,415,510)**	**(336,184)**
BALANCE AT DECEMBER 31, 2024		**4,036,872**	**11,844**	**551,518**	**2,865,703**	**3,417,221**	**-**	**7,465,937**

See the accompanying notes to the financial statements.

Statement of changes in equity

(In thousands of reais)

	Note	Capital	Treasury shares	Other comprehensive income	Earnings reserves: Legal reserve	Earnings reserves: Investment reserve	Earnings reserves: Total	Retained earnings	Total
BALANCE AT JANUARY 1, 2023		**3,961,031**	**-**	**10,564**	**420,735**	**1,121,304**	**1,542,039**	**-**	**5,513,634**
Comprehensive income for the year									
Profit for the year	**28**	-	-	-	-	-	-	1,200,149	1,200,149
Other comprehensive income		-	-	471	-	-	-	-	471
Total comprehensive income for the year		**-**	**-**	**471**	**-**	**-**	**-**	**1,200,149**	**1,200,620**
Contribution from shareholders and distribution to shareholders									
Treasury shares acquired		-	(43,416)	-	-	-	-	-	(43,416)
Treasury shares canceled		-	43,416	-	-	(43,416)	(43,416)	-	-
Allocation of profit for the year									
Minimum compulsory dividends	**24**	-	-	-	-	-	-	(285,036)	(285,036)
Legal reserve	**27.c**	-	-	-	60,007	-	60,007	(60,007)	-
Reserve for investments	**27.d**	-	-	-	-	855,106	855,106	(855,106)	-
Total capital transactions with partners in the year		**-**	**-**	**-**	**60,007**	**811,690**	**871,697**	**(1,200,149)**	**(328,452)**
BALANCE AT DECEMBER 31, 2023		**3,961,031**	**-**	**11,035**	**480,742**	**1,932,994**	**2,413,736**	**-**	**6,385,802**

See the accompanying notes to the financial statements.

Statement of cash flows
(In thousands of reais)

	Note	Parent 2024	Parent 2023	Consolidated 2024
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before income tax and social contribution on profit	33	2,047,741	1,777,581	2,047,741
Adjusted by:				
Depreciation and amortization	30	1,015,019	911,299	1,015,019
Monetary/exchange-rate change and financial charges		864,031	969,130	864,031
Gain/loss on disposal and residual value of property, plant and equipment/Perm. Invest. written-off		54,660	40,210	54,660
Provision (reversal)		62,542	(27,922)	62,542
Amortization of prepaid expense	11	54,531	42,135	54,531
Provision (reversal) for write-off of assets	14.1	(21,918)	17,739	(21,918)
Provision (reversal) of expected credit losses and inventory losses		1,391	(529)	1,391
Other		809	419	809
		4,078,806	**3,730,062**	**4,078,806**
(Increase) decrease in operating assets				
Trade receivables	6|8	1,866	108,150	1,866
Inventories	9	(31,406)	(58,900)	(31,406)
Recoverable taxes	10	(65,817)	83,678	(65,817)
Prepaid expenses	11	(88,387)	(34,210)	(88,387)
Advances		51,299	(71,818)	51,299
Other assets		(9,006)	28,113	(9,006)
(Increase) decrease in operating liabilities				
Suppliers		(248,398)	364,868	(248,398)
Tax obligations	18|19	78,952	75,676	78,952
Social and labor charges	17	44,674	6,983	44,674
Advances from customers		2,247	(345)	2,247
Other liabilities		(16,274)	177,973	(16,274)
Cash generated by operations		**3,798,556**	**4,410,230**	**3,798,556**
Payment of income taxes		(416,308)	(257,277)	(416,308)
Payment of interest on borrowings and financing	34.2	(139,793)	(99,716)	(139,793)
Payment of lease interest	34.2	(175,082)	(214,261)	(175,082)
Payment of interest on debentures	34.2	(285,139)	(216,568)	(285,139)
Net cash generated by operating activities		**2,782,234**	**3,622,408**	**2,782,234**

(continued)

Statement of cash flows

(In thousands of reais) (continued)

	Note	Parent 2024	Parent 2023	Consolidated 2024
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment and intangible assets	34.1	(2,620,111)	(1,944,646)	(2,620,111)
Funds from disposal of property, plant and equipment/intangible assets	31	8,891	6,476	8,891
Capital contribution in subsidiary	13	(100)	-	-
Net cash used in investing activities		**(2,611,320)**	**(1,938,170)**	**(2,611,220)**
CASH FLOW FROM FINANCING ACTIVITIES				
Funding of borrowings and financing	34.2	-	688,315	-
Payment of borrowings and financing/derivative financial instruments	34.2	(217,130)	(770,373)	(217,130)
Addition to debentures	34.2	2,392,611	1,907,644	2,392,611
Payment of debentures	34.2	(745,412)	(254,583)	(745,412)
Payment of lease	21	(557,279)	(485,261)	(557,279)
Treasury shares		-	(43,416)	-
Dividends paid		(284,989)	(207,622)	(284,989)
Net cash used in investing activities		**587,801**	**834,704**	**587,801**
INCREASE IN THE BALANCE OF CASH AND CASH EQUIVALENTS		**758,715**	**2,518,942**	**758,815**
Increase in cash and cash equivalents				
Opening balance	5	3,385,798	866,856	3,385,798
Closing balance	5	4,144,513	3,385,798	4,144,613

See the accompanying notes to the financial statements.

Statement of added value
(In thousands of reais)

	Note	Parent / Consolidated 2024	Parent 2023
REVENUES			
Sales of freight services	29	7,484,648	6,872,969
Construction revenues of own assets		592,288	125,167
Other revenues	31	348,339	397,942
(Provision)/reversal of expected credit losses		918	(1,775)
		8,426,193	**7,394,303**
INPUTS ACQUIRED FROM THIRD PARTIES			
Cost of products, goods and services sold		(3,018,897)	(2,349,430)
Materials, energy, outsourced services and other		(328,337)	(268,591)
Other		(145,865)	(204,131)
		(3,493,099)	**(2,822,152)**
GROSS ADDED VALUE		**4,933,094**	**4,572,151**
RETENTIONS			
Depreciation and amortization	30	**(1,015,019)**	**(911,299)**
NET ADDED VALUE PRODUCED BY THE COMPANY		**3,918,075**	**3,660,852**
ADDED VALUE (RECEIVED) AS TRANSFER			
Finance income	32	**1,124,158**	**361,529**
TOTAL ADDED VALUE (RECEIVED) TO BE DISTRIBUTED		**5,042,233**	**4,022,381**
DISTRIBUTION OF ADDED VALUE (RECEIVED)			
Personnel and charges		**984,315**	**819,792**
Direct remuneration		608,013	486,553
Benefits		332,815	289,233
SEVERANCE PAY FUND (FGTS)		43,487	44,006
Taxes, rates and contributions		**974,874**	**885,619**
Federal		944,342	836,490
State		29,239	48,315
Municipal		1,293	814
Third-party capital remuneration		**1,667,534**	**1,116,821**
Interest		1,646,704	1,100,985
Rents		20,830	15,836
Remuneration of own capital		**1,415,510**	**1,200,149**
Dividends	24	336,184	285,036
Retained earnings for the year		1,079,326	915,113
		5,042,233	**4,022,381**

See the accompanying notes to the financial statements.

1. Operations

MRS Logística S.A. (“MRS” or the “Company”) is a publicly held corporation, with an indefinite term, incorporated on August 30, 1996 and engaged in exploring, through an onerous concession, the public service of rail freight transport in the rights of way of Malha Sudeste, located on the Rio de Janeiro, São Paulo and Minas Gerais axis, of the extinct Rede Ferroviária Federal S.A. - RFFSA, privatized on September 20, 1996.

The Company may also explore modal transport services related to rail freight transport and participate in projects aimed at expanding the rail services granted.

The original concession agreement has a term of 30 years, starting as of December 1, 1996, extendable, in case of manifest interest of both parties, up to a maximum limit of 30 years by exclusive decision of the Concession Grantor.

On July 29, 2022, the Company signed the 4th Addendum to the Concession Agreement of MRS Logística S.A. with the Government, through ANTT – National Land Transport Agency, which extended the concession of the public rail freight transport service in advance for another 30 years, effective until 2056.

The current concession agreement sets several investments and new specific indicators to be met by the Company, related to serious railway accidents, average travel speed, maximum age of the locomotive fleet and railway saturation index.

If these obligations are not addressed, after all the clarifications and administrative defenses phases have been overcome, ANTT may apply penalties and even lead to forfeiture, in case of repeated non-compliance with the contractual targets. The concession may be terminated under the following legal circumstances: (i) expiration of the contractual term; (ii) takeover; (iii) expiry; (iv) termination; (v) cancellation of the bid; (vi) Company’s bankruptcy or dissolution. In any event of termination of the concession, except for the item (i), the Company will be indemnified by the Federal Government for the undepreciated balance of investments made and declared reversible by the Concession Grantor. On December 31, 2024, MRS was in compliance with its contractual obligations and duly compliant with ANTT.

Creation of subsidiary

On December 19, 2024, the Company set up the subsidiary “MRS Hidrovias S.A”, a privately-held corporation engaged in carrying out ancillary activities, complementary or alternative services and the development of projects associated with the public rail freight transport service carried out by MRS Logística S.A. related to waterway activity in the Company’s area of influence. On December 26, 2024, MRS Logística S.A. deposited R$ 100 in local currency for the capital contribution to the subsidiary, which corresponds to 10% of the total amount to be paid up. The remaining capital will be paid up, also in local currency, within 180 days.

Until December 31, 2024, the subsidiary was in a pre-operational phase, which was the only change recorded in its incorporation. The Company expects the subsidiary to start operating in 2026, depending on the progress of the stages needed to implement the project.

2. Statement of conformity and basis of preparation and presentation of financial statements

2.1 Statement of conformity

The individual and consolidated financial statements were prepared and are presented in accordance with accounting practices adopted in Brazil, which include (i) Brazilian Corporate Law, (ii) Pronouncements, Guidelines and Interpretations issued by the (iii) Brazilian Securities and Exchange Commission (CVM), and International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), currently referred to by the IFRS Foundation as “IFRS® Accounting Standards”, including the interpretations issued by the IFRS Interpretations Committee (IFRIC® Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC® Interpretations).

The financial statements for the year ended December 31, 2024 were definitively approved by the Company’s Board of Directors on March 11, 2025.

All material information proper to the financial statements, and only it, is being evidenced, and corresponds to those used by Management for administration.

2.2 Basis of preparation and presentation

The individual and consolidated financial statements were prepared based on historical cost and adjusted to reflect (i) the fair value of financial instruments measured at fair value through profit or loss, and (ii) asset impairment loss.

a) Functional and presentation currency

The functional currency of MRS and its subsidiary is the Brazilian real (“R$ ”) since this is the currency of the primary economic environment in which they operate, generate and consume resources.

b) Presentation of segment information

Since the Company only provides rail freight transport services, it is organized as a single business unit for accounting and managerial purposes. The Company’s operations are controlled, managed and monitored by management in an integrated manner. MRS Hidrovia S.A., (subsidiary) is a newly created entity, which is in a pre-operational phase. As of December 31, 2024, it has no segment information for disclosure.

c) Description of material significant accounting policies

For a better understanding of the recognition and measurement basis applied in the preparation of the individual and consolidated financial statements, the main material accounting policies have been included in the respective notes and are consistent for all the years presented.

d) Estimates and critical accounting judgments

The preparation of individual and consolidated financial statements requires the use of certain critical accounting estimates. It requires part of Management to exercise its judgment in the process of applying Company’s accounting policies. Estimates and assumptions are continuously reviewed. When applicable, reviews of estimates are recognized on a prospective basis.
The estimates and assumptions that present a significant risk of a change in value in the accounting balances of assets and liabilities are presented below:

- **Income tax, social contribution on profit and other provisions of tax credits**

There are uncertainties in relation to the interpretation of tax regulations and the amount and timing of future taxable income. Differences between the real results and the assumptions adopted, or future changes in these assumptions, could require future adjustments in the accrued tax revenue and expenses already recorded. The Company records provisions, based on most probable estimates, for possible consequences of inspections by tax authorities of the jurisdictions in which it operates. The amount of those provisions is based on various factors, such as experience of prior tax audits and deferring depredations of tax regulations by the taxed entity and by the responsible tax authority. Those interpretation differences may arise in a great variety of matters, depending on the conditions prevailing in the company's domicile.

- **Post-employment benefits**

Post-employment healthcare benefit plan costs are determined by means of actuarial evaluation methods. The actuarial evaluation requires the use of assumptions of discount rates, expected asset return rates and future salary increases and mortality rates, turnover and permanence rates in post-termination/retirement plan. The obligation for this benefit is sensitive to changes in these assumptions. All assumptions are reviewed on the base dates.

- **Fair value of derivatives and other financial instruments**

Fair value of financial assets and liabilities is obtained by means of active markets. However, when this is not feasible, the fair value is calculated using valuation techniques that require levels of judgment. Judgment includes considerations on the data utilized, such as liquidity, credit and volatility risk. Changes in the assumptions related to these factors can affect the fair value presented for the financial instruments.

- **Provisions for tax, civil, labor and environmental risks**

Provisions are recorded for all contingencies related to lawsuits whose possibility of loss is considered likely by legal advisors. The Company periodically reviews the amounts provisioned and if procedural changes are identified such as change in the prognosis, statute of limitations applicable, tax inspection conclusions or additional exposures identified based on new facts or court decisions, they are adjusted.

- **Depreciation, amortization and impairment assessment of property, plant and equipment and intangible assets**

The depreciation and amortization rates of property, plant and equipment and intangible assets include estimates of the economic useful lives of the Company's main assets, which are periodically reviewed by the Company's specialists and, if the need to change the useful lives of any group of assets is identified, an external consulting firm is engaged to measure and issue a report in accordance with ANTT Resolution 5090/2016. The Company performs, on an annual basis, an evaluation of impairment indicators of property, plant and equipment and intangible assets. If the carrying amount of the property, plant and equipment or intangible assets does not support the value in use, it is necessary to record a provision for impairment, adjusting the net carrying amount to the recoverable amount.

- **Discount rate related to the renewal of the concession agreement.**

The Company signed the 4th Addendum to the Concession Agreement of MRS Logística S.A. with the Government, through ANTT – National Land Transport Agency, which extended the original concession for another 30 years. The Company estimated the present value of the additional grant, as well as the remeasurement of the original grant, using a discount rate of 9.95% that considered the representativeness and weighted cost of its debts. The amounts were added to lease liabilities (Note 21) as a contra entry to the corresponding right-of-use asset (Note 14.2).

Amounts expressed in thousands of reais, unless otherwise indicated

e) Consolidation

The consolidated financial statements include the financial statements of the Company (Parent) and of the direct wholly-owned subsidiary MRS Hidrovias S.A., on the same base date and according to the same accounting policies.

When necessary, direct subsidiary's financial statements accounting policies are adjusted to those of the Company (Parent). All balances and transactions (revenues and expenses and unrealized gains and losses) between the entities included in the consolidated financial statements are fully eliminated for consolidation purposes.

Subsidiaries are all entities over which the Company has the power to establish the financial and operating policies, usually accompanied of an interest of more than half of voting rights. The existence and effect of potential voting rights, currently exercisable or convertible, are taken into account when assessing whether the Company controls other entity.

The subsidiaries were fully consolidated since its acquisition and/or establishment date, defined as the date when the Company obtains control over it, and continue being consolidated until that control is no longer in effect.

In 2023, the Company did not have any interest or control in other entities. Consequently, there were no balances to consolidate. Accordingly, in 2023 only the balances of the parent are being presented and should be used for comparison with the consolidated balances of 2024, when applicable.

3. Newly issued or recently amended accounting standards

(i) New or reviewed pronouncements applied for the first time in 2024:

Standards	Description	Mandatory application: Years starting on or after
Amendments to CPC 1 (IAS 26) (R1)	Segregation between current and non-current liabilities (covenants)	January 01, 2024

(ii) New and reviewed standards and interpretations already issued by CPC but not yet adopted by the Company:

Standards	Description	Mandatory application: Years starting on or after
IFRS 18	Presentation and Disclosure of Financial Statements	January 01, 2027
Amendments to IFRS 9/CPC 48 and IFRS 7/CPC 40 (R1)	Financial instruments - Disclosure	January 01, 2026

Amounts expressed in thousands of reais, unless otherwise indicated

(iii) Other new or revised pronouncements applied for the first time in 2024, which had no impact on the consolidated financial statements of the Company:

Standards	Description	Mandatory application: Years starting on or after
Amendments to IAS 7/CPC 03 (R2) and IFRS 7/CPC 40 (R1)	Disclosures on supplier financing agreements	January 01, 2024

4. Cash and cash equivalents

Accounting policy
The Company considers cash and cash equivalents to be cash on hand, bank deposits, and immediately convertible financial investments, redeemable within 90 days, in a known cash amount and subject to an insignificant risk of change in value. They are measured and classified at fair value through profit or loss.

	Parent		Consolidated
Current	2024	2023	2024
Cash and cash equivalents			
Cash and banks	9,640	5,610	9,740
	9,640	**5,610**	**9,740**
Interest earning bank deposits - Domestic			
CDB	4,134,873	3,380,188	4,134,873
	4,134,873	**3,380,188**	**4,134,873**
	4,144,513	**3,385,798**	**4,144,613**

Interest earning bank deposits are backed by securities issued by banks in Brazil and have an average liquidity of 51 days, and can be redeemed before maturity, without any significant change or adjustment in the yield rate previously agreed with the financial institution.

These investments are in Bank Deposit Certificates (CDBs), with remuneration based on the change of the Interbank Deposit Certificates (CDI), between 80.0% and 110.0% (99.0% and 110.0% on December 31, 2023).

The classification of interest earning bank deposits according to the business model is described in Note 22.

5. Restricted cash

Accounting policy
They are measured and classified at fair value through profit or loss, with a maximum liquidity of 360 days.

	Parent / Consolidated	Parent
	2024	2023
CDB	2,880	2,254
	2,880	**2,254**

The restricted cash on December 31, 2024 is made up of a financial investment in Bank Deposit Certificate (CDB), recorded as a form of guarantee for the commercial contract for the purchase and sale of electricity on the free market.

Amounts expressed in thousands of reais, unless otherwise indicated

This investment is backed by securities in Brazil, has a maximum liquidity of 360 days and remuneration based on the change of Interbank Deposit Certificates (CDI) in the range from 100% to 100.5%(range from 100.5% and 101.0% as of December 31, 2023).

The rating of interest earning bank deposits in restricted cash according to the business model is described in Note 22.

6. Trade receivables

Accounting policy

Trade receivables, including related parties, are recognized at the value of the consideration, unless they contain significant financial components, when they are recognized at present value. Subsequently, trade receivables are measured at the amortized cost at the effective interest method. If the payment term is equivalent to one year or less, trade receivables are classified as current assets. Otherwise, they are presented in non-current assets.

Long-term amounts receivable were brought to present value on the date of the transaction based on the Company's estimated discount rate of weighted average cost of capital. The discount rate used involves the analysis of the capital structure and uncertainties of the macroeconomic scenario and were estimated between 10.29% p.a. and 15.91% p.a.

Trade receivables and related parties mainly correspond to the amounts receivable for the rendering of rail freight transport services in the normal course of activities, including mutual traffic and right of way from customers who are not related parties.

The Company uses the simplified approach of IFRS 9/CPC 48 - Financial Instruments, a practical expedient of the provision matrix, to measure expected credit losses on trade receivables, even if there is no objective evidence of non-receipt.

Aiming to measure the provision, trade receivables are grouped into categories, according to the history of loss, nature of collection and other specific factors related to each category, in addition to the application of a percentage calculated from losses in recent years on the amounts outstanding at the date of the financial statements.

		Parent / Consolidated	Parent
		2024	2023
Trade receivables from related parties	7	437,104	460,868
Domestic clients		60,187	67,971
Expected credit losses		(1,355)	(1,108)
		495,936	**527,731**
Current		455,502	450,308
Non-current	7	40,434	77,423

Amounts expressed in thousands of reais, unless otherwise indicated

7. Related parties

The balances of assets and liabilities as of December 31, 2024 and December 31, 2023, disclosed in this Note, refer to transactions with related parties arising from the Company's transactions with its shareholders, related companies, subsidiaries and key management professionals.

Accounting policy

Transactions with related parties are mainly associated with the provision of public rail freight transport services. They are carried out under terms and conditions negotiated with each of the contracting clients, respecting the tariff ceilings defined by the Concession Grantor, which apply to all the concessionaire's clients, whether or not they are related parties. Under the Company's Corporate Governance, the amounts negotiated with related parties are approved by the shareholders and follow a tariff model that aims to remunerate the costs of providing the rail transport services, plus margins that are compatible with those established in its business plan. There are no transactions with negative margins, as provided for in the concession agreement. Furthermore, the contracts with related parties are long-term and have clauses guaranteeing annual revenues and volumes, as is the case with other captive customers.

In addition to the rail freight transport service agreements, the Company's trade receivables have other agreements with its related parties relate to maintenance services and improvements to terminals, sale of scrap metal, rentals, sale of property, plant and equipment and maintenance of rolling stock and permanent way.

Payables and other liabilities with related parties, presented in liabilities, except dividends payable, arise from purchase operations, use of the railway network, shared investments inherent to the Company's business and other contractual obligations.

Outstanding balance with related parties:

Assets		Parent / Consolidated	Parent
Trade receivables		**2024**	**2023**
Vale S.A.	(a)	192,882	224,581
CSN Mineração S.A.	(b)	110,550	86,603
Mineração Usiminas S.A.	(c)	65,453	89,105
Companhia Siderúrgica Nacional		32,499	25,735
Ferrovia Centro-Atlântica S.A.		15,645	8,373
Usinas Siderúrgicas de Minas Gerais S.A.		4,886	3,971
Gerdau Açominas S.A.		2,709	10,254
CSN Cimentos Brasil S.A.		4,231	7,628
Confab Industrial S.A.		4,409	1,068
Gerdau Aços Longos S.A.		1,929	1,623
Ternium Brasil Ltda.		8	139
Sepetiba Tecon S.A.		49	277
Gerdau S.A.		65	1,507
Co-Log Logistica de Coprodutos S.A.		113	-
Transnordestina Logística S.A.		1,676	-
		437,104	**460,864**
Current		396,670	383,441
Non-current		40,434	77,423

(a) The balances as of December 31, 2024 and 2023 consist of the amounts receivable from rail freight services, as well as the recognition of estimated amounts receivable arising from the revenue protection mechanisms applicable to each respective year.

(b) In January 2024, MRS received the amount of R$ 23,547 referring to the 7th installment of the contractual amendment signed in November 2018 with CSN Mineração, with 1 installment remaining, maturing in January 2026. The remaining present value of the payment flow as of December 31, 2024 is R$ 23,547, (R$ 12,821 referring to the adjustment to present value), recorded in non-current assets. The balances as of December 31, 2024 and 2023 are also composed of the amounts receivable from railway freight services and the recognition of estimated receivable for the respective year.

Amounts expressed in thousands of reais, unless otherwise indicated

(c) In January 2024, MRS received R$ 31,546 referring to the 9h installment of the contractual amendment signed in 2016 with Mineração Usiminas S.A. "MUSA", with 1 installment remaining, due in January 2026. The remaining present value of the payment flow as of December 31, 2024 is R$ 31,546, (R$ 27,612 referring to the adjustment to present value), recorded in non-current assets.

Assets		**Parent / Consolidated**	**Parent**
Advances		**2024**	**2023**
Companhia Siderúrgica Nacional		-	8
Sepetiba Tecon S.A.		100	306
Ferrovia Interna do Porto de Santos	**(d)**	7,371	8,020
		7,471	**8,334**
Current		100	8,334
Non-current		7,371	-

(d) The Company took part in Santos Port Authority (APS) Call for Tenders 02/2022 to manage, operate and expand the Port of Santos Internal Railroad (FIPS). APS approved MRS Logística as the new assignee AG-FIPS, created in April 2023.

The Assignment Agreement came into force on October 01, 2023, after administrative procedures and implementation of the Operational Transition Plan (PTO). The Association, with an 11.62% interest in MRS, will be responsible for the Port of Santos rail network for 35 years.

The Company has receivables contracts with some related parties pledged as collateral for borrowings.

Except for trade receivables referring to revenue protection mechanisms and contractual amendments, the average period for receiving trade receivables from related parties is less than 14 days.

Amounts expressed in thousands of reais, unless otherwise indicated

Liabilities		Payables / other liabilities		Advances		Dividends payable	
		Parent / Consolidated	Parent	Parent / Consolidated	Parent	Parent / Consolidated	Parent
		2024	2023	2024	2023	2024	2023
Vale S.A.	(e)	-	78,961	9	-	35,343	29,966
Mineração Brasileiras Reunidas S.A.		-	-	-	-	113,693	96,396
CSN Mineração S.A.		12,822	25,644	-	-	63,887	54,167
Companhia Siderúrgica Nacional		9	7,592	73	65	63,850	54,135
Usinas Siderúrgicas de Minas Gerais S.A.		-	-	15	10	905	767
Gerdau Açominas S.A.		-	-	6	6	-	-
Ferrovia Centro-Atlântica S.A.		17,764	18,252	298	267	-	-
Gerdau Aços Longos S.A.		-	-	7	7	-	-
Usiminas Participações e Logística S.A.		-	-	-	-	36,080	30,591
Railvest Investments Inc		-	-	-	-	14,043	11,906
CSN Cimentos Brasil S.A.		12,994	10,161	25	-	-	-
Gerdau S.A.		-	-	4	4	4,247	3,601
Sepetiba Tecon S.A.		-	1,776	-	-	-	-
Companhia Metalúrgica Prada		306	-	-	-	-	-
Confab Industrial S.A.		-	-	23	23	-	-
Mitsui & Co. Steel Ltd.	(f)	188,439	170,398	-	-	-	-
Ternium Brasil Ltda.		154	154	-	-	-	-
Terminal de Cargas Sarzedo Ltda.		-	152	8	-	-	-
Ferrovia Interna do Porto de Santos	(d)	1,016	4,776	-	-	-	-
Other		-	-	-	-	4,337	3,661
		233,504	**317,723**	**468**	**382**	**336,385**	**285,190**
Current		233,504	299,224	468	382	336,385	285,190
Non-current		-	18,642	-	-	-	-

(e) The amount of R$ 78,961 on December 31, 2023 refers to the payables resulting from the protection mechanism clause of the railway transportation service agreement was fully paid in March 2024.

Amounts expressed in thousands of reais, unless otherwise indicated

(f) R$ 188,439 as of December 31, 2024 (R$ 170,398 as of December 31, 2023) is related to the acquisition of rails. The balance in foreign currency is translated into the functional currency using the exchange rate in force on the date of the transaction or on the valuation date.

Profit (loss)	Revenue from services		Other revenues		Finance income	
	Parent / Consolidated	Parent	Parent / Consolidated	Parent	Parent / Consolidated	Parent
	2024	2023	2024	2023	2024	2023
Vale S.A.	2,285,634	2,171,475	141,891	151,322	792	6
CSN Mineração S.A.	1,378,032	1,323,937	17,298	76,294	11,098	15,144
Companhia Siderúrgica Nacional	559,366	449,218	95	245	1,389	319
Mineração Usiminas S.A.	262,219	287,785	5	22	7,379	10,408
Gerdau Açominas S.A.	174,212	204,783	2,889	9,160	112	25
Usinas Siderúrgicas de Minas Gerais S.A.	165,641	143,683	85	-	1,511	49
Ferrovia Centro-Atlântica S.A.	35,682	32,624	7,499	3,649	1	-
Gerdau Aços Longos S.A.	29,279	24,749	20,065	22,623	64	2
Ternium Brasil Ltda.	2,194	3,455	-	-	12	-
Confab Industrial S.A.	19,102	21,848	589	-	178	22
CSN Cimentos Brasil S.A.	115,623	99,108	2,224	6,543	657	44
Gerdau S.A.	1,328	3,550	1,238	2,375	36	2
Co-Log Logistica de Coprodutos S.A.	10,146	564	-	-	2	-
Mitsui & Co. Ltd.	-	-	-	-	-	4,700
Mitsui & Co. Steel Ltd.	-	-	-	-	-	11,502
Sepetiba Tecon S.A.	-	-	225	768	13	-
Transnordestina Logística S.A.	-	-	8,221	-	-	-
Terminal de Cargas Sarzedo Ltda.	-	-	163	-	-	-
	5,038,458	**4,766,779**	**202,487**	**273,001**	**23,244**	**42,223**

Amounts expressed in thousands of reais, unless otherwise indicated

		Operating and finance costs/expenses	
		Parent / Consolidated	Parent
		2024	2023
Vale S.A.		2,010	8,075
CSN Mineração S.A.		153	8,819
Companhia Siderúrgica Nacional		193	246
Gerdau Açominas S.A.		10	999
Ferrovia Centro-Atlântica S.A.		17,025	15,784
Gerdau Aços Longos S.A.		-	2,799
Terminal de Cargas Sarzedo Ltda.		5,482	900
CSN Cimentos Brasil S.A.		-	944
Mitsui & Co. Steel Ltd.		32,617	-
Gerdau S.A.		6	-
Sepetiba Tecon S.A.		9,531	11,141
Ferrovia Interna do Porto de Santos	(g)	22,850	4,776
		89,877	**54,483**

(g) The amounts refer to the expenses required for the operation and management of the Port of Santos Internal Railway. In the year 2023, the amount comprises the period from October to December, due to the start of contractual execution.

Key management personnel

	Profit (loss)	
	Parent / Consolidated	Parent
	2024	2023
Short-term benefits	23,106	20,079
Post-employment benefits	420	392
Other long-term benefits	8,767	9,915
	32,293	**30,386**

8. Other trade receivables

		Parent / Consolidated	Parent
		2024	2023
Sublease receivables	(a)	66,127	16,458
Amounts receivable - other sales	(b)	22,333	15,688
Other trade receivables		8,503	1,267
Expected credit losses	(c)	(5,685)	(6,850)
		91,278	**26,563**
Current		22,978	16,525
Non-current		68,300	10,038

Amounts expressed in thousands of reais, unless otherwise indicated

(a) Subleases, recorded at present value in current and non-current assets, refer to property lease agreements in which the Company is the intermediate lessor of a main lease, classified as a right-of-use asset (lease).

Accounting policy

In cases that the Company appears as intermediary lessor (subleases) in contracts that it is a lessee, an evaluation is carried out for the lease classification of the sublease with a reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

The amount receivable related to these agreements is fully recorded as trade receivables in current and non-current assets and amortized with the corresponding receipts. The discount rate used to calculate the present value of trade receivables from sublease agreements is the same as the main lease agreement, as Note 21.

	Parent / Consolidated	Parent
	2024	2023
Sublease		
On January 01	**18,735**	**29,537**
Additions	14,207	2,230
Remeasurements	145,646	-
Derecognition of contracts	711	-
Amortization	(12,517)	(13,032)
Closing balance of the year	**166,782**	**18,735**
Interest to be paid		
On January 01	**(2,277)**	**(5,057)**
Additions	(5,683)	(184)
Remeasurements	(103,074)	-
Derecognition of contracts	165	-
Accrued interest	10,214	2,964
Closing balance of the year	**(100,655)**	**(2,277)**
Net balance	**66,127**	**16,458**

The flow of future receipts from subleases, excluding interest to be incurred, is as follows:

Parent / Consolidated	2026	Up to 5 years	>5 years	Total
Subleases	11,111	37,620	118,051	166,782

(b) Receivables arise from scrap sales, maintenance services and other amounts not related to rail freight services.

(c) The amount provisioned for expected credit losses considers the clients' ability to settle receivables, their historical record, the position of their legal advisors, in addition to applying a percentage calculated on losses for the last two years on the amounts outstanding at the reporting date (see accounting police, Note 6).

Amounts expressed in thousands of reais, unless otherwise indicated

9. Inventories

Accounting policy

Inventories are measured at the weighted average purchase or production cost and adjusted to their net realizable value when this is lower than the carrying amount. Production costs comprise fixed and variable costs, directly and indirectly attributed to production and aggregates to inventory materials based on weighted average cost. The net realizable value is assessed on the base date of the financial statements and a provision for loss of obsolete or slow-moving materials may be recognized. Provisions and reversals of inventory losses are recognized as "Cost of services rendered."

		Parent / Consolidated	Parent
		2024	2023
Maintenance materials		278,707	246,360
Fuel	26	13,992	17,531
Materials in the recovery process		12,438	7,509
Imports in progress		1,309	1,469
Material held by third parties/Other		14,947	17,118
Provision for losses		(10,133)	(7,824)
		311,260	**282,163**

10. Recoverable taxes

Accounting policy

Recoverable taxes are measured at cost, plus any monetary restatements, when applicable, according to the specific regulations for each tax. They are recognized when it is certain that the amounts will be recovered, either by offsetting them against taxes payable or by means of a refund, and adjusted by any provisions for losses if there is uncertainty as to the total recovery of the amounts. Recoverable taxes are presented in current assets when recovery is expected within 12 months, or in non-current assets when recovery is expected after that period.

		Parent / Consolidated	Parent
		2024	2023
Recoverable PIS/COFINS	**(a)**	64,755	146,691
Recoverable PIS/COFINS	**(b)**	97,070	90,631
Value-Added Tax on Sales and Services - ICMS	**(c)**	188,852	179,849
Income tax	**(d)**	115,312	84,204
Other		671	106
		466,660	**501,481**
Current		325,341	261,256
Non-current		141,319	240,225

(a) The amount of R$ 64,755 on December 31, 2024 (R$ 146,691 on December 31, 2023), and R$ 42,457 of principal and R$ 22,298 of restatement at Selic rate is a result of the decision of the Federal Supreme Court (STF) of May 13, 2021, in a judgment with general repercussion, that ICMS does not form the basis for calculating PIS and COFINS contributions and given that the lawsuit filed by MRS to discuss this thesis is prior to March 2017, the Company calculated, based on its best estimate, a gain of R$ 337,972, which was provisioned in 2021. After enabling PIS and COFINS credits in 2023, R$ 93,616 (R$ 212,319 as of December 31, 2023) was offset in the payment of federal taxes in 2024.

Amounts expressed in thousands of reais, unless otherwise indicated

(b) The balance of PIS and COFINS recoverable mainly refers to the credits calculated on the acquisition of assets and inputs.

(c) They mainly refer to credits arising from the acquisition of property, plant and equipment items and purchases of inputs.

The breakdown of ICMS credits recorded in current assets:

	Parent / Consolidated	Parent
	2024	**2023**
ICMS - RJ	66,769	49,757
ICMS - SP	68,512	76,810
Total current	**135,281**	**126,567**

(d) It basically refers to withholding income tax on financial investments and on gains on derivative transactions – swap. As earnings are taxed only on redemption of investments and settlement of swaps, said amount includes the provision for income tax from these operations.

11. Prepaid expenses

Accounting policy

Prepaid expenses represent amounts paid in advance by the Company for goods or services that will be consumed in subsequent periods. Said expenses are recognized in current and non-current assets and appropriated in the profit (loss) on a systematic and proportional basis over the period in which the economic benefits are earned and in accordance with the accrual basis.

		Parent / Consolidated	Parent
		2024	**2023**
Insurance	**(a)**	20,884	10,556
Prepaid expense with personnel		18,922	16,760
Prepaid expenses with services/other		30,645	10,184
Prepaid expenses with ANTT inspection budget		5,386	4,481
		75,837	**41,981**
Current		61,074	37,862
Non-current		14,763	4,119

(a) The term and coverage of the insurance policies contracted by the Company are detailed in Note 35.

Amounts expressed in thousands of reais, unless otherwise indicated

12. Other current and non-current assets

		Parent / Consolidated	Parent
		2024	2023
Escrow deposits	**25.1**	127,160	111,138
Advances to suppliers/related parties	**(a)**	34,413	86,780
Advances to employees		15,606	14,538
Other		7	7
		177,186	**212,463**
Current		42,649	101,318
Non-current		134,537	111,145

(a) Correspond to advances granted to domestic and foreign suppliers for the acquisition of materials and inputs that do not correspond to property, plant and equipment. The amount corresponding to the advance to related parties is detailed in Note 7.

13. Investments

Accounting policy

The individual and consolidated balance sheets include the interest in Investees accounted for under the equity method, adjusted in accordance with the accounting policies of MRS Logística S.A., as of the date of acquisition of the subsidiary.

On December 19, 2024, MRS Logística set up a new company, MRS Hidrovias S.A. The initial capital contribution was made by depositing R$ 100 in local currency for 100,000 book-entry shares, which corresponds to 10% of the total amount to be paid up. The remaining capital will be paid up, also in local currency, within 180 days.

MRS Hidrovias S.A. is mainly engaged in transporting cargo by river, offering an efficient and sustainable logistics alternative for cargo transportation. Its operation is structured to meet the demands of several industries, reducing logistics costs and environmental impact compared to road transport.

Breakdown of balances

	Interest %	2024
MRS Hidrovias S.A.	**100%**	100
		100

Movements of balances (Parent)

	Balance at 12/31/2023	Capital increase	Balance at 12/31/2024
MRS Hidrovias S.A.	-	100	100
	-	**100**	**100**

14. Property, plant and equipment

Accounting policy

Property, plant and equipment items are stated at acquisition or construction cost, net of accumulated depreciation and/or possible accumulated impairment losses, if any. The aforementioned cost includes the cost of replacing part of property, plant and equipment and borrowing costs of qualifiable construction projects, when the recognition criteria are met. When a renovation or improvement is made, its cost is recognized in the carrying amount of property, plant and equipment if the recognition criteria are met.

Financial charges are capitalized at the average rate for borrowings in force during the period, applied to the balance of construction in progress. Capitalization ceases when the construction of the qualifying asset is completed.

An item of property, plant and equipment is written off when sold or when no future economic benefit is expected from its use or sale. Any gain or loss resulting from the write-off of the asset are included in the statement of profit or loss in the year in which the asset is written off.
All assets owned by the concessionaire and those resulting from investments made by it, required for the continued provision of the railway transport service, classified as concession assets, must be fully depreciated or amortized by the concessionaire within the concession period, without any compensation being applicable, as expressly provided in Clause 3.2.5 of the Fourth Amendment to the Concession Agreement.

Depreciation of a property, plant and equipment item begins when it is available for use. Depreciation is calculated using the straight-line method based on estimated useful lives of assets, except for pieces of land that are not depreciated.

Amounts expressed in thousands of reais, unless otherwise indicated

The estimated annual depreciation and useful lives of the main asset groups are as follows:

Asset groups	%	Average useful life (in years)
Real estate		
Improvements in permanent road		
Rails	7.69	13
Sleepers	8.33	12
Improvements in leased properties	4.00	25
Special works of art (Tunnel, Viaduct and Bridge)	2.85	35
Locomotives		
Diesel locomotives	3.33	30
Electric locomotives	4.17	24
Locomotives used	10.00	10
Useful improvements to locomotives	12.50	8
Average useful life of the main components	14.53	3–17
Rail cars		
Wagons	3.33	30
Useful improvements to wagons	10.00	10
Average useful life of the main components	14.35	2–17
Other		
Grinder, control car, equipment and tools	10.00	10
Data processing equipment	20.00	5
Furniture and fixtures	10.00	10

The Company’s Management reviews the carrying amount of main groups of property, plant and equipment to evaluate non-financial assets events or changes in economic, operating, or technological circumstances likely to point out impairment or loss of their recoverable value.

Amounts expressed in thousands of reais, unless otherwise indicated

14.1 Property, plant and equipment under operation and in progress

	2024							
	Property, plant and equipment in operation							
Parent / Consolidated	Permanent road	Locomotives	Rail cars	Machinery, equipment and facilities	Other	Total	Construction in progress	Total
Cost								
On January 01	**6,197,587**	**4,371,086**	**3,596,090**	**1,759,685**	**152,862**	**16,077,310**	**1,827,908**	**17,905,218**
Additions	560,368	380,317	390,584	112,622	21,613	**1,465,504**	1,568,303	**3,033,807**
Transfers	651,888	25,164	32,771	140,757	1,424	**852,004**	(852,004)	**-**
Reversal/(provision) write-off	6,107	173	11,972	3,666	-	**21,918**	-	**21,918**
Reclassifications	-	-	-	-	-	**-**	(2,500)	**(2,500)**
Write-offs	(67,721)	(63,062)	(90,900)	(23,368)	(9,414)	**(254,465)**	(12,411)	**(266,876)**
Balance on December 31	**7,348,229**	**4,713,678**	**3,940,517**	**1,993,362**	**166,485**	**18,162,271**	**2,529,296**	**20,691,567**
Depreciation								
On January 01	**(3,409,559)**	**(2,227,068)**	**(1,602,265)**	**(734,804)**	**(110,478)**	**(8,084,174)**	**-**	**(8,084,174)**
Additions	(420,610)	(212,470)	(153,116)	(87,832)	(7,306)	**(881,334)**	-	**(881,334)**
Write-offs	55,719	55,190	62,243	21,261	9,346	**203,759**	-	**203,759**
Balance on December 31	**(3,774,450)**	**(2,384,348)**	**(1,693,138)**	**(801,375)**	**(108,438)**	**(8,761,749)**	**-**	**(8,761,749)**
Net balance for the year	**3,573,779**	**2,329,330**	**2,247,379**	**1,191,987**	**58,047**	**9,400,522**	**2,529,296**	**11,929,818**

Amounts expressed in thousands of reais, unless otherwise indicated

	2023							
	Property, plant and equipment in operation							
Parent	Permanent road	Locomotives	Rail cars	Machinery, equipment and facilities	Other	Total	Construction in progress	Total
Cost								
On January 01	**5,637,120**	**4,179,924**	**3,522,180**	**1,509,222**	**146,018**	**14,994,464**	**1,243,042**	**16,237,506**
Additions	287,009	239,723	137,830	167,014	8,326	**839,902**	1,014,693	**1,854,595**
Transfers	289,458	14,252	34,735	87,206	1,499	**427,150**	(427,150)	**-**
Reversal/(provision) for loss	(16,000)	523	80	(2,342)	-	**(17,739)**	-	**(17,739)**
Reclassifications	-	-	-	-	-	**-**	(744)	**(744)**
Write-offs	-	(63,336)	(98,735)	(1,415)	(2,981)	**(166,467)**	(1,933)	**(168,400)**
Balance on December 31	**6,197,587**	**4,371,086**	**3,596,090**	**1,759,685**	**152,862**	**16,077,310**	**1,827,908**	**17,905,218**
Depreciation								
On January 01	**(3,044,876)**	**(2,076,925)**	**(1,522,585)**	**(664,737)**	**(105,563)**	**(7,414,686)**	**-**	**(7,414,686)**
Additions	(364,683)	(210,117)	(144,330)	(71,264)	(7,830)	**(798,224)**	-	**(798,224)**
Write-offs	-	59,974	64,650	1,197	2,915	**128,736**	-	**128,736**
Balance on December 31	**(3,409,559)**	**(2,227,068)**	**(1,602,265)**	**(734,804)**	**(110,478)**	**(8,084,174)**	**-**	**(8,084,174)**
Net balance for the year	**2,788,028**	**2,144,018**	**1,993,825**	**1,024,881**	**42,384**	**7,993,136**	**1,827,908**	**9,821,044**

Construction in progress

Construction in progress is mainly represented by expenses incurred in the expansion, recovery and modernization of the permanent way, locomotives, railcars and signaling systems. The completion time for each project depends on the complexity and delivery schedule.

Borrowing cost capitalized

The amount of capitalized borrowing costs in the year ended December 31, 2024 was R$ 61,268 (R$ 9,185 on December 31, 2023). Rate used to determine the amount of financing costs subject to capitalization was 11.74% per annum (13.80% in 2023), which represents the average rate of Company's financing.

Pledged assets

The Company has railcars and locomotives pledged as collateral for financing. As of December 31, 2024 and December 31, 2023, the residual value of assets given as collateral is R$ 1,037,459 and R$ 1,057,360, respectively.

Amounts expressed in thousands of reais, unless otherwise indicated

14.2 Right-of-use assets (lease)

	2024				
Parent / Consolidated	**Assets linked to the concession (a)**	**Vehicles**	**Real estate**	**Other**	**Total**
Cost					
On January 01	**3,765,840**	**39,841**	**27,838**	**4,693**	**3,838,212**
Additions	-	5,029	3,355	-	**8,384**
Sublease	(51,972)	-	-	-	**(51,972)**
Remeasurement by monetary restatement	69,562	14,766	1,538	694	**86,560**
Balance on December 31	**3,783,430**	**59,636**	**32,731**	**5,387**	**3,881,184**
Depreciation					
On January 01	**(1,192,512)**	**(38,432)**	**(14,680)**	**(4,346)**	**(1,249,970)**
Additions	(78,575)	(8,591)	(6,365)	(758)	**(94,289)**
Balance on December 31	**(1,271,087)**	**(47,023)**	**(21,045)**	**(5,104)**	**(1,344,259)**
Net balance for the year	**2,512,343**	**12,613**	**11,686**	**283**	**2,536,925**

(a) The National Land Transport Agency (ANTT) terminated the Lease Agreement 072/96, pursuant to Law 13.448, of June 2017, and Decree 10161, of December 9, 2019 through the third amendment to the Concession Agreement, published in the Federal Gazette (DOU) of April 14, 2022, through the transfer to the Concessionaire of the movable assets and the assignment of use of the real estate. As a consequence of the primacy of essence over form, this contractual extinction did not impact the Company's financial statements, since the financial obligations to be paid arising from the lease agreement for these assets were maintained.

Amounts expressed in thousands of reais, unless otherwise indicated

	2023				
Parent	**Assets linked to the concession (a)**	**Vehicles**	**Real estate**	**Other**	**Total**
Cost					
On January 01	**3,646,575**	**38,809**	**31,976**	**4,382**	**3,721,742**
Additions	-	1,330	-	-	**1,330**
Remeasurement by monetary restatement	119,265	(298)	104	311	**119,382**
Derecognition	-	-	(4,242)	-	**(4,242)**
Balance on December 31	**3,765,840**	**39,841**	**27,838**	**4,693**	**3,838,212**
Depreciation					
On January 01	**(1,115,943)**	**(30,297)**	**(10,283)**	**(3,024)**	**(1,159,547)**
Additions	(76,569)	(8,135)	(6,676)	(1,322)	**(92,702)**
Derecognition	-	-	2,279	-	**2,279**
Balance on December 31	**(1,192,512)**	**(38,432)**	**(14,680)**	**(4,346)**	**(1,249,970)**
Net balance for the year	**2,573,328**	**1,409**	**13,158**	**347**	**2,588,242**

Amounts expressed in thousands of reais, unless otherwise indicated

15. Intangible assets

Accounting policy

Intangible assets acquired separately are measured at cost upon initial recognition. After the initial recognition, they are stated at cost, less accumulated amortization and impairment losses, if applicable. Expenses for the development of internally generated assets are also capitalized and their values will form part of the cost of the intangible assets.

Intangible assets arising from the renewal of the concession were recorded at present value and are being amortized over the effectiveness of the Fourth Amendment that renewed the concession agreement.

Intangible assets with defined life are amortized over the economic useful life and valued in relation to impairment whenever there is indication of loss of economic value of the asset. Amortization method and period of an intangible asset with defined useful life are reviewed at least at the end of each fiscal year. Changes in these assets' estimated useful lives or in expected consumption of future economic benefits are accounted for through changes in amortization method or period, as applicable, and are addressed as changes in bookkeeping. The amortization of intangible assets with useful defined life is recognized in the statement of profit or loss in the category of expense consistent with the use of the intangible assets.

The amortization rate of intangible assets was estimated at 20% per annum, except for the concession rights that are being amortized over the contractual period.

Gains and losses arising from write-off of intangible assets are measured as the difference between net value from sale and carrying amount of the asset, and are recognized in statement of profit or loss upon write-off of assets.

	2024			
Parent / Consolidated	**Computer systems and software**	**Concession rights**	**Projects in progress**	**Total**
Cost				
On January 01	**408,603**	**169,654**	**33,151**	**611,408**
Additions	9,098	-	16,432	**25,530**
Transfers	16,636	-	(16,636)	**-**
Reclassifications	2,500	-	-	**2,500**
Adjustments to cost	-	(8,425)	-	**(8,425)**
Write-offs	(2,009)	-	(434)	**(2,443)**
Balance on December 31	**434,828**	**161,229**	**32,513**	**628,570**
Depreciation				
On January 01	**(255,607)**	**(7,192)**	**-**	**(262,799)**
Additions	(39,497)	(3,526)	-	**(43,023)**
Write-offs	2,009	-	-	**2,009**
Balance on December 31	**(293,095)**	**(10,718)**	**-**	**(303,813)**
Net balance for the year	**141,733**	**150,511**	**32,513**	**324,757**

Amounts expressed in thousands of reais, unless otherwise indicated

	2023			
Parent	**Computer systems and software**	**Concession rights**	**Projects in progress**	**Total**
Cost				
On January 01	**250,783**	**-**	**142,247**	**393,030**
Additions	26,550	169,654	29,136	**225,340**
Transfers	137,052	-	(137,052)	**-**
Reclassifications	-	-	744	**744**
Write-offs	(5,782)	-	(1,924)	**(7,706)**
Balance on December 31	**408,603**	**169,654**	**33,151**	**611,408**
Depreciation				
On January 01	**(232,330)**	**-**	**-**	**(232,330)**
Additions	(23,961)	(7,192)	-	**(31,153)**
Write-offs	684	-	-	**684**
Balance on December 31	**(255,607)**	**(7,192)**	**-**	**(262,799)**
Net balance for the year	**152,996**	**162,462**	**33,151**	**348,609**

Projects in progress
Ongoing projects are mainly represented by expenses incurred in the development of software and other technological solutions that fall within the classification of intangible assets. The completion time for each project depends on the complexity and delivery schedule.

Concession rights
The concession rights are recorded as a contra entry to "Concession Obligations", referring to the amounts payable under the concession and are being amortized over the term of the concession agreement.

16. Suppliers

Accounting policy
They are obligations due for assets or services acquired in the normal course of businesses, and are classified as current liabilities if payment is due within one year. Otherwise, they are presented as non-current liability.

	Parent / Consolidated	Parent
	2024	2023
Payables to related parties	220,682	292,079
Suppliers payable - domestic	596,371	480,431
Suppliers payable - foreign	21,606	14,257
	838,659	**786,767**
Current	838,659	780,947
Non-current	-	5,820

Amounts expressed in thousands of reais, unless otherwise indicated

17. Social and labor charges

Accounting policy

The Company has a Profit Sharing Plan (PPR) in which all employees are eligible and corporate targets and specific targets for the areas are considered. The Company forms the provision based on the measurement of the fulfillment of the Company's targets, respecting the accrual basis and the recognition of the present obligation resulting from a past event in the estimated amount of the outflow of funds in the future.

Payments of benefits such as salary, vacation, and their payroll taxes levied on these benefits are recorded monthly in profit (loss), respecting the accrual basis of accounting.

	Parent / Consolidated	Parent
	2024	2023
PPR - Profit sharing plan/bonus	139,234	109,327
Provision for vacation	54,845	50,826
Salaries payable	50,037	43,111
INSS	30,470	28,966
FGTS	9,621	8,956
IRRF payable	5,331	4,311
Other	8,817	8,184
	298,355	**253,681**

18. Income tax and social contribution

	Parent / Consolidated	Parent
	2024	2023
Income tax	145,094	136,260
Social contribution	3,693	23,362
	148,787	**159,622**

19. Other tax obligations

	Parent / Consolidated	Parent
	2024	2023
ICMS	48,594	46,978
INSS withheld from third parties	10,820	20,140
PIS/COFINS	9,509	9,278
ISS	7,349	8,020
Other	51	84
	76,323	**84,500**

Amounts expressed in thousands of reais, unless otherwise indicated

20. Borrowings and financing

Accounting policy

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

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

Borrowings are recorded under current liabilities when settlement is expected within 12 months, or under non-current liabilities when settlement is expected after that period.

		Parent / Consolidated	Parent
		2024	2023
Domestic currency			
FINEM/FINAME - BNDES	**(a)**	873,099	871,046
Banco Safra	**(b)**	210,239	211,044
Banco MUFG	**(c)**	405,170	405,362
Promissory notes	**(d)**	744,620	662,939
		2,233,128	**2,150,391**
Transaction costs		(1,300)	(1,422)
		2,231,828	**2,148,969**
Foreign currency			
Banco Citibank	**(e)**	118,281	103,267
		118,281	**103,267**
Transaction costs		(14,037)	(15,817)
		104,244	**87,450**
Debentures	**(f)**		
7th issue		129,995	247,388
9th issue		-	626,271
10th issue		1,567,927	1,667,296
11th issue		1,969,941	2,219,819
12th issue		2,377,584	-
		6,045,447	**4,760,774**
Transaction costs		(212,761)	(121,910)
		5,832,686	**4,638,864**
Total borrowings and financing		**8,168,758**	**6,875,283**
Current		556,333	998,552
Non-current		7,612,425	5,876,731

(a) FINEM operations, contracted directly and indirectly with BNDES, have a nominal rate equal to the effective rate and are subject to TJLP charges plus a spread of up to 3.41% p.a. or a fixed rate from 2.50% p.a. to 5.50% p.a. This financing will be used to cover expenses aimed at reducing the number of accidents, improving the operational cycle and purchasing rolling stock, in addition to the construction of walkways, viaducts, underpasses and social projects. Said operations are guaranteed by receivables from commercial contracts that make up at least 130% of the debt service, lien of financed assets and emerging rights. In January 2022, the amount of R$ 18,072 was raised, with maturity scheduled for July 2035, at a rate of 11.38% p.a. In August 2022, the Company obtained the release of R$ 600,000 from BNDES, with a term of 16 years, at a rate of IPCA + 5.01% p.a.

FINAME operations are financing with BNDES resources, transferred to the Company indirectly via financial institutions, with a nominal rate equal to the effective rate. FINAME's purpose was to acquire wagons and locomotives, while the automatic BNDES facility financed a technological innovation project that foresees the reduction of fuel consumption in locomotives. Such financing is subject to TJLP charges plus spread, equivalent to an internal rate of return (IRR) of 9.70% p.a. or a fixed rate of 4.50% p.a.

(b) The financing from Banco Safra refers to a funding carried out in August 2023, in the total amount of R$ 200,000, in the form of Export Credit Note (NCE), with a maturity period of three years, at a cost of CDI+ 1.249944% p.a. In this operation there are no contractual guarantees and the funding goal is to support the Company's cash needs in the short and medium term.

(c) The financing from Banco MUFG refers to two funding transactions carried out in May and June 2023, in the amounts of R$ 300,000 and R$ 100,000, respectively. The two funding modality is the synthetic facility 4131, maturing in three years, at a respective cost of CDI+ 1.70% and 1.67%. There are no guarantees in this operation and the objective of raising funds is to support the Company's cash needs in the short and medium term.

(d) The financing of the Commercial Promissory Note was raised by the Company in October 2021, under the terms of CVM Instruction 566 and according to the procedures provided for in CVM Instruction 476 of R$ 500,000, with an amortization period of 5 years and a single maturity in October 22, 2026, at a rate of CDI+ 1.30% p.a. The funds raised will be used to reinforce working capital and extend the debt profile and do not have any type of guarantee.

(e) The financing from Banco Citibank refers to a funding carried out in June 2023 of US$ 21,614, R$ 105,058, in the form of ECA (Export Credit Agency) Financing. The transaction cost is SOFR+ 0.90%. Said operations are guaranteed by equipment imported from Switzerland acquired through financing. In 2024, the principal installments of the operation were settled, totaling R$ 9,984. The transaction with Citibank is hedged by a swap derivative instrument and designated as fair value hedge accounting.

(f) Debentures

- *7th issue*
  In February 2015, the Company issued R$ 550,726 in debentures, of which R$ 336,340 related to the 1st series and R$ 214,386 related to the 2nd series. Due to the adjustment of the issue value provided in the deed between the issue date and the settlement date, the total disbursed amount was R$ 555,003. The issue took place under the terms of CVM Instruction 400, with 550,726 simple and unsecured debentures not convertible into shares, with a unit value of R$ 1.00. The resources obtained from the issue were fully used to finance projects to revitalize the permanent road and expand the CBTC (Communication Based Train Control) communication project, approved and considered a priority by the Ministry of Transport, which is why the debentures have benefits of tax exemption in accordance with Law 12431.

  The first series of this issue has a term of 7 years, with amortization in the 6th and 7th years and is subject to an IPCA rate+5.9828% p.a. The second series has a term of ten years, with amortization in the 8th, 9th and 10th years and its interest rate is IPCA+6.4277% p.a. Interest payments for both series are annual. In April 2016, the Annual Debenture Holders' Meeting decided for the non-early maturity of debentures, to waive the hypothesis that the debentures would have their risk rating lowered by two notches, in relation to the risk rating of the debentures on the date of issue, until February 15, 2024 and for the payment of a premium (flat), levied on the duly updated nominal unit value, equivalent to 4.35% for 1st series debentures and 5.35% for 2nd series debentures. The premiums were paid on April 15, 2016, based on the updated nominal unit value of April 14, 2016.

In February 2024, the settlement of principal took place and totaled R$ 118,258.

- *9th issue*
  In April 2019, the Company conducted its 9th issuance of unsecured, sole series debentures non-convertible into shares, via CVM Instruction 476. A total of 65 thousand debentures was issued, in two series, namely the 1st and 2nd series, totaling R$ 650,000, with R$ 367,150 allocated to the 1st series and R$ 282,850 to the 2nd series. The 1st series was placed at market value, with interest of IPCA+4.095% p.a., defined after a bookbuilding procedure, paid semi-annually, with a term of 5 years and amortization in the last year. The 2nd series was placed at market, with interest of 106.4% of the CDI p.a., defined after a bookbuilding procedure, paid semi-annually, with a term of 5 years and amortization in the 4th and 5th years. The net funds obtained by the Company from this issue were used for investment projects, strengthening its working capital and extending its debt profile. For the 9th issue of debentures, the 2nd series is hedged by a swap derivative instrument and is not designated for fair value hedge accounting.

  In April 2024, the 1st and 2nd series of the 9th issue of debentures were fully amortized in the amounts of R$ 485,729 and R$ 141,425, respectively.

- *10th issue*
  Between August and September 2021, the Company conducted its 10th issue of unsecured, sole series debentures non-convertible into shares, via CVM Instruction 476. A total of 150,000 thousand debentures was issued, in three series, namely the 1st, 2nd and 3rd series, totaling R$ 1,500,000, with R$ 700,000 allocated to the 1st series, R$ 300,000 allocated to the 2nd series and R$ 500,000 to the 3rd series. The 1st series of this issue was placed at market value, with interest of 100.00% of the CDI+1.30% p.a., defined after a bookbuilding procedure, paid semi-annually, with a term of five years and amortization in the 5th year. The 2nd series was placed at market value, with interest of 4.97% p.a. and inflation adjustment according to the IPCA, defined after a bookbuilding procedure, paid semi-annually, with a term of ten years and annual amortization from the 8th year onwards. The 3rd series was placed at market value, with interest of 5.06% p.a. and inflation adjustment according to the IPCA, defined after a bookbuilding procedure, paid semi-annually, with a term of 15 years and annual amortization from the 13th year onwards. For the 10th issue of debentures, only the 2nd and 3rd series have swap operations and designation for fair value hedge accounting. The net funds obtained by the Company from this issue were used for investment projects, strengthening its working capital and extending its debt profile.

Amounts expressed in thousands of reais, unless otherwise indicated

- *11th issue*
  In October 2023, the Company conducted its 11th issue of unsecured, sole series debentures non-convertible into shares, via CVM Resolution 160. A total of 2,000,000 debentures was issued, in three series, namely the 1st, 2nd and 3rd, totaling a fundraising of R$ 2,000,000, with R$ 400,000 allocated to the 1st series, R$ 800,000 allocated to the 2nd series and R$ 800,000 allocated to the 3rd series. The 1st series was placed at market value on the market with interest of IPCA+ 6.2414% p.a., defined after a bookbuilding procedure, paid semi-annually, with a term of ten years and amortization in the 10th year. The 2nd series was placed at market value with interest of IPCA+ 6.3439% p.a., defined after a bookbuilding procedure, paid semi-annually, with a term of 12 years and annual amortization from the 10th year onwards. The 3rd series was placed on the market with interest of IPCA+ 6.4496% p.a., defined after a bookbuilding procedure, paid semi-annually, with a term of 15 years and annual amortization from the 13th year onwards. For the 11th issue of debentures, the three series are hedged by a swap derivative instrument and are designated for fair value hedge accounting. The net resources obtained by the Company with this issue were designated in the form of reimbursement for investment projects already carried out in 2021 and 2022 and allocated to the Company's cash flow.

- *12th issue*
  In October 2024, the Company conducted its 12th issue of unsecured, sole series debentures non-convertible into shares, via CVM Resolution 160. A total of 2,500,000 debentures was issued, in three series, namely the 1st, 2nd and 3rd, totaling a fundraising of R$ 2,500,000, with R$ 500,000 allocated to the 1st series, R$ 1,000,000 allocated to the 2nd series and R$ 1,000,000 allocated to the 3rd series. The 1st series was placed at market value on the market with interest of IPCA+ 6.5251% p.a., defined after a bookbuilding procedure, paid semi-annually, with a term of ten years and amortization in the 10th year. The 2nd series was placed on the market with interest of IPCA+ 6.5514% p.a., defined after a bookbuilding procedure, paid semi-annually, with a term of 12 years and annual amortization from the 10th year onwards. The 3rd series was placed on the market with interest of IPCA+ 6.5796% p.a., defined after a bookbuilding procedure, paid semi-annually, with a term of 15 years and annual amortization from the 13th year onwards. For the 12th issue of debentures, the three series are hedged by a swap derivative instrument and are designated for fair value hedge accounting. The net resources obtained by the Company with this issue were designated in the form of reimbursement for investment projects already carried out in 2023 and 2024 and allocated to the Company's cash flow.

Long-term amortization flow of the financing:

	Parent / Consolidated				
	2026	**2027**	**2028**	**After 2028**	**Total**
FINEM/FINAME - BNDES	81,998	81,998	81,998	573,572	819,566
Promissory notes	744,621	-	-	-	744,621
Banco MUFG	400,000	-	-	-	400,000
Banco Safra	200,000	-	-	-	200,000
Banco Citibank	15,455	14,078	12,806	58,207	100,546
Debentures	1,007,582	282,687	263,738	4,005,555	5,559,562
	2,449,656	**378,763**	**358,542**	**4,637,334**	**7,824,295**

Amounts expressed in thousands of reais, unless otherwise indicated

Amortization flow of fundraising transaction costs:

Parent / Consolidated	Short term	Long-term					Total
	ST	2026	2027	2028	>2028	Total	LT + ST
Domestic currency	116	894	93	86	111	1,184	1,300
Foreign currency	1,598	1,502	1,448	1,406	8,083	12,439	14,037
Debentures	14,514	14,463	3,849	14,705	155,230	198,247	212,761
	16,228	**16,859**	**15,390**	**16,197**	**163,424**	**211,870**	**228,098**

The amount of transaction costs incurred in each fundraising process:

	Parent	
	2024	2023
Debentures - 11th issue		2,000,000
(-) funding costs		87,994
% funding costs/amount		4.40%
Banco Citibank		105,254
(-) funding costs		16,743
% funding costs/amount		15.91%
Debentures - 12th issue	2,500,000	
(-) funding costs	107,575	
% funding costs/amount	4.30%	

Covenants

All borrowing and financing agreements have covenants related to the maintenance of financial ratios. The debentures issued by the Company also have covenants related to the maintenance of financial ratios at the end of each quarter. As of December 31, 2024 and 2023, all these covenants were complied with. The most restrictive condition is presented below:

- Leveraging: net debt must not exceed 3.0x recurring EBITDA;
- Insurance coverage: current EBITDA must not be lower than 2.0x net finance costs.

The next calculation date will be at the end of the first quarter of 2025. The Company does not identify any risk of breaching these limits for the next year.

The 7th issue debentures have clauses for maintaining the minimum risk rating assigned by Standard and Poor's, which were also complied with in the reported year. The debentures of the 9th, 10th, 11th and 12th issue and promissory notes do not have clauses for maintaining the minimum risk rating.

MRS is also subject to non-financial covenants usually practiced in the market, such as compliance with certain governance and regulatory standards, among others. The Company also complied with covenants as of December 31, 2024 and 2023.

21. Leases

<u>Accounting policy</u>

Leases in which the Company is a lessee

The Company recognizes a right-of-use asset and a lease liability at the start date of the lease contract. The lease liability is initially recognized at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The value of initial measurement of the lease liability is adjusted to any lease payments made to the initial date, plus any initial direct costs incurred by the lessee and an estimate of the costs to be incurred by the lessee to disassemble and remove the underlying asset, by returning it to the place where it is located or returning the underlying asset to the state required under the lease terms and conditions, less any lease incentives received accordingly.

The Company determines its incremental and nominal rate using the following criteria:

(i) Lease with Concession Grantor: considers the representativeness and weighted cost of the Company's debts;
(ii) Property rental contract: rate quoted with financial institutions with a relationship with the Company;
(iii) Contracts for the lease of machinery, equipment and other: BNDES financing rate (specific line for this purpose that considers TLP plus a bank spread).

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

(i) fixed payments, including in-substance fixed payments;
(ii) amounts expected to be paid in accordance with the residual value guarantees; and
(iii) the call option exercise price if the Company is reasonably certain to exercise such option, and payments of fines due to termination of the lease agreement, if the term of the lease reflects the fact that the Company is exercising their option to terminate the lease agreement.

Lease liability is measured at the amortized cost and remeasured when there is a change in future lease payments resulting from a change in index or rate, if there is a change in the amounts expected to be paid under the residual value guarantee, if the Company changes its assessment whether it will exercise a call option, extension or termination, or if there is a revised lease payment fixed in essence.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit (loss) if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term and/or low-value asset leases

The Company applies the recognition exemption for short-term leases and/or for agreements for which the underlying assets are of low value. The payments linked to these leases continue to be recognized as an expense in the statement of profit or loss.

Leases included in the scope of CPC 06 (R2) referring to the Company's right of use were grouped according to their nature as information below:

- <u>Assets linked to the concession</u>: contract with the Federal Government regarding the assets necessary for the operation and maintenance of rail freight transport activities. After signing the fourth addendum that renewed the concession for further 30 years, the fixed amounts payable started to be adjusted annually by the IPCA. The nominal discount rate determined for the present value calculation is 9.95%.

- Real Estate: lease contracts of areas, commercial rooms, garages, buildings and others. The nominal discount rate determined for the present value calculation is between 3.99% p.a. and 12.06% p.a.

- Vehicles: vehicle rental agreements to meet operational areas. The nominal discount rate determined for the present value calculation is between 8.88% p.a. and 12.66% p.a.

- Other: lease of aerial platform, forklift, container, IT equipment, electronics, software and others. The nominal discount rate determined for the present value calculation is between 4.97% p.a. and 8.88% p.a.

Lease agreements, except the lease agreement for assets linked to the concession, have different terms, with the last maturity date occurring in December 2034. The values are updated annually based on inflation indices, mostly by the IPCA.

The incremental borrowing rate used by the Company was determined based on the interest rates that it has access to, adjusted to the Brazilian market and the terms of its contracts.

Amounts expressed in thousands of reais, unless otherwise indicated

Parent / Consolidated	2024 Assets linked to the concession	Real estate	Vehicles	Other	Total
Lease payable					
On January 01	**3,486,234**	**8,562**	**1,929**	**737**	**3,497,462**
Additions	-	4,366	6,012	-	10,378
Remeasurement by monetary restatement	127,212	1,919	16,152	760	146,043
Reclassifications	86,458	(2,764)	(22)	(4)	83,668
Payments	(718,424)	(3,383)	(9,396)	(1,158)	(732,361)
Balance on December 31	**2,981,480**	**8,700**	**14,675**	**335**	**3,005,190**
Interest to be paid					
On January 01	**(1,459,625)**	**(3,208)**	**(119)**	**(14)**	**(1,462,966)**
Additions/(Reversals)	-	(1,011)	(983)	-	(1,994)
Remeasurement by monetary restatement	(57,651)	(377)	(1,386)	(69)	(59,483)
Reclassifications	(86,458)	2,764	22	4	(83,668)
Accrued interest	173,541	668	817	56	175,082
Balance on December 31	**(1,430,193)**	**(1,164)**	**(1,649)**	**(23)**	**(1,433,029)**
Net balance for the year	**1,551,287**	**7,536**	**13,026**	**312**	**1,572,161**
Current	**610,753**	**2,947**	**9,071**	**117**	**622,888**
Non-current	**940,534**	**4,589**	**3,955**	**195**	**949,273**

Amounts expressed in thousands of reais, unless otherwise indicated

	2023				
Parent	**Assets linked to the concession**	**Real estate**	**Vehicles**	**Other**	**Total**
Lease payable					
On January 01	**4,053,086**	**12,357**	**9,298**	**1,817**	**4,076,558**
Additions	-	-	1,512	-	**1,512**
Remeasurement by monetary restatement	119,265	1,849	(287)	313	**121,140**
Derecognition	-	(2,226)	-	-	**(2,226)**
Payments	(686,117)	(3,418)	(8,594)	(1,393)	**(699,522)**
Balance on December 31	**3,486,234**	**8,562**	**1,929**	**737**	**3,497,462**
Interest to be paid					
On January 01	**(1,672,070)**	**(2,870)**	**(456)**	**(102)**	**(1,675,498)**
Additions/(Reversals)	-	-	(182)	-	**(182)**
Remeasurement by monetary restatement	-	(1,745)	(11)	(2)	**(1,758)**
Derecognition	-	211	-	-	**211**
Accrued interest	212,445	1,196	530	90	**214,261**
Balance on December 31	**(1,459,625)**	**(3,208)**	**(119)**	**(14)**	**(1,462,966)**
Net balance for the year	**2,026,609**	**5,354**	**1,810**	**723**	**2,034,496**
Current	**551,465**	**2,840**	**1,329**	**704**	**556,338**
Non-current	**1,475,144**	**2,514**	**481**	**19**	**1,478,158**

Amounts expressed in thousands of reais, unless otherwise indicated

Future payment flow of leases:

Parent / Consolidated Lease payable	≤12 months	≤05 years	>05 years	Total
Assets linked to the concession	732,267	643,965	1,605,248	2,981,480
Properties	3,488	4,867	345	8,700
Vehicles	9,995	4,680	-	14,675
Other	130	205	-	335
	745,880	**653,717**	**1,605,593**	**3,005,190**

Parent / Consolidated Interest to be paid	≤12 months	≤05 years	>05 years	Total
Assets linked to the concession	(121,513)	(296,686)	(1,011,994)	(1,430,193)
Properties	(543)	(598)	(23)	(1,164)
Vehicles	(923)	(726)	-	(1,649)
Other	(13)	(10)	-	(23)
	(122,992)	**(298,020)**	**(1,012,017)**	**(1,433,029)**
Net balance for the year	**622,888**	**355,697**	**593,576**	**1,572,161**

The Company presents assets and liabilities for its operational leases, with the most representative one referring to the assets linked to the concession agreement represented by the provision of the assets required for the operation and maintenance of the Company's rail freight transport activities. In addition to this, other lease agreements related to real estate properties, machinery and equipment, vehicles, IT equipment and containers were recorded.

22. Financial instruments

Accounting policy

i. Recognition and initial measurement

Amounts from trade receivables and debt securities issued are initially recognized on the date that they were originated. All other financial assets and liabilities are initially recognized when the Company becomes a party to the instrument's contractual provisions.

A financial asset (unless it is trade receivables' item without a material financing component) or a financial liability is initially measured at fair value, plus, for an item not measured at fair value through profit or loss, transaction costs which are directly attributable to its acquisition or issue. Trade receivables without a significant component are initially measured at the transaction price.

ii. Subsequent classification and measurement

In the initial recognition, a financial asset is classified as measured: at amortized cost; at fair value through other comprehensive income; or at fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for the management financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.
A financial asset is measured at amortized cost if it meets both conditions below and is not designated as measured at fair value through profit or loss:

- it is held within a business model whose purpose is to maintain financial assets to receive contractual cash flows; and
- its contractual terms generate, on specific dates, cash flows only related to the payment of principal and interest on outstanding principal value.

A debt instrument is measured at fair value through other comprehensive income if it meets both conditions below and is not designated as measured at fair value through profit or loss:

- it is maintained within a business model whose purpose is achieved by both the receipt of contractual cash flows and the sale of financial assets; and
- its contractual terms generate, on specific dates, cash flows which are only payments of principal and interest on principal outstanding value.

All financial assets not classified as measured at amortized cost or at fair value through other comprehensive income, as described above, are classified at fair value through profit or loss. At initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income, as fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch that would otherwise arise.

In the initial recognition of an investment in an equity instrument not held for trading, the Company may irrevocably choose to present subsequent changes in the fair value of the investment in other comprehensive income. This choice is made on an investment basis.

Financial assets: evaluation of business model

The Company makes an assessment of the objective of the business in which a financial asset is held, considering the way that the business is managed and information is provided to management.

Is the purpose of the Company's business model to maintain financial assets to receive contractual cash flows.

The Company performs financial risk management to limit the adverse impacts caused by financial instruments on its profit or loss and cash flow.

Financial assets: evaluation whether the contractual cash flows represent solely payments of principal and interest

For this evaluation purposes, "principal" is defined as the fair value of the financial asset at initial recognition. 'Interest' is defined as a consideration for the amount of cash at the time and for the credit risk associated to the outstanding principal value during a certain period and for other risks and base costs of borrowings (for example, liquidity risk and administrative costs), as well as for the profit margin.

The Company considers the contractual terms of the instruments to evaluate whether the contractual cash flows are only payments of principal and interest. It includes evaluating whether the financial asset contains a contractual term that could change the time or amount of the contractual cash flow so that it would not meet this condition.

Financial assets: subsequent measurement and gain and loss

Financial assets at fair value through profit or loss	These assets are subsequently measured at fair value. Net profit (loss), plus interest or dividend revenue, is recognized in profit (loss).
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Amortized cost is impaired. Interest revenue, foreign exchange gains and impairment losses are recognized in profit (loss). Any gain or loss on derecognition is recognized in profit (loss).

The Company has no financial assets measured at fair value through other comprehensive income.

Financial liabilities: classification, subsequent measurement and gains and losses

Financial liabilities were classified as measured as amortized cost or at fair value through profit or loss. A financial liability is classified as measured at fair value through profit or loss if it is held for trading, if it is a derivative or assigned as such in initial recognition. Financial liabilities measured at fair value through profit or loss are measured at fair value and net profit (loss), plus interest, is recognized in profit (loss). Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense, foreign exchange gains and losses are recognized in profit (loss). Any gain or loss on derecognition is also recognized in profit (loss).

General and specific cost of borrowings directly attributed to the acquisition, construction or production of a qualifiable asset is capitalized as part of this asset's cost when it is probable that will result in future economic benefits to the entity and such costs can be reliably measured. Other borrowing costs are recognized as finance cost in the year in which they are incurred.

iii. Derecognition

<u>Financial assets</u>

The Company does not recognize a financial asset when contract rights to assets' cash flows expire, or when the contract right of receiving a financial asset is transferred to contract cash flows, in a transaction in which substantially all risks and rewards of owning the financial asset are transferred or in which the Company neither substantially transfers nor maintains all risks and benefits of owning the financial asset and neither retains control over the financial asset.

Financial liabilities

The Company does not recognize a financial liability when its contractual obligations are discharged or canceled or expire. The Company also does not recognize a financial liability when terms are modified, and the cash flows of the modified liability are substantially different if a new financial liability based on the terms changed is recognized at fair value.

In the derecognition of a financial liability, the difference between the extinct carrying amount and the consideration paid is recognized in the profit (loss).

iv. Offsetting

Financial assets and liabilities are offset and their net values in the balance sheet only when there is a legal right to offset the amounts recognized and there is an intent to settle them on net basis, or realize the asset and settle the liability simultaneously.

v. Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its exposure to foreign currency and interest rate changes.

Derivatives are measured at fair value at initial recognition and at subsequent measurements. After the initial recognition, its changes are recorded in profit or loss.

The Company uses certain instruments such as hedging to manage exposures resulting from specific risks that could affect the profit or loss, that is, the variability of cash flows associated with transactions in the profit or loss.

The Company designated certain swaps that hedge debt in US dollars, CDI and IPCA with fixed interest as a fair value hedging instrument. The gain or loss on the hedge instrument is recognized in the financial profit (loss) at the same time the change in the fair value of the risk attributable to the hedged item is verified, which is recorded in liabilities with a contra entry in the financial profit (loss).
For some borrowings and debentures, the Company adopted the hedge accounting model.
When implementing the hedge accounting model in the Company, the objective of the risk management and the hedge instrument acquisition strategy was documented. The Company assesses and documents whether the hedging relationship meets the hedge effectiveness requirements monthly.

Operations with financial instruments

The calculation of the fair value of investments (Restricted Cash and Cash Equivalents) follows the following methodology: (i) for the calculation of the fair value, only the investments whose contracted rates are different from 100% of the CDI are considered and (ii) for the calculation of the discount rate, of the fair value measurement, the last investment rate is considered contracted by the financial institution where the investment is in custody.

The fair value of borrowings and financing is based on market assumptions, and the calculation follows the methodology below: for operations that have public market quotation for the benchmark interest rate, the flow up to maturity is calculated at the contractual rate and then discounted at the updated rate constant from the public source and for borrowings and financing that do not have a public source interest rate, after calculating the flow up to maturity with the contractual rate, it is discounted at the interest rate of similar operations in terms of risk and term. Eventually, in case of difficulty in identifying comparable financing, the discount rate is determined by consulting financial institutions.

The carrying amounts of all operations with financial instruments carried out by the Company are not different from its fair values.

Amounts expressed in thousands of reais, unless otherwise indicated

Classification of derivative and non-derivative financial instruments

Parent	2024				2023			
	Amortized cost	FVTPL	FVTPL/operations used for hedge	Total	Amortized cost	FVTPL	FVTPL/operations used for hedge	Total
Assets								
Cash and cash equivalents	-	4,144,513	-	4,144,513	-	3,385,798	-	3,385,798
Restricted cash	-	2,880	-	2,880	-	2,254	-	2,254
Trade receivables and other trade receivables	587,214	-	-	587,214	554,294	-	-	554,294
Gains on operations with derivative financial instruments – swap/NDF	-	-	55,932	55,932	-	-	326,743	326,743
Total	**587,214**	**4,147,393**	**55,932**	**4,790,539**	**554,294**	**3,388,052**	**326,743**	**4,269,089**

Parent	2024				2023			
	Amortized cost	FVTPL	FVTPL/operations used for hedge	Total	Amortized cost	FVTPL	FVTPL/operations used for hedge	Total
Liabilities								
Suppliers	838,659	-	-	838,659	786,767	-	-	786,767
Borrowings and financing in R$	2,233,128	-	-	2,233,128	2,150,391	-	-	2,150,391
Borrowings and financing in US$	-	-	118,281	118,281	-	-	103,267	103,267
Debentures	861,372	-	5,184,075	6,045,447	1,608,324	-	3,152,450	4,760,774
Lease	1,572,161	-	-	1,572,161	2,034,496	-	-	2,034,496
Other obligations of the Concession	217,198	-	-	217,198	195,580	-	-	195,580
Losses on operations with derivative financial instruments – swap/NDF	-	-	422,831	422,831	-	-	159,027	159,027
Total	**5,722,518**	**-**	**5,725,187**	**11,447,705**	**6,775,558**	**-**	**3,414,744**	**10,190,302**

Amounts expressed in thousands of reais, unless otherwise indicated

Consolidated	2024			
	Amortized cost	FVTPL	FVTPL/operations used for hedge	Total
Assets				
Cash and cash equivalents	-	4,144,613	-	4,144,613
Restricted cash	-	2,880	-	2,880
Trade receivables and other trade receivables	587,214	-	-	587,214
Gains on operations with derivative financial instruments – swap/NDF	-	-	55,932	55,932
Total	**587,214**	**4,147,493**	**55,932**	**4,790,639**

Consolidated	2024			
	Amortized cost	FVTPL	FVTPL/operations used for hedge	Total
Liabilities				
Suppliers	838,659	-	-	838,659
Borrowings and financing in R$	2,233,128	-	-	2,233,128
Borrowings and financing in US$	-	-	118,281	118,281
Debentures	861,372	-	5,184,075	6,045,447
Lease	1,572,161	-	-	1,572,161
Other obligations of the Concession	217,198	-	-	217,198
Losses on operations with derivative financial instruments – swap/NDF	-	-	422,831	422,831
Total	**5,722,518**	**-**	**5,725,187**	**11,447,705**

Derivative financial instruments

The Company holds derivative financial instruments to hedge risks relating to foreign currencies and inflation rates.

The derivative financial instruments (swap) are initially recognized at fair value on the date on which the derivative contract is signed, and are subsequently restated also at fair value. Derivatives are presented as financial assets when the fair value of the instrument is positive; and as financial liabilities when the fair value is negative.

The swap operations as of December 31, 2024 had a net balance receivable of R$ 373,343 (net balance payable of R$ 168,829 as of December 31, 2023), while the NDF operation showed a receivable balance of R$ 6,444 (payable balance of R$ 1,113 as of December 31, 2023). The operations mentioned above had their changes accounted for in the profit or loss.

The Company has documented such a hedge relationship as a fair value hedge after tests have shown that the hedge is expected to be highly effective in offsetting the fair value of the hedged item. Effectiveness is measured using prospective effectiveness tests, evaluated by the statistical method of volatility reduction. The hedge is considered effective when the effectiveness quotient of the prospective test results in a value equal to or greater than 80%.

From the designation of the swap to Fair Value Hedge, the change in the fair value of the hedge remains recorded in the financial profit (loss). However, at the same time, the change in the fair value of the risk attributable to the designated hedge item is verified, which is recorded in liabilities as a contra entry in the financial profit (loss).

Amounts expressed in thousands of reais, unless otherwise indicated

		Hedge item of fair value	
		Parent / Consolidated	Parent
		2024	2023
Debt	(a)	5,830,880	3,083,119
Adjustment in fair value hedge		(528,524)	172,598

		Impact on financial profit (loss)	
		Parent / Consolidated	Parent
		2024	2023
Finance income			
Adjustment in fair value hedge		701,122	-
Finance cost			
Adjustment in fair value hedge		-	(261,531)
Net financial profit (loss)	(a)	**701,122**	**(261,531)**

(a) Hedge accounting was adopted to mitigate the volatility of the mark-to-market of the derivative for the contract with exposure in US dollars with Citibank, resulting in the balance of the net financial profit (loss). For the 2nd and 3rd series of the 10th issue and for 3 series of the 11st and 12th issue of debentures, there are also hedge accounting operations.

Amounts expressed in thousands of reais, unless otherwise indicated

Derivative designated to fair value hedge	Reference value (Notional)		Fair value	
	Parent / Consolidated	Parent	Parent / Consolidated	Parent
Type of contract	2024	2023	2024	2023
Swap contracts (Fixed dollar to real CDI)				
Asset position				
Fixed Dollar	117,134	100,284	118,004	102,928
Liability position				
Real CDI	(91,971)	(100,680)	(94,958)	(104,671)
			23,046	(1,743)
Swap contracts (IPCA to real CDI)				
Asset position				
IPCA	5,714,510	2,982,495	5,184,064	3,152,449
Liability position				
Real CDI	(5,464,335)	(2,889,283)	(5,576,258)	(3,051,441)
			(392,194)	101,008
Total swap contracts			**(369,148)**	**99,265**
Provision for Income Tax on swap gains			(4,195)	(20,373)
Total swap contracts, net of income tax			**(373,343)**	**78,892**
Classified				
In non-current assets			49,488	236,805
In the current liabilities			(341,818)	(157,913)
In the non-current liabilities			(81,013)	-
			(373,343)	**78,892**

Amounts expressed in thousands of reais, unless otherwise indicated

Derivatives not designated	Reference value (Notional)		Fair value	
	Parent / Consolidated	Parent	Parent / Consolidated	Parent
Type of contract	2024	2023	2024	2023
Hedge agreements				
Asset position				
IPCA (IPCA to CDI)	-	481,207	-	481,057
Variable dollar to fixed real	126,692	106,962	127,004	105,849
Liability position				
CDI (IPCA to CDI)	-	(375,667)	-	(375,248)
Variable dollar to fixed real	(119,423)	(106,962)	(119,423)	(106,962)
Total hedge contracts			**7,581**	**104,696**
Provision for Income Tax on swap gains			(1,137)	(15,871)
Total swap contracts, net of income tax			**6,444**	**88,825**
Classified				
In current assets			6,444	89,938
In the current liabilities			-	(1,113)
			6,444	**88,825**

The Company has swap derivative financial instruments and NDF (Dollar forward contract). For the asset position of the swap, linked to a fixed rate plus the exchange change of the dollar or IPCA, the value is calculated at the contractual rate until maturity and then discounted by the exchange coupon rate, or future DI x Fixed curve, both made available by B3, corresponding to the remaining term between the due date and the current date. Finally, the value resulting from this calculation (swap) is translated at the current exchange rate in case the flow is in foreign currency.

For the liability position, which is linked to a certain percentage of CDI or CDI + fixed rate, the value to maturity is calculated by applying this percentage or fixed rate. Then, this profit (loss) is discounted at the future DI x Pre curve, provided by B3, up to the current date.

Amounts expressed in thousands of reais, unless otherwise indicated

Description	Parent / Consolidated					Parent
	2024			2023		
	Notional value	Fair value	Maturities	Notional value	Fair value	Maturities
Swap contracts						
Asset position						
Foreign currency	117,134	118,004		100,284	102,928	
IPCA	5,714,510	5,184,064	Up to	3,463,702	3,633,506	Up to
Liability position			Set/38			set/38
Rates (post)	(5,556,306)	(5,671,216)		(3,365,630)	(3,531,361)	

Description	Parent / Consolidated					Parent
	2024			2023		
	Notional value	Fair value	Maturities	Notional value	Fair value	Maturities
“NDF” contracts						
Asset position						
Foreign currency	126,692	127,004	Up to	106,962	105,849	Up to
Liability position			Jan/25			Feb/24
Foreign currency	(119,423)	(119,423)		(106,962)	(106,962)	

Amounts expressed in thousands of reais, unless otherwise indicated

The Company’s Derivative financial instruments are distributed among the following counterparties:

Parent / Consolidated								
Institution	MRS Receives	MRS Pays	Start date	Maturity date	Contracted notional value	Fair value in 2024 (R$)		Gross profit (loss) (R$)
						Active	Liabilities	Assets – Liabilities (*)
Swap contracts								
Banco JP Morgan	SOFR+0.90%	CDI+0.93%	07/06/2023	06/29/2035	100,258	112,623	90,589	22,034
Banco JP Morgan	SOFR+0.90%	CDI+1.15%	09/15/2023	06/29/2035	4,780	5,381	4,369	1,012
Banco Itaú	IPCA+4.97%	CDI+1.05%	08/16/2021	08/15/2031	300,000	326,611	325,532	1,079
Banco Itaú	IPCA+5.06%	CDI+1.30%	08/16/2021	08/15/2036	500,000	509,930	558,877	(48,947)
Banco XP	IPCA+6.2414%	CDI+0.63%	10/16/2023	09/15/2033	400,000	392,721	425,971	(33,250)
Banco Santander	IPCA+6.3439%	CDI+0.589%	10/16/2023	09/17/2035	400,000	393,811	425,726	(31,915)
Banco XP	IPCA+6.3439%	CDI + 0.67%	10/16/2023	09/17/2035	400,000	393,811	427,566	(33,755)
Banco Santander	IPCA+6.4496%	CDI +0.76%	10/16/2023	09/15/2038	400,000	396,385	431,621	(35,236)
Banco BTG Pactual	IPCA+6.4496%	CDI+0.85%	10/16/2023	09/15/2038	400,000	393,212	433,902	(40,690)
Goldman Sachs Bank	IPCA+6.5251%	CDI-0.16%	10/03/2024	09/15/2034	500,000	476,271	508,208	(31,937)
Goldman Sachs Bank	IPCA+6.5514%	CDI-0.15%	10/03/2024	09/15/2036	500,000	476,106	508,313	(32,207)
Banco XP	IPCA+6.5514%	CDI-0.15%	10/03/2024	09/15/2036	500,000	476,998	508,313	(31,315)
Banco Santander	IPCA+6.5796%	CDI-0.05%	10/03/2024	09/15/2039	1,000,000	948,208	1,022,229	(74,021)
Total						**5,302,068**	**5,671,216**	**(369,148)**

Parent / Consolidated						
Institution	Start date	Maturity date	Contracted notional value	Fair value in 2024 (R$)		Gross profit (loss) (R$)
				Active	Liabilities	Assets – Liabilities (*)
NDF contracts						
Banco Citibank	10/31/2024	01/22/2025	20,460	127,004	119,423	7,581
Total				**127,004**	**119,423**	**7,581**

(*) Gross amounts of Withholding Income Tax of R$ 5,332, totaling a net liability position of derivatives of R$ 366,899 (net asset position totaling R$ 167,716 as of December 31, 2023).

Amounts expressed in thousands of reais, unless otherwise indicated

22.1. Fair value hierarchy

The Company uses the following hierarchy to determine and disclose the fair value of financial instruments:

- Level 1: Financial instruments with data originating from an active market (unadjusted quoted price) so that it is possible to have daily access including on the date of measurement of the fair value.

- Level 2: Financial instruments with data different from that originating from an active market (unadjusted quoted price) included at Level 1, extracted from a pricing model based on observable market data.

- Level 3: Instruments classified as Level 3 are those whose data are extracted from a pricing model based on unobservable market data.

The Company's derivative financial instruments, with a net balance payable of R$ 366,899 as of December 31, 2024, as well as financial instruments linked to cash (including restricted cash and cash equivalents) were classified in Level 2 of the fair value hierarchy. There are no financial instruments classified in Level 3 and Level 1 in the Company.

	Parent / Consolidated		Parent	
	2024		2023	
	Fair value	Level	Fair value	Level
Assets (liabilities)				
Derivative financial instruments - assets	55,932	2	326,743	2
Derivative financial instruments - liabilities	(422,831)	2	(159,027)	2
	(366,899)		**167,716**	

22.2. Objectives and policies for financial risk management

The main financial liabilities of the Company, that are not derivatives, refer to borrowings, leases, suppliers and other payables. The main purpose of such financial liabilities is obtaining funds for the Company's operations. The Company has borrowings and other credits, trade receivables and other payables and demand and short-term deposits directly arisen out of its operations. The Company also enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk.
The Top Management supervises the management of such risks and counts with the support of a financial committee of the Board of Directors, thus contributing to the maintenance of a governance structure in financial risks appropriate for the Company.

The financial committee recommends to the Company's Top Management that activities undertaking financial risks shall be ruled by appropriate policies and procedures, and approved by the Board of Directors. All derivative activities have as object risk management, not comprising any derivative transactions for speculation purposes. The policy for financial risk management is reviewed and approved by the Board of Directors annually.

The financial committee revises and establishes policies for management of each such risk, and the main objective is reducing the unexpected financial or economic difference, which may have an impact on the Company's income, as well as on its expected cash flow. As a secondary objective, it is aimed at minimizing the probability of: (i) an unexpected requirement of additional funding; and (ii) that Company's metrics shall violate financial covenants already assumed.
As a central risk management mechanism, the internal controls utilized by the Company's Management are concentrated in following up the foreign currency-indexed debt percentage that it is protected by derivative

financial instruments. Due to this, the majority of the Company's exposure to exchange risk is being hedged by swap contracts.

In addition, the Company not only follows up de result of such operations through their fair value, but it also outlines impairment scenarios of relevant market variables, assessing stress situations and respective financial impacts.

22.3. Policy for use of derivative financial instruments

The Company's policy is to mitigate its exposure to market risks trying to reduce the financial impact of fluctuations in exchange and interest rates. Such policy is implemented through a strategic follow up of the exposure of its assets and liabilities to such variables, jointly with the entering into derivative operations allowing to control the risks involved.

Operations with derivatives are basically composed by exchange rate swap for borrowings in foreign currency or IPCA, both involving fixed rates, versus CDI percentage or CDI plus fixed rate, all of them contracted with first-line banks as counterparty and no guarantee margin deposit. We point out that the purpose of the totality of derivative operations is the reduction of risk exposure, not subject to speculative positions.

22.4. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will float due to changes in market prices. Market prices comprise three types of risk: interest rate risk, exchange risk, and price risk, that may be from commodities, shares, among others, which are detailed below. Financial instruments affected by market risk include borrowings payable, deposits, financial instruments available for sale and measured at fair value through profit or loss, and derivative financial instruments.

(a) Interest rate risk

Interest rate risk arises from the possibility that the Company may be subject to financial losses caused by changes in the interest rates to which it is exposed.

In the following table, three scenarios are considered for sensitivity analysis. Based on indices in effect on December 31, 2024, a likely scenario was defined for 2025, and based on these scenarios, changes from 25% to 50% were calculated. In the probable scenario, the market perspective was used for the end of 2025, based on the Focus Report released by the Central Bank of Brazil.

For each scenario the Company calculated the gross finance cost, not taking into account the taxes levied and the flow of maturities for each contract. The base date used for financings was December 31, 2024, projecting indices for one year and verifying their sensitivity in each scenario.

Amounts expressed in thousands of reais, unless otherwise indicated

Parent / Consolidated	2024			
	R$ million		>25%	50% higher
	Balance	Probable	Scenario I	Scenario II
CDI		14.75%	18.44%	22.13%
IPCA (NATIONAL AMPLIFIED CONSUMER PRICE INDEX)		4.96%	6.20%	7.44%
Liabilities	**8,770.2**	**1,195.4**	**1,494.3**	**1,793.1**
Exposure in CDI	7,767.1	1,145.6	1,432.1	1,718.5
Exposure in IPCA	1,003.1	49.8	62.2	74.6
Assets	**4,144.6**	**611.3**	**764.2**	**917.0**
Investments	4,144.6	611.3	764.2	917.0
Net Uncovered Position	4,625.6	584.1	730.1	876.1

	Carrying amount		
	Parent		Consolidated
	2024	2023	2024
Fixed rate instruments			
Financial liabilities	-	(202)	-
Floating rate instruments			
Financial assets	4,147,393	3,388,052	4,147,493
Financial liabilities	(8,396,856)	(7,014,230)	(8,396,856)

(b) Exchange rate risk

The results of the Company are susceptible to significant changes, due to the effects of the volatility of the exchange rate on liabilities indexed to a currency other than its functional currency.

Specially, its exposure to currency risk (exchange risk) is basically concentrated in US$-denominated purchases and borrowings, closing the year ended December 31, 2024 with a positive change of 27.91% (negative 7.21% as of December 31, 2023).

	Parent / Consolidated	Parent
	2024	2023
Assets in foreign currency		
Imports in progress	1,309	2,076
Swap/NDF financial instruments	118,004	102,928
	119,313	**105,004**
Liabilities in foreign currency		
Suppliers	(210,045)	(184,655)
Borrowings and financing	(118,281)	(103,267)
	(328,326)	**(287,922)**
Net exposure	**(209,013)**	**(182,918)**

Amounts expressed in thousands of reais, unless otherwise indicated

We present below variations in the Company's exchange rate-linked assets and liabilities, arisen out of the application of stress scenarios. We have elected by maintaining the active point of swap separated, in order to leave the effect of derivative more evident.

Sensitivity analyses in the following sections refer to position on December 31, 2024, and try to simulate how a stress in risk variables may affect the Company, considering reasonably possible scenarios. The first step was the identification of the main factors that have potential to generate losses on results, which was resumed to exchange rate. The analysis departed from a base scenario represented by the carrying amount of operations, that is, considering a sale tax (ptax) of December 31, 2024, disclosed by Bacen and volume of exposure. Furthermore, three scenarios were prepared, the probable scenario, based on the last Focus report disclosed by Bacen in such period and projection for the current year, scenario II with a deterioration of 25% and scenario III with a deterioration of 50%, in the risk variable.

The table below represents the sensitivity analysis involving the net effect resulting from these exchange rate shocks for the year 2024.

Dollar Appreciation Risk – December 31, 2024

Parent / Consolidated			R$ million
Operation	**Probable scenario I**	**Scenario II**	**Scenario III**
Hedge - Long position of swap	(4.11)	21.52	47.16
Debt in US$	4.12	(21.60)	(47.32)
Net risk of the operation in the US$ increase	**0.01**	**(0.08)**	**(0.16)**

	Exposure (R$ million)	Probable exposure (R$ million)	Real	Expected rate	Impact	
					25%	50%
Long position of swap	106.7	102.6	6.1991	5,960	7.45	8.94
Debt in US$	(107.0)	(102.9)	6.1991	5,960	7.45	8.94

These transactions are primarily denominated in Real and U.S. dollar.

(c) Credit risk

Refers to the possibility of the Company incurring losses arising out of default of their counterparties or financial institutions depository of resources or financial investments. In order to mitigate such risks, the Company adopts as practice an analysis of the financial and equity situation of their counterparties, as well as the definition of credit limits and permanent follow-up of open positions. The Company does not have guarantees taken in relation to trade receivables.

Amounts expressed in thousands of reais, unless otherwise indicated

	Parent		Consolidated
	2024	2023	2024
Cash and cash equivalents	4,144,513	3,385,798	4,144,613
Restricted cash	2,880	2,254	2,880
Trade receivables and other trade receivables	587,214	554,294	587,214
Derivative financial instruments – swap/NDF	25,237	167,716	25,237
Total	**4,759,844**	**4,110,062**	**4,759,944**

Trade receivables

The Company's trade receivables are concentrated in some major clients, which are also its related parties (Note 7), representing on December 31, 2024, 74.4% of total trade receivables (83.6% on December 31, 2023).

Such clients demand freight transportation considered as "captive", and have the same credit policy, determined in the respective service agreements. For these clients, the credit risk is relatively low due to the mitigating mechanisms defined in the service agreement.

For clients having "non-captive" freight transportation, the Company is subordinated to credit policies fixed by its Management, aiming to minimize eventual problems derived from their clients' default. In these cases, the Company performs daily credit and collection management. In the event of default, the collection is performed with the direct involvement of the managers responsible for the commercial contracts, and may even lead to the temporary suspension of the service provision.

Financial instruments and cash deposits

The Company is subject to credit risk associated with the financial investments it makes, considering the risk of insolvency of the institutions in which the Company maintains its investments, which may result in the total or partial loss of the funds invested. As of December 31, 2024, the Company's cash and cash equivalents exposure amount was R$ 4,144,246 (R$ 3,385,534 as of December 31, 2023), which were allocated to a current account, investments in CDBs or in repurchase and resale agreements that had a formal repurchase commitment by financial institutions.

The credit risk on cash and cash equivalents and interest earning bank deposits is determined by rating instruments widely accepted by the market and are arranged as follows:

	Parent	Consolidated
	2024	2024
AAA+	3,038,568	3,038,568
AA or AA+	1,105,678	1,105,778
Total	**4,144,246**	**4,144,346**

Amounts expressed in thousands of reais, unless otherwise indicated

(d) Liquidity risk

The Company's operations are capital intensive and part of this investment is financed by borrowings and financing. This leverage, as shown in the table below, generates a demand for cash, considering that the Company's investment is highly resilient; that is, it is possible to adjust it throughout the year according to the evolution of the business.

The table below summarizes the maturity profile of the Company's financial liability interest as of December 31, 2024, based on contractual payments not discounted.

Parent / Consolidated	Undiscounted cash flow – 2024				
	≤06 months	06–12 months	01–02 years	02–05 years	>05 years
Non-derivative financial liabilities					
Borrowings, financing, debentures and promissory notes (R$)	422,268	551,802	1,619,940	2,599,395	4,876,824
Related parties	213,610	7,072	-	-	-
Suppliers	498,455	119,522	-	-	-
Derivative financial liabilities					
Swaps used to hedge (USD)	5,226	11,470	22,424	56,297	95,416

Parent	Undiscounted cash flow – 2023				
	≤06 months	06–12 months	01–02 years	02–05 years	>05 years
Non-derivative financial liabilities					
Borrowings, financing, debentures and promissory notes (R$)	171,456	239,950	441,305	1,334,521	2,761,190
Related parties	275,746	-	11,557	-	-
Suppliers	441,275	58,190	-	-	-
Derivative financial liabilities					
Swaps used to hedge (USD)	5,066	9,609	17,654	50,015	82,195

It is worth highlighting that non-derivative financial liabilities that have some type of guarantee are detailed in Notes 7 and 14.1. Derivative financial liabilities do not have any type of guarantee.

Capital management

The policy of Management is to maintain a solid capital base to maintain the confidence of investors, creditors and market aiming at the future development of the business. Management monitors the return on capital invested considering the results of economic activities of its operations. The objective is to achieve a return compatible with its capital cost reviewed annually through the Weighted Average Cost of Capital concept. Management also monitors the level of dividends for common and preferred shareholders.

Amounts expressed in thousands of reais, unless otherwise indicated

Debt for ratio of capital at the end of the year is presented below:

	Parent		Consolidated
	2024	2023	2024
Total liabilities	13,147,145	11,679,270	13,147,145
(-) Cash and cash equivalents	4,144,513	3,385,798	4,144,613
(-) Restricted cash	2,880	2,254	2,880
Net obligations	8,999,752	8,291,218	8,999,652
Total equity	7,465,937	6,385,802	7,465,937
Ratio of net obligations to capital	**1,205**	**1,298**	**1,205**

23. Deferred taxes

Accounting policy

Deferred income tax and social contribution on temporary differences are expected to be offset as contingencies and other deductible temporary additions are settled.

Deferred income tax and social contribution on profit assets are recognized only in the proportion of the probability that the future taxable profit will be available and temporary differences can be used against it. Deferred tax assets are reviewed at each reporting date and impaired when their realization is no longer probable.

The deferred tax balances recorded in assets and liabilities were determined on temporary differences and are shown below:

Amounts expressed in thousands of reais, unless otherwise indicated

Deferred income tax and social contribution

		Parent / Consolidated	Parent
		2024	2023
Assets			
Reserves for risks		194,565	225,684
Right-of-use assets (*)		811,384	720,021
Mark-to-Market (MtM)		-	58,402
Sundry provisions		91,428	54,055
Provision for loss on assets		35,312	44,363
Provision for health care plan		2,796	2,865
Derivative financial instruments		124,746	-
Other		42	43
Total assets		**1,260,273**	**1,105,433**
Liabilities			
Lease (*)		(1,134,728)	(888,827)
Amortization of RTT adjustments		(81,468)	(84,021)
Derivative financial instruments		-	(57,023)
Mark-to-Market (MtM)		(180,043)	-
Provision for income tax credit (PIS/COFINS)	**(a)**	(14,062)	(28,193)
Depreciation		(114,447)	(98,677)
Other		(21,162)	(12,323)
Total liabilities		**(1,545,910)**	**(1,169,064)**
Net total		**(285,637)**	**(63,631)**

(*) Amendment to IAS 12/CPC 32 - Deferred Taxes related to Assets and Liabilities arising from a Single Transaction. The amendment is effective for annual years beginning on or after January 1, 2023, and requires the recognition of a deferred tax asset and a deferred tax liability when a single transaction generates taxable and deductible temporary differences at the same time. The adoption of the aforementioned amendment did not result in a change in the accounting balances. However, the Company started presenting the deferred tax assets and the deferred tax liabilities arising from leases separately.

Deferred income tax and social contribution on temporary differences are expected to be offset as contingencies and other deductible temporary additions are settled.

Deferred income tax and social contribution on profit assets are recognized only in the proportion of the probability that the future taxable profit will be available and temporary differences can be used against it. Deferred tax assets are reviewed at each reporting date and impaired when their realization is no longer probable.

The amount of R$ 1,260,273 (R$ 1,105,433 as of December 31, 2023) refers to deferred tax assets. The Company estimated its future taxable profit for the next 5 years and it proved to be sufficient to cover the temporary differences in deferred assets. Therefore, deferred tax assets were fully recognized in the financial statements as of December 31, 2024.

The amount of R$ 1,545,910 (R$ 1,169, 064 as of December 31, 2023) refers to the deferred tax liabilities which includes the portion of amortization of the adjustments arising from the RTT – Transition Tax Regime.

Amounts expressed in thousands of reais, unless otherwise indicated

Net movements in “deferred taxes” account are as follows:

		Parent / Consolidated	Parent
		2024	2023
On January 01		**(63,631)**	**91,552**
Provision for income tax credit (PIS/COFINS)	**(a)**	14,131	31,120
Depreciation		(15,770)	(74,045)
Sundry provisions		37,373	18,384
Mark-to-Market (MtM)		(238,445)	94,556
Amortization of RTT adjustments		2,553	2,552
Provision for health care plan		(69)	288
Lease		(245,901)	(227,306)
Right-of-use assets		91,363	88,664
Derivative financial instruments		181,769	(63,999)
Reserves for risks		(31,119)	(18,309)
Provision for loss on assets		(9,051)	4,781
Other		(8,840)	(11,869)
At the end of the year		**(285,637)**	**(63,631)**

a) Considering the credit from the discussion for the exclusion of ICMS from PIS and COFINS calculation basis, the Company is aware of the judgment of RE 1.063.187 (Topic 962) on September 30, 2021, based on the general repercussion system, in which the Federal Supreme Court decided that the levy of Corporate Income Tax (IRPJ) and Social Contribution on Profit (CSLL) was unconstitutional on the amounts related to the SELIC rate received as a result of the undue tax payment. It was decided in the context of the Motions for Clarification, definitely judged on April 29, 2022, that the decision will produce prospective effects, except for lawsuits filed until September 17, 2021. The decision became final on June 10, 2022. MRS filed a lawsuit on September 01, 2019, and had its appeal to exclude the levying of IRPJ and CSLL on amounts related to the SELIC rate received due to repetition of undue tax payment partially granted, following the leading case. Since MRS’s legal advisors considered the loss of the discussion related to Topic 962 to be remote, the provisioned amount of R$ 54,248 relating to deferred IRPJ and CSLL was reversed in July 2022. The final and unappealable favorable decision to MRS was handed down in September 2023, confirming the prognosis of the legal advisors. In 2024, the reduction of R$ 14,131 was due to credit offset, as mentioned in Note 10, item a.

Amounts expressed in thousands of reais, unless otherwise indicated

Deferred PIS and COFINS

		Parent / Consolidated	Parent
		2024	2023
On January 01		**(2,833)**	**(8,023)**
Provision for income tax credit (PIS/COFINS)	**10.a**	1,735	5,190
At the end of the year		**(1,098)**	**(2,833)**

24. Dividends payable

Accounting policy
Distribution of dividends to Company's shareholders is recognized as a liability at the end of the year. Based on Company's Bylaws, the distribution of dividends will not be lower than 25% of the profit for the year, adjusted under the terms of article 202 of Corporation Law, any amount above the minimum mandatory, set forth in the Corporation Law, is provisioned only on the date of its approval by the General Meeting.

On December 31, 2024, the Company allocated minimum mandatory dividends of R$ 336,184, equivalent to R$ 0.9947 per share, as shown below:

		Parent / Consolidated	Parent
		2024	2023
Profit for the year		1,415,510	1,200,149
Allocation to legal reserve		(70,776)	(60,007)
Profit, basis for dividend determination		**1,344,734**	**1,140,142**
Mandatory minimum dividends - 25%		336,184	285,036
Balance of dividends payable from prior years		201	154
Total dividends payable	**7**	**336,385**	**285,190**

On December 20, 2024, the amount of R$ 284,982 in mandatory minimum dividends was paid for the year 2023 (R$ 207,617 on December 15, 2023, for the year 2022).

Amounts expressed in thousands of reais, unless otherwise indicated

25. Provision

Accounting policy

Provision for lawsuits (labor, civil, tax and environmental) and other provision are recognized when: (i) the Company has a present or non-formalized obligation because of past events; (ii) it is likely that an outflow of funds will be required to settle the obligation; and (iii) the amount may be reliably estimated. The provision does not include future operating losses.

Provision is measured at present value of expenditure necessary to settle the obligation, using a rate before tax effects that reflects current market evaluations of time value of money and obligations' specific risks. The increase in the obligation over time is recognized as a finance cost.

The provisions issued are comprised as follows:

		Parent / Consolidated	Parent
		2024	2023
Provisions for risks	25.1	572,252	663,778
Provisions with the Concession Grantor	25.2	137,332	27,396
Provision for post-employment benefits	25.3	8,223	8,427
Other provisions		29,955	31,355
		747,762	**730,956**
Current		112,202	21,826
Non-current		635,560	709,130

25.1 Provision for risks

Provision for risks, classified as a probable risk of loss, are recorded in non-current liabilities, as follows:

Parent / Consolidated	Labor	Civil	Tax	Environmental	Total liabilities provisioned
Balance at December 31, 2022	**446,675**	**78,374**	**164,492**	**1,805**	**691,346**
Additions	71,527	13,665	-	5,235	90,427
Restatements	17,187	3,533	(4,214)	24	16,530
Write-offs for reversals or payments	(82,910)	(18,480)	(33,031)	(104)	(134,525)
Balance at December 31, 2023	**452,479**	**77,092**	**127,247**	**6,960**	**663,778**
Additions	118,072	9,140	5,124	669	133,005
Restatements	(58,260)	586	11,050	890	(45,734)
Write-offs for reversals or payments	(165,359)	(12,474)	(659)	(305)	(178,797)
Balance at December 31, 2024	**346,932**	**74,344**	**142,762**	**8,214**	**572,252**

Throughout the proceedings, the Company is required to make escrow deposits and guarantee execution to allow the filing of an appeal, under the terms of the Law. Deposits are monetarily restated and recorded in non-current assets (see Note 12) until a court decision is made. Considering the deposits and blocks made during the proceedings, the expected future impact on cash is as follows:

Amounts expressed in thousands of reais, unless otherwise indicated

Parent / Consolidated		Number of shares (*)	Amount involved (*)	Provision	Escrow deposits	Net value
Labor	(a)	1,501	865,645	346,932	(50,741)	296,191
Civil	(b)	1,111	523,052	74,344	(14,741)	59,603
Tax	(c)	171	785,973	142,762	(60,560)	82,202
Environmental	(d)	128	80,093	8,214	(1,118)	7,096
Other	(e)	6	5,643	-	-	-
		2,917	**2,260,406**	**572,252**	**(127,160)**	**445,092**

(*)Refer to lawsuits classified as probable and possible loss.

(a) Labor

Most of the labor lawsuits claim the collection of overtime, indemnity amounts, night shift premium, inter-day breaks, wage parity and hazard and unhealthy work premiums.

On December 31, 2024, the total amount of labor claims, classified as possible or probable loss, was R$ 865,645 (R$ 833,267 as of December 31, 2023).

Lawsuits with prognosis of probable loss are in the amount of R$ 713,152 and for them, based on the understanding of its legal advisors, the Company has provisioned R$ 346,932 for 1,066 lawsuits (R$ 452,479 as of December 31, 2023), considering the prospect of probable loss in those lawsuits.

The addition in the amount of R$ 118,072 is mainly due to changes in the prognosis, arising from calculations resulting from convictions or amendments issued during the period.

The write-off of the provision totaling R$ 165,359 derives from execution payments, payments for settlements and changes in forecast, mainly due to a monocratic decision published on October 8, 2024, handed down by the Superior Labor Court in a lawsuit filed by the Belo Horizonte Railway Workers Union (STEFBH), reconsidering a previous decision, which dismissed the request for classification in category “b” of Article 237 of the Brazilian Consolidation of Labor Laws and the resulting overtime. Therefore, Management, based on the assessment of the legal advisors defending the case, changed the likelihood of loss to possible and reversed the provision for the third quarter. Accordingly, the provision for this lawsuit was reversed in the amount of R$ 145,404, of which R$ 65,145 was the principal and R$ 80,259 was monetary restatement.

Furthermore, based on the assessment of its legal advisors, the Company has a contingency of R$ 152,493 for 435 cases with an estimate of possible loss, which do not have amounts recorded as a provision.

(b) Civil

The Company is a party to 1,111 lawsuits, with 970 in which it appears as a defendant and 141 in which it appears as a plaintiff/complainant/interested party. On December 31, 2024, the total amount of civil claims, classified with a prognosis of possible or probable loss, was R$ 523,052 (R$ 484,311 on December 31, 2023).

The lawsuits in which the Company is a defendant mostly address civil liability for railway accidents, collection legality for third-party interference in right-of-way areas, maintenance of the health care plan and the index of readjustment of the monthly health care plan after the dismissal of the Company's employees, equivalence of the private pension plan to the RFFSA plan and public civil actions. The total amount involved in the aforementioned lawsuits classified with a prognosis of possible or probable loss was R$ 461,840 as of December 31, 2024. Lawsuits with likelihood of probable loss involve R$ 107,677, in accordance with the opinion of its legal advisors, the Company has recorded a provision for these lawsuits that amount to R$ 74,287 for 172 lawsuits (R$ 77,092 as of December 31, 2023), referring to the estimated value of claims with probable likelihood of loss.

The Company did not recognize a provision for the remaining 798 lawsuits, as the expected loss was considered possible. The amount of contingencies with this prognosis is R$ 354,163 on December 31, 2024 (R$ 359,793 on December 31, 2023) and refers mainly to indemnity claims arising from railway accidents.

The lawsuits in which the Company appears as the plaintiff/complainant/interested party mostly address contractual liability, collection actions for the use of the right of way, adverse possession and repossession and expropriation. The total involved amount of these 141 lawsuits, as of December 31, 2024 was R$ 61,212, classified with prognosis of possible or probable loss. Following the understanding of its legal advisors, as of December 31, 2024, the Company has a provision of R$ 57 for 38 lawsuits (R$ 0.4 as of December 31, 2023) referring for convictions to lawyers' fees.
Provisions were written-off for the period, totaling R$ 12,474, resulting from the realization of the provisioned expenses.

The Company has insurance covering bodily harm, material and moral damages and losses caused to third parties, whose deductible is currently R$ 750,000 per event/occurrence and in the aggregate.

(c) Tax

The Company is a party to 171 legal and administrative lawsuits of a tax nature, of which 29 are tax recovery lawsuits and 142 are lawsuits with possible or probable risk of outflow of funds.

As of December 31, 2024, the total involved amount of 142 lawsuits was R$ 785,973 (R$ 702,280 as of December 31, 2023). Based on the understanding of its legal advisors, the Company has provisioned the amount of R$ 142,762 (R$ 127,247 as of December 31, 2023), referring to 8 lawsuits considering the prospect of probable loss.

The breakdown of tax provisions with a likelihood of probable loss is as follows:

ICMS – the amounts of R$ 87,601 and R$ 44,889 refer to proceedings in which the use of ICMS credits is discussed in the states of Rio de Janeiro and São Paulo, respectively, for the acquisition of goods classified by the Company as inputs or components of the permanent assets, disallowed by state inspection;
- INSS assessment notice for alleged failure to pay the SAT surcharge: R$ 10,272.

The Company is party to 134 lawsuits for which, based on the evaluation of its legal advisors, did not recognize a provision, as expected losses were considered possible. The amount of contingencies with a possible prognosis of loss is R$ 643,211 as of December 31, 2024 (R$ 574,533 as of December 31, 2023) is related to lawsuits that mostly are:

Tax assessment notices for disallowance of PIS and COFINS credits on leases, mutual traffic and right of way of R$ 192,640;

Tax assessment notice for disallowance of PIS and COFINS credit grant of R$ 21,040;

IPTU reciprocal immunity of R$ 114,940, referring to administrative and judicial proceedings relating to the collection of IPTU tax on operational properties, object of the concession agreement, transferred to the Company by the Federal Union for the provision of transport services (Topic 1297 STF);

PIS and COFINS mutual traffic: the amount of R$ 19,364 refers to the PIS and COFINS requirement on the entry of amounts as mutual traffic into the Company's cash flow, and then transferred to third parties (revenue from another concessionaire);

ICMS Credit Disallowance: the amount of R$ 217,380, refers to the use of ICMS credits in the states of Rio de Janeiro and São Paulo for the acquisition of goods classified by the Company as inputs or components of permanent assets, disallowed by state inspection;

ICMS RJ tax assessment due to alleged lack of registration of the CIAP Book: R$ 40,061.

(d) Environmental

The Company is a party to 15 judicial proceedings and 113 administrative proceedings whose nature is environmental. As of December 31, 2024, the total involved amount of these lawsuits was R$ 80,093 (R$ 70,866 as of December 31, 2023). Based on the understanding of its legal advisors, the Company has provisioned the amount of R$ 8,214 referring to 11 lawsuits, considering the prospect of probable loss in such lawsuits, with the others remaining as 'possible' losses.

(e) Other

The Company has (i) 5 Terms of Adjustment of Conduct (TACs) in force, 3 of which are related to labor matters and 2 to civil matters and (ii) 1 Commitment Agreement is related to civil matters, signed with the Prosecutor's Office. As of December 31, 2024, the total involved amount was R$ 5,643.

25.2 Provisions with the Concession Grantor

Provisions with the Concession Grantor include indemnities, fines, as well as other provisions for obligations arising from the concession renewal.

25.3 Provision for post-employment benefits

Healthcare plan

Accounting policy

The Company offers to its employees post-employment healthcare benefits. The entitlement to these benefits is usually conditional on the employee remaining in the job until retirement age and completing a minimum length of service. Post-employment healthcare benefit plan costs are determined by means of actuarial evaluation methods and are accumulated over the period of employment.

The actuarial evaluation requires the use of assumptions of discount rates, expected asset return rates and future salary increases and mortality rates, turnover and permanence rates in post-termination/retirement plan. The obligation for this benefit is sensitive to changes in these assumptions.

Actuarial gains and losses, resulting from adjustments based on experience and on changes in actuarial assumptions, are debited or credited on equity in other components of comprehensive income. These obligations are assessed annually by qualified independent actuaries by using the method of projected credit unit.

Amounts expressed in thousands of reais, unless otherwise indicated

The costs of past health care plan services are recognized as expenses on a straight-line basis over the average period until the right to benefits is acquired. If entitlement to benefits has already been acquired, past service costs are recognized immediately upon introduction or health care plan changes.

	Parent / Consolidated	Parent
	2024	2023
Healthcare plan	8,223	8,427

The Company offers its employees a health care plan administered by the Bradesco Saúde Operator. The plan is funded in the form of a post-established price, with partial sharing of expenses, through the collection of a monthly contribution from the beneficiaries. As the employee participates in the plan's costing, the extension of this benefit is guaranteed to the former employee terminated or dismissed without cause or retired, in accordance with Articles 30 and 31 of Law 9.656/1998, regulated by Normative Resolution 488/2022 of ANS, which revoked Normative Resolution 279/2011. The Company pays the Operator the difference between the expenses incurred with using the plan, plus the administration fee.

The Company also offers its employees and former employees health care plans administered by Unimed Juiz de Fora Operator. In this case, two different plans are offered, one of which at a post-established price, intended for active employees and the other, at a pre-established price, intended exclusively for former employees. Due to the provisions of Normative Resolution 488/2022, when calculating the adjustment to be applied to the monthly plan fees for former employees, Unimed Juiz de Fora must jointly evaluate its full portfolio of exclusive plans for former employees.

However, whenever the annual adjustment proposed by Unimed Juiz de Fora for the exclusive plan for former employees exceeds the percentage value proposed by Bradesco Saúde for the former employee's contributions, MRS will pass on to beneficiaries linked to Unimed Juiz de Fora the same adjustment value attributed to beneficiaries linked to Bradesco Saúde and will pay the difference in the Unimed health care plan.
As a result of said measure, the Company undertakes to partially pay for medical assistance for former employees linked to Unimed Juiz de Fora and their respective dependents.

As of December 31, 2024, the plan had 19,020 lives between Bradesco Saúde and Unimed Juiz de Fora and the contributions made by the Company totaled R$ 82,886 as of December 31, 2024 (R$ 76,092 as of December 31, 2023).

Actuarial gains and losses are recognized in Equity and Statement of Comprehensive Income as other comprehensive income, as determined by the Accounting Pronouncement CPC 33 (R1) – Employee Benefits.

As of December 31, 2024, there were actuarial liabilities on behalf of the Company, arising from the health care plan in the amount of R$ 8,223 (R$ 8,427 as of December 31, 2023), which were duly provisioned in non-current liabilities.

Amounts expressed in thousands of reais, unless otherwise indicated

a. Reconciliation of net actuarial liability recognized in the balance sheet:

	Parent / Consolidated	Parent
	2024	2023
Net actuarial liability on January 01	8,427	8,250
Expenses recognized for fiscal year	1,060	1,109
Gain in obligations	(1,264)	(932)
Actuarial liability as of December 31	**8,223**	**8,427**

b. Movements in actuarial liabilities:

	Parent / Consolidated	Parent
	2024	2023
Actuarial liability at the beginning of the year	8,427	8,250
Cost of current service	270	299
Interest on obligation	790	810
Benefits directly paid to the plan	(497)	(504)
(Gain)/ loss - resizing of cost included in other comprehensive income	(767)	(428)
Actuarial liability as of December 31	**8,223**	**8,427**

c. Expense to be recognized in the statement of profit or loss for the next year:

	Parent / Consolidated
	2024
Cost of current service	309
Interest on actuarial obligations	874
Total expenses to be recognized	**1,183**

d. Assumptions adopted by the independent actuary in the actuarial obligation calculations for Bradesco Saúde Operator:

Discount rate	6.8238% p.a.
Long term inflation	3.89% p.a.
Health Care inflation (HCCTR)	3.77% p.a.
Aging factor	N/A
General mortality table	AT-2000 Basic, segregated by gender

Amounts expressed in thousands of reais, unless otherwise indicated

e. Assumptions adopted by the independent actuary in the actuarial obligation calculations for Unimed Health Operator:

Discount rate	6.8238% p.a.
Long term inflation	3.89% p.a.
Health Care inflation (HCCTR)	2.13% p.a.
Aging factor[1]	≤18 years: R$ 130.31 19−23 years: R$ 143.37 24−28 years: R$ 164.87 29−33 years: R$ 189.60 34−38 years: R$ 218.04 39−43 years: R$ 261.68 44−48 years: R$ 319.22 49−53 years: R$ 399.04 54–58 years: R$ 518.77 >59 years: R$ 780.76
General mortality table	AT-2000 Basic, segregated by gender

[1]Increasing per capita cost per age group.

Supplementary pension plan

Accounting policy

The Company sponsors a defined contribution pension plan, which requires contributions to be made to funds managed separately from the Company's own funds. The Company has no additional obligation to make payments after the contribution is made. The contributions are recognized as employee benefit expenses, when due. The contributions made in advance are recognized as asset as a refund in cash or a reduction of future payments when made available.

The Company sponsors a supplementary pension plan for employees through a pension plan managed by Bradesco Vida e Previdência. The supplementary pension plan, created on July 1, 1999, is eligible for all MRS employees as of the date the plan was created. The plan is in the defined contribution modality and the Company has no legal or constructive obligation to pay additional contributions if the fund does not have sufficient assets to pay all benefits due. The costing is equally shared, so that the Company's share is equivalent to 100% of that made by the employee according to a contribution scale based on salary ranges.

The plan requires contributions to be made to funds managed separately from the Company's own funds. The plan assets are maintained by an open-ended supplementary pension plan entity, not available to the Company's creditors and cannot be paid directly to Company.

The contributions made by the Company totaled R$ 9,939 in the year ended December 31, 2024 (R$ 9,191 in 2023), which were recorded as an expense for the year.

As of December 31, 2024 and December 31, 2023, there were no liabilities on behalf of the Company arising from supplementary pension plan.

Life insurance

Amounts expressed in thousands of reais, unless otherwise indicated

Employees participate in group life insurance guaranteed by Generalli Companhia de Seguros. In 2024, the Company contributed R$ 1,481 (R$ 1,387 in 2023) with life insurance for its employees.

26. Other liabilities

		Parent / Consolidated	Parent
		2024	2023
Obligations of the Concession	(a)	217,198	195,580
Contractual obligations with related parties		12,822	25,644
Consigned fuel	9	13,992	17,531
Other liabilities payable		939	1,338
		244,951	**240,093**
Current		52,970	39,597
Non-current		191,981	200,496

(a) Of the amount of R$ 217,198, R$ 197,625 corresponds to the funds that will be allocated to the preservation of railway memory and for technological development, which after issuing Resolution 6.021 of July 20, 2023 and Ordinance 17 of December 6, 2023, by ANTT, deliberated on the guidelines and procedures for these regulatory obligations, and the Company recognized these contractual obligations in current and non-current liabilities, adjusted to present value.

27. Equity

Accounting policy

The subscribed and paid-up capital is divided into common and preferred book-entry shares with no par value.

(a) Subscribed and paid-up capital

At a meeting of the Board of Directors held on March 20, 2024, the Board approved the capital increase without the issue of shares, using part of the balance of the investment reserve of R$ 75,841. This increase aims to meet the regulatory obligation for year 2, provided for in the Fourth Amendment to the concession agreement.

The subscribed and paid-in capital, in the amount of R$ 4,036,872 as of December 31, 2024 (R$ 3,961,031 as of December 31, 2023), is divided into 337,977,019 book-entry shares with no par value, divided into “A” and “B” common and preferred classes.

In accordance with the Company’s Bylaws, the Board of Directors is authorized to increase the capital, regardless of the statutory reform, up to the limit of R$ 5,000,000.

According to the Privatization Notice and the Bylaws of MRS, no shareholder may directly or indirect hold more than 20% of all shares that represent the Company’s voting capital. If this threshold is exceeded, as determined by ANTT, the shareholder will waive the right to vote and veto inherent to shares that exceed this limit.

As of December 31, 2024, the interest in capital was as follows:

Amounts expressed in thousands of reais, unless otherwise indicated

Shareholder	Common shares		Preferred shares		Total capital	
	Number of shares	%	Number of shares	%	Number of shares	%
Minerações Brasileiras Reunidas S.A.	37,666,526	20.12%	74,301,916	49.28%	111,968,442	33.13%
Companhia Siderúrgica Nacional	26,611,282	14.21%	36,765,916	24.39%	63,377,198	18.75%
CSN Mineração S.A.	25,802,872	13.78%	37,536,000	24.90%	63,338,872	18.74%
Usiminas Participações e Logística S.A.	37,513,650	20.04%	342,805	0.23%	37,856,455	11.20%
Vale S.A.	36,270,703	19.37%	769,304	0.51%	37,040,007	10.96%
Gerdau S.A.	4,460,128	2.38%	-	-	4,460,128	1.32%
Railvest Investments	14,747,620	7.88%	-	-	14,747,620	4.36%
Minority	4,137,420	2.21%	1,050,877	0.70%	5,188,297	1.54%
Total shares	**187,210,201**	**100.00%**	**150,766,818**	**100.00%**	**337,977,019**	**100.00%**

(b) Right of shares

The holders of common shares will have the right to vote in the resolutions of the General Meetings; preferred shares (classes A and B) will be entitled to dividends 10% higher than those attributed to common shares, will not have voting rights and will enjoy priority in receiving capital, without premium, upon liquidation of the Company.

Class B preferred shares are, at the initiative of the shareholder who holds them, convertible into common shares, in the proportion of one for each common share. Such conversion may be carried out at any time, subject to the conditions set forth in the Bylaws.

Although without voting rights, class B preferred shares will have the right to elect, in a separate vote, a member of the Board of Directors, as long as they represent a minimum of 25% of the total capital.

(c) Earnings reserve – legal reserve

Set up on the basis of 5% of the profit for the year before interest and reversal of interest on own capital, as set forth by the Brazilian Corporate Law and limited to 20% of capital. As of December 31, 2024, the balance of legal reserve is R$ 551,518 (R$ 480,742 as of December 31, 2023).

(d) Earnings reserve - Investment reserve

As of December 31, 2024, the balance of investment reserve is R$ 2,865,703 (R$ 1,932,994 as of December 31, 2023).

At a meeting of the Board of Directors held on March 20, 2024, the Board approved the capital increase using part of the balance of the investment reserve of R$ 75,841.

On December 31, 2024, the Company's Management proposed the retention of the accumulated profits for the year 2024 of R$ 1,008,550, corresponding to 75% of the profit for 2024 (after deducting 5% allocated to the legal reserve), aiming to provide the required funds to fulfill the capital investment budget in the Company.

(e) Other comprehensive income

Other comprehensive income refers to the actuarial gains of the health care plan, calculated in accordance with CPC 33 (R1).

	Actuarial gains	IRPJ/CSLL	Total
December 31, 2023	**12,437**	**(1,402)**	**11,035**
Gains	767	42	809
December 31, 2024	**13,204**	**(1,360)**	**11,844**

28. Earnings (loss) per share

The table below establishes the calculation of earnings per share for the years ended December 31, 2024 and 2023 (in thousands of Reais, except for earnings per share):

	2024	2023
Numerator		
Profit for the year	1,415,510	1,200,149
Denominator (in thousands of shares)		
Weighted average of common shares	187,210	187,802
Weighted average of preferred shares - A	81,588	81,886
Weighted average of preferred shares - B	69,179	69,430
10% - Preferred shares	1.1	1.1
Weighted average of adjusted preferred shares (Basic earnings)	165,844	166,448
Weighted average of adjusted preferred shares (Diluted earnings)	89,747	90,075
Denominator for basic earnings per share	353,054	354,250
Denominator for diluted earnings per share	346,136	347,307
Basic earnings per common share	4,009	3,388
10% - Preferred shares	1.1	1.1
Basic/diluted earnings per preferred share – A	4,410	3,727
Basic/diluted earnings per common share - B	4,410	3,727

The Company does not hold outstanding shares with the potential for dilution or other instruments that could result in the dilution of the calculation of earnings per share.

Amounts expressed in thousands of reais, unless otherwise indicated

29. Net revenue from services

Accounting policy

Revenue is recognized to the extent it is likely that economic benefits will be generated for the Company and when it can be measured reliably. The revenue is measured based on the fair value of the consideration received, excluding discounts, rebates, taxes or charges over sales.

Revenue from the provision of rail freight transport services, the Company's main revenue, is recognized as the services are performed. The fair value of service revenue is reliably calculated based on tariffs previously agreed between the parties.

	Parent / Consolidated	Parent
	2024	2023
Gross revenue from services	7,484,648	6,872,969
Sales taxes	(459,675)	(423,844)
	7,024,973	**6,449,125**

The Company provides services in the Brazilian domestic market to private entities.

Service contracts with customers establish prices and forecasts of tons to be transported during the term.

30. Costs and expenses by type

		Parent / Consolidated	Parent
		2024	2023
Fuels/lubricants		(1,109,471)	(1,046,288)
Manpower and payroll charges		(1,093,085)	(958,909)
Depreciation and amortization		(1,015,019)	(911,299)
Outsourced services		(562,461)	(468,328)
Inputs/Other materials		(326,925)	(233,841)
Freight sharing and ancillary transport costs		(271,593)	(239,238)
Concession cost	**(a)**	(99,332)	(34,594)
Rental of operating vehicles and equipment		(12,240)	(9,926)
Other		(34,171)	(88,060)
		(4,524,297)	**(3,990,483)**
Cost of services rendered		(3,909,918)	(3,456,893)
Sales expenses		(18,679)	(22,789)
Administrative and general expenses		(595,700)	(510,801)
		(4,524,297)	**(3,990,483)**

(a) Refers to additional costs arising from new regulatory obligations, including, among others, those described in Note 26, item (a).

Amounts expressed in thousands of reais, unless otherwise indicated

31. Other operating income (expenses), net

		Parent / Consolidated	Parent
		2024	2023
Other operating income			
Contractual fines	(a)	159,044	199,791
Sale of materials (scrap/excess inventory)		62,099	64,864
Reversals of provision for risks		45,790	44,099
Indemnity revenues		-	29,117
Alternative revenues		32,968	26,715
Insurance		12,743	14,981
Revenue from sale of property, plant and equipment		8,891	6,476
Reversal of provision for loss on current, non-current assets		25,071	-
Other credits		1,733	11,899
		348,339	**397,942**
Other operating expenses			
ICMS legal installment reversal	(b)	(111,341)	(90,174)
Executions for procedural losses		(29,160)	(77,998)
Residual cost of written-off property, plant and equipment and intangible assets		(63,551)	(46,686)
Sales taxes and other revenues		(27,428)	(33,955)
Sponsorship expenses (tax incentives)		(21,000)	(23,080)
Other tax expenses		(26,399)	(22,665)
Provision for losses on non-current assets		-	(17,934)
Donations		(3,043)	(4,289)
Agreement with municipalities		(3,483)	(1,350)
Write-off of securities		(217)	(666)
Other expenses		(18,469)	(19,785)
		(304,091)	**(338,582)**
Other operating income (expenses), net		**44,248**	**59,360**

(a) Some rail transport service agreements have revenue protection mechanism clauses (take or pay), with the purpose of ensuring that the transport volumes demanded by clients are carried out. The protection mechanism clause is triggered when the client does not produce the minimum volume provided for in the agreement. The values are determined according to the period provided for in the agreement and calculated on the main items that make up the cost. Income arising from the triggering of the protection mechanism is recognized in other operating income.

(b) Amounts arising from legal reversals determined in accordance with ICMS legislation. The Company calculates the utilization coefficient monthly and refunds the portion that exceeds said percentage.

Amounts expressed in thousands of reais, unless otherwise indicated

32. Net financial profit (loss)

Accounting policy

Finance income includes income from interest, inflation adjustments and exchange-rate changes on financial assets and liabilities and net gains from financial assets measured at fair value through profit or loss. Interest revenue is recognized under the straight-line method based on time and effective interest rate on principal value.

Finance costs include expenses from interest on borrowings, monetary restatement of provision, legal and tax obligations, losses on fair value of financial assets at fair value through profit or loss, losses on hedge instruments that are recognized in profit (loss) and adjustments to present value of leases.

		Parent / Consolidated	Parent
		2024	2023
Finance income			
Yield on interest earning bank deposits		342,483	207,556
Derivative financial instruments – swap/NDF		-	69,366
Exchange rate change and monetary restatement		15,532	45,956
Adjustment to present value of trade receivables		28,319	23,899
Interest from PIS/COFINS tax credit	10.a	7,716	13,277
Mark-to-market - hedge accounting		701,122	-
Interest		2,177	-
Other finance income		26,809	1,475
		1,124,158	**361,529**
Finance costs			
Interest		(430,867)	(438,297)
Mark-to-market - hedge accounting		-	(260,388)
Adjustment to present value of leases	21	(175,081)	(214,261)
Exchange rate change and monetary restatement		(335,210)	(152,338)
Derivative financial instruments – swap/NDF		(601,936)	-
Other finance costs		(78,247)	(36,666)
		(1,621,341)	**(1,101,950)**
Net financial profit (loss)		**(497,183)**	**(740,421)**

33. Income taxes

Accounting policy

The expenses with income tax and social contribution on profit for the year include current and deferred taxes, which are calculated based on the rates of 15% plus a surcharge of 10% on taxable profit in excess of R$ 240 for income tax and 9% on taxable income for social contribution on profit.

Income taxes are recognized in the statement of profit or loss, except to the extent they are related to items directly recognized in the equity or in other comprehensive income. In case of the latter, the tax is also recorded in the equity.

Current tax is the tax payable or receivable on the taxable profit or loss to be offset for the year, plus any prior-year adjustments (if any). The amount of current taxes payable or receivable is recognized in the balance sheet as an asset or tax liability under 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 tax rates, provided for in the law on the balance sheet date.

Current income tax and social contribution on profit are shown net, in liabilities when there are amounts to be paid or under assets when the prepaid amounts exceed the total owed on the balance sheet date.

Deferred tax assets and liabilities are calculated on existing temporary differences between the carrying amounts of assets and liabilities for financial statement purposes and used for taxation purposes. Changes in deferred tax assets and liabilities for the year are recognized as expense related to deferred income tax and social contribution on profit.
Deferred income tax and social contribution on profit assets are recognized only in the proportion of the probability that the future taxable income will be available and temporary differences can be used against it. Deferred tax assets are reviewed at each reporting date and impaired when their realization is no longer probable.

Deferred tax assets and liabilities are presented at net value in balance sheet when there is the legal right and the intention of offsetting them upon calculation of current taxes, in general related to the same legal entity and the same tax authority.

Amounts expressed in thousands of reais, unless otherwise indicated

Reconciliation of income tax and social contribution:

		Parent / Consolidated	Parent
		2024	2023
Profit before income tax and social contribution		**2,047,741**	**1,777,581**
Nominal rate		34%	34%
IRPJ/CSLL at nominal rate:		**696,232**	**604,378**
Adjustments to reflect effective rate:		**(64,001)**	**(26,946)**
Tax incentives	**(a)**	(59,817)	(42,506)
Prior-year income tax adjustments		(15,956)	-
IR/CS adjustments - exclusion of PIS and COFINS from ICMS calculation basis.		(2,387)	(4,514)
Inventory adjustment		3,406	1,455
Donation expenses		8,175	9,384
Other		2,578	9,235
IRPJ/CSLL in profit (loss) for the year		**632,231**	**577,432**
Current		410,182	422,207
Deferred		222,049	155,225
IRPJ/CSLL in profit (loss) for the year		**632,231**	**577,432**
Total effective fiscal rate		30.87%	32.48%
Total effective tax rate – current		20.03%	23.75%
Total effective tax rate – deferred		10.84%	8.73%

a) Of the amount of R$ 59,817, R$ 19,202 refers to the deemed ICMS credit for the state of Minas Gerais, in which MRS Logística S.A. has the Writ of Mandamus 5089389-96.2024.4.02.5101/RJ, with injunction and decision already handed down, recognizing the right to exclude the revenues related to the ICMS deemed credit tax benefit granted to it from the IRPJ and CSLL calculation bases, also ruling out the requirements provided for in Law 14789/2023. To calculate the amount to be excluded, the Company adopted the understanding issued by the Brazilian Federal Revenue Service in Interpretative Act 4 of December 26, 2024.

Amounts expressed in thousands of reais, unless otherwise indicated

34. Other disclosures on cash flows

34.1 Movements not affecting cash in investing activities

During 2024, the Company made additions to property, plant and equipment and intangible assets with term payment in the amount of R$ 439,226 (R$ 135,289 as of December 31, 2024), which did not involve cash and are therefore not reflected in the statement of cash flows.

34.2 Reconciliation of liabilities arising from financing activities

	2024					
Parent / Consolidated	Bank borrowings	Debentures	Leases	Total	Financial instruments	Total debt
Borrowings and financing - 12/31/2023	**2,236,419**	**4,638,864**	**2,034,496**	**8,909,779**	**(167,716)**	**8,742,063**
Movements that affected cash flow	**(181,579)**	**1,362,060**	**(732,361)**	**448,120**	**(36,408)**	**411,712**
New funding activities	-	2,500,000	-	2,500,000	-	2,500,000
Payments of principal	(41,786)	(745,412)	(557,279)	(1,344,477)	(36,408)	(1,380,885)
Interest payment	(139,793)	(285,139)	(175,082)	(600,014)	-	(600,014)
Transaction cost	-	(107,389)	-	(107,389)	-	(107,389)
Movements that did not affect cash flow	**281,232**	**(168,238)**	**270,026**	**383,020**	**571,023**	**954,043**
Acquisition/new leases	-	-	8,384	8,384	-	8,384
Restatement of interest, monetary restatement and exchange-rate change	281,232	(168,238)	261,642	374,636	571,023	945,659
Borrowings and financing - 12/31/2024	**2,336,072**	**5,832,686**	**1,572,161**	**9,740,919**	**366,899**	**10,107,818**

Amounts expressed in thousands of reais, unless otherwise indicated

	2023					
Parent	**Bank borrowings**	**Debentures**	**Leases**	**Total**	**Financial instruments**	**Total debt**
Borrowings and financing - 12/31/2022	**1,718,080**	**2,617,962**	**2,401,060**	**6,737,102**	**29,889**	**6,766,991**
Movements that affected cash flow	**305,290**	**1,446,256**	**(699,522)**	**1,052,024**	**(151,555)**	**900,469**
New funding activities	688,315	1,907,644	-	2,595,959	-	2,595,959
Payments of principal	(284,364)	(254,583)	(485,261)	(1,024,210)	(151,555)	(1,175,765)
Interest payment	(99,716)	(216,568)	(214,261)	(530,545)	-	(530,545)
Transaction cost	1,057	9,763	-	10,820	-	10,820
Movements that did not affect cash flow	**213,049**	**574,646**	**332,958**	**1,121,503**	**(46,050)**	**1,074,603**
Acquisition/new leases	-	-	1,330	1,330	-	1,330
Restatement of interest, monetary restatement and exchange-rate change	213,049	574,646	331,628	1,119,323	(46,050)	1,073,273
Borrowings and financing - 12/31/2023	**2,236,419**	**4,638,864**	**2,034,496**	**8,909,779**	**(167,716)**	**8,742,063**

Payments related to investment providers are presented in the cash flow as financing activities. In 2024, the payment of R$ 138,936 (R$ 237,027 in 2023) was made, relating to investments from previous years.

35. Insurance

The Company has the following insurance policies for its operations:

Coverage	Purpose	Maturity	LMI*	Franchise
Operating risks	Coverage of operating assets owned by the company or under its responsibility	September 30, 2025	375,000	7,500
Civil liability	Coverage against damages caused to third parties	February 09, 2026	85,000	750
Civil Liability - Cargo transportation	Coverage of claims with cargo in transport	April 30, 2025	70,000	N/A
Concession agreement guarantee insurance	Fulfillment of obligations with ANTT	June 17, 2025	1,390,723	N/A

*LMI – Maximum indemnity limit

The Company adopts the policy of contracting insurance coverage for assets subject to risks and civil liability considering the nature of its activity.

On July 29, 2022, as a condition for signing the concession renewal agreement, the Company took out a guarantee insurance. This insurance contract guarantees compensation, up to the amount provided for in the policy, for any losses arising from non-compliance with the contractual obligations assumed by the Company in the concession agreement.

36. Subsequent events

BNDES funding

As of January 09, 2025, the operation was concluded with the National Bank for Economic and Social Development (BNDES), via Finame Direto. The financing in the amount of R$ 227,000 has a total amortization period of 12 years. The funds will be used to reimburse the purchase of rolling stock - locomotives and wagons that have been integrated into the fleet and are in operation.

Sale of credits

In January 2025, through the Credit Assignment Agreement, the Company sold credits originating from a court-ordered reorganization process, held against a certain client. The transaction was completed, resulting in the sale of the credit rights to a third party for R$ 50,000.

Investment reserve and capital increase

In a Board of Directors Meeting held on March 11, 2025, the Board proposed the retention of 75% of retained earnings from 2024, after the formation of the Legal Reserve, as an investment reserve of R$ 1,008,550. It also approved the proposal to increase the capital by R$ 724,006 to fulfill the obligation to pay up the minimum capital, as required by the 4th Amendment to the Concession Contract signed between the Company and the National Land Transport Agency.

Management: Board Members and Directors

Board of Directors

Marcelo Leite Barros (CEO)
Marco Aurelio Brito Braga
Murilo Muller
Wendel Gomes da Silva
Luis Fernando Barbosa Martinez
João Mario Lourenço Filho
Vitor José Melo Soares
Carlos Hector Rezzonico
Julio Rosa Baptista
Marcelo Cunha Ribeiro

Executive Board's members

Guilherme Segalla de Mello
Chief Executive Officer, Chief Commercial, Operations, Finance, Development and Investor Relations, Engineering and Maintenance and People Officer

Félix Lopez Cid
Chief Projects and Works Officer

Other Officers who are not members of the Executive Board

Daniel Dias Olivio
Henrique Rocha Martins
Luiz Gustavo Bambini de Assis
Raphael Steiman
Ane Menezes Castro Matheus

Statement of the Executive Officers on the financial statements

By this instrument, the Chief Executive Officer, Chief Sales, Operations, Finances and Development, Investor Relation, Engineering and Maintenance and People Officer and other Officers of MRS Logística S.A., a publicly held company, for the purposes of the provisions of items V and VI of Article 27 of CVM Resolution 80, of March 29, 2022 ("Resolution"), hereby declare that they have reviewed, discussed and agreed with the financial statements of MRS Logística S.A. for the fiscal year ended December 31, 2024.

Rio de Janeiro, March 11, 2025

Guilherme Segalla de Mello
Chief Executive Officer, Chief Commercial, Operations, Finance, Development and Investor Relations, Engineering and Maintenance and People Officer

Félix Lopez Cid
Chief Projects and Works Officer

Other Officers who are not members of the Executive Board

Daniel Dias Olivio

Henrique Rocha Martins

Luiz Gustavo Bambini de Assis

Raphael Steiman

Ane Menezes Castro Matheus

Statement of the Executive Officers on Independent Auditor's Report

By this instrument, the Chief Executive Officer, Chief Commercial, Operations, Finances, Development and Investor Relation, Engineering and Maintenance and People and other Officers of MRS Logística S.A., a publicly held company, for the purposes of the provisions of items V and VI of Article 27 of CVM Resolution 80, of March 29, 2022 ("Resolution"), hereby declare that they have reviewed, discussed and agreed with the opinions expressed in the Independent Auditor's Report of Deloitte Touche Tohmatsu Auditores Independentes Ltda. regarding the financial statements of MRS Logística S.A. for the fiscal year ended December 31, 2024.

Rio de Janeiro, March 11, 2025

Guilherme Segalla de Mello
Chief Executive Officer, Chief Commercial, Operations, Finance, Development and Investor Relations, Engineering and Maintenance and People Officer

Félix Lopez Cid
Chief Projects and Works Officer

Other Officers who are not members of the Executive Board

Daniel Dias Olivio

Henrique Rocha Martins

Luiz Gustavo Bambini de Assis

Raphael Steiman

Ane Menezes Castro Matheus

To
The Shareholders of
MRS Logística S.A.

We present below the proposal for the Capital Budget for the year 2024, approved at a Board of Directors' meeting held on March 11, 2025, as well as the execution of the Capital Budget for 2024.

2025 Capital Budget:

The capital budget will be financed by the retained earnings in the year 2024 and the resources resulting from the financing activity in 2025.

In the Board of Directors Meeting held on March 11, 2025, the Board Members resolved to propose, at the Annual General Meeting, the retention of R$ 1,008,550 corresponding to 75% of the profit for the year 2024, after the establishment of the Legal Reserve, to cover part of the investments planned in the capital budget for the year 2025.

The capital budget for the year 2025 will be 3,891,122 and is composed of the following sources of funds:

In thousands of Reais

Sources of funds	
Cash	3,664,122
Funding in 2025	227,000
Total sources of funds	**3,891,122**

Regarding the projects included in the Capital Budget for the year ended 2024, it is worth highlighting that completion was R$ 2,864,462, 78% compared to the amount originally budgeted for the year, totaling R$ 3,687,064.

Rio de Janeiro, March 11, 2025

Executive Board