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

MRS Logística S.A.

Report on Review of
Interim Financial Information
for the Three-month Period Ended
March 31, 2023

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

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HIGHLIGHTS

Financial and Operational Results	1Q23	1Q22	1Q23 x 1Q22	4Q22	1Q23 x 4Q22
Transported Volume (thousands tons)	38.040	37.026	2,7%	46.027	-17,4%
Gross Revenues (R$ million)	1.343,6	1.200,2	11,9%	1.586,9	-15,3%
Net Revenues (R$ million)	1.245,4	1.099,6	13,3%	1.473,2	-15,5%
EBITDA (R$ million)	614,7	554,0	11,0%	708,6	-13,3%
EBITDA Margin [1] (%)	49,4%	50,4%	-1,0pp	48,1%	1,3pp
Net Profit [1] (R$ million)	145,9	100,4	45,3%	244,1	-40,2%
Gross Debt (R$ million)	4.418,3	4.036,6	9,5%	4.406,0	0,3%
Net Debt (R$ million)	3.530,9	2.792,3	26,5%	3.539,1	-0,2%
Net Debt/EBITDA [1] (x)	1,20x	1,10x	0,10x	1,20x	0,00x
Investments	461,5	323,6	42,6%	593,0	-99,9%

[1] Last 12 months (unadjusted result, that is, considering the non-recurring events).

MRS ended the first quarter of 2023 with Net Revenue at R$ 1,245.4 million, R$ 145.8 million increase as compared to 1Q22. The transport segment that most contributes to the Company's revenue is Iron Ore, which ended the quarter with 22.4 Mt of transported volume, where the transport of iron ore for export, stands out, ending the period with 18.8 Mt, up 13.5%.

The Company's EBITDA resulted in R$ 614.7 million, with 11.0% increase compared to the first quarter of 2022.

MRS ends 1Q23 with a Net Debt balance of R$ 3,528.5 million and a Net Debt/EBITDA ratio of 1.2x.

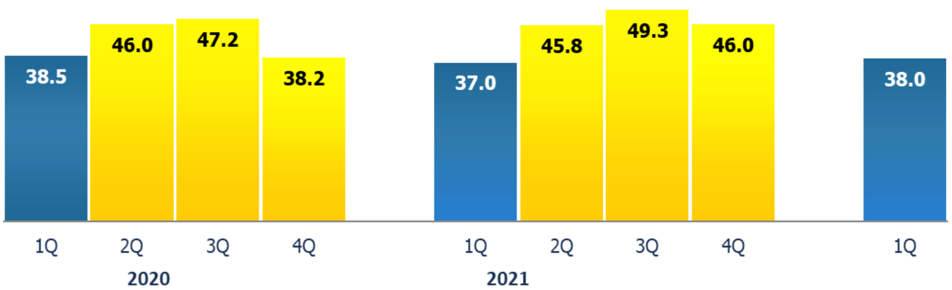
OPERATIONAL PERFORMANCE

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

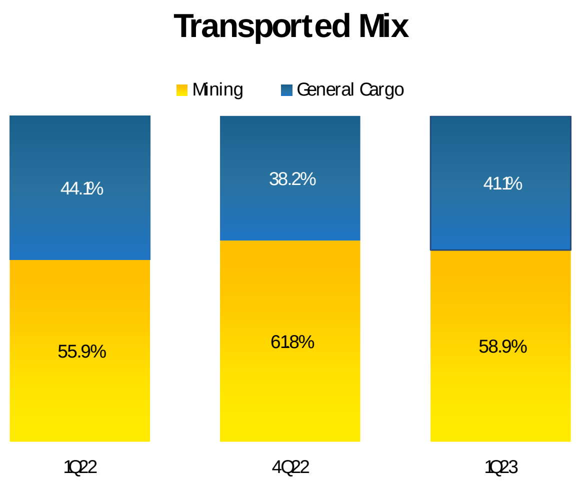
In 1Q23, the total volume transported by MRS was 38.0Mt, representing a 2.7% increase compared to 1Q22, with the transport of iron ore standing out, at 21.9Mt, representing 9.2% growth as compared to 1Q22. When comparing 1Q23 and 4Q22, the volume was 17.4% lower, mainly impacted by the decrease in ore transport, which will be detailed later. Likewise, General Cargo recorded a 4.2% lower volume in 1Q23 compared to 1Q22 and down 11.1% versus 4Q22.

Transported Volume Thousand tons	1Q23	1Q22	1Q23 x 1Q22	4Q22	1Q23 x 4Q22
Mining	**22 393**	**20 686**	**8,3%**	**28 428**	**-21,2%**
Iron Ore	21 889	20 045	9,2%	27 847	-21,4%
Export	18 812	16 574	13,5%	24 143	-22,1%
Domestic Market	3 077	3 471	-11,4%	3 703	-16,9%
Coal and Coke	504	641	-21,3%	581	-13,3%
General Cargo	**15 647**	**16 340**	**-4,2%**	**17 598**	**-11,1%**
Agricultural Products	9 880	10 678	-7,5%	11 152	-11,4%
Steel Products	1 593	1 486	7,2%	1 750	-9,0%
Pulp	1 392	1 256	10,8%	1 512	-7,9%
Container	462	492	-6,0%	591	-21,8%
Construction	546	515	6,0%	633	-13,8%
Others	1 774	1 913	-7,3%	1 960	-9,5%
Total	**38 040**	**37 026**	**2,7%**	**46 027**	**-17,4%**

Quartely Results - Transported Volume
in million of TU



MRS' dedication to the cargo diversification strategy is reflected in the increase in General Cargo share, which in 1Q23 represented 41.1% of transport, mainly driven by the agricultural, steel and pulp segments. Mining group's share was lower when compared to the previous year, mainly explained by the high rainfall volume in the central region of MG and RJ, which resulted in the blockade in some stretches of Ferrovia do Aço.



Mining

Mining transport segment, which includes iron ore, coal and coke, totaled 22.4 Mt, an 8.3% increase versus 1Q22 and a 21.2% drop compared to 4Q22.

Transported Volume Thousand tons	1Q23	1Q22	1Q23 x 1Q22	4Q22	1Q23 x 4Q22
Mining	**22,393**	**20,686**	**8.3%**	**28,428**	**-21.2%**
Iron Ore	21,889	20,045	9.2%	27,847	-21.4%
Export	18,812	16,574	13.5%	24,143	-22.1%
Domestic Market (A)	3,077	3,471	-11.4%	3,703	-16.9%
Coal and Coke (B)	504	641	-21.3%	581	-13.3%
SubTotal International Market	21,889	20,045	9.2%	27,847	-21.4%
Market + Coal and Coke = (A) + (B)	3,581	4,112	-12.9%	4,285	-16.4%

Iron Ore | Export

In 1Q23, the volume of Iron Ore cargo destined for export showed 13.5% increase and 22.1% decrease when compared to 1Q22 and 4Q22, respectively. The increase compared to 1Q22 is due to, mainly, to the lower impacts of rainfall compared to the previous year and higher volumes of ore purchases from third parties by the main customers. The drop compared to 4Q22 is mainly due to the rains in the central region of MG and RJ, the impact of the high humidity of the ore in the loading and unloading operations of the main customers, in addition to the limitation of the service capacity by MRS, due to the landfill leaching at km 033 on Ferrovia do Aço.

MRS team deserves a highlight, as they have been working relentlessly on prevention, organization, resolution and recovery actions in the area affected by the rains, focusing on ensuring operational safety and mitigating, as much as possible, the problems arising from the rainy season, seeking to restore the regular service of rail transport as soon as possible.

Domestic Market | Ore, Coal and Coke

In 1Q23, transports of iron ore, coal and coke to serve domestic market showed a volume of 3.6Mt, with a 11.4% decline compared to 1Q22 and 16.9% compared to 4Q22, also due to heavy rains seen in 1Q23, but on a smaller scale when compared to the Foreign Market.

General Cargo

General Cargo transportation includes agricultural commodities, steel products, containers, among others, performed by MRS and other railroads through paid right of way. In 1Q23, this segment corresponded to 15.7Mt, down 4.2% compared to the same period in 2022, and 11.1% when compared to 4Q22.

Transported Volume Thousand tons	1Q23	1Q22	1Q23 x 1Q22	4Q22	1Q23 x 4Q22
General Cargo	**15.647**	**16.340**	**-4,2%**	**17.598**	**-11,1%**
Agricultural Products	9.880	10.678	-7,5%	11.152	-11,4%
Steel Products	1.593	1.486	7,2%	1.750	-9,0%
Pulp	1.392	1.256	10,8%	1.512	-7,9%
Container	462	492	-6,0%	591	-21,8%
Construction	546	515	6,0%	633	-13,8%
Others	1.774	1.913	-7,3%	1.960	-9,5%

Agricultural Products

Transported Volume Thousand tons	1Q23	1Q22	1Q23 x 1Q22	4Q22	1Q23 x 4Q22
Agricultural Products	**9.880**	**10.678**	**-7,5%**	**11.152**	**-11,4%**
Soy	5.998	6.836	-12,3%	532	1028,2%
Soybean Meal	1.439	1.481	-2,8%	1.615	-10,9%
Sugar	1.562	1.531	2,0%	2.917	-46,4%
Corn	881	831	6,1%	6.089	-85,5%

The second segment with the largest share in MRS' consolidated transport portfolio and which also represents the largest share of General Cargo segment, is agricultural products, comprising commodities: soybean, soymeal, sugar and corn. This segment transported 9.9Mt in 1Q23, down 7.5% and 11.4% versus 1Q22 and 4Q22, respectively.

In 1Q23, soybean and soymeal commodities dropped 12.3% and 2.8%, respectively, and sugar and corn commodities increased 2.0% and 6.1% compared to 1Q22. Considering the results achieved versus the volume performed in 4Q22, MRS highlights the result of soybean transport, which ended 1Q23 with 6.0Mt.

Considering 1Q23 vs 1Q22, the lower performance of soybeans and corn is mainly due to the volumes of Other Railroads, as a result of the losses on the North and Central Networks that were mainly caused by the loss in soybean transportation as the harvest started at a slower pace when compared to the previous year. Regarding the result recorded in 1Q23 vs 4Q22, the expressive performance of soybean is justified by the seasonality in the transportation of this product due to the harvest period.

MRS highlights that the portion of soybean and soymeal cargo transported by the Company, i.e., excluding other railroads, increased in 1Q23 compared to 1Q22 due to the beginning of operations in Pederneiras, through the Tiete Paraná waterway. Sugar transport, on the other hand, has dropped, due to the rains at the port of Santos and corrective maintenance at the destination terminal, which impacted the productivity of the unloading of wagons.

The performance of own General Cargo in 1Q23 compared to 1Q22 showed an increase in the transport of Soybean and Soy meal, due to operations in Pederneiras, through the Tiete Paraná waterway, which in 1Q22 had its navigation interrupted due to the water crisis. Sugar transport, on the other hand, has dropped, due to the rains at the port of Santos and corrective maintenance at the destination terminal, which impacted the productivity of the unloading of wagons.

Steel Products

Transported Volume TU thousand tons	1Q23	1Q22	1Q23 x 1Q22	4Q22	1Q23 x 4Q22
Steel Products	1.593	1.486	7,2%	1.750	-9,0%

Steel products segment transported 1,593 Mt, showing a 7.2% increase as compared to 1Q22, reflecting the recovery from the effects of the rains in early 2022.

The 9.0% decline in 1Q23 vs 4Q22 was impacted by the lower demand caused by the strategy change of a relevant steel slab producer in the state of RJ, which prioritized the sale of slabs to the foreign market and by the rains in January, although lower compared to the beginning of 2022.

Pulp

Transported Volume TU thousand tons	1Q23	1Q22	1Q23 x 1Q22	4Q22	1Q23 x 4Q22
Pulp	1.392	1.256	10,8%	1.512	-7,9%

Pulp segment ended 1Q23 with 1.4Mt of transported volume, up 10.8% compared to 1Q22, due to the additional transport capacity requested by one of the customers. Compared to 4Q22, the segment showed a 7.9% decline as a result of impacts on the train traffic due to vandalism on the stretch, in addition to the productivity loss in unloading due to improvement works at the Santos terminal. As for the transport of other railroads, an 8.66% decline was recorded in 1Q23 compared to 4Q22 due to the interruption of a stretch of Malha Paulista railroad to carry out works demanded by problems caused by heavy rains occurred at the end of 2022.

Containers

Transported Volume TU thousand tons	1Q23	1Q22	1Q23 x 1Q22	4Q22	1Q23 x 4Q22
Container	462	492	-6,0%	591	-21,8%

Container transport segment recorded, in 1Q23, a volume of 462 Mt, down 6% compared to 1Q22 and 21.8% compared to 4Q22.

The portion of cargo transported by MRS, i.e. excluding other railroads, increased 23% comparing 1Q23 vs 1Q22, mainly influenced by (i) higher transport capacity when comparing the periods, since even with the operational restrictions occurred in 1Q23 due to rains and interruptions in the railway, these were lower when compared to 1Q22; (ii) increased demand from new and regular customers. Comparing 1Q23 *vs* 4Q22, there was a 6% decrease, due to (i) lower customer demands, due to the segment seasonality (ii) interruptions in the railway due to the rains, which reduced transport capacity compared to 4Q22. As for transport by other railroads, the 36% decrease when comparing 1Q23 to 1Q22 and the 42% reduction when comparing 1Q23 to 4Q22 was mainly due to the fall in meat exports due to sanitary problems.

Civil Construction

Transported Volume Thousand tons	1Q23	1Q22	1Q23 x 1Q22	4Q22	1Q23 x 4Q22
Construction	546	515	6,0%	633	-13,8%

In 1Q23, the civil construction segment transported 546 Mt, with 6.0% increase compared to 1Q22. This result was mainly driven by the consolidation of guaranteed contracts, increased fleet availability and operational improvements.

Other

Transported Volume Thousand tons	1Q23	1Q22	1Q23 x 1Q22	4Q22	1Q23 x 4Q22
Others	1.774	1.913	-7,3%	1.960	-9,5%

1Q23 results compared to 1Q22 and 4Q22 relating to MRS own cargoes, experienced a drop mainly impacted by the pig iron cargo for export. In 2022, as a result of the Ukrainian War, the price of pig iron rose to historic levels and this, combined with the maintenance of a high exchange rate and flat consumption in domestic market, made it possible to negotiate new export vessels. In 1Q23, the sale price returned to pre-war levels and due to the rains, the cost of coal increased, discouraging exports in the period.

As for cargo of other railroads, with paid right of way to MRS, 1Q23 results were in line with 1Q22 and, when compared to 4Q22, were down 12.2%, mainly affected by the lower transport of fertilizers and urea, due to seasonality in the trade of these products.

ECONOMIC AND FINANCIAL PERFORMANCE

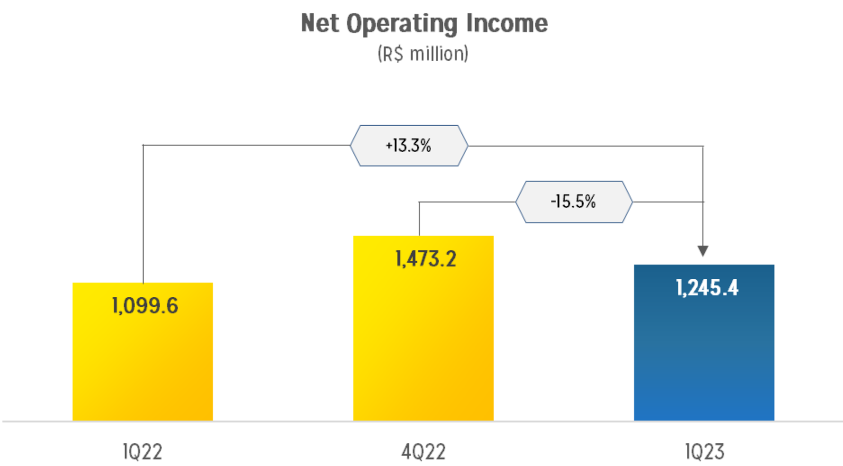
Results	1Q23	1Q22	1Q23 x 1Q22	4Q22	1Q23 x 4Q22
Gross Revenues (R$ million)	1,343.6	1,200.2	11.9%	1,586.9	-15.3%
Net Revenues (R$ million)	1,245.4	1,099.6	13.3%	1,473.2	-15.5%
Net Avarage Tariff (R$/ton)	32.7	29.7	10.2%	32.0	2.3%
EBITDA (R$ million)	614.7	554.0	11.0%	708.6	-13.3%
EBTIDA Margin (%)	49.4%	50.4%	-1.0pp	48.1%	1.3pp
Net Profit [1] (R$ million)	145.9	100.4	45.3%	244.1	-40.2%
Net Debt/EBITDA [1] (x)	1.20x	1.10x	0.10x	1.20x	0.00x

[1]EBITDA accumulated over the past 12 months The covenant adopted towards some creditors was detailed in the debt chapter of this release

I. Net Revenue: Net Revenue ended 1Q23 at R$ 1,245 million, with 13.3% growth in 1Q23 compared to 1Q22, mainly impacted by the 13.5% increase in the transport of iron ore for export and the increase in the average tariff.

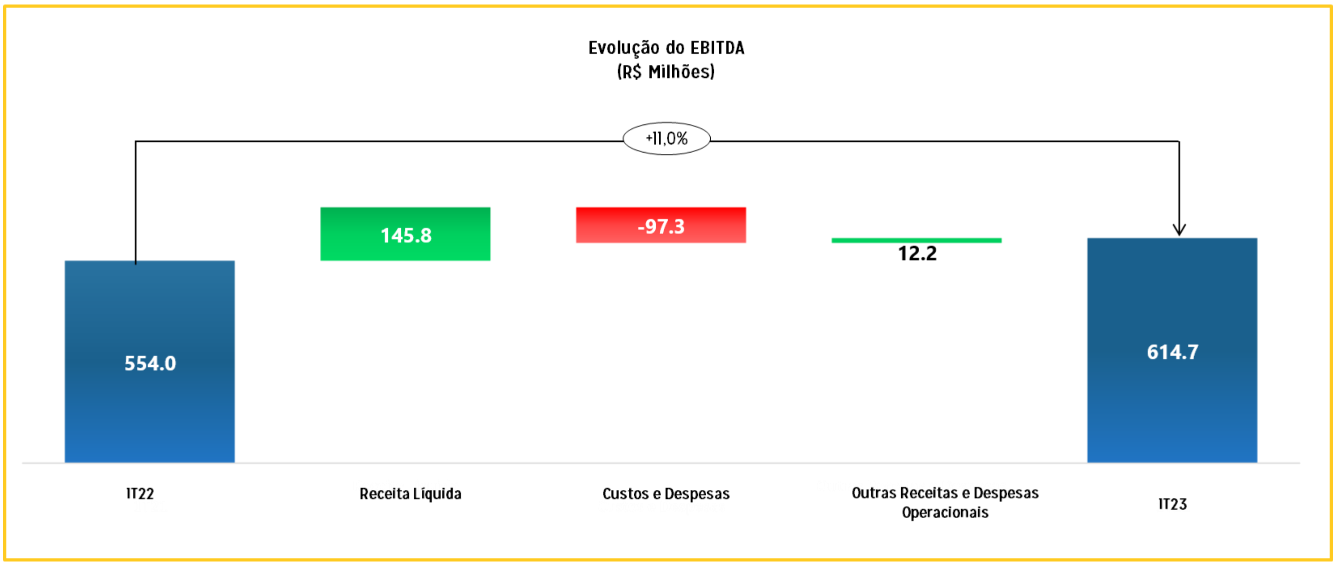
II. Costs and expenses: R$ 97.3 million increase (+17.3%), compared to 1Q22. The result was impacted by the increased transport volume and inflationary pressure, especially the R$ 125.6 million increase in the cost of diesel, the main input used by MRS.

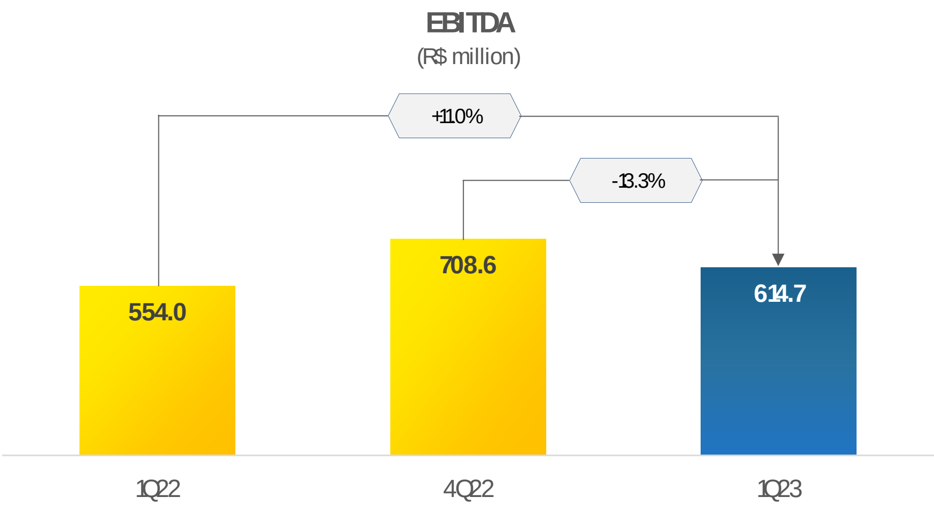
III. Other Operating Income and Expenses: compared to 1Q22, this group's result showed a R$ 12.2 million improvement in 1Q23, mainly due to the higher volume of indemnity revenue recorded in the period.



EBITDA

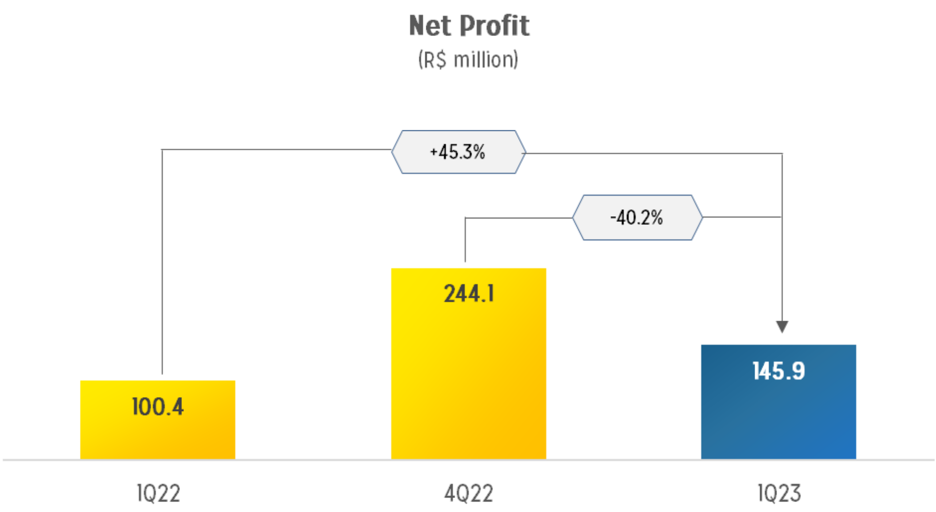
EBITDA result in 1Q23 reached R$ 614.7 million, with 11.0% growth when compared to 1Q22, which was R$ 554.0 million. EBITDA Margin remained close to historical level, reaching 49.4%. In 1Q22, the margin had been 50.4%.





Net income

MRS recorded R$ 145.9 million Net Income in 1Q23, growing 45.3% compared to 1Q22, which ended at R$ 100.4 million. The result mainly reflects the increased volume of transport and cost management.



The table below shows the reconciliation of Recurring EBITDA used in the calculation of covenants:

Reconciliation EBITDA (R$ million)	1Q23	1Q22	1Q23 x 1Q22	4Q22	1Q23 x 4Q22
Net Income	**145.9**	**100.4**	**45.3%**	**244.1**	**-40.2%**
(+) Taxes on Profit	81.3	55.2	47.2%	119.4	-31.9%
(+) Depreciation and Amortization	222.7	291.1	-23.5%	223.3	-0.3%
(-) Depreciation Right of Use (lease agreements)[2]	(22.1)	(105.3)	-79.0%	(25.0)	-11.5%
(+) Net Financial Result	(164.8)	(107.3)	53.6%	(121.9)	35.2%
(-) AVP Financial Charges (lease contracts)	(56.2)	(41.8)	34.3%	(60.5)	-7.1%
(=) Adjusted EBITDA [1]	**536.4**	**406.8**	**31.8%**	**623.1**	**-13.9%**

1 More restrictive condition assumed with creditors

2 More detailed information can be found on explanatory notes 15.2 and 31

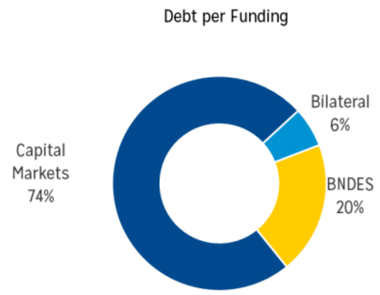
Indebtedness

In R$ million	1Q23	1Q22	1Q23 x 1Q22	4Q22	1Q23 x 4Q22
Gross Debt[1]	**4.418,3**	**4.036,6**	**9,5%**	**4.406,0**	**0,3%**
Gross Debt in Reais	4.175,6	3.669,1	13,8%	4.169,7	0,1%
Gross Debt in US$	242,8	367,5	-33,9%	236,3	2,7%
Cash	**889,8**	**1.244,3**	**-28,5%**	**866,9**	**2,7%**
Net Debt	**3.528,5**	**2.792,3**	**26,4%**	**3.539,1**	**-0,3%**
EBITDA[2]	**2.905,6**	**2.531,3**	**14,8%**	**2.844,9**	**2,1%**
Net Debt/EBITDA[3] (x)	**1,2x**	**1,1x**	**0,1x**	**1,2x**	**-**

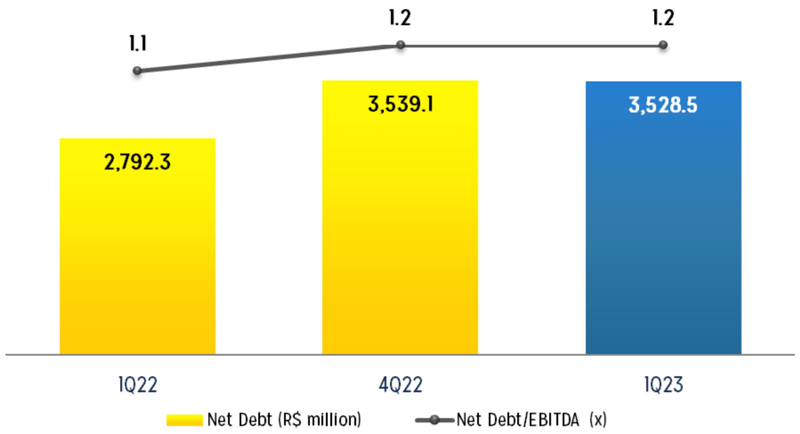
[1] The difference in relation to the sum of the Lines of Loans and Financing (Balance Sheet) corresponds to the Transaction Costs.[2] EBITDA accumulated in the last 12 months

The Company's Gross Debt ended 1Q23 with a balance of R$ 4,418.3 million, virtually in line with the immediately previous quarter.

At the end of 1Q23, most of the debt was indexed to CDI, with the important share of instruments classified as Capital Markets (Debentures and Promissory Notes), in addition to other lines, classified as bilateral and with BNDES.

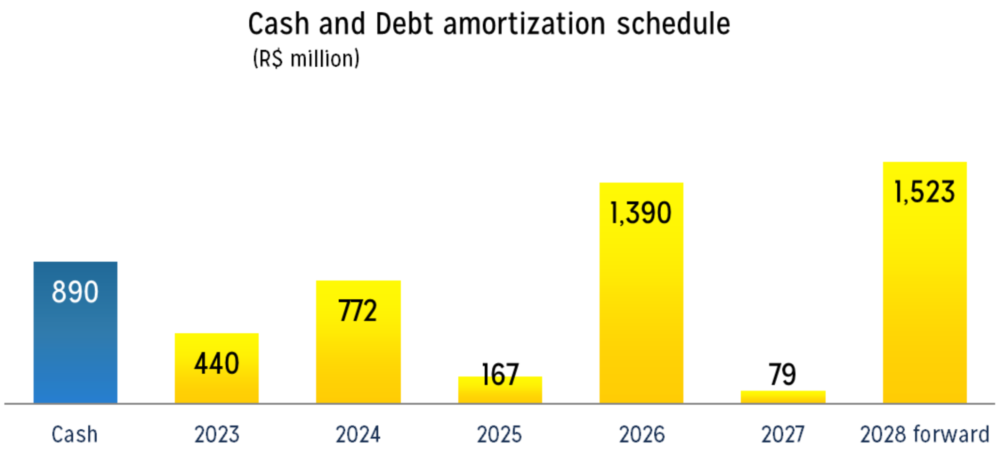


Financial leverage ratio measured by net debt/EBITDA ratio was 1.2x on March 31, 2023, remaining at the same comfortable management level as compared to 4Q22. MRS ended 1Q23 with a net debt balance of R$ 3,528.5 million.



Amortization Schedule

The chart below shows the schedule of debt principal maturities as of March 31, 2023.



Rating

Agency	Local Rating	Global Rating	Outlook
Standard & Poor's	AAA	BB-	Stable
Fitch	AAA	BB	Stable

STATEMENT OF CASH FLOW

Cash generation in 1Q23 showed a positive result of R$ 21.8 million compared to the negative result of R$ 592.3 million in 1Q22, and the cash balance decreased R$ 355.6 million in the periods under analysis.

Statement of Cash Flow - R$ Million	1Q23	1Q22
Cash at beginning of period	**866.9**	**1,836.6**
Net Income before IR and CSLL	**227.2**	**155.7**
Depreciation and Amortization	222.7	291.1
Monetary/Foreign Exchange Variation and Financial Charges	210.5	159.3
Residual Value of Fixed Assets / Invest. Perm.	-	4.6
Taxtable Credit Provision	(4.0)	-
Deferred Tax	-	0.1
Provision (Reversal)	18.8	5.3
Others	9.7	1.5
Net Income cash basis	**684.9**	**617.6**
Changes is assets and liabilities	**22.3**	**(341.5)**
Accounts Receivable and Related Parties	294.0	135.5
Stocks	(46.8)	(32.6)
Restricted Cash	-	-
Taxes Recoverable	82.3	(23.5)
Providers	69.9	(29.2)
Tax liabilities	(14.7)	(18.2)
Taxes on profit	(15.0)	(173.8)
Social and Labor Obligations	(106.4)	(52.7)
Payment of interest on loans and financing	(113.3)	(91.9)
Payment of interest on rights of use	(56.2)	(41.8)
Others	(71.5)	(13.3)
Net Cash provided by operating activities	**707.2**	**276.1**
Investment activities	**(228.0)**	**(256.3)**
Immobilized	(210.7)	(245.8)
Intangible	(17.3)	(10.9)
Proceeds from the sale of property, plant and equipment	-	0.4
Financing activities	**(457.4)**	**(612.1)**
Borrowing and financing	-	18.1
Debentures	-	-
Payments	(343.2)	(534.9)
Rights of use	(114.2)	(95.3)
Payments Dividends	-	-
Cash at end of period	**888.7**	**1,244.3**
Cash Flow	**21.8**	**(592.3)**

ESG AGENDA

Sustainability Report

In April, MRS released its Sustainability Report, reiterating its commitment to transparency and timeliness of information related to environmental, social and corporate governance dimensions (ESG). The report covers the main initiatives and results achieved throughout 2022, prepared in accordance with GRI standards (Global Reporting Initiative) and had indicators following the SASB standard (Sustainability Accounting Standards Board). The document can be accessed via the link: https://esg2022.mrs.com.br/

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying interim financial information of MRS Logística S.A. ("Company"), contained in the Interim Financial Information Form (ITR) for the quarter ended March 31, 2023, which comprises the balance sheet as at March 31, 2023 and the related statements of profit and loss, of comprehensive income, of changes in equity and of cash flows for the three-month period then ended, including the explanatory notes.

Management is responsible for the preparation of this interim financial information in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion on the interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information included in the ITR referred to above was not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34, applicable to the preparation of ITR, and presented in accordance with the standards issued by the CVM.

Other matters

Statement of value added

The interim financial information referred to above includes the statement of value added (DVA) for the three-month period ended March 31, 2023, prepared under the responsibility of the Company's Management and presented as supplemental information for international standard IAS 34 purposes. This statement was subject to the review procedures performed together with the review of the Interim Financial Information (ITR) to reach a conclusion on whether it is reconciled with the interim financial information and accounting records, as applicable, and if its form and content are consistent with the criteria set forth in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that this statement of value added was not prepared, in all material respects, in accordance with such technical pronouncement and consistently with the accompanying interim financial information taken as a whole.

Audit and review of the corresponding figures

The balance sheet as at December 31, 2022 and the statements of profit and loss, of comprehensive income, of changes in equity, of cash flows and of value added for the three-month period ended March 31, 2022, presented for purposes of comparison, were audited and reviewed by other independent auditors, who issued an unmodified audit and review report on the interim financial information on March 16, 2023 and May 12, 2022, respectively.

The accompanying interim financial information has been translated into English for the convenience of readers outside Brazil.

Rio de Janeiro, May 11, 2023

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.

Antônio Carlos Brandão de Sousa
Engagement Partner

2023RJ025581

Balance sheets on March 31, 2023 and December 31, 2022

(In thousand Brazilian reais)

ASSETS	Note	03/31/2023	12/31/2022
CURRENT			
Cash and cash equivalents	5	888,724	866,856
Restricted cash	6	1,109	1,081
Receivables from customers	7	282,059	546,154
Other receivables	9	10,321	9,393
Inventories	10	268,759	220,958
Taxes to recover	11	215,258	284,711
Anticipated Expenses	13	40,113	40,256
Derivative financial instruments	23	12,454	15,114
Other current assets	14	94,302	29,500
Total Current Assets		1,813,099	2,014,023
NON-CURRENT			
Long-term receivables			
Receivables from customers	7	77,424	111,399
Other receivables	9	16,167	18,392
Taxes to recover	11	344,699	499,490
Deferred Taxes	12	66,275	83,529
Anticipated Expenses	13	5,298	9,650
Derivative financial instruments	23	162,212	115,347
Other non-current assets	14	136,759	133,908
Fixed Assets in Operation	15.1	7,647,384	7,579,778
Fixed assets in progress	15.1	1,321,340	1,243,042
Lease Right of Use	15.2	2,540,376	2,562,195
Intangible Assets	16	174,954	160,700
Total non-current assets		12,492,888	12,517,430
TOTAL ASSETS		14,305,987	14,531,453

Balance sheets on March 31, 2023 and December 31, 2022
(In thousand Brazilian reais)

LIABILITIES AND NET EQUITY	Note	03/31/2023	12/31/2022
CURRENT			
Suppliers	**17**	633,259	578,736
Social and labor obligations	**18**	140,293	246,698
Income tax and social contribution	**19**	41,621	145,218
Other tax obligations	**20**	57,365	65,385
Loans and financing	**21**	753,143	731,250
Lease	**22**	482,102	472,129
Derivative financial instruments	**23**	142,717	157,791
Payable Dividends		207,774	207,776
Advanced payments from customers		6,216	3,536
Provisions	**24**	55,584	22,674
Other liabilities	**25**	28,485	28,500
Total Current Liabilities		2,548,559	2,659,693
NON-CURRENT			
Long-term Receivables			
Suppliers	**17**	6,683	42,326
Loans and financing	**21**	3,514,222	3,604,792
Lease	**22**	1,805,026	1,928,931
Derivative financial instruments	**23**	-	2,560
Provisions	**24**	748,476	752,735
Other liabilities	**25**	23,482	26,782
Total long-term receivables		6,097,889	6,358,126
TOTAL LIABILITIES		8,646,448	9,017,819
NET EQUITY			
Capital stock	**26.a**	3,961,031	3,961,031
Profit reserves		1,542,039	1,542,039
Legal reserve	**26.c**	420,735	420,735
Reserve for investment	**26.d**	1,121,304	1,121,304
Equity valuation adjustments	**26.e**	10,575	10,564
Accrued profit		145,894	-
Total Net Equity		5,659,539	5,513,634
TOTAL LIABILITIES AND NET EQUITY		14,305,987	14,531,453

The explanatory notes are inseparable part of the quarterly statements.

Income statement of the period ended on March 31

(In thousand Brazilian reais, except when indicated otherwise)

	Note	03/31/2023	03/31/2022
NET REVENUES FROM SERVICES	**28**	1,245,406	1,099,612
Cost of provided services	**29**	(777,643)	(782,363)
GROSS PROFIT		467,763	317,249
OPERATIONAL REVENUES (EXPENSES)			
Sales expenses	**29**	(4,455)	(3,441)
General and administrative expenses	**29**	(100,336)	(67,727)
Other operating income	**30**	69,664	56,060
Other operating expenses	**30**	(40,633)	(39,226)
OPERATING PROFIT		392,003	262,915
FINANCIAL INCOME			
Financial Revenues	**31**	102,729	148,023
Financial expenses	**31**	(267,530)	(255,288)
		(164,801)	(107,265)
PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		227,202	155,650
INCOME TAX AND SOCIAL CONTRIBUTION			
Current	**32**	(60,372)	(88,896)
Deferred	**32**	(20,936)	33,658
NET PROFIT FROM THE PERIOD		145,894	100,412
QUANTITY OF CAPITAL STOCK SHARES AT THE END OF THE PERIOD - THOUSANDS	**26.a**	340,000	340,000
EARNINGS PER THOUSAND OF SHARES OF THE CAPITAL STOCK AT THE END OF THE PERIOD - R$		0.429	0.295
BASIC EARNINGS PER SHARE			
COMMON	**27**	0.411	0.283
PREFERRED	**27**	0.452	0.311
DILUTED EARNINGS PER SHARE			
COMMON	**27**	0.411	0.283
PREFERRED	**27**	0.452	0.311
NET PROFIT FROM THE PERIOD		145,894	100,412

The explanatory notes are inseparable part of the quarterly statements.

Comprehensive income statement of the period ended on March 31

(In thousand Brazilian reais)

	Note	03/31/2023	03/31/2022
NET PROFIT FROM THE PERIOD		145,894	100,412
Items which will not be reclassified to income:			
Other comprehensive income	**26.e**	11	84
TOTAL COMPREHENSIVE INCOME FROM THE PERIOD		145,905	100,496

The explanatory notes are inseparable part of the quarterly statements.

Statement of changes in stockholder's equity

(In thousand Brazilian reais)

	Note	Capital stock	Destination for capital stock increase	Other comprehensive income	Profit reserves: Legal	Profit reserves: Retention for investments	Profit reserves: Total	Accrued profit	Total
BALANCE ON JANUARY 01, 2022		2,151,539	1,809,492	10,956	377,026	498,454	875,480	-	4,847,467
Comprehensive Income of the Period									
Net profit for the period	**27**	-	-	-	-	-	-	100,412	100,412
Re-measurement of the after-employment benefit obligations		-	-	84	-	-	-	-	84
Total comprehensive income for the period		-	-	84	-	-	-	100,412	100,496
BALANCE ON March 31, 2022		2,151,539	1,809,492	11,040	377,026	498,454	875,480	100,412	4,947,963

The explanatory notes are inseparable part of the quarterly statements.

Statement of changes in stockholder's equity

(In thousand Brazilian reais)

	Note	Capital stock	Destination for capital stock increase	Other comprehensive income	Profit reserves: Legal	Profit reserves: Retention for investments	Profit reserves: Total	Accrued profit	Total
BALANCE ON JANUARY 01, 2023		3,961,031	-	10,564	420,735	1,121,304	1,542,039	-	5,513,634
Comprehensive Income of the Period									
Net profit for the period	**27**	-	-	-	-	-	-	145,894	145,894
Re-measurement of the after-employment benefit obligations	**26.e**	-	-	11	-	-	-	-	11
Total comprehensive income for the period		-	-	11	-	-	-	145,894	145,905
BALANCE ON March 31, 2023		3,961,031	-	10,575	420,735	1,121,304	1,542,039	145,894	5,659,539

The explanatory notes are inseparable part of the quarterly statements.

Cash flow statement on March 31
(In thousand Brazilian reais)

	Note	03/31/2023	03/31/2022
CASH FLOW FROM OPERATIONAL ACTIVITIES			
Net Income before IR [Income Tax] and CSLL [Social Contribution on Net Profit]	**32**	227,202	155,650
Adjusted by:			
Result in the alienation of fixed and intangible assets		-	(91)
Depreciation and amortization	**29**	222,656	291,059
Monetary/exchange variations and financial charges		210,459	159,307
Residual value of the written-off fixed assets/perm. invest.		32	4,564
Provision (reversal)	**24**	18,801	5,256
Anticipated expense amortization	**13**	9,457	6,296
Provision (reversal) for asset write-off		-	(4,759)
Provision for loss and loan loss	**29**	198	180
Tax credit provision	**31**	(4,003)	-
Deferred Taxes		11	149
Others		-	(111)
		684,813	617,500
(Increase) reduction in the operational assets			
Accounts receivable	**7 and 9**	294,018	135,481
Inventories	**10**	(46,809)	(32,589)
Taxes recoverable	**11**	82,260	(23,470)
Anticipated Expenses	**13**	(4,962)	(3,211)
Advanced payments		(64,802)	18,705
Other assets		(857)	851
(Increase) reduction of the operational liabilities			
Payable concession		-	(145)
Suppliers		69,910	(29,243)
Tax obligations	**19 and 20**	(14,689)	(18,229)
Social and labor obligations	**18**	(106,405)	(52,739)
Provisions/ Reversal		-	47
Advanced payments from customers		2,680	-
Other liabilities		(3,315)	(29,280)
Cash generated in the operations		891,842	583,678
Payment of taxes on profit		(14,995)	(173,764)
Payment interest on loans and financing		(17,047)	(91,869)
Payment of interest on right of use		(56,174)	(41,837)
Debenture interest payment		(96,286)	-
Net cash flow generated by the operational activities		707,340	276,208

(To be continued)

Cash flow statement on March 31
(In thousand Brazilian reais) (continued)

	Note	03/31/2023	03/31/2022
CASH FLOW FROM INVESTMENT ACTIVITIES			
Fixed asset addition	**15.1**	(210,689)	(245,843)
Intangible asset addition	**16**	(17,349)	(10,883)
Proceeds from the alienation of fixed/intangible assets		-	382
Net cash used in the investment activities		(228,038)	(256,344)
CASH FLOW FROM FINANCING ACTIVITIES			
Capturing of loans and financing		-	18,070
Payment of loans and financing/derivative financial instruments		(230,078)	(282,976)
Debenture Payments		(113,158)	(251,938)
Lease payments	**22**	(114,196)	(95,261)
Dividends paid		(2)	(48)
Net cash applied in the financing activities		(457,434)	(612,153)
INCREASE (REDUCTION) OF CASH AND EQUIVALENTS BALANCE		21,868	(592,289)
Increase (Reduction) of Cash and Equivalents			
Start Balance		866,856	1,836,612
End balance		888,724	1,244,323

The explanatory notes are inseparable part of the quarterly statements.

Value-added statement on March 31
(In thousand Brazilian reais)

	Note	03/31/2023	03/31/2022
REVENUES			
Sales of freight services	**28**	1,343,555	1,200,197
Other revenues	**30**	69,664	56,060
Revenues from construction of own assets		10,527	5,249
Provision/ (reversal) of expected credit loss	**29**	(198)	(180)
		1,423,548	1,261,326
INPUTS ACQUIRED FROM THIRD PARTIES			
Cost of sold products, goods and services		(501,069)	(432,417)
Materials, energy, services of third parties and others		(45,276)	(28,942)
Others		(20,362)	(23,504)
		(566,707)	(484,863)
GROSS VALUE ADDED		856,841	776,463
WITHHOLDING			
Depreciation , amortization and exhaustion	**29**	(222,656)	(291,059)
NET VALUE ADDED PRODUCED BY THE COMPANY		634,185	485,404
VALUE ADDED (RECEIVED) IN TRANSFER			
Financial Revenues	**31**	102,729	148,023
TOTAL VALUE ADDED (RECEIVED) TO BE DISTRIBUTED		736,914	633,427
DISTRIBUTION OF THE VALUE ADDED (RECEIVED)			
Personnel and charges		172,117	135,896
Direct remuneration		99,731	80,262
Benefits		61,009	46,529
F.G.T.S		11,377	9,105
Taxes, fees and contributions		147,577	137,012
Federal		134,889	117,750
State		12,441	18,940
Municipal		247	322
Third-party capital compensation		271,326	260,107
Interest		267,285	254,923
Rents		4,041	5,184
Equity compensation	**27**	145,894	100,412
Retained Profit		145,894	100,412
		736,914	633,427

The explanatory notes are inseparable part of the quarterly statements.

1. Operational Context

A MRS Logística S.A. ("MRS" or the "Company") is a publicly-held company, with indefinite duration, founded on August 30, 1996, with the purpose to operate, upon onerous concession, the public rail freight transport service in the right-of-way of the Southeast Network, 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 will also be able to explore modal transport services related to railway transport and participate in projects aimed at expanding the granted railway services.

For the provision of railway transport services, object of the concession obtained for a period of 30 years as of December 1, 1996, which can be extended up to 30 years upon exclusive decision by the Granting Authority in case of clear interest of both parties, the Company leased the assets necessary for the operation and the maintenance of the railway freight transport activities from RFFSA for the same concession period.

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 railway freight transport service in advance for another 30 years, effective until 2056.

The current concession agreement sets 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 indicators are not achieved, after passing all phases of clarification and administrative defenses, ANTT may apply penalties and may even lead to expiry, in case of repeated non-fulfillment of the contract targets. The concession may be terminated in the following legal circumstances: (i) end of the contract term; (ii) expropriation; (iii) expiry; (iv) termination; (v) cancellation of the bidding; (vi) bankruptcy or extinction of Company. In any case of termination of the concession, except for item (i), the Company will be compensated by the Government for the non-depreciated balance of investments made and declared reversible by the Granting Authority. On March 31, 2023, MRS was up to date with its contract obligations and duly compliant with ANTT.

On March 31, 2023, the Company has negative current capital of R$735,460. The Company's Administration informs that a relevant part of the negative net current capital refers to structured debt maturities and commitments with suppliers, with emphasis on debt amortizations in the second quarter of 2023. Based on the operating cash flow forecasts, the Company understands that this scenario will be reversed throughout the year due to the consistent cash generation from its operation activities and new financing lines to reinforce cash.

2. Basis for Preparation

2.1 Presentation of the interim statements

a) Statement of conformity

The quarterly statements (ITR) have been prepared and are presented in accordance with Technical Pronouncement CPC 21 – Interim Statements and international accounting standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of these statements consistently with the norms issued by the Securities and Exchange Commission, applicable to the preparation of the Quarterly Statements - ITR.

The quarterly statements for the three-month period ended on March 31, 2023 were definitively approved by the Company's Administration Board on May 11, 2023.

3. Accounting policies

The quarterly statements have been prepared in accordance with accounting policies consistent with those used for the preparation of the financial statements on December 31, 2022, filed at CVM on March 16, 2023 and published in the Official Press on March 17, 2023. Therefore, the quarterly statements must be read together with the aforementioned annual financial statements.

No pronouncement, interpretation or guidance issued by CPC, in force as of 2023, has significant impacts on the Company, as mentioned in explanatory note 7 of the financial statements on December 31, 2022.

4. Critical accounting estimations and judgments

Upon preparation of the quarterly statements, it is necessary to use estimates for given assets, liabilities and other transactions. These estimates include: depreciation, provisions for lawsuits, after-employment benefits, fair value of derivatives and other financial instruments, income taxes and social contribution on net profit, detailed in note 5 to the financial statements on December 31, 2022. Although the administration uses assumptions and judgments which are periodically reviewed, the actual results may differ from such estimates.

In thousands of Brazilian reais, unless indicated otherwise

5. Cash and cash equivalents

Current	03/31/2023	12/31/2022
Cash and Cash Equivalents		
Cash and banks	7,377	7,170
	7,377	**7,170**
Financial investments in the country		
CDB	881,347	859,686
	881,347	**859,686**
	888,724	**866,856**

The financial investments are backed by securities issued by banks in Brazil with average liquidity of 50 days and can be redeemed before maturity, without any significant change or adjustment to the income rate prior agreed with the financial institution.

These investments are in CDB, with remuneration based on the variation in the Interbank Deposit Certificates - CDI, ranging between 100.5% and 106.0% (101.75% and 106.0% on December 31, 2022).

The final cash balance, at the end of the 1st quarter of 2023, remained stable, compared to the end of 2022. As a highlight of the period, 1/3 of the 2nd series of the 7th issue of debentures was amortized, at the amount of R$134,978.

The risk classification of the financial investments according to the business model is described in explanatory note 23.

6. Restricted cash

	03/31/2023	12/31/2022
CDB	1,109	1,081
	1,109	**1,081**

The restricted cash on March 31, 2023 is made up of financial investment in CDB, constituted as a guarantee for the commercial contract for the purchase and sale of electric power on the free market.

This investment is backed by securities in Brazil, its maximum liquidity is 360 days and the remuneration is based on the variation of the Interbank Deposit Certificates – CDI, at 101.0%.

The risk classification of the financial investments in restricted cash, according to the business model, is described in explanatory note 23.

In thousands of Brazilian reais, unless indicated otherwise

7. Receivables from customers

		03/31/2023	12/31/2022
Receivables from related parties	**8**	324,682	599,585
Clients in the country	**(a)**	35,911	59,077
Expected Credit Loss	**(b)**	(1,110)	(1,109)
		359,483	**657,553**
Current		282,059	546,154
Non-current		77,424	111,399

(a) These basically refer to the receivable amounts related to the provided railway freight services, including mutual traffic and right of way receivable from customers who are not related parties.

(b) The amount provisioned for expected credit loss was measured considering the issuer's financial difficulty, breach of contract with late payment, probability of bankruptcy of the debtor and debtors in legal proceedings for collection, in addition to applying a percentage determined from the loss of the last two years on the amounts outstanding on the date of the statements.

8. Related parties

The balances of assets and liabilities on March 31, 2023 and December 31, 2022 reported in this note, are related to transactions with related parties arising from the Company's transactions with its shareholders, related companies and key administration professionals.

The transactions with related parties are mainly associated with the provision of public railway freight transport services. They are carried out under terms and conditions negotiated with each of the contracting customers, respecting the tariff caps defined by the Granting Authority, which apply to all of the concessionaire's customers, whether or not they are related parties. Under the Company's Corporate Governance, the values negotiated with related parties are approved by the shareholders and follow a tariff model that aims to remunerate the costs of the railway transport service provision, plus margins compatible with those set in its business plan. There are no transactions with negative margins, as set in the concession agreement. Furthermore, the contracts with related parties are long-term and contain clauses guaranteeing annual revenue and volumes, as in the case with other captive customers.

In addition to the railway freight transport service agreements, the Company has other contracts with its related parties related to maintenance services and improvements to terminals, sale of scrap, rentals and maintenance on rolling stock and permanent track.

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

In thousands of Brazilian reais, unless indicated otherwise

The Company has the following balances related to transactions with related parties:

Assets

		Accounts receivable		Advanced payments	
		03/31/2023	**12/31/2022**	**03/31/2023**	**12/31/2022**
Vale S.A.	**(a)**	69,039	281,191	-	-
CSN Mineração S.A.	**(b)**	141,614	153,999	-	-
Mineração Usiminas S.A.		79,345	108,236	-	-
Companhia Siderúrgica Nacional		11,201	29,382	8	-
Ferrovia Centro-Atlântica S.A.		11,361	10,164	-	-
Usinas Siderúrgicas de Minas Gerais S.A.		3,503	4,390	-	-
Gerdau Açominas S.A.		1,196	3,673	-	-
CSN Cimentos Brasil S.A.		1,079	2,767	-	-
Vallourec Soluções Tubulares do Brasil S.A.		2,311	2,169	-	-
CSN Cimentos S.A.		148	1,482	-	-
Confab Industrial S.A.		1,951	1,157	-	-
Gerdau Aços Longos S.A.		1,665	749	-	-
Ternium Brasil Ltda.		73	110	-	-
Sepetiba Tecon S.A.		2	47	206	-
Gerdau S.A.		191	44	-	-
Terminal de Cargas Sarzedo Ltda.		3	25	-	-
		324,682	**599,585**	**214**	**-**
Current		247,259	488,186	214	-
Non-current		77,423	111,399	-	-

(a) In January 2023, MRS received the amount of R$106,091 referring to the last installment of the 4th Addendum signed in December 2020 in the railway transport service provision agreement between MRS and VALE, through which VALE assumed the obligation to pay MRS compensation at the amount of R$353,539 due to the review of the minimum transported volumes provided in the original agreement. The balances on March 31, 2023 and December 31, 2022 are also composed of amounts receivable arising from railway freight services and the recognition of the provision of revenue protection mechanisms.

(b) In January 2023, MRS received the amount of R$23,547 referring to the 5th installment of the contract amendment signed in November 2018 between MRS and CSN Mineração as mentioned in explanatory note 10 (c) of the financial statements on December 31, 2018, remaining also 3 installments, due in January of the following years. The remaining present value of the payment flow on March 31, 2023 is R$41,147, with R$15,503 in current assets and R$25,644 recorded in non-current assets. The balances on March 31, 2023 and December 31, 2022 are also composed of amounts receivable arising from railway freight services and the recognition of the provision of revenue protection mechanisms.

The Company has receivables contracts with some related parties given as collateral for loans.

Except for accounts receivable related to revenue protection mechanisms and contract amendments, the average period for receiving of the receivables from related parties is less than 16 days.

In thousands of Brazilian reais, unless indicated otherwise

Liabilities

		Payables / other liabilities		Advanced payments		Payable Dividends	
		03/31/2023	**12/31/2022**	**03/31/2023**	**12/31/2022**	**03/31/2023**	**12/31/2022**
Vale S.A.		10,028	-	-	-	21,697	21,697
Mineração Brasileiras Reunidas S.A.		-	-	-	-	69,796	69,796
CSN Mineração S.A.	**(c)**	35,260	38,466	-	-	39,220	39,220
Mitsui & Co. Ltda.	**(d)**	50,460	51,823	-	-	-	-
Companhia Siderúrgica Nacional		1,312	-	65	65	39,197	39,197
Usinas Siderúrgicas de Minas Gerais S.A.		-	-	31	31	555	555
Gerdau Açominas		-	-	6	10	-	-
Ferrovia Centro-Atlântica S.A.		26,665	27,241	390	254	-	-
Gerdau Aços Longos S.A.		-	-	9	79	-	-
Usiminas Participações e Logística S.A.		-	-	-	-	22,149	22,149
Railvest Investments Inc		-	-	-	-	8,621	8,621
CSN Cimentos S.A.		-	1,288	2,214	-	-	-
Gerdau S.A.		-	-	4	4	2,607	2,607
Companhia Metalúrgica Prada		-	231	-	-	-	-
Confab Industrial S.A.		-	-	-	5	-	-
Vallourec Soluções Tubulares do Brasil S.A.		-	-	201	201	-	-
Mitsui & Co. Steel Ltd		94,153	96,496	-	-	-	-
Ternium Brasil Ltda.		141	-	-	-	-	-
Others		-	-	-	-	3,932	3,934
		218,019	**215,545**	**2,920**	**649**	**207,774**	**207,776**
Current		189,493	183,393	2,920	649	207,774	207,776
Non-current		28,526	32,152	-	-	-	-

(c) The amount of R$35,260 on March 31, 2023 (R$38,466 on December 31, 2022) refers to the liabilities arising from the contract amendment signed with CSN Mineração, as compensation for what was mentioned in letter (b) of this explanatory note and in compliance with CPC 47 – Revenue from contracts with customers. The initially recognized amount is being appropriated monthly to profit or loss, for the period of the contract amendment, as indemnity income.

In thousands of Brazilian reais, unless indicated otherwise

(d) The balances presented in the reported periods refer to payables related to the acquisition of permanent materials.

Result

		Revenues from services		Other revenues		Financial Revenues	
		03/31/2023	03/31/2022	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Vale S.A.		320,201	360,730	2	25,551	-	2,451
CSN Mineração S.A.		237,501	168,100	3,262	3,916	2,681	2,707
Companhia Siderúrgica Nacional		70,979	119,364	98	115	52	125
Mineração Usiminas S.A.		48,881	37,359	-	-	2,470	3,098
Gerdau Açominas S.A.		37,521	52,006	218	223	-	23
Usinas Siderúrgicas de Minas Gerais S.A.		26,046	30,585	-	41	49	33
Ferrovia Centro-Atlântica S.A.		5,923	12,741	719	1,078	-	20
Gerdau Aços Longos S.A.		3,690	4,744	3,764	5,591	-	2
Vallourec Soluções Tubulares do Brasil S.A.		6,489	9,731	1,280	1,088	18	17
CSN Cimentos S.A.		5,254	6,266	268	342	3	7
Ternium Brasil Ltda.		193	311	-	-	-	-
Confab Industrial S.A.		5,590	710	-	-	1	3
CSN Cimentos Brasil S.A.		11,213	-	57	-	-	-
Gerdau S.A.		334	329	117	429	2	6
Mitsui & Co. Ltda.	**(e)**	-	-	-	-	1,724	9,310
Mitsui & Co. Steel Ltd		-	-	-	-	2,342	-
Sepetiba Tecon S.A.		-	-	18	16	2	5
Terminal de Cargas Sarzedo Ltda.		-	-	-	29	-	-
		779,815	**802,976**	**9,803**	**38,419**	**9,344**	**17,807**

In thousands of Brazilian reais, unless indicated otherwise

	Other operating/financial expenses	
	03/31/2023	03/31/2022
Vale S.A.	8,379	2
CSN Mineração S.A.	7	-
Companhia Siderúrgica Nacional	704	-
Gerdau Açominas S.A.	131	-
Ferrovia Centro-Atlântica S.A.	3,357	2,869
Gerdau Aços Longos S.A.	280	3,141
Vallourec Soluções Tubulares do Brasil S.A	605	-
Terminal de Cargas Sarzedo Ltda.	97	-
CSN Cimentos S.A.	25	-
CSN Cimentos Brasil S.A.	47	-
Sepetiba Tecon S.A.	3	-
	13,635	**6,012**

e) The amount of R$ 1,724 is due to exchange variation related to the acquisitions mentioned in letter (d) of this note.

Key personnel of the Administration

The fixed and variable remunerations of the Company's key administration personnel, which includes its Chief Executive Officer and Executive Officers, are recorded in the income statement for the year as follows:

	Result	
	03/31/2023	03/31/2022
Short-term benefits	4,556	4,024
After-employment benefits	90	87
Other long-term benefits	2,479	1,900
	7,125	**6,011**

The benefits of the key administration personnel include fixed remuneration, profit sharing program, variable remuneration program, pension plan and others.

In thousands of Brazilian reais, unless indicated otherwise

9. Other receivables

		03/31/2023	12/31/2022
Sub-lease receivables	**(a)**	22,430	24,480
Receivables - other sales	**(b)**	8,526	7,522
Other receivables		802	856
Expected Credit Loss		(5,270)	(5,073)
		26,488	**27,785**
Current		10,321	9,393
Non-current		16,167	18,392

(a) Subleases, recorded at present value in current and non-current assets, refer to property rental contracts in which the Company is the intermediary lessor of a main lease, classified as a Right of Use Asset.

The transactions of the subleases in the periods were as follows:

	03/31/2023	12/31/2022
Sub-leasing		
On January 1	**29,537**	**34,882**
Contract additions	-	385
Readjustment	-	3,515
Contract de-recognition	-	(170)
Amortization	(2,496)	(9,075)
End balance of the period/year	**27,041**	**29,537**
Interest to become due		
On January 1	**(5,057)**	**(6,101)**
Contract additions	-	(65)
Readjustment	-	(1,338)
Contract de-recognition	-	30
Interest Due	446	2,417
End balance of the period/year	**(4,611)**	**(5,057)**
Net Balance	**22,430**	**24,480**

The flow of future receiving from subleases, disregarding interest to be incurred, is as follows:

	2023	Within 5 years	Total
Sub-leasing	8,530	18,510	27,041

(b) The receivable amounts arise from the sale of scrap, the provision of maintenance services and other amounts not related to the railway freight service.

In thousands of Brazilian reais, unless indicated otherwise

10. Inventories

		03/31/2023	12/31/2022
Maintenance material	(a)	233,045	200,688
Fuel	25	13,607	13,964
Materials in process of recovery		3,020	-
Import in progress		2,918	1,137
Others		26,298	15,298
Provision for loss	(b)	(10,129)	(10,129)
		268,759	**220,958**

a. These refer to materials that will be used in self-maintenance services, mainly in locomotives, rail cars and permanent track.
b. These refer to the provision for the loss of certain maintenance materials considered obsolete or of low turnover.

11. Taxes to recover

		03/31/2023	12/31/2022
PIS/COFINS to compensate	(a)	216,705	359,010
PIS/COFINS to recover	(b)	128,007	124,834
Presumed PIS/COFINS	(c)	8,186	55,934
Tax on circulation of goods and services – ICMS	(d)	180,893	189,108
Income tax	(e)	26,120	55,065
Others		46	250
		559,957	**784,201**
Current		215,258	284,711
Non-current		344,699	499,490

(a) The amount of R$216,705 on March 31, 2023 (R$359,010 on December 31, 2022) arises from the decision of STF (Supreme Federal Court) dated May 13, 2021, in a judgment with general repercussion, that ICMS is not included in the base for the calculation of contributions to PIS and COFINS and considering that the suit filed by MRS to discuss this thesis dated back to March 2017, the Company calculated, based on its best estimate, the gain of R $337,972, which was provisioned in 2021. In the 1st quarter of 2023, after enabling PIS and COFINS credits, the amount of R$142,305 was offset in the payment of federal taxes, and the amount of R$108,485 was offset in the payment of the annual income tax and social contribution adjustment.

(b) The balance of PIS and COFINS to be recovered refers to credits determined on the acquisition of assets.

(c) The presumed PIS and COFINS balance refers to the diesel credit pursuant to Complementary Law No. 194/2022 (extended by MP 1,157/23, until 12/31/23) which reduced the rate of these taxes on sales to zero. The reduction occurred due to the use of PIS/COFINS credits from the 4th quarter of 2022 to offset INSS in the first quarter of 2023.

In thousands of Brazilian reais, unless indicated otherwise

(d) These mainly refer to credits arising from acquisitions of fixed assets and purchase of inputs.

The composition of ICMS credits recorded in current assets is shown below:

ICMS credit composition - current	03/31/2023	12/31/2022
ICMS - RJ	27,500	27,032
ICMS - SP	63,631	59,480
Total current	**91,131**	**86,512**

(e) It basically refers to income tax withheld at source on financial investments and on gains from derivative operations – swaps. As the income is taxed only on the redemption of the applications and the settlement of swaps, this amount includes the provision for withheld income tax of these operations.

12. Deferred Taxes

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

Deferred Income Tax and Social Contribution

		03/31/2023	12/31/2022
Assets			
Provisions contingencies		236,974	243,993
Miscellaneous provisions		39,032	35,671
Provision loss assets		39,049	39,582
Provision health insurance		2,899	2,577
Others		44	43
Total assets		**317,998**	**321,866**
Liabilities			
Provision income PIS/COFINS tax credit	**(a)**	(39,013)	(59,312)
Lease right of use		(60,927)	(30,164)
Amortization adjustments RTT		(85,935)	(86,573)
Depreciation		(8,882)	(13,282)
Derivative financial instruments – *swap*		(43,091)	(29,179)
Accelerated depreciation of rail cars and locomotives		(9,369)	(11,350)
Others		(155)	(454)
Total liabilities		**(247,372)**	**(230,314)**
Net Total		**70,626**	**91,552**

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

The active deferred income tax and social contribution on net profit are recognized only in proportion to the probability that future taxable income will be available and against which the temporary differences can be used. The deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that their realization is no longer probable.

The amount of R$317,998 (R$321,866 on December 31, 2022) refers to the 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 the deferred assets. Therefore, the deferred tax assets were fully recognized in the financial statements on March 31, 2023.

The amount of R$247,372 (R$230,314 on December 31, 2022) refers to the deferred tax liability which includes the portion of amortization of the adjustments pursuant to RTT – Transition Tax Regime.

Due to these adjustments, the Company recognized deferred IRPJ/CSLL on the differences between corporate and tax results at the amount of R$241,001, which is being amortized for the remaining term of the concession agreement in accordance with the rules prescribed in articles 69 of Law 12,793/14 and 174 of RFB Normative Instruction No. 1515/14.

The amount amortized until March 31, 2023 was R$638 (R$13,250 on December 31, 2022), and from August 2022, with the early renewal of the concession for another 30 years, the remaining balance became amortized in 412 installments, totaling a balance of R$85,935 on March 31, 2023 (R$86,573 on December 31, 2022).

a) The Company is aware of the judgment of RE 1,063,187 (Theme 962), on September 30, 2021, due to the general repercussion system, in which the Federal Supreme Court decided that the charge of Corporate Income Tax (IRPJ) and Social Contribution on Net Profit (CSLL) on amounts related to the SELIC rate received as a result of repeated tax over payments was unconstitutional. In the Motion for Clarification, definitively judged on April 29, 2022, it was decided that the decision will produce prospective effects, except for the lawsuits filed by September 17, 2021.

   The decision became final on June 10, 2022.

   On September 1, 2019, MRS filed a lawsuit and had its appeal partially granted to eliminate the charge of IRPJ and CSLL on the amounts referring to the SELIC rate received as a result of the repetition of undue tax, as in the leading case.

The reduction of R$20,299, in the first quarter of 2023, was due to credits offset as mentioned in note 11, letter a.

In thousands of Brazilian reais, unless indicated otherwise

The net movement of the deferred tax account is as follows:

	03/31/2023	12/31/2022
On January 1	**91,552**	**72,208**
Provision income PIS/COFINS tax credit	20,299	53,190
Depreciation	4,400	21,957
Miscellaneous provisions	3,361	(60,585)
Provisions contingencies	(7,019)	16,403
Lease right of use	(30,763)	(30,164)
Amortization adjustments RTT	638	13,250
Accelerated depreciation of rail cars and locomotives	1,981	7,926
Provision loss assets	(533)	(244)
Derivative financial instruments - *swap*	(13,912)	(3,250)
Provision health insurance	322	205
Others	300	656
At the end of the period/year	**70,626**	**91,552**

Deferred PIS and COFINS

		03/31/2023	12/31/2022
On January 1		**(8,023)**	**(7,084)**
Provision income PIS/COFINS tax credit	**(a)**	3,672	(939)
At the end of the period/year		**(4,351)**	**(8,023)**

(a) Tax effects arising from the recognition of PIS and COFINS tax credit income (see note 11, letter a).

13. Anticipated expenses

		03/31/2023	12/31/2022
Insurance	**(a)**	20,123	24,987
Prepaid expenses with funds from ANTT inspection	**(b)**	2,806	4,911
Anticipated expenses for personnel		16,189	11,333
Anticipated expenses for services		6,293	8,675
		45,411	**49,906**
Current		40,113	40,256
Non-current		5,298	9,650

In thousands of Brazilian reais, unless indicated otherwise

(a) The balances refer to advance insurance payments, not yet amortized. The validity and the coverage of the insurance policies contracted by the Company are detailed in explanatory note 33.

(b) It refers to the advance payment of the inspection amount pursuant to the 4th Addendum to the Concession Agreement of MRS Logística in July 2022, which will be amortized over a period of 12 months.

14. Other current and non-current assets

The group of other current and non-current assets is composed as follows:

		03/31/2023	12/31/2022
Judicial deposits	**(a)**	136,752	133,901
Advanced Payments to Suppliers	**(b)**	80,154	16,958
Advanced payment to employees	**(c)**	13,934	12,542
Advanced payments to related parties	**8**	214	-
Others		7	7
		231,061	**163,408**
Current		94,302	29,500
Non-current		136,759	133,908

(a) Refer to judicial deposits for appeals and to guarantee execution at the disposal of the court to enable filing of an appeal, in accordance with the Law. The deposits are monetarily updated and recorded in non-current assets until there is a court decision. The distribution is described in explanatory note 24.1.

(b) These correspond to advance payments granted to national and foreign suppliers for the acquisition of materials and inputs that do not correspond to fixed assets.

(c) These correspond to advance payments granted to employees, such as vacation advance payments, vacation loans and other advance payments.

In thousands of Brazilian reais, unless indicated otherwise

15. Fixed Assets

15.1 Fixed assets in operation and in progress

By nature, the fixed assets are constituted as follows:

	03/31/2023								12/31/2022
	Fixed Assets in Operation								
	Permanent Track	Locomotives	Rails Cars	Machines, Equipment and Installations	Others	Total	Fixed assets in progress	Total	Total
Cost									
On January 1	**5,637,120**	**4,179,924**	**3,522,180**	**1,509,222**	**146,018**	**14,994,464**	**1,243,042**	**16,237,506**	**14,251,110**
Addition	34,963	32,719	84,752	442	103	**152,979**	191,426	**344,405**	**2,095,983**
Transfer	61,848	14,252	24,099	11,713	1,216	**113,158**	(113,128)	-	-
Write-off reversal (provision)	-	-	-	-	-	-	-	-	**(79)**
Reclassification	-	-	-	-	30	**30**	-	**30**	**20,757**
Write-offs	-	(2)	(19)	(98)	(115)	**(234)**	-	**(235)**	**(130,265)**
End balance of the period/year	**5,733,931**	**4,226,893**	**3,631,012**	**1,521,279**	**147,252**	**15,260,367**	**1,321,340**	**16,581,707**	**16,237,506**
Depreciation									
On January 1	**(3,044,876)**	**(2,076,925)**	**(1,522,585)**	**(664,737)**	**(105,563)**	**(7,414,686)**	-	**(7,414,686)**	**(6,732,754)**
Addition	(88,934)	(53,685)	(35,715)	(18,324)	(1,842)	**(198,499)**	-	**(198,500)**	**(762,753)**
Reclassification	-	-	-	-	-	-	-	-	**(19,017)**
Write-offs	-	-	7	87	108	**202**	-	**203**	**99,838**
End balance of the period/year	**(3,133,810)**	**(2,130,610)**	**(1,558,293)**	**(682,974)**	**(107,297)**	**(7,612,983)**	-	**(7,612,983)**	**(7,414,686)**
Net Balance of the Period	**2,600,121**	**2,096,283**	**2,072,719**	**838,305**	**39,955**	**7,647,384**	**1,321,340**	**8,968,724**	**8,822,820**

The movement of fixed assets in 2022 is published in explanatory note 18.1 of the 2022 financial statements.

Fixed assets in progress

Fixed assets in progress are substantially represented by expenses incurred in the expansion, recovery and modernization of the permanent track, construction of new yards and terminals, locomotives, rail cars and signaling systems.

Cost of capitalized loans

The amount of the loan costs capitalized in the period ended March 31, 2023 was R$2,544 (R$9,320 on December 31, 2022). The rate used to determine the amount of financing costs subject to capitalization was 15% per year (12.79% in 2022), which represents the Company's average financing rate.

Depreciation rate

The annual depreciation rates and service life of the Company's main asset groups applied in 2023 are shown in explanatory note 4.8 of these December 2022 financial statements.

The Company has rail cars and locomotives pledged as collateral for financing. The residual value on March 31, 2023 and December 31, 2022, of the assets pledged as collateral is R$1,595,536 and R$1,031,433, respectively.

In thousands of Brazilian reais, unless indicated otherwise

15.2 Lease Right of Use

The changes and the balances of the right-of-use assets are is demonstrated below:

	03/31/2023						12/31/2022
	Assets linked to the concession (a)	Vehicles	Real Estate	Informatics equipment	Others	Total	Total
Cost							
On January 1	**3,646,575**	**38,809**	**31,976**	**340**	**4,042**	**3,721,742**	**2,900,927**
Addition	-	-	-	-	-	**-**	**825,552**
Expenses paid in advance	-	-	-	-	-	**-**	**10,549**
Sub-leasing	-	-	-	-	-	**-**	**(2,381)**
Financial update re-measurement	-	(34)	(8)	-	307	**265**	**36,972**
Transfer to the fixed assets	-	-	-	-	-	**-**	**(36,228)**
Unrecognizing	-	-	-	-	-	**-**	**(13,649)**
End balance of the period/year	**3,646,575**	**38,775**	**31,968**	**340**	**4,349**	**3,722,007**	**3,721,742**
Depreciation							
On January 1	**(1,115,943)**	**(30,297)**	**(10,283)**	**(255)**	**(2,769)**	**(1,159,547)**	**(905,680)**
Addition	(18,832)	(2,105)	(775)	(23)	(349)	**(22,084)**	**(286,157)**
Transfer to the fixed assets	-	-	-	-	-	**-**	**31,209**
Unrecognizing	-	-	-	-	-	**-**	**1,081**
End balance of the period/year	**(1,134,775)**	**(32,402)**	**(11,058)**	**(278)**	**(3,118)**	**(1,181,631)**	**(1,159,547)**
Net balance of the period/year	**2,511,800**	**6,373**	**20,910**	**62**	**1,231**	**2,540,376**	**2,562,195**

The movement of the right of use in the 2022 lease is published in explanatory note 18.2 of the 2022 financial statements.

(a) The National Road Transport Agency – ANTT terminated Lease Agreement No. 072/96, under the terms of Law No. 13,448, dated June 2017, and Decree No. 10,161, dated December 9, 2019, through the third amendment to the Concession Agreement, published in DOU dated April 14, 2022, by means of transfer of the property and the assignment of use of the fixed assets to the Concessionaire. As a result of the primacy of essence over form, this contract termination had no impact on the Company's financial statements, once the financial obligations to be paid pursuant to the lease agreement for these assets were maintained.

In thousands of Brazilian reais, unless indicated otherwise

16. Intangible Assets

The intangible assets are constituted as follows:

a) Acquisition/development of computer systems and software.

	03/31/2023			12/31/2022
	Computer systems and software	Projects in progress	Total	Total
Cost				
On January 1	**250,783**	**142,247**	**393,030**	**301,328**
Addition	-	17,349	**17,349**	**76,255**
Transfer	12,320	(12,320)	**-**	**-**
Reclassification	-	(30)	**(30)**	**15,471**
Write-offs	-	-	**-**	**(24)**
End balance of the period/year	**263,103**	**147,246**	**410,349**	**393,030**
Depreciation				
On January 1	**(232,330)**	**-**	**(232,330)**	**(211,428)**
Addition	(3,065)	-	(3,065)	**(8,734)**
Reclassification	-	-	-	**(12,192)**
Write-offs	-	-	-	**24**
End balance of the period/year	**(235,395)**	**-**	**(235,395)**	**(232,330)**
Net balance of the period/year	**27,708**	**147,246**	**174,954**	**160,700**

The movement of intangible assets in 2022 is published in explanatory note 19 of the 2022 financial statements.

The amortization rate of the intangible assets was estimated at 20% per year.

In thousands of Brazilian reais, unless indicated otherwise

17. Suppliers

		03/31/2023	12/31/2022
Payables to related parties	8	182,759	177,079
Payables to suppliers - in national currency		368,639	430,034
Payables to suppliers - in foreign currency		88,544	13,949
		639,942	**621,062**
Current		633,259	578,736
Non-current		6,683	42,326

18. Social and labor obligations

		03/31/2023	12/31/2022
PPR – Profit Share/Bonus Plan	(a)	23,913	106,984
Payable salaries		22,261	43,131
Provision for vacation and 13th salary		51,614	45,215
INSS		27,753	26,282
FGTS		7,199	8,002
Payable IRRF		3,206	8,308
Others		4,347	8,776
		140,293	**246,698**

(a) PPR/Bonus provisioned in the 2022 financial year was fully paid in the first quarter of 2023.

19. Income tax and social contribution

	03/31/2023	12/31/2022
Income tax	31,140	127,977
Social Contribution	10,481	17,241
	41,621	**145,218**

20. Other tax obligations

	03/31/2023	12/31/2022
ICMS	40,526	45,222
ISS	2,656	4,996
Withheld INSS third parties	4,817	6,570
PIS/COFINS	9,257	8,396
Others	109	201
	57,365	**65,385**

In thousands of Brazilian reais, unless indicated otherwise

21. Loans and financing

Loans and financing are composed as follows:

		03/31/2023	12/31/2022
National currency			
FINEM/FINAME - BNDES		875,655	870,947
Banco Safra		52,876	50,865
Promissory notes		599,746	578,989
		1,528,277	**1,500,801**
Transaction costs		(1,517)	(1,549)
		1,526,760	**1,499,252**
Foreign currency			
Banco MUFG		213,204	218,831
		213,204	**218,831**
Transaction costs		(3)	(3)
		213,201	**218,828**
Debentures			
7th Issue	**(a)**	230,968	355,001
9th Issue		775,806	750,605
10th Issue		1,559,316	1,551,697
		2,566,090	2,657,303
Transaction costs		(38,686)	(39,341)
		2,527,404	**2,617,962**
Total loans and financing - transaction cost		**4,267,365**	**4,336,042**
Current		753,143	731,250
Non-current		3,514,222	3,604,792

(a) In February 2023, 1/3 of the 2nd series of the 7th issue of debentures was settled at the amount of R$134,978 and interest on the 10th issue of debentures at the amount of R$74,465.

The future amortization flow of the principal amount of the financing is as follows:

	2024	2025	2026	After 2026	Total
FINEM/FINAME - BNDES	15,814	49,013	79,423	693,725	837,975
Promissory note	-	-	500,000	-	500,000
Debentures	493,161	114,631	700,000	905,430	2,213,222
	508,975	**163,644**	**1,279,423**	**1,599,155**	**3,551,197**

In thousands of Brazilian reais, unless indicated otherwise

On March 31, 2023, the transaction costs of the fund raising were presented as follows:

	Short-term	Long-term					Total
	CP	**2024**	**2025**	**2026**	**After 2026**	**Total**	**CP + LP**
National	126	91	116	894	290	1,391	1,517
Foreign	3	-	-	-		-	3
Debentures	3,143	5,421	533	18,181	11,408	35,543	38,686
	3,272	**5,512**	**649**	**19,075**	**11,698**	**36,934**	**40,206**

Financial covenants

Loan and financing contracts contain restrictive clauses related to the maintenance of financial indexes. All covenants were met on March 31, 2023. The debentures issued by the Company also contain restrictive clauses related to the maintenance of financial indexes, which were fulfilled on March 31, 2023. The 7th issue debentures contain clauses maintaining a minimum risk rating attributable by Standard and Poor's, which were also met in the informed period. The 9th and 10th issue debentures and the Promissory Notes do not have minimum risk rating maintenance clauses.

22. Lease

The leases within the scope of CPC 06 (R2) related to the Company's rights of use were grouped according to their nature according to the information below:

- Assets linked to the concession: agreement with the Government related to assets necessary for the operation and the maintenance of the railway freight transport activities. After signing the addendum renewing the concession, the values began to be adjusted annually by IPCA. The nominal discount rate determined for the calculation of the present value and re-measurement of the pre-existing lease is 9.95%.

- Real Estate: lease agreements for areas, commercial rooms, garages, buildings and others.

- Vehicles: vehicle rental contracts to serve the operational areas.

- Computer equipment: computer equipment, electronics and software.

- Others: rental of aerial platforms, forklifts, containers and others.

The lease agreements, except the lease contract for assets linked to the concession, have different validity periods, with the last expiry date in December 2026. The amounts are updated annually by inflation indexes, mostly IPCA.

The incremental loan rate used by the Company was determined based on the interest rates the Company has access to, adjusted to the Brazilian market and the terms of its contracts.
Rates between 7.89% and 8.88% were used (7.89% to 8.88%, on December 31, 2022), according to the term of each contract.

In thousands of Brazilian reais, unless indicated otherwise

The movement and balance of the commercial leases are shown below:

	03/31/2023						12/31/2022
	Assets linked to the concession	**Real Estate**	**Vehicles**	**Informatics equipment**	**Others**	**Total**	**Total**
Payable lease							
On January 1	**4,053,086**	**12,357**	**9,298**	**102**	**1,715**	**4,076,558**	**2,526,950**
Addition	-	-	-	-	-	-	**2,267,968**
Re-measurement by financial update	-	(8)	(35)	-	307	**264**	**28,246**
Unrecognizing	-	-	-	-	-	-	**957**
Payments	(166,913)	(877)	(2,191)	(24)	(365)	**(170,370)**	**(747,563)**
End balance of the period/year	**3,886,173**	**11,472**	**7,072**	**78**	**1,657**	**3,906,452**	**4,076,558**
Interest to become due							
On January 1	(1,672,070)	(2,870)	(456)	(3)	(99)	**(1,675,498)**	**(425,259)**
Addition/(Reversal)	-	-	-	-	-	-	**(1,442,600)**
Re-measurement by financial update	-	-	-	-	-	-	**(4,405)**
Unrecognizing	-	-	-	-	-	-	**507**
Interest Due	55,815	155	173	1	30	**56,174**	**196,259**
End balance of the period/year	**(1,616,255)**	**(2,715)**	**(283)**	**(2)**	**(69)**	**(1,619,324)**	**(1,675,498)**
Net balance of the period/year	**2,269,918**	**8,757**	**6,789**	**76**	**1,588**	**2,287,128**	**2,401,060**

The changes in the lease in 2022 are published in explanatory note 25 of the 2022 financial statements.

In thousands of Brazilian reais, unless indicated otherwise

The flow of future lease payments is as follows:

Payable lease	Up to 12 months	Up to 5 years	Above 5 years	Total
Assets linked to the concession	667,651	1,656,964	1,561,558	3,886,173
Real Estate	3,539	7,933	-	11,472
Vehicles	6,933	139	-	7,072
Informatics equipment	78	-	-	78
Others	1,441	216	-	1,657
	679,642	**1,665,252**	**1,561,558**	**3,906,452**

Interest to become due	Up to 12 months	Up to 5 years	Above 5 years	Total
Assets linked to the concession	(195,968)	(407,116)	(1,013,171)	(1,616,255)
Real Estate	(1,266)	(1,449)	-	(2,715)
Vehicles	(281)	(2)	-	(283)
Informatics equipment	(2)	-	-	(2)
Others	(59)	(10)	-	(69)
	(197,576)	**(408,577)**	**(1,013,171)**	**(1,619,324)**
Net amount at the end of the period/year	**482,066**	**1,256,675**	**548,387**	**2,287,128**

23. Financial Instruments

Operations with financial instruments

The calculation of the fair value of the investments (Cash and cash equivalents, Restricted cash and Financial investments) follows the following methodology: (i) for the calculation of the fair value, only investments the contracted rates of which are different at 100% of CDI are considered and (ii) for the calculation of the discount rate, for the measurement of the fair value, the last investment rate contracted by the financial institution where the application is held is considered.

The calculation of the fair value of the receivables from customers uses the following valuation technique: (i) for short-term operations, it is estimated that the fair value is substantially similar to its book value and (ii) for operations with receiving period longer than days, the calculation is made deducting the inflation and interest rates of the period.

The fair value of loans and financing is based on market assumptions, the calculation follows the following methodology: for operations with public market quotation for the reference interest rate, the flow to maturity is calculated with the contract rate, and then, it is deducted at the updated rate of the public source, and for loans and financing without public source of interest rate, after calculating the flow to maturity at the contract rate, it is deducted at the interest rate of similar operations in terms of risk and term. Occasionally, in case of difficulty to identify comparable financing, the discount rate is determined upon check at financial institutions.

In thousands of Brazilian reais, unless indicated otherwise

The following table presents the carrying values of all transactions with financial instruments carried out by the Company, which differ from their fair values:

	03/31/2023		12/31/2022	
	Accounting value	**Fair value**	**Accounting value**	**Fair value**
Assets				
Receivables from customers	359,483	372,711	657,553	481,301
Liabilities				
Loans and financing in foreign currency	213,204	213,459	218,831	220,832

The calculation of the fair value of the loans considers the market quotation of the respective operations, except those: (i) for which there is no net reference market or (ii) the settlement (exit value) of which can be made without penalty. In these cases, the fair value coincides with the value on the curve.

In thousands of Brazilian reais, unless indicated otherwise

Classification of the financial instruments

Below, we present the book values of all transactions with financial instruments carried out by the Company and their respective classification.

	03/31/2023				12/31/2022			
	Amortized cost	VJR	VJR/transactions used for *hedge*	Total	Amortized cost	VJR	VJR/transactions used for *hedge*	Total
Assets								
Cash and cash equivalents	-	888,724	-	888,724	-	866,856	-	866,856
Restricted cash	-	1,109	-	1,109	-	1,081	-	1,081
Receivables from customers and other receivables	385,971	-	-	385,971	685,338	-	-	685,338
Gains on operations with derivative financial instruments – swap/NDF	-	-	174,666	174,666	-	-	130,461	130,461
Total	**385,971**	**889,833**	**174,666**	**1,450,470**	**685,338**	**867,937**	**130,461**	**1,683,736**

	03/31/2023				12/31/2022			
	Amortized cost	VJR	VJR/transactions used for *hedge*	Total	Amortized cost	VJR	VJR/transactions used for *hedge*	Total
Liabilities								
Suppliers	639,942	-	-	639,942	621,062	-	-	621,062
Loans and financing in R$	1,528,277	-	-	1,528,277	1,500,801	-	-	1,500,801
Loans and financing in USD	-	-	213,204	213,204	-	-	218,831	218,831
Debentures	1,718,238		847,852	2,566,090	1,842,558	-	814,745	1,842,558
Losses in operations with derivative financial instruments – swap/NDF	-	-	142,717	142,717	-	-	160,351	160,351
Total	**3,886,457**	**-**	**1,203,773**	**5,090,230**	**3,964,421**	**-**	**1,193,927**	**4,343,603**

In thousands of Brazilian reais, unless indicated otherwise

Derivative financial instruments

The Company holds derivative financial instruments to hedge risks related to foreign currencies and inflation indexes.

The accounting policy for recording transactions with derivative financial instruments is described in explanatory note 4.3 (v) of the financial statements on December 31, 2022.

The derivative financial instruments are initially recognized at fair value on the date the derivative contract is contracted, and are subsequently also revalued 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.

Thus, the swap operations which presented a net receivable balance at the amount of R$31,949 on March 31, 2023 (net payable balance of R$29,889 on December 31, 2022) had their variations recorded in the result.

The Company documented such hedge relationship as fair value hedge after tests proved that the hedge is expected to be highly effective in the offset of the fair value of the hedged object. The effectiveness is measured based on prospective effectiveness tests, evaluated using the statistical volatility reduction method. 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 for fair value hedge, the variation in the fair value of the hedge continues to be recorded in the financial result; however, at the same time, the variation in the fair value of the attributable risk of the designated hedge object is verified, which is recorded in liabilities as compensation in the financial result.

	Fair value *hedge object*	
	03/31/2023	**12/31/2022**
Debt	1,124,235	1,122,509
Adjustment of fair value *hedge*	(63,179)	(88,933)

		Impact on the financial income	
		03/31/2023	**03/31/2022**
Financial revenues			
Adjustment of fair value *hedge*		-	19,674
Financial expenses			
Adjustment of fair value *hedge*		(25,754)	(8,917)
Net financial income	**(a)**	**(25,754)**	**10,757**

(a) For all contracts with MUFG bank, hedge accounting operations were contracted, resulting in the balance of the net financial result. For the 2nd and 3rd series of the 10th debenture issue, there are also hedge accounting operations.

In thousands of Brazilian reais, unless indicated otherwise

Derivative designated for fair value hedge	**Reference value (notional)**		**Fair value**	
Type of contract	**03/31/2023**	**12/31/2022**	**03/31/2023**	**12/31/2022**
Swap contracts (fixed dollar to real CDI)				
Active position				
Fixed dollar	68,667	68,667	84,514	87,822
Passive position				
Real CDI	68,667	68,667	(69,862)	(70,040)
			14,652	17,782
Swap contracts (fixed Yen to real CDI)				
Active position				
Fixed Yen	150,000	150,000	128,944	133,010
Passive position				
Real CDI	150,000	150,000	(170,966)	(165,583)
			(42,022)	(32,573)
Swap contracts (IPCA to real CDI)				
Active position				
IPCA	800,000	800,000	855,601	822,059
Passive position				
Real CDI	800,000	800,000	(861,422)	(892,647)
			(5,822)	(70,588)
Total swap contracts			**(33,192)**	**(85,379)**
Provision for IT on swap gains			(4,082)	(2,667)
Total swap contracts net IT			**(37,274)**	**(88,046)**
Classified				
In the current assets			12,454	15,114
In the non-current assets			53,192	15,934
In the current liabilities			(102,919)	(116,534)
In the non-current liabilities			-	(2,560)
			(37,274)	**(88,046)**

In thousands of Brazilian reais, unless indicated otherwise

Not designated derivatives	Reference value (notional)		Fair value	
Type of contract	**03/31/2023**	**12/31/2022**	**03/31/2023**	**12/31/2022**
Hedge contracts				
Active position				
IPCA (IPCA to CDI)	367,150	367,150	471,092	445,810
Passive position				
CDI (IPCA to CDI)	367,150	367,150	(389,653)	(377,390)
Total hedge contracts			**81,439**	**68,420**
Provision for IT on swap gains			(12,216)	(10,263)
Total swap contracts net IT			**69,223**	**58,157**
Classified				
In the non-current assets			109,020	99,413
In the current liabilities			(39,798)	(41,256)
			69,223	**58,157**

The Company has swap derivative instruments. For the active part of the swap, linked to a fixed rate plus exchange variation of the dollar, yen or IPCA, the value is calculated at the contract rate until maturity and then discounted at the exchange coupon rate, or IPCA coupon corresponding to the remaining term, between the due date and the current date. Finally, the value resulting from this calculation (currency swap) is converted at the current exchange rate, if the flow is in foreign currency.

For the passive part, which is linked to given CDI percentage, the value until maturity is calculated by applying this percentage. This result is then discounted at the rate of 100% of CDI until the current date.

	03/31/2023			**12/31/2022**		
Description	**Notional value**	**Fair value**	**Maturity**	**Notional value**	**Fair value**	**Maturity**
Active position						
Foreign currency	218,667	213,459	Up to Aug/36	218,667	220,832	Up to Aug/36
IPCA	1,167,150	1,326,692		1,167,150	1,267,869	
Passive position						
Fees (post)	1,385,817	1,491,904		1,385,817	1,505,660	

In thousands of Brazilian reais, unless indicated otherwise

The Company's derivative financial instruments are distributed among the following counter parties:

Institution	MRS receives	MRS pays	Start date	Due date	Contracted notional value	Fair value on 03/31/2023 (R$)		Gross Income (R$)
						Active	Passive	Active – Passive (*)
Swap contracts								
Banco MUFG	Yen + 1.58%	CDI+2.75%	06/09/2020	06/09/2023	150,000	128,944	170,966	(42,022)
Banco MUFG	USD+ 4.59%	106%,5% of CDI	08/27/2018	08/23/2023	68,667	84,514	69,862	14,652
Banco ITAU	IPCA+4.97%	CDI+1.05%	08/16/2021	08/15/2031	300,000	325,607	314,840	10,768
Banco ITAU	IPCA+5.06%	CDI+1.30%	08/16/2021	08/15/2036	500,000	529,993	546,582	(16,589)
Banco Mizuho	IPCA+4.095%	100.64 % of CDI	04/30/2019	04/15/2024	100,000	128,310	106,129	22,181
Bank JP Morgan	IPCA+4.095%	100.64 % of CDI	04/30/2019	04/15/2024	267,150	342,781	283,524	59,257
Total						**1,540,151**	**1,491,904**	**48,247**

(*) Gross amounts of Withheld Income Tax of R$16,298, totaling net derivatives position of R$31,949 (R$29,889 on December 31, 2022).

Amount expressed in thousands of Brazilian reais, unless otherwise indicated

Non-derivative financial instruments

When measuring the fair value of its financial instruments, the Company assesses the credit risk of its counter parties and its own credit risk.

23.1. Hierarchy of the fair value

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

- Level 1: Financial instruments with data from an active market (quoted price not adjusted) so that it is possible to access it daily, on the date of measurement of the fair value as well.

- Level 2: Financial instruments with data different from those coming from an active market (quoted price not adjusted) included in Level 1, extracted from a pricing model based on observable market data.

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

The Company's derivative financial instruments, with a net payable balance of R$31,949 on March 31, 2023, as well as the financial instruments associated with cash (including cash and cash equivalents and restricted cash) were classified at Level 2 for fair value hierarchy. There are no financial instruments classified as Level 3 and Level 1 in the Company.

	03/31/2023		12/31/2022	
	Fair value	**Level**	**Fair value**	**Level**
Assets (Liabilities)				
Active derivative financial instruments	174,666	2	130,461	2
Passive derivative financial instruments	(142,717)	2	(160,350)	2
	31,949		**(29,889)**	

23.2. Goals and policies for financial risk management

The Company's main financial liabilities, other than derivatives, refer to loans, suppliers and other accounts payable. The main purpose of these financial liabilities is to raise funds for the Company's operations. The Company has loans and other credits, trade accounts receivable and other accounts receivable and demand and short-term deposits which result directly from its operations. The Company contracts transactions with derivative as well.

The Company is exposed to market risk, credit risk and liquidity risk.
The high Administration supervises the management of these risks and is supported by a financial committee of the Administration Board, thus contributing to the maintenance of an adequate financial risk governance structure for the Company.

The financial committee recommends actions to the Company's high Administration so that the activities in which financial risks are assumed are governed by appropriate policies and procedures, and approved by the Administration Board. The purpose of all activities with derivative is the risk management, and there are no derivative negotiations for speculative purposes. The financial risk management policy is reviewed and approved annually by the Administration Board.

The financial committee reviews and establishes policies for management of each of these risks, with the main purpose to reduce unexpected financial or economic differences that could impact both the Company's results and its expected cash flow. As a secondary objective, the intention is to minimize the probability of: (i) unexpected requirement for additional fund raising; and (ii) that MRS metrics violate financial covenants which have already been assumed.

As a central risk management mechanism, the internal controls used by the Company's Administration are focused on the follow-up of the percentage of debt indexed in foreign currency which is protected by derivative financial instruments. For this reason, most of the Company's foreign exchange risk exposure has been covered by swap contracts.

Additionally, the Company not only follows up the results of these operations through their fair value, but also outlines scenarios of deterioration of relevant market variables, evaluating stress situations and respective financial impacts.

23.3. Policy for use of derivative financial instruments

The Company's policy is to mitigate its exposure to market risks, seeking to reduce the financial impact of fluctuations in exchange rates and interest rates. This policy is implemented by means of strategic follow up of the exposure of its assets and liabilities to these variables, together with the contracting of derivative transactions that allow control of the involved risks.

The transactions with derivative basically take place by means of exchange rate swaps versus CDI percentage, all with first-class banks as counter parties and involving pre-fixed rates in foreign currency, with no margin deposit as collateral. It shall be pointed out that all derivative contracts are intended to reduce the exposure to risks, with no speculative positions.

23.4. Market risk

The market risk is the risk the fair value of the future cash flows of a financial instrument to fluctuate due to variations in the market prices. The market prices encompass three types of risks: interest rate risk, exchange risk and price risk, which can be commodities and shares, among others, which are detailed hereunder. Financial instruments affected by the market risk include payable loans. deposits, financial instruments available for sale and measured at fair value by means of profit or loss and derivative financial instruments.

(a) Interest rate risk

Interest rate risk arises from the possibility of the Company to be subject to financial loss caused by changes in the interest rates it is exposed to.

The Company has relevant liabilities linked to post-fixed local interest rates such as CDI, TJLP – Long-Term Interest Rate, TLP and IPCA.

The risks associated with CDI, TJLP and IPCA are assessed using sensitivity analysis. This analysis assumes reasonably possible scenarios, where appreciation of 25% and 50% in the market interest rates has been considered. In scenario I, the rates are increased by 25% and in scenario II by 50% in relation to the rates of the probable scenario listed by the Company, using the market perspective for the end of 2022, based on FOCUS market report released by the Banco Central do Brasil on March 31, 2023, in addition to TJLP and TLP on the same date.

In the table below, it is possible to note that, on the base date March 31, 2023, the 50% increase in both CDI and TJLP (scenario II), represents loss close to 4.8% (in 2022, the loss was close to 5.9%) increase in the net liability position, approximately R$91,264 (R$230,600 on December 31, 2022), when compared to the probable scenario, which is why the Company decided not to use derivative instruments to minimize this exposure.

Amount expressed in thousands of Brazilian reais, unless otherwise indicated

	03/31/2023			
	R$ million		25% higher	50% higher
	Base	**Likely**	**Scenario I**	**Scenario II**
CDI	12.75%	12.75%	15.94%	19.13%
TJLP	12.11%	12.11%	15.14%	18.17%
TLP	6.15%	6.15%	7.69%	9.23%
IPCA	5.96%	5.96%	7.45%	8.94%
Liabilities	**4,371.0**	**4,854.9**	**4,975.8**	**5,096.8**
TJLP debt	0.5	0.6	0.6	0.6
TLP debt	875.1	928.9	942.4	955.8
CDI debt	3,264.4	3,680.6	3,784.6	3,888.7
IPCA debt	231.0	244.7	248.2	251.6
Assets	**860.8**	**970.5**	**998.0**	**1,025.4**
Investments	860.8	970.5	998.0	1,025.4
Unsecured net position	3,510.2	3,884.3	3,977.9	4,071.4

	Accounting value	
	03/31/2023	**12/31/2022**
Fixed-rate instruments		
Financial liabilities	212,852	441,061
Post-fixed-rate instruments		
Financial assets	889,833	867,937
Financial liabilities	4,094,713	3,935,875

Amount expressed in thousands of Brazilian reais, unless otherwise indicated

(b) Exchange rate risk

The Company's results are susceptible to significant variations due to the effects of the exchange rate volatility on the liabilities linked to currency other than its functional currency.

Especially, its exposure to currency risk (exchange rate risk) is concentrated on the purchase and loans denominated basically in US dollars and Japanese yen, which ended the period ended March 31, 2023 with negative variation of 1. 20% and appreciation of 3.8%, respectively (-6.50% and 18.36% positive on December 31, 2022, respectively).

	03/31/2023	12/31/2022
Assets in foreign currency		
Import in progress	2,918	1,137
Advanced payment to Suppliers	56,942	44,483
Swap/NDF financial instruments	213,459	220,832
	273,319	**266,452**
Liabilities in foreign currency		
Suppliers	(233,157)	(162,268)
Loans and financing	(213,204)	(218,831)
	(446,361)	**(381,099)**
Net Exposure	**(173,042)**	**(114,647)**

Below, there are the variations in the Company's assets and liabilities linked to the exchange rate, pursuant to the application of the stress scenarios. It was decided to keep the active side of the swap separate, in order to make the effect of the derivative more evident.

The sensitivity analyses in the following sections refer to the position on March 31, 2023 and seek to simulate how stress in the risk variables could affect the Company, considering reasonably possible scenarios. The first step was to identify the main factors with potential to generate loss in the result, which summed up to the exchange rate. The analysis started from a base scenario, represented by the book value of the operations, i.e., considering the sales rate on March 31, 2023 and the interest accrued in the period. Additionally, three scenarios were outlined, the probable, II with deterioration of 25% and III, with deterioration of 50%, in the risk variable.

To make the analysis, the Company uses the exchange rate on March 31, 2023 as a assumption for the probable scenario - disclosed in the latest Focus Report - Bacen. Based on the probable exchange rate, the scenarios of 25% and 50% deterioration of the risk variable are generated.

The table below represents the sensitivity analysis involving the net effect resulting from these shocks on the exchange rates for 2023.

Amount expressed in thousands of Brazilian reais, unless otherwise indicated

Risk of the dollar appreciation – March 31, 2023

R$ million

Operation	**Probable Scenario I**	**Scenario II**	**Scenario III**
Hedge - Active swap account	1.990	21.626	43.252
Debt in US$	(2.001)	(21.754)	(43.508)
Net risk of the operation in the increase US$	**(0.012)**	**(0.128)**	**(0.256)**

	Exposure (R$ million)	**Probable exposure (R$ million)**	**Real**	**Expected rate**	**Impact**	
					25%	**50%**
Active swap account	84.5	86.5	5.08	5.20	6.50	7.80
Debt in US$	(85.0)	(87.0)	5.08	5.20	6.50	7.80

These transactions are primarily denominated in Real and Dollar.

R$ million

Operation	**Probable Scenario I**	**Scenario II**	**Scenario III**
Hedge - Active swap account	5.829	33.693	67.387
Debt in Yen	(5.791)	(33.476)	(66.953)
Net risk of the operation in the increase Y$	**0.038**	**0.217**	**0.434**

	Exposure (R$ million)	**Probable exposure (R$ million)**	**Real**	**Expected rate**	**Impact**	
					25%	**50%**
Active swap account	128.9	134.8	0.0383	0.040	0.050	0.060
Debt in Yen	(128.1)	(133.9)	0.0383	0.040	0.050	0.060

These transactions are primarily denominated in Real and Yen.

(c) Credit risk

It refers to the possibility of the Company suffering losses pursuant to the default of its counter parties or financial institutions depository of funds or financial investments. To mitigate these risks, the Company adopts the practice of analysis of the financial and equity situations of its counter parties, as well as definition of credit limits and permanent follow-up of unsecured positions. The Company has no guarantees taken in relation to the accounts receivable.

Amount expressed in thousands of Brazilian reais, unless otherwise indicated

	03/31/2023	12/31/2022
Cash and cash equivalents	888,724	866,856
Restricted cash	1,109	1,081
Receivables from customers and other receivables	385,971	685,338
Derivative financial instruments – *swap/ NDF*	31,949	(29,890)
Total	**1,307,753**	**1,523,385**

Accounts receivable

The Company has its accounts receivable concentrated in some large customers, which are also its related parties (explanatory note 8), representing 84.1% of total accounts receivable on March 31, 2023 (87.5% on December 31, 2022).

Such customers demand transport of cargo considered "captive" and have the same credit policy, determined in the respective service provision contracts. For these customers, the credit risk is relatively low due to the mitigating mechanisms defined in the service provision agreement.

For customers with non-captive cargo transport, the Company is subject to credit policies established by its administration, which aim to minimize any problems pursuant to default of its customers. In these cases, the Company carries out daily credit and collection management. In case of default, collection is carried out with direct involvement of the managers responsible for commercial contracts, and may even result in 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, given the risk of insolvency of the institutions in which the Company keeps its investments, which may result in the total or partial loss of the invested funds. On March 31, 2023, the Company's exposure of cash and cash equivalents was R$888,724 (R$866,856 on December 31, 2022), which were allocated to a current account or to CDB investments or committed operations with formal repurchase commitment by the financial institutions.

The credit risk on cash and cash equivalents and financial investments is determined by rating instruments widely accepted by the market and are arranged as follows:

	03/31/2023
AAA+	587,485
AA+	246,982
A or A+	54,258
Total	**888,724**

Amount expressed in thousands of Brazilian reais, unless otherwise indicated

(d) Liquidity risk

The Company's operation is capital intensive and part of this investment is financed by loans and financing. This leverage, as shown in the table below, generates a demand for cash, and it is certain that the resilience of the Company's investment is high, i.e., it is possible to adjust it throughout the year according to the evolution of the business.

The chart below summarizes the maturity profile of the financial liabilities of the Company on March 31, 2023 based on the non-deducted contract payments.

	Non-Deducted Cash Flow – 03/31/2023				
	Up to 6 months	**6- 12 months**	**1 - 2 years**	**2 – 5 years**	**More than 5 years**
Non-derivative financial liabilities					
Loans, financing, debentures and promissory notes (R$)	17,450	701,546	160,381	1,342,772	2,055,758
Related parties	54,536	120,727	20,327	11,219	-
Suppliers	359,658	208	3,761	-	-
Derivative financial liabilities					
Swaps used for *hedge* (USD)	(73,765)	(17,077)	76,706	(102,491)	116,628

	Non-Deducted Cash Flow – 12/31/2022				
	Up to 6 months	**6- 12 months**	**1 - 2 years**	**2 – 5 years**	**More than 5 years**
Non-derivative financial liabilities					
Loans, financing, debentures and promissory notes (R$)	167,349	824,646	387,094	1,527,888	2,464,096
Related parties	132,986	96,662	22,153	12,822	
Suppliers	440,574	1,872	1,523		
Derivative financial liabilities					
Swaps used for *hedge* (USD)	(105,943)	7,397	26,416	(68,371)	110,610

It is worth pointing out that non-derivative financial liabilities with some type of guarantee are detailed in notes 8 and 15.1. There is not any kind of guarantee for the derivative financial liabilities.

Amount expressed in thousands of Brazilian reais, unless otherwise indicated

Capital management

The administration's policy is to keep a solid capital base to keep the trust of investors, creditors and the market for the future development of the business. The administration monitors the return on invested capital considering the results of the economic activities of the operating segments. The purpose is to achieve a return compatible with its cost of capital reviewed annually through the concept of the Weighted Average Cost of Capital. The administration also monitors the level of dividends for common and preferred shareholders.

The debt in relation to the capital at the end of the period is presented below:

	03/31/2023	12/31/2022
Total liabilities	8,646,448	9,017,819
(-) Cash and cash equivalents	888,724	866,856
(-) Restricted cash	1,109	1,081
Net obligations	7,756,615	8,149,882
Total Net Equity	5,659,539	5,513,634
Ratio of the net obligations to the capital	**1.371**	**1.478**

24. Provisions

The provisions are composed as follows:

		03/31/2023	12/31/2022
Provision for Contingencies	**24.1**	696,983	691,346
Provision for compensation/fines to the Granting Authority	**24.2**	40,873	40,873
Provision ILP (Long-Term Incentives)		13,230	18,229
Provisions for after-employment benefits	**24.3**	8,527	8,250
Other provisions		44,447	16,711
		804,060	**775,409**
Current		55,584	22,674
Non-current		748,476	752,735

Amount expressed in thousands of Brazilian reais, unless otherwise indicated

24.1 Provision for contingencies

Provisions for passive contingencies, classified as probable risk of loss, are recorded in non-current liabilities and composed as follows:

	Labor	Civil	Tax	Environmental	Total provisioned liabilities
On December 31, 2021	**413,531**	**108,123**	**147,751**	**290**	**669,695**
Addition	54,941	21,660	4,959	1,455	83,015
Updates	33,089	(17,377)	14,537	60	30,309
Write-offs for reversal or payments	(54,886)	(34,032)	(2,755)	-	(91,673)
On December 31, 2022	**446,675**	**78,374**	**164,492**	**1,805**	**691,346**
Addition	13,989	3,364	-	-	17,353
Updates	454	6,679	2,678	40	9,851
Write-offs for reversal or payments	(18,560)	(3,007)	-	-	(21,567)
On March 31, 2023	**442,558**	**85,410**	**167,170**	**1,845**	**696,983**

Considering the deposits and the blocking made during the process, and which are still pending, the expected future impact on cash is composed as follows:

		Number of shares (*)	Involved value	Provision	Deposits	Net value
Labor	**(a)**	1,713	824,682	442,558	(38,015)	404,543
Civil	**(b)**	1,078	489,912	85,410	(16,855)	68,555
Tax	**(c)**	166	733,481	167,170	(80,884)	86,286
Environmental	**(d)**	116	68,813	1,845	(998)	847
Others	**(e)**	7	-	-	-	-
		3,080	**2,116,888**	**696,983**	**(136,752)**	**560,231**

(*) These refer to processes classified with prognosis of possible and probable loss.

(a) Labor

Most labor lawsuits seek the charge of overtime, compensation payments, night shift pay, intra-shift breaks, equal pay and hazard and unhealthy work additional pay.

On March 31, 2023, the total value of the labor claims, classified as possible or probable loss, was R$824,682 (R$814,586 on December 31, 2022).
The causes with prognosis of probable loss are at the amount of R$640,421, and for these causes, based on the understanding of its legal advisors, the Company has provisioned R$442,558 for 1,028 lawsuits (R$446,675 on December 31, 2022), considering the prospect of probable loss in those lawsuits.

The addition at the amount of R$13,989 is mainly due to changes in the prognosis, results of calculations pursuant to condemnatory or amending decisions issued during the period.
Likewise, provision write-offs in the period total R$18,560 and refer to execution payments, payments for signed deals and changes in prognosis.

Furthermore, based on the assessment of its legal advisors, the Company has contingency of R$184,261 for 685 lawsuits with estimated possible loss, for which there are no amounts constituted as provision.

(b) Civil

Currently, in the civil area, the Company is a party to 1,078 lawsuits, in 1,004 of which it appears as defendant and 74, it appears as plaintiff/contestant/interested party.

The lawsuits in which the Company appears as a defendant mostly deal with civil liability for railway accidents, legality of the charge for interference by third parties in right-of-way areas, concession and lease contracts, maintenance of the health plan and index adjustment of the monthly health plan fees after dismissal of employees from the Company, equivalence of the private pension plan to RFFSA plan and public civil lawsuits. The total amount involved in said lawsuits on March 31, 2023 was R$468,981 (R$449,083 on December 31, 2022).

Following the understanding of its legal advisors, the Company has provision of R$85,409 (R$78,373 on December 31, 2022), referring to the estimated value of lawsuits with probable loss.

The lawsuits in which the Company appears as the plaintiff/contestant/interested party, mostly deal with contract liability, collection actions for the use of the right-of-way, adverse possession and repossession. The total amount involved in said lawsuits on March 31, 2023 was R$20,931.

Following the understanding of its legal advisors, on March 31, 2023, the Company has provision of R$1.5 for these lawsuits (R$1.5 on December 31, 2022).

Provision write-offs were made in the period, totaling R$3,007, resulting from the implementation of the provisioned expenses.

The Company is a party to 895 lawsuits for which, based on the assessment of its legal advisors, it does not constitute provision, since the loss prognosis was classified as possible. The amount of the contingencies with prognosis of possible loss is R$375,877 on March 31, 2023 (R$361,575 on December 31, 2022) and refers mainly to compensation actions arising from railway accidents.

Amount expressed in thousands of Brazilian reais, unless otherwise indicated

The Company has insurance covering bodily injury, material damage, moral damage and losses caused to third parties, the deductible amount of which is currently R$750 per claimant third party.

(c) Tax

The Company is a party to 166 legal and administrative tax lawsuits, 28 of which are tax recovery lawsuits and 138 lawsuits with possible or probable risk of outbound funds.

|On March 31, 2023, the total amount involved for the 166 lawsuits was R$733,481 (R$721,032 on December 31, 2022). Based on the understanding of its legal advisors, the Company has provisioned the amount of R$167,170 (R$164,492 on December 31, 2022), referring to 11 lawsuits considering the prospect of probable loss.

The Company has 127 lawsuits for which, based on the assessment of its legal advisors, it did not constitute provision, since the expectations of loss were considered possible. The amount of the contingencies with prognosis of possible loss is R$566,311 on March 31, 2023 (R$556,540 on December 31, 2022).

The details of the lawsuits with probable and possible losses are described in explanatory note 29.1, letter c, of the 2022 financial statements.

(d) Environmental

The Company is a party to 14 legal lawsuits and 102 administrative proceedings for environmental matters. On March 31, 2023, the total amount involved in the aforementioned legal lawsuits was R$68,813 (R$66,852 on December 31, 2022). Based on the understanding of its legal advisors, the Company has provisioned the amount of R$1,845 related to 3 lawsuits considering the prospect of probable loss in those lawsuits, with the others remaining as 'possible' losses.

(e) Others

The Company has 7 Terms of Conduct Adjustment (TACs) signed and in force, 3 of which arise from labor matters and 4 from civil matters. TACs on labor matters aim to (i) guarantee the union leaders full exercise of the activities aimed at defending the collective or individual rights and interests of the professional category; (ii) filling the percentage of employees with disabilities established by art. 93 of Law 8,213/91 and, (iii) guarantee access and maintenance of the employment for employees who filed labor lawsuits against the company. In the civil area, there are 4 TACs: (i) in the municipality of Guarujá, dealing with improvements to safety signaling, regularization of the right-of-way area and provision of a dumpster for waste; (ii) in the municipality of Santo André, for refurbishment of properties within the Paranapiacaba railway yard; (iii) in the municipality of Congonhas, for the construction of 1 viaduct and 2 walkways in Bairro do Pires and; (iv) in the municipality of Barra do Piraí, to adapt the workshop to NBR 10.151.

24.2 Provision for compensation/fines to the Granting Authority

The amount of R$40,873 on March 31, 2023 recorded in non-current liabilities refers to the provision for ongoing lawsuits with the Granting Authority,pursuant to results of the sanitation diagnosis and regularization of the heritage properties.

24.3 Provisions for after-employment benefits

	03/31/2023	12/31/2022
Medical assistance plan	8,527	8,250

Complementary pension plan

The Company sponsors a complementary pension plan for the collaborators by means of a pension plan administered by Bradesco Vida e Previdência. The complementary pension plan created on July 1, 1999 is eligible for all MRS employees from the date of creation of the plan. The plan is defined contribution and the Company has no legal or constructive obligation to pay additional contributions if the fund does not have sufficient assets to pay all due benefits. The cost is equal so that the Company's share is equivalent to 100% of that made by the collaborator according to a contribution scale based on salary ranges.

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

The contributions made by the Company totaled R$2,240 in the 1st quarter of 2023 (R$1,702 in the 1st quarter of 2022), which were recorded as expenses for the year.

On March 31, 2023 and December 31, 2022, there were no liabilities on behalf of the Company pursuant to the complementary pension plan.

Medical assistance plan

The Company offers its employees a medical assistance plan administered by Operadora Bradesco Saúde. The plan is funded in post-set price modality, with partial sharing of the expenses upon collection of monthly contribution from the beneficiaries. As the employee participates in the cost of the plan, the extension of this benefit is guaranteed to former employees dismissed or fired without cause or retired, in accordance with articles 30 and 31 of Law No. 9656/1998, regulated by ANS Normative Resolution No. 488 /2022, which revoked Normative Resolution No. 279/2011. The Company pays the difference between the expenses incurred when using the plan, plus the administration fee the Operator.

The Company also offers its employees and former employees health plans administered by Operadora Unimed Juiz de Fora. In this case, two different plans are offered, one of which, at post-set price, intended for active employees and the other, at pre-set price, intended exclusively for former employees. Due to the provisions of Normative Resolution No. 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 entire 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 transfer to beneficiaries linked to Unimed Juiz de Fora the same adjustment amount as that attributed to the beneficiaries linked to Bradesco Saúde and will assume the payment of the difference from the Unimed health plan.

Considering this measure, the Company undertakes to partially pay for the medical assistance of former employees linked to Unimed Juiz de Fora and their respective dependents.

On March 31, 2023, there were 17,247 lives in the plan in Bradesco Saúde and 788 in Unimed Juiz de Fora, totaling 18,035 lives.

The actuarial gains and losses are recognized in Shareholders' Equity as an Equity Valuation Adjustment and in the Comprehensive Income Statement, as determined by Accounting Pronouncement CPC 33 (R1) – Employee Benefits.

Amount expressed in thousands of Brazilian reais, unless otherwise indicated

The contributions made by the Company to the medical assistance plan administered by Seguradora Bradesco Saúde and Unimed totaled R$16,089 on March 31, 2023 (R$11,851 on March 31, 2022).

On March 31, 2023, there were actuarial liabilities in the name of the Company, pursuant to the health plan at the amount of R$8,527 (R$8,250 on December 31, 2022), which were duly provisioned in non-current liabilities.

Travel Insurance

The employees participate in group life insurance guaranteed by Generalli Companhia de Seguros. In the 1st quarter of 2023, the Company contributed R$344 (R$232 in the 1st quarter of 2022) to life insurance of its employees.

25. Other liabilities

		03/31/2023	12/31/2022
Contract obligation with related parties	**9**	35,260	38,466
Consigned fuel	**10**	13,607	13,964
Other payables obligations		3,100	2,852
		51,967	**55,282**
Current		28,485	28,500
Non-current		23,482	26,782

26. Shareholders' Equity

(a) *Subscribed and paid-off capital*

The subscribed and paid-off capital, at the amount of R$3,961,031, is divided into 340,000,000 book shares with no par value, divided into common and preferred classes "A" and "B".

According to the Company's Bylaws, the Administration Board is authorized to increase the capital stock, regardless of any statutory reform, up to the limit of R$5,000,000.

According to the Privatization Notice and the Bylaws of MRS, no shareholder can hold a share greater than 20% of the voting capital. If this limit is exceeded, as determined by ANTT, the shareholder will waive the right to vote and veto inherent to the shares that exceed this limit.

Amount expressed in thousands of Brazilian reais, unless otherwise indicated

On March 31, 2023, the stare in the Company's capital stock was as follows:

Shareholder	Common Shares		Preferred Shares		Total Capital	
	No. of shares	%	No. of shares	%	No. of shares	%
Minerações Brasileiras Reunidas S.A.	37,666,526	20.00%	74,301,916	48.99%	111,968,442	32.93%
Companhia Siderúrgica Nacional	26,611,282	14.13%	36,765,916	24.24%	63,377,198	18.64%
CSN Mineração S.A.	25,802,872	13.70%	37,536,000	24.75%	63,338,872	18.63%
Usiminas Participações e Logística S.A.	37,513,650	19.92%	342,805	0.23%	37,856,455	11.13%
Vale S.A.	36,270,703	19.26%	769,304	0.51%	37,040,007	10.89%
Gerdau S.A.	4,460,128	2.37%	-	-	4,460,128	1.31%
Railvest Investments	14,747,620	7.83%	-	-	14,747,620	4.34%
Minor	5,259,906	2.79%	1,951,372	1.29%	7,211,278	2.12%
	188,332,687	**100.00%**	**151,667,313**	**100.00%**	**340,000,000**	**100.00%**

(b) *Share right*

The holders of common shares will be entitled to the right to vote in the resolutions of the General Assembly Meetings; those holding preferred shares (classes A and B) will be entitled to dividends 10% higher than those attributed to the common shares, will not have voting rights and will have priority in the receiving of the 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, at the rate of one for each common share. Such conversion may be made at any time, subject to the conditions set forth in the Bylaws.

Although without voting rights, class B preferred shares will be entitled to the right to elect, in a separate vote, a member of the Administration Board, as long as they represent at least 25% of the total capital stock.

(c) *Reserve of profits – legal reserve*

Constituted on basis of 5% of the net profit for the year before share and the reversal of interest on equity, as determined by the corporate legislation and limited to 20% of the capital stock. On March 31, 2023, the Legal Reserve balance is R$420,735 (R$420,735 on December 31, 2022).

(d) *Profit reserve – reserve for investment*

At the Ordinary General Assembly Meeting on April 27, 2023, the Administration Board approved retention of the remaining profits for expansion at the amount of R$622,850. On March 31, 2023, the balance of the Reserve for Investment was R$1,121,304 (R$1,121,304 on December 31, 2022).

(e) *Other comprehensive income*

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

	Actuarial gains	IRPJ/CSLL	Total
12/31/2022	**12,009**	**(1,445)**	**10,564**
Gains		11	11
03/31/2023	**12,009**	**(1,434)**	**10,575**

27. Earnings per share

The following table establishes the calculation of earnings per share for the periods ended on March 31, 2023 and 2022 (in thousands of reais, except amounts per share):

	03/31/2023	03/31/2022
Numerator		
Net profit for the period	145,894	100,412
Denominator		
Weighted mean of common shares	188,333	188,333
Weighted mean of preferred shares - A	82,076	82,076
Weighted mean of preferred shares - B	69,591	69,591
10% - Preferred shares	1.1	1.1
Weighted mean of adjusted preferred shares (Basic profit)	166,834	166,834
Weighted mean of adjusted preferred shares (Diluted profit)	90,284	90,284
Denominator for basic earnings per share	355,167	355,167
Denominator for diluted earnings per share	348,208	348,208
Diluted basic earnings per common share	0.411	0.283
10% - Preferred shares	1.1	1.1
Diluted/basic earnings per preferred share - A	0.452	0.311
Diluted/basic earnings per preferred share - B	0.452	0.311

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

Amount expressed in thousands of Brazilian reais, unless otherwise indicated

28. Net revenues from services

	03/31/2023	03/31/2022
Gross revenues from services	1,343,555	1,200,197
Taxes over Sales	(98,149)	(100,585)
	1,245,406	**1,099,612**

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

The service provision agreement with the customers set prices and forecasts of tons to be transported during the validity period. The revenues are recognized as mentioned in explanatory note 4.17 of the financial statements on December 31, 2022.

29. Expenses per nature

		03/31/2023	03/31/2022
Depreciation and amortization	**(a)**	(222,656)	(291,059)
Labor and social charges		(198,626)	(164,774)
Fuel/ lubricants	**(b)**	(232,821)	(196,831)
Third party services		(96,244)	(71,221)
Inputs/other material		(37,649)	(55,665)
Accident costs	**(c)**	(48,437)	(21,570)
Freight share		(31,915)	(31,265)
Presumed credit ICMS MG		26,190	21,616
Accessory transport costs		(11,991)	(13,528)
Insurance expenses		(4,715)	(3,601)
Rent of vehicles and operating equipment		(3,155)	(1,771)
Concession cost		(2,105)	(6,897)
Administration fees		(852)	(699)
Provision of expected loan loss		(198)	(180)
Others		(17,260)	(16,086)
		(882,434)	**(853,531)**
Cost of provided services		(777,643)	(782,363)
Sales expenses		(4,455)	(3,441)
General and administrative expenses		(100,336)	(67,727)
		(882,434)	**(853,531)**

(a) The reduction in the depreciation and amortization costs is due to the extension of the amortization period of the lease contract linked to the concession assets, which extended the term of the contract until 2056, after the early renewal of the concession.

(b) The increase in the cost of fuels/lubricants in the 1st quarter of 2023 compared to the same period in 2022, refers to the increase in the average price of fuel due to inflationary pressure and fluctuations in the global commodities market.

(c) Increase resulting from resources allocated to emergency assistance related to the landfill leak at KM 33 of Ferrovia do Aço which occurred in March 2023.

Amount expressed in thousands of Brazilian reais, unless otherwise indicated

30. Other revenues and other operating expenses

	03/31/2023	03/31/2022
Other operating revenues		
Revenues from indemnity	29,117	27,254
Sale of material (scarp/excessive stock)	5,958	11,702
Alternative revenues	4,705	7,188
Reversal of provision for loss of curr. non-current assets	-	4,759
Contract fines	18,851	455
Provision for contingencies	4,214	-
Revenues from sale of fixed assets	-	382
Insurance	396	-
Other passive reversals	-	1,370
Other credits	6,423	2,950
	69,664	**56,060**
Other operating expenses		
Tax loss	(12,713)	(12,008)
Provision for Contingencies	-	(6,577)
Residual value of the written-off fixed/ intangible assets	(32)	(4,855)
Executions for procedural loss	(16,412)	(4,808)
Cost of alternative revenues	(144)	(1,693)
Other tax expenses	(1,378)	680
Taxes on sales and other revenues	(6,407)	(4,351)
Agreement with municipalities	(80)	(1,316)
Indemnity to the granting authority	-	(874)
Donations	(17)	(433)
Other expenses	(3,450)	(2,991)
	(40,633)	**(39,226)**
Other net operating revenues (expenses)	**29,031**	**16,834**

Amount expressed in thousands of Brazilian reais, unless otherwise indicated

31. Financial revenues and expenses

		03/31/2023	03/31/2022
Financial Revenues			
Monetary and exchange variance		34,990	87,644
Income from financial investments		30,009	36,138
Derivative financial instruments - *swap*		27,409	-
Adjustment to present value of receivables and sub-leasing accounts		5,598	8,732
Interest PIS/COFINS tax credit	**11.a**	4,003	4,050
Mark-to-market adjustment - hedge accounting		-	10,757
Interest		345	178
Other financial revenues		375	524
		102,729	**148,023**
Financial expenses			
Interest		(101,765)	(83,581)
Monetary and exchange variance		(79,989)	(57,933)
Derivative financial instruments – *swap*		-	(65,029)
Adjustment to present value of lease	**22**	(56,174)	(41,837)
Mark-to-market adjustment - hedge accounting		(25,754)	-
Other financial expenses		(3,848)	(6,908)
		(267,530)	**(255,288)**
Net financial income		**(164,801)**	**(107,265)**

Amount expressed in thousands of Brazilian reais, unless otherwise indicated

32. Taxes on profit

		03/31/2023	03/31/2022
Profit before income tax and social contribution		**227,202**	**155,650**
Nominal rate		34%	34%
IRPJ/CSLL by nominal rate:		**77,249**	**52,921**
Adjustments to reflect the effective rates:		**4,059**	**2,317**
IR/CS adjustments excluding PIS and COFINS ICMS calculation base	**11.a**	(1,361)	-
Taxation Incentives		(1,103)	(1,616)
Stock adjustment		-	143
Expenditure on citizen company project		-	216
Donation expenses		6	147
IR/CS adjustments deferred IFRS		2,929	-
Others		3,588	3,427
IRPJ/CSLL in the income from the period		**81,308**	**55,238**
Current		60,372	88,896
Deferred		20,936	(33,658)
IRPJ/CSLL in the income from the period		**81,308**	**55,238**
Total effective tax rate		35.79%	35.49%
Total effective tax rate – current		26.57%	57.11%
Total effective tax rate – deferred		9.21%	-21.62%

Amount expressed in thousands of Brazilian reais, unless otherwise indicated

33. Insurance

The Company has the following insurance policies for its operations:

Coverage	Purpose	Due Date	LMI	Deductible
Operational risk	Coverage of the operational assets owned by the company or under its responsibility	03/31/2024	332,000	7,500
Civil liability	Coverage against damages caused to third parties	08/09/2024	62,000	750
Cargo transport	Coverage of claims with cargo in transport	10/31/2023	70,000	200
Concession contract guarantee insurance	Fulfillment of the obligations with ANTT	06/17/2025	1,268,047	N/A

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

34. Subsequent events

Approval of the payment of dividends and retention of remaining profits

At the Ordinary General Assembly Meeting held on April 27, 2023, the payment of dividends at the amount of R$207,617, corresponding to 25% of the net profit for 2022, was approved, after constitution of the legal reserve and retention of the amount of R$622,850, corresponding to a part of 75% of the net profit (after deduction of 5% allocated to the legal reserve), to cover part of the investments planned in the budget for fiscal year 2023, as proposed by the Company's Administration.

Administration: Board Members and Executive Officers

Administration Board

Marcelo Leite Barros (Chairman)
Marco Aurelio Brito Braga
Murilo Muller
Wendel Gomes da Silva
Luis Fernando Barbosa Martinez
João Mario Lourenço Filho
Alejandro Daniel Laiño
Carlos Hector Rezzonico
Julio Rosa Baptista
Marcelo Cunha Ribeiro

Members of the Executive Office

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

Alexandre Claro Fleischhauer
Engineering and Maintenance Director

Félix Lopez Cid
Project and Construction Work Director

Other Directors not members of the Executive Office

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

Directors' Statement on the Quarterly Statements

By this instrument, the Chief Executive Officer, Commercial, Operations, Finance and Development, Investor and People Relations and other Executive Officers of MRS Logística S.A., a publicly traded company, for the purposes of the provisions of items V and VI, article 25 of CVM instruction nº 480, dated December 7, 2009 ("INSTRUCTION"), hereby declare to have reviewed, discussed and agree on the quarterly statements of MRS Logística S.A. for the period ended on March 31, 2023.

Rio de Janeiro, May 11, 2023

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

Alexandre Fleischhauer
Engineering and Maintenance Director

Félix Lopez Cid
Project and Construction Work Director

Other Directors not members of the Executive Office

Daniel Dias Olivio

Henrique Rocha Martins

Luiz Gustavo Bambini de Assis

Raphael Steiman

Ane Menezes Castro Matheus

Directors' Statement on the Independent Auditor's Report

By this instrument, the Chief Executive Officer, Commercial, Operations, Finance and Development, Investor and People Relations and other Executive Officers of MRS Logística S.A., a publicly traded company, for the purposes of the provisions of items V and VI, article 25 of CVM instruction nº 480, dated December 7, 2009 ("INSTRUCTION"), hereby declare to have reviewed, discussed and agree on the opinion expressed in the Report of the Independent Auditor Deloitte Touche Tohmatsu Auditores Independentes Ltda., related to the quarterly statements of MRS Logística S.A. for the period ended on March 31, 2023.

Rio de Janeiro, May 11, 2023

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

Alexandre Fleischhauer
Engineering and Maintenance Director

Félix Lopez Cid
Project and Construction Work Director

Other Directors not members of the Executive Office

Daniel Dias Olivio

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Raphael Steiman

Ane Menezes Castro Matheus