



## **SIMPAR S.A.**

*Authorized Publicly-Held Company*  
CNPJ/ME nº 07.415.333/0001-20  
NIRE 35.300.323.416

### **NOTICE TO THE MARKET**

**SIMPAR S.A.** ("SIMPAR" or the "Company"), hereby informs its shareholders and the market in general that on January 8, 2024, after the market closed, the Permanent Tender Commission of the Belém City Government, responsible for the bidding process subject to Tender Notice no. 02/2023, promoted by the Municipality of Belém through the Municipal Sanitation Service - SESAN, declared as the winner the bid submitted by Consórcio Natureza Viva Saneamento e Meio Ambiente ("Consortium"), controlled by its indirect subsidiary **CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda.** ("CS Brasil") through a shareholders' agreement, with a 45% stake. The purpose of Tender no. 02/2023 is to contract a public-private partnership ("PPP"), in the form of an administrative concession, to **provide urban cleaning and solid waste management services** in the city of **Belém-PA** ("Concession").

Once the tender is ratified, the Consortium – which also includes the companies Terraplina Ltda. (45%) and Promulti Engenharia Infraestrutura e Meio Ambiente Ltda. (10%) – will be required to create a special purpose entity to provide **waste management services in the city of Belém-PA**, including collection, sweeping, transshipment, transportation and sorting for the purposes of reuse or recycling, as well as to **establish a Waste Transfer Station ("WTS") and a new Waste Treatment Center ("WTC")**, in addition to manage the final disposal of waste in an environmentally sound manner. The WTC **will have the capacity to receive more than 2,500 tons/day** of solid urban waste – including residential, commercial and service, healthcare, and construction waste – with the possibility of expanding to up to 4,000 tons/day when it eventually serves other cities in the Belém metropolitan region.

The **Concession will last for 30 years** – ending in January 2054 – and will have a **monthly consideration of R\$32.7 million**. The concession provides for an **adequate tariff adjustment mechanism**. Tariffs are to be adjusted annually according to a parametric formula. In addition, approximately R\$400 million will be invested in the first ten years, leaving an average of R\$15 million per year to be realized until the thirtieth year, totaling approximately R\$700 million.

### **Strategic Rationale**

**SIMPAR** has been operating in the waste management and treatment segment through **Ciclus Ambiental do Brasil S.A.** ("Ciclus"), an indirect wholly-owned subsidiary of the Company, since the merger of CS Infra S.A. ("CS Infra") in November 2021, and intends to transfer the Concession to **CS Infra**.

The PPP is part of the company's strategy to develop a **portfolio of concessions** focused on **providing long-term services**, whose revenues are **resilient and diversified** in terms of services, segments and locations with strong **growth potential** in **strategic sectors** in Brazil and the ability to create value and promote development in a **sustainable manner**.

The segment has **opportunities for organic growth** due to the fragmentation of the market, the Sanitation Regulatory Framework and the National Solid Waste Policy (Law 12.305/10), which encourage its development and provide opportunities for **additional revenues from the generation and sale of biogas and carbon credits**, given the increasing demand for decarbonization of the economy and the treatment and recovery of waste.

## Environmental, social and economic aspects (ESG)

The main positive impacts of the Concession for the Municipality of Belém-PA include:

- (i) **Environmental rehabilitation of the Aurá landfill:** Closure and environmental rehabilitation, including the social integration of 12 waste picker cooperatives, expected to reduce CO2 equivalent (greenhouse gas - GHG) emissions by approximately 3 million tons over 10 years;
- (ii) **Job creation potential:** Between 2,500 and 3,000 direct jobs and, in addition, indirect jobs;
- (iii) **Increased recovery of recyclable waste:** Encouraging recycling through the implementation of Ecopoints and Voluntary Delivery Sites ("VDS"), which allow for the adoption of environmental education measures and greater adherence to these programs by the population; and
- (iv) **New sustainable projects:** Opportunity to implement innovative technologies capable of generating clean energy and other additional revenue streams by converting polluting inputs into biogas, carbon credits and demineralized water.



*Aurá Dump  
(to be recovered - current image)*



*Aurá Dump  
(illustrative image after rehabilitation)*



*Bioenergetic Landfill  
(illustrative image after construction)*



*Ecopoint (illustrative image)*



*VDS (illustrative image)*



*Social integration of waste pickers in WTS  
(illustrative image)*

**SIMPAR** and its subsidiaries focus on prospecting for opportunities in line with their commitment to strong discipline in the allocation of capital and the expansion of returns, guided by the highest standards of corporate governance.

São Paulo, January 09, 2024.

**Denys Marc Ferrez**  
Executive VP of Corporate Finance and  
Investor Relations Officer