

**Individual and Consolidated Interim
financial information**

Orizon Valorização de Resíduos S.A.

September 30, 2024
with Independent Auditor's review Report

Orizon Valorização de Resíduos S.A.

Individual and consolidated interim financial information

September 30, 2024

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

Independent Auditor's Review Report on interim financial information

The Shareholders, Board of Directors and Officers

Orizon Valorização de Resíduos S.A.

Rio de Janeiro - RJ

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Orizon Valorização de Resíduos S.A. ("Company") contained in the Interim Financial Reporting (ITR) for the quarter ended September 30, 2024, which comprises the statement of financial position as at September 30, 2024 and the related statements of profit or loss and of comprehensive income (loss) for the three- and nine-month periods then ended, and the statements of changes in equity and of cash flows for the nine-month period then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

Responsibilities of management for the interim financial information

The management is responsible for the preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with specific rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Interim Financial Reporting (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 the Brazilian and International Standards on Review Engagements (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 auditing standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

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

Other matters

Statements of value added

The quarterly information referred to above includes the individual and consolidated statements of value added (SVA) for the nine-month period ended September 30, 2024, prepared under the responsibility of the Company management's board and presented as supplementary information for IAS 34 purposes. These statements have been subject to review procedures performed in conjunction with the review of the quarterly information to conclude whether it is reconciled to interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria set forth by this Standard and consistently with the individual and consolidated interim financial information taken as a whole.

Rio de Janeiro, November 13, 2024.

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC-2SP015199/F



Gláucio Dutra da Silva
Accountant/CRC-RJ090174/O

Orizon Valorização de Resíduos S.A.

Balance sheets

September 30, 2024 and December 31, 2023

(Amounts in thousands of Brazilian *Reais*)

	Note	Parent company		Consolidated	
		09/30/2024	12/31/2023	09/30/2024	12/31/2023
Assets					
Current assets					
Cash and cash equivalents	3	62	36,299	668,551	289,426
Securities	4	-	16,506	125,628	33,608
Trade accounts receivable	5	-	-	212,121	184,168
Taxes and contributions recoverable	6.a	3,844	4,175	40,005	30,042
Other assets	8.a	2,031	2,106	69,438	55,392
Total current assets		5,937	59,086	1,115,743	592,636
Non-current assets					
Trade accounts receivable	5	7,348	-	63,308	48,572
Related parties	7	426,448	360,011	7,817	3,006
Court deposits and bonds	17.c	-	-	6,018	10,938
Deferred income and social contribution taxes	6.d	-	-	78,453	76,287
Investments	9	954,122	839,952	106,556	98,957
Property and equipment	10	-	-	1,363,573	920,767
Intangible assets	11	-	-	481,238	465,870
Right-of-use assets	12	-	-	96,143	40,670
Other assets	8.a	-	-	6,162	4,641
Total non-current assets		1,387,918	1,199,963	2,209,268	1,669,708
Total assets		1,393,855	1,259,049	3,325,011	2,262,344

		Parent company		Consolidated	
	Note	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Liabilities					
Current liabilities					
Loans and financing	12	74,201	-	308,682	45,583
Leases	12	-	-	50,151	29,057
Trade accounts payable	13	12,615	1,295	68,396	59,533
Grants payable	14	-	-	12,521	14,818
Salaries and payroll charges	15	1,757	1,278	36,196	25,248
Taxes and contributions payable	6.b	754	787	35,475	37,120
Taxes payable in installments	16	487	564	20,453	19,011
Advances from customers	18	-	-	4,309	3,976
Accounts payable	19	-	-	20,103	18,394
Other current liabilities	8.b	16	15	1,688	5,691
Total current liabilities		89,830	3,939	557,974	258,431
Non-current liabilities					
Loans and financing	12	465,784	487,076	1,585,620	1,079,806
Leases	12	-	-	47,450	23,329
Taxes payable in installments	16	11,582	13,845	51,443	63,901
Provision for losses on investments	9	-	-	158	158
Related parties	7	38,415	44,045	3,299	20,949
Provision for contingencies	17.a	-	-	18,793	21,477
Deferred PIS and COFINS taxes	6.e	4,139	4,139	4,139	4,139
Advances from customers	18	-	-	150,002	-
Accounts payable	19	-	-	-	22,463
Other non-current liabilities	8.b	-	-	29,293	23,098
Total non-current liabilities		519,920	549,105	1,890,197	1,259,320
Shareholders' equity					
		1,091,127	1,091,127	1,091,127	1,091,127
Capital stock	20.a				
Investment reserve		453,262	453,262	453,262	453,262
Equity valuation adjustment	20.c	10,359	10,359	10,359	10,359
Accumulated losses		(777,310)	(848,743)	(777,310)	(848,743)
Other comprehensive income		6,667	-	6,667	-
		784,105	706,005	784,105	706,005
Controlling interests		784,105	706,005	784,105	706,005
Non-controlling interests		-	-	92,735	38,588
Total shareholders' equity		784,105	706,005	876,840	744,593
Total liabilities and shareholders' equity		1,393,855	1,259,049	3,325,011	2,262,344

The accompanying notes are an integral part of the individual and consolidated interim financial information.

Orizon Valorização de Resíduos S.A.

Statements of income

Nine-month periods ended September 30, 2024 and 2023

(Amounts in thousands of Brazilian *Reais*, except for earnings per share)

	Note	Parent company		Consolidated	
		09/30/2024	09/30/2023	09/30/2024	09/30/2023
Net operating revenues	21	37,430	-	673,267	577,689
Cost of services provided	22	(10,412)	-	(357,837)	(397,068)
Gross profit		27,018	-	315,430	180,621
Operating revenues (expenses)					
General and administrative expenses	22	(17,389)	(10,304)	(117,701)	(91,744)
Other (expenses) revenues, net		5,172	-	16,340	3,628
Income (Loss) before financial result and equity pick-up		14,801	(10,304)	214,069	92,505
Equity pick-up	9	106,912	3,106	12,039	7,814
Financial result					
Financial income	23	1,425	14,191	29,654	24,275
Financial expenses	23	(53,851)	(55,364)	(151,367)	(143,505)
Income (loss) before income and social contribution taxes		69,287	(48,371)	104,395	(18,911)
Income and social contribution taxes -Current	6.c	-	-	(26,097)	(24,982)
Income and social contribution taxes – Deferred	6.c	2,146	-	4,311	1,756
Net income (loss) for the period		71,433	(48,371)	82,609	(42,137)
Attributable to shareholders:					
Non-controlling shareholders				11,176	6,234
Controlling shareholders				71,433	(48,371)
Basic/diluted earnings per share		0.86	(0.58)	1.00	(0.51)

The accompanying notes are an integral part of the individual and consolidated interim financial information.

Orizon Valorização de Resíduos S.A.

Statements of income

Three-month periods ended September 30, 2024 and 2023

(Amounts in thousands of Brazilian *Reais*, except for earnings per share)

		Parent company		Consolidated	
		07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023
	Note				
Net operating revenues	21	37,430	-	249,074	192,599
Cost of services provided	22	(10,412)	-	(124,144)	(120,792)
Gross profit		27,018	-	124,930	71,807
Operating revenues (expenses)					
General and administrative expenses	22	(7,106)	(3,865)	(45,264)	(30,980)
Other (expenses) revenues, net		(20)	-	6,182	1,896
Income (loss) before financial result and equity pick-up		19,892	(3,865)	85,848	42,723
Equity pick-up	9	33,869	20,676	5,237	1,779
Financial result					
Financial income	23	260	3,258	9,343	11,044
Financial expenses	23	(19,083)	(18,218)	(56,076)	(45,529)
Income before income and social contribution taxes		34,938	1,851	44,352	10,017
Income and social contribution taxes -Current	6.c	-	-	(6,419)	(6,711)
Income and social contribution taxes – Deferred	6.c	2,146	-	3,323	588
Net income for the period		37,084	1,851	41,256	3,894
Attributable to shareholders:					
Non-controlling shareholders				4,172	2,043
Controlling shareholders				37,084	1,851
Basic/diluted earnings per share		0.45	0.02	0.50	0.05

Orizon Valorização de Resíduos S.A.

Statements of comprehensive income

Three and three- and nine-month periods ended September 30, 2024 and 2023

(Amounts in thousands of Brazilian *Reais*, except for earnings per share, which are shown in *Reais*)

	Parent company		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Net income (loss) for the period	71,433	(48,371)	82,609	(42,137)
Other comprehensive income – Equity pick-up	6,667	-	6,667	-
Total other comprehensive income from income, net of taxes	78,100	(48,371)	89,276	(42,137)

Attributable to shareholders:

Non-controlling shareholders			11,176	6,234
Controlling shareholders			78,100	(48,371)

	Parent company		Consolidated	
	07/01/2024	07/01/2023	07/01/2024	07/01/2023
	to	to	to	to
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Net income (loss) for the period				
Other comprehensive income – Equity pick-up	37,084	1,851	41,256	3,894
Total other comprehensive income from income, net of taxes	-	-	-	-
	37,084	1,851	41,256	3,894

Attributable to shareholders:

Non-controlling shareholders			4,172	2,043
Controlling shareholders			37,084	1,851

The accompanying notes are an integral part of the individual and consolidated interim financial information.

Orizon Valorização de Resíduos S.A.

Individual and consolidated statements of changes in shareholders' equity
 Nine-month periods ended September 30, 2024 and 2023
 (Amounts expressed in thousands of *Reais*)

	Note	Capital reserve					Equity valuation adjustment – Attributed cost	Accumulated losses	Other comprehensive income	Total	Non-controlling interest	Total Shareholders' equity
		Capital stock	Cost on the issue of shares	Goodwill on the issuance of new shares	Equity instruments	Other reserves						
Balances on January 1, 2023		844,323	(31,146)	3,023	297,518	297,254	10,359	(888,858)	18,018	550,491	30,976	581,467
Issuance of new shares and conversion of equity instruments		246,804	(8,390)	-	(297,518)	192,521	-	-	(27,300)	106,117	-	106,117
Deferred income and social contribution taxes		-	-	-	-	-	-	-	9,282	9,282	-	9,282
Partial acquisition of equity interest		-	-	-	-	-	-	-	-	-	9,328	9,328
Loss for the period		-	-	-	-	-	-	(48,371)	-	(48,371)	6,234	(42,137)
Balances on September 30, 2023	20	1,091,127	(39,536)	3,023	-	489,775	10,359	(937,229)	-	617,519	46,538	664,057
Balances on January 1, 2024		1,091,127	(39,536)	3,023	-	489,775	10,359	(848,743)	-	706,005	38,588	744,593
Other comprehensive income – Equity pick-up		-	-	-	-	-	-	-	6,667	6,667	-	6,667
Capital increase of non-controlling shareholder		-	-	-	-	-	-	-	-	-	42,971	42,971
Net income for the period		-	-	-	-	-	-	71,433	-	71,433	11,176	82,609
Balances on September 30, 2024	20	1,091,127	(39,536)	3,023	-	489,775	10,359	(777,310)	6,667	784,105	92,735	876,840

The accompanying notes are an integral part of the individual and consolidated interim financial information.

Orizon Valorização de Resíduos S.A.

Statements of cash flows

Nine-month periods ended September 30, 2024 and 2023

(Amounts in thousands of Brazilian *Reais*)

	Parent company		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Cash flows from operating activities				
Net income (loss) for the period	71,433	(48,371)	82,609	(42,137)
Adjustments to reconcile net income (loss):				
Equity pickup	(106,912)	(3,106)	(12,039)	(7,814)
Provision for doubtful accounts	-	-	11	(783)
Provision for contingencies	-	-	(2,030)	(2,026)
Adjustment to present value	1,826	-	7,070	5,806
Foreign exchange variation	156	(286)	(3,235)	3,309
Income and social contribution taxes - Deferred	2,146	-	(2,166)	(1,756)
Depreciation and amortization	-	-	107,348	133,095
Provision for closure of landfill	-	-	3,027	1,622
Accrued interest on loans and financings	51,083	52,696	125,173	118,082
(Increase) Decrease in operating assets				
Trade accounts receivable	(7,504)	-	(29,875)	19,563
Taxes recoverable	331	(1,930)	(9,879)	(19,290)
Court deposits and bonds	-	-	563	(4)
Advances	75	(1,348)	(21,508)	(30,552)
Increase (decrease) in operating liabilities				
Trade accounts payable	11,320	(4,631)	(29,807)	(25,948)
Grants payable	-	-	(2,297)	532
Salaries and payroll charges	479	221	10,458	9,282
Taxes and contributions payable	(33)	(3,535)	13,291	15,559
Advances from customers	-	-	333	(5,600)
Accounts payable	-	(78)	(27,847)	(9,827)
Taxes payable in installments	(2,340)	4,330	(11,060)	9,511
Others	1	(145)	(835)	(31,902)
Cash from (used in) operating activities	22,061	(6,183)	197,305	138,722
Income and social contribution taxes paid	-	-	(15,963)	(26,961)
Interest paid	-	-	(94,783)	(96,427)
Net cash from (used in) operating activities	22,061	(6,183)	86,559	15,334
Cash flows from investing activities				
Advances for future capital increase	(591)	-	11,107	(805)
Purchases of property and equipment and intangible assets	-	-	(367,430)	(173,924)
Securities	16,506	9,567	(92,020)	9,360
Net cash used in (from) investing activities	15,915	9,567	(448,343)	(165,369)
Cash flows from financing activities				
Loans and financing raised	-	-	945,000	130,000
Loans and financing paid	-	-	(178,644)	(26,875)
Leases paid	-	-	(43,597)	(26,791)
Related parties	(74,213)	(228,947)	(138,451)	18,853
Share-based payment settled in cash	-	(718)	-	(718)
Issuance of new shares	-	87,488	-	87,488
Net cash from (used in) financing activities	(74,213)	(142,177)	584,308	181,957
Increase (decrease) in cash and cash equivalents	(36,237)	(138,793)	222,524	31,922
Cash and cash equivalents at the beginning of the period	36,299	138,827	289,426	168,875
Cash from the purchase of companies	-	-	156,601	-
Cash and cash equivalents at the end of the period	62	34	668,551	200,797
Increase (decrease) in the balance of cash and cash equivalents	(36,237)	(138,793)	222,524	31,922

The accompanying notes are an integral part of the individual and consolidated interim financial information.

Orizon Valorização de Resíduos S.A.

Statements of value added
 Nine-month periods ended September 30, 2024 and 2023
 (Amounts in thousands of Brazilian *Reais*)

	Parent company		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Revenues	37,430	-	766,340	656,118
Services provided	37,430	-	766,351	655,335
Reversal of (Provision for) impairment of trade accounts receivable	-	-	(11)	783
Inputs acquired from third parties	(12,213)	(3,104)	(201,684)	(205,262)
Cost of services provided	(10,412)	-	(173,040)	(170,986)
Materials, electricity, outsourced services and others	(1,801)	(3,104)	(28,644)	(34,276)
Gross value added	25,217	(3,104)	564,656	450,856
Withholdings	-	-	(110,375)	(134,717)
Depreciation and amortization	-	-	(107,348)	(133,095)
Provision for closure of landfill	-	-	(3,027)	(1,622)
Net value added generated	25,217	(3,104)	454,281	316,139
Value added received in transfer	108,396	18,422	46,529	34,365
Equity valuation adjustment	106,912	3,106	12,039	7,814
Financial income	1,484	15,316	34,490	26,551
Total value added to be distributed	133,613	15,318	500,810	350,504
Distribution of value added	133,613	15,318	500,810	350,504
Personnel	9,593	7,200	120,065	132,583
Direct compensation	8,169	4,615	67,302	80,531
Benefits	-	-	7,870	8,243
Unemployment Fund (FGTS)	-	-	7,378	7,036
Other	1,424	2,585	37,515	36,773
Taxes, fees and contributions	(1,264)	1,125	142,241	103,148
Federal	(1,264)	1,125	107,177	72,683
State	-	-	3,981	2,659
Municipal	-	-	31,083	27,806
Interest on third-party capital	53,851	55,364	155,895	156,910
Rents	-	-	4,528	13,405
Financial expenses	53,851	55,364	151,367	143,505
Interest on equity	71,433	(48,371)	82,609	(42,137)
Income (loss) for the period	71,433	(48,371)	71,433	(48,371)
Non-controlling interests	-	-	11,176	6,234

The accompanying notes are an integral part of the individual and consolidated interim financial information.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial information
September 30, 2024
(In thousands of Brazilian *Reais*)

1 Operations

Orizon Valorização de Resíduos S.A. (“Orizon” or the “Company”) is a publicly-held company (ORVR3) organized in December 2009 and headquartered at Avenida Nações Unidas, No. 12901, Torre Oeste, 8th floor, Brooklyn – City and State of São Paulo.

The corporate purpose of the Company is to hold interests in other business companies or civil associations as a partner or shareholder, and other related activities. As of September 30, 2024, the Company’s investments were as follows: (i) Orizon Meio Ambiente S.A. (“Orizon Meio Ambiente” or “OMA”), (ii) Orizon Energia e Gás Renovável S.A. (“BioE”), (iii) Foxx Holding S.A. (“Foxx Holding”), and (iv) Orizon Economia Circular S.A.

Foxx Holding holds, through Foxx Inova, (i) 67% of the João Pessoa (PB) eco park, and (ii) 80% of the Energy Recovery Unit (“URE”) of Barueri, the first project for the generation of electricity from burning of waste (waste-to-energy) in Latin America, which is currently in a pre-operating phase and in which Companhia de Saneamento Básico do Estado de São Paulo (“SABESP”) is a shareholder with a 20% interest in the capital stock of Barueri Energia Renovável S.A.

The Company holds 100% of the shares in BioE, an entity holding 100% ownership in investees Orizon Biometano Paulínia I, Orizon Biometano Paulínia II, Orizon O&M, Orizon Biometano Jaboatão dos Guararapes, Orizon Biometano João Pessoa, Orizon Biometano Cuiabá, and Orizon Biometano Tremembé.

The Company also holds 100% of the shares in Orizon Economia Circular (formerly known as Orizon Compostagem), an entity holding 50% of the Orizon Tera Consortium, in addition to Gestora Orizon.

On September 30, 2024, the Company holds 17 landfills for final disposal of non-hazardous waste (distributed in 12 states), 02 transfer sites, 04 plants for treatment and disposal of hazardous waste, 10 biogas exploration plants, 07 carbon credit, 01 biomethane plant, 05 waste processing plants, 01 waste-to-energy project, and 3 thermoelectric plants. In 2023, the Company’s assets received about 8.4 million tons of waste¹.

Subsidiaries and jointly controlled companies are defined herein as “Orizon Group” or “Group” when mentioned together with the Company.

¹ Information not audited by the Company’s independent auditors.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial information - Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

1. Operations--Continued

The operations of the direct subsidiaries are as follows:

Direct subsidiaries

a) *Orizon Meio Ambiente*

Orizon Meio Ambiente was organized in 1999 and its purpose is to invest and operate in the following segments:

Treatment and Final Disposal of Hazardous and Non-Hazardous Waste

Orizon Meio Ambiente holds, either directly or indirectly (through its subsidiaries and jointly controlled companies), three (3) plants for treatment and final disposal of hazardous waste and six (16) landfills for non-hazardous waste.

The assets are located in the states of Minas Gerais, Pernambuco, Sergipe, Rio de Janeiro, São Paulo, Goiás, Alagoas, Paraíba, Rondônia, Mato Grosso, Ceará and Rio Grande do Norte, receiving approximately 23,000 tons of waste daily.

The information above includes the latest acquisitions, which occurred in the third quarter of 2024.

Biogas Energy. Supply of Biogas and Carbon Credits – Parent Company and Subsidiaries

Certain subsidiaries of Orizon Meio Ambiente explore biogas from its sanitary landfills for production of energy. Currently, the company captures, each month, approximately 62,000 Nm³ per hour of biogas in 10 of its landfills and currently it has a monthly generation of approximately 32,000 MW/h, which has been used in the most diverse ways, being part for generation of electricity and part in burning flare.

The Nova Iguaçu and São Gonçalo landfills have long-term take-or-pay agreements on the availability and supply of biogas to private customers that develop energy generation projects for incentivized electricity.

The Barra Mansa landfill, owned by CTR Barra Mansa, produces biogas for the monthly generation of approximately 1,300 MW/h for a distributed generation project that serves large companies.

Regarding Jaboação dos Guararapes landfill, Orizon Meio Ambiente takes part in a joint venture (as a consortium) that develops a project for generation of electricity from biogas.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial information
September 30, 2024
(In thousands of Brazilian *Reais*)

1. Operations – Continued

Direct subsidiaries – Continued

a) Orizon Meio Ambiente -- Continued

Biogas Energy, Supply of Biogas and Carbon Credits – Parent Company and Subsidiaries – Continued

In Paulínia, the landfill, acquired in the context of UPI Aterros, supplies biogas to the biomethane plant, which in turn supplies fuel for UTE Paulínia.

In the last quarter of 2023, the Company started, through its subsidiaries, the burning of biogas in flare at the Maceió and Rosario do Catete ecoparks.

Finally, regarding the exploration of carbon credits, Orizon Meio Ambiente, its subsidiaries and Foxx URE-JP generate approximately 3.5 million tons of carbon annually, either by burning of biogas or generation of clean energy.²

Processing of Waste

In the waste processing activity, Orizon Meio Ambiente has, on September 30, 2024, five (05) operating units, namely: (i) one branch in Magé (with blending for co-processing), (ii) one joint venture with Vamtec Rio Insumos Siderurgicos Ltda. For processing of industrial waste in a plant installed at Companhia Siderurgica Nacional, in the city of Volta Redonda, state of Rio de Janeiro, (iii) 01 blending unit for processing and reversal logistics in Sorocaba, state of São Paulo, (iv) 01 mechanized sorting unit in Jaboatão dos Guararapes, and (v) 01 mechanized sorting unit in Paulínia.

Exploration of biomethane production in ecoparks

The Company, through its subsidiary BioE, submitted to the Administrative Council for Economic Defense the approval of a transaction consisting of the organization of two new companies ("Companies") in partnership with GN Verde Participações S.A. ("GN Verde"), for the production of biomethane in the Nova Iguaçu and São Gonçalo Ecoparks. The estimated initial production is 180,000 m³/day. The parties are at an advanced stage of discussion regarding the final transaction documents. BioE and GN Verde will each hold a 50% interest in the Companies.

² Information not audited by the Company's independent auditors.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued
September 30, 2024
(In thousands of Brazilian *Reais*)

1. Operations – Continued

Direct subsidiaries – Continued

b) Orizon Meio Ambiente -- Continued

Environmental Engineering

Orizon Meio Ambiente has several service agreements, and is present throughout Brazil in the area of environmental services, such as: (i) recovery of degraded areas, (ii) remediation of contaminated areas; (iii) environmental diagnosis and monitoring; (iv) waste management; (v) cleaning of tanks of the oil industry; among others.

The Company is in the stage of demobilization of this activity.

Use of biogas for power generation

On November 17, 2016, Ecopesa signed a binding instrument with ASJA do Brasil Serviços para o Meio Ambiente Ltda. ("Asja Brasil"), having ASJA Ambiente Italia S.p.A. as intervening guarantor for the generation and sale of electricity through biogas produced at the Jaboatão dos Guararapes landfill site. The agreement then entered into was effective from the date of its execution and will be in force for up to 15 years, counted from the beginning of commercial operation. Still in the third quarter, BioE completed the acquisition of Asja Pernambuco, the developer of the energy project at the ecopark in Jaboatão dos Guararapes.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial information
September 30, 2024
(In thousands of Brazilian *Reais*)

1. Operations – Continued

Direct subsidiaries – Continued

b) *Foxx Holding*

Foxx Holding is a joint-stock company headquartered in the municipality of São Paulo and it is engaged in holding interests in other business companies or civil associations as a partner or shareholder, both in the country and abroad. Foxx Inova Ambiental SA, is a holding company, and a wholly owned subsidiary of Foxx Holding, whose investments are: (i) majority interest (67%) of Foxx URE JP, which holds the João Pessoa landfill concession, and (ii) (80%) of Barueri Energia Renovável S.A., which holds the concession, under a Public Private Partnership, of the waste-to-energy generation project to be implemented in the municipality of Barueri, in the Metropolitan Region of São Paulo.

c) BioE

BioE is a limited-liability company headquartered in the city of São Paulo and engaged in holding equity interest in other commercial or civil companies as a partner or shareholder, both in the country and abroad.

The Company holds 100% of the shares in BioE, an entity holding 100% of interest in investees Orizon Biometano Paulínia I, Orizon Biometano Paulínia II, Orizon O&M, Orizon Biometano Jabotão dos Guararapes, Orizon Biometano João Pessoa, Orizon Biometano Cuiabá, Orizon Biometano Tremembé, UTE Orizon Pernambuco and UTE Orizon Paraíba.

d) Orizon Economia Circular (formerly known as Orizon Compostagem)

Orizon Economia Circular is a joint-stock company headquartered in the city of São Paulo and is engaged in holding interest in other commercial or civil companies as a partner or shareholder, both in the country and abroad.

The Company holds 100% of the shares in Orizon Economia Circular, an entity holding 50% of Orizon Tera Consortium, in addition to a 100% interest in Gestora Orizon.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

1. Operations – Continued

The operations of the direct subsidiaries are as follows:

Direct subsidiaries

a) *Central de Tratamento de Resíduos Nova Iguaçu S.A. (“CTRNI”)*

CTRNI was organized in February 2003, and it is engaged in earthworks for environmental protection, containment and protection of slopes, drainage, construction, implementation, operation and maintenance of the unit for treatment and final disposal of solid waste in the municipality of Nova Iguaçu (RJ), under the terms of the Service Concession Agreement (“Concession Agreement”) entered into with Empresa Municipal de Limpeza Urbana (“EMLURB”), of that municipality; among other related activities.

The main characteristics of the Concession Agreement entered into between CTRNI and EMLURB are described below:

- Works / Service: Concession of services for the construction, implementation, operation and maintenance of a unit for treatment and final disposal of solid waste.
 - Beginning: December 15, 2000.
 - End: December 15, 2034.

Currently, in addition to the municipality of Nova Iguaçu, CTRNI serves other (government and private) customers, among them the cities of Duque de Caxias, Nilópolis, São João de Meriti and Mesquita. In addition, CTRNI makes available from 10,000 to 12,000 Nm³ per hour of biogas to the electric energy generation plant, which currently has about 23MW installed, and also generates carbon credits.

Orizon Meio Ambiente has an area adjacent to the landfill for expansion of the activities performed there after the concession term.

b) *Central de Tratamento de Resíduos de Alcântara S.A. (“CTRA”)*

CTRA performs the activities related to the closing and monitoring of the former dump in Itaóca, implementation and operation of the new waste treatment and final disposal unit, as set forth in PMSG Concession Agreement No. 001/2004.

CTRA is one of the main landfills in the state of Rio de Janeiro, receiving waste from the municipalities of São Gonçalo, Itaboraí, Cachoeira de Macacu, Tanguá, Niterói, Guapimirim and Maricá.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued
September 30, 2024
(In thousands of Brazilian *Reais*)

1. Operations -- Continued

Indirect subsidiaries – Continued

b) *Central de Tratamento de Resíduos de Alcântara S.A. (“CTRA”)* – Continued

Currently, CTRA has an agreement with São Gonçalo Energia e Gás Renovável Ltda. (“SGEGAR”) for availability and supply of biogas.

The CTRA concession will expire in August 2030, and can be extended for another 10 years.

Instrument of settlement and adjustment of understandings

On November 23, 2017, the subsidiary CTRA signed an instrument of settlement and adjustment of understandings with the São Gonçalo Municipal Government (“PMSG”), with the Public Prosecution Office of the State of Rio de Janeiro (“MPRJ”) as intervening party. The purpose of the document signed is, among other matters, to reach an understanding regarding the long outstanding balances that PMSG (grantor) has with CTRA and the economic and financial rebalancing of the concession agreement PMSG No. 001/2004.

On February 10, 2023, CTRA and PMSG executed an amendment to the instrument of settlement and adjustment of understandings agreeing between the parties that the estimated amount of R\$22,427 will be settled on a deferred basis in monthly installments of R\$300 from the ratification of the amendment until the full settlement of the amount. In 2024, the Company received six installments of the agreement.

c) *Central de Tratamento de Resíduos de Barra Mansa S.A. (“CTRBM”)*

On December 3, 2011, CTRBM won the bidding process for implementation of the sanitary landfill of the municipality of Barra Mansa, in the State of Rio de Janeiro, which will expire in 2031 and may be renewed until 2036.

CTRBM receives between 500 and 1,300 tons per day from municipalities and private customers, particularly from the steel industry.

CTRBM provides biogas for a thermal power station with an installed capacity of 2MW, which is currently used in a distributed generation project.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

1. Operations -- Continued

Indirect subsidiaries – Continued

d) *ETR Jardim Gramacho S.A. (“ETR Gramacho”)*

ETR Gramacho is engaged in the transshipment and disposal of non-hazardous waste. This unit is located in the city of Duque de Caxias, in the State of Rio de Janeiro, where it has a transshipment to carry out its operational activities. ETR Gramacho receives approximately 50,000 tons of waste per month coming from the municipality of Duque de Caxias and private customers, all of which are disposed of at CTRNI.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

1. Operations -- Continued

Indirect subsidiaries – Continued

e) *Foxx Inova*

Foxx Inova is a joint-stock company headquartered in the city of São Paulo (SP). Foxx Inova is engaged in holding interests in other business companies or civil associations as a partner or shareholder, both in the country and abroad and in the development of studies and projects for the performance of works and provision of services related to urban cleaning and disposal of solid waste, in addition to the provision of civil and environmental engineering services.

f) *Barueri Energia Renovável S.A. (“Barueri Energia” – former Foxx URE-BA) Foxx URE-BA*

Barueri Energia is a company consisting of Foxx Inova and Sabesp, headquartered in the city of Barueri, State of São Paulo, and it is engaged in the treatment and final disposal of urban solid waste under a concession system, trading of energy from energetic recycling, carbon credits, and recycling credits. Barueri Energia is a pioneer in the implementation of waste-to-energy in Latin America. In 2021 and 2022, Barueri Energia participated in and won two power generation auctions carried out by the federal government.

Barueri Energia will have installed power of 20 MWe, with a processing capacity of 300 thousand tons of urban solid waste per year.

In accordance with the notice to the market disclosed on August 7, 2024, Barueri Energia has completed its first issuance of debentures in the amount of R\$395,000 to finance the implementation of the project, which is expected to start operations in January 2027.

g) *Orizon Pantanal (Former “Orizon Locação Ltda.”)*

Orizon Pantanal Ltda. is headquartered in the city of São Paulo (SP) and its corporate purpose is to hold interest in companies. Currently, Orizon Pantanal holds one hundred percent (100%) of the shares of CGR Ambiental Tratamento de Resíduos Ltda. and one hundred percent (100%) of the shares of Centro de Gerenciamento de Residuais Cuiabá Limitada, the purpose of which is the treatment and final disposal of waste in a landfill located in the Cuiabá Metropolitan Area.

Information not audited by the Company's independent auditors.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

1. Operations -- Continued

Indirect subsidiaries – Continued

h) *Foxx URE-JP*

Foxx URE-JP is a concessionaire in the municipality of João Pessoa that receives waste from various municipalities in the region, with a volume of approximately 2,000 tons per day, and it is engaged in the treatment and final disposal of non-hazardous waste, including the elimination of non-hazardous waste by combustion or incineration, with or without the purpose of generating electricity or steam, ashes or other by-products for future use. Foxx URE-JP is also engaged in the generation of energy from biogas in a consortium entered into with ASJA, whose plant was recently purchased by BioE, as per the material fact published on September 23, 2024.

On May 30, 2023, Foxx URE-JP entered into an Amendment to the Concession Agreement with the Special Municipal Instrumentality of João Pessoa extending the term of the concession agreement by 20 years; its new term will end on May 29, 2043.

i) *UTM Jaboatão dos Guararapes LTDA. (“UTM Jaboatão”)*

Mechanized sorting unit in Pernambuco

On May 6, 2021, the Company entered into an agreement for implementation of a mechanized sorting unit installed in Jaboatão dos Guararapes ecopark, in the state of Pernambuco. The project came into operation in the 3rd quarter of 2022 having capacity to receive 500,000 tons of waste annually.

j) *Centro de Gerenciamento de Resíduos Ltda, (“CGR Cuiabá”) and CGR Ambiental Tratamento de Resíduos Ltda (“CGR Ambiental”)*

On February 9, 2022, the Company acquired, through its indirect subsidiary Orizon Pantanal (former Orizon Locação), the entire equity interest in the companies CGR Ambiental Tratamento de Resíduos Ltda. and Centro de Gerenciamento de Residuais Cuiabá Limitada, located in Cuiabá, in the state of Mato Grosso. The acquired companies' main activity is the disposal of solid waste in a private landfill

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

1. Operations--Continued

Indirect subsidiaries – Continued

j) *SPEs UPIs Estre (“UPIs Estre”)*

Measurement Period of the Purchase Price Allocation (PPA)

On April 19, 2022, the Company completed, through its subsidiary Orizon Meio Ambiente, the acquisition of UPI Aterros from Estre Ambiental S.A. – Under Judicial Reorganization (the “Assets”), which consists of 7 assets (6 sanitary landfills and 1 waste processing plant), namely: SPE Paulínia Ambiental S.A., SPE Tremembé Ambiental S.A., SPE Itapevi Ambiental S.A., SPE Itaboraí Ambiental S.A., Rosário do Catete Ambiental S.A., SPE CTR Metropolitana Participações S.A., and SPE Sorocaba Ambiental S.A. Such acquisition was carried out within the scope of the Judicial Reorganization of the Estre Group, and, immediately afterwards, (sic) out of funds managed by Jive Asset Gestão de Recursos Ltda. Estre. (sic) On December 16, 2022, the Company completed the acquisition of SPE Maceió, a sanitary landfill located in the state of Alagoas, and now currently holds 8 assets previously owned by the Estre Group.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

1. Operations--Continued

Indirect subsidiaries—Continued

k) *BioE*

On April 5, 2022, BioE was incorporated with the corporate purpose of investing in other companies, as a partner or shareholder, and its investees are listed below:

Company	Purpose
Orizon Biometano Paulínia Ltda	Biomethane generation and marketing plant
Orizon Biometano Paulínia II Ltda	Biomethane generation and marketing plant
Orizon O&M Ltda.	Equipment operation and maintenance
Orizon Locação de equipamento Ltda.	Equipment leasing
Orizon Biometano Rosário do Catete Ltda.	Biomethane generation and marketing plant
Orizon Biometano Jaboatão dos Guararapes Ltda.	Biomethane generation and marketing plant
Orizon Biometano João Pessoa Ltda.	Biomethane generation and marketing plant
Orizon Biometano Cuiabá Ltda.	Biomethane generation and marketing plant
Orizon Biometano Tremembé Ltda.	Biomethane generation and marketing plant
Orizon GD Itapevi 1 Ltda	Electricity generation plant
Orizon GD Itapevi 2 Ltda	Electricity generation plant
Orizon GD Itapevi 3 Ltda	Electricity generation plant
UTE Orizon Pernambuco Ltda	Electricity generation plant
UTE Orizon Paraíba Ltda	Electricity generation plant

l) *CTR Porto Velho* (“CTR PV”)

On January 17, 2023, the Company acquired, through its subsidiary Orizon Meio Ambiente, 51% of the equity interest in CTR Porto Velho S.A. (“CTR PV”) from Ecofort Engenharia (“Ecofort”) for an amount of R\$10,000.

The unit is located in the municipality of Porto Velho, state of Rondônia. The transaction ratifies the Company’s growth strategy regarding the expansion of its activities with projects that add value to the company, the environment, and the population, with the expectation that, throughout the life of CTR PV, it will implement the exploitation of biogas, carbon credits, electricity and/or biomethane, recovery of recyclables, and other activities.

In the last quarter of 2023, CTR PV started to receive waste from the municipality of Porto Velho, the largest municipality in the region.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued
September 30, 2024
(In thousands of Brazilian *Reais*)

1. Operations -- Continued

Indirect subsidiaries – Continued

l) CTR Porto Velho (“CTR PV”) – Continued

Purchase Price Allocation (PPA) Measurement Period

The Company calculated the values of the business combination in accordance with CPC 15 (R1) – Business Combination and IFRS 3 (R) – “Business Combination,” which determines the initial accounting of the business combination at the end of the reporting period in the combination occurs in its financial statements.

The fair values described and the calculation of goodwill in the acquisition of CTR Porto Velho were allocated, as provided for in CPC15/IFRS3 – Business Combinations, which allows the Company to complete the analysis of the assets acquired and liabilities assumed within 12 months from the date of acquisition.

During the measurement period, the Company may retrospectively adjust the provisional amounts recognized on the acquisition date to reflect any new information obtained relating to facts and circumstances existing on the acquisition date which, if known on that date, would have affected the measurement of the amounts recognized. During the measurement period, it should also additionally recognize assets or liabilities when new information is obtained about facts and circumstances existing on the acquisition date which, if known on that date, would have resulted in the recognition of such assets and liabilities.

The information regarding the balances on the acquisition date is detailed in the tables below:

Shareholders’ equity of CTR Porto Velho	19,039
% interest acquired	51%
Total acquired	9,710
Net identifiable assets at fair price	290
Purchase price – Consideration	10,000

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

1. Operations -- Continued

Indirect subsidiaries - Continued

m) Oeste Ambiental (“Oeste Ambiental”)

On August 9, 2024, OMA purchased a fifty-one percent (51%) stake in Oeste Ambiental Ltda. (“Oeste Ambiental”), a company that owns the sanitary landfill located in the municipality of Rodolfo Fernandes, in the State of Rio Grande do Norte (“RN Sanitary Landfill”).

The operation of the RN Sanitary Landfill is under an initial phase, and the landfill is the only appropriate solution for final disposal of waste in the region, with potential generation of 600 tons per day of urban solid waste and an estimated useful life of more than twenty years. For this acquisition, OMA paid the total amount of up to R\$7,650, considering the compliance with earn-out metrics by the Seller, as defined in the transaction’s documents.

This acquisition has strengthened the positioning of the Company, which is now present in 12 Brazilian states, with geographic synergies with other projects of OrizonVR in the Northeast region, and it ratifies the company’s growth strategy regarding the increase in the volume of waste under its management, also enabling the implementation of valorization activities, such as gas exploration, carbon credits, electricity, biomethane, recovery of recyclable materials, and others.

In addition to the purchase of the RN Sanitary Landfill, on the same date the Company signed a purchase option for fifty-one percent (51%) of a land located in the Northeast region, which is under an initial phase of licensing for a sanitary landfill with potential for 800 to 1,200 tons of waste daily, which, in the future, may become another project of the Company.

Period of Measurement of Purchase Price Allocation (PPA)

The Company calculated the amounts from business combination according to CPC 15 (R1) - *Combinação de Negócios* and IFRS 3 (R) - Business Combination, which provide for the initial recognition of the business combination in the financial statements after the end of the reporting period in which the combination takes place.

During the measurement period, the Company may retrospectively adjust the temporary amounts recorded as of the acquisition date in order to reflect new information obtained about any facts and circumstances existing as of the acquisition date, and that, if known on that occasion, would have affected the measurement of the amounts recognized.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued
September 30, 2024
(In thousands of Brazilian *Reais*)

1. Operations - Continued

Indirect subsidiaries - Continued

m) Oeste Ambiental (“Oeste Ambiental”)--Continued

Period of Measurement of Purchase Price Allocation (PPA) - Continued

During the measurement period, the Company may also recognize assets or liabilities, if new information is received about any facts and circumstances existing as of the acquisition date, and that, if known on that occasion, would have resulted in the recognition of these assets and liabilities. The measurement period ends when the offeror gets the information searched about the facts and circumstances existing as of the acquisition date, or when the offeror concludes that no other information can be obtained. However, the measurement period should not exceed one year as from the acquisition date.

The information about the balances as of the acquisition date is detailed below:

Fair value as of the acquisition date	(363)
Acquisition price - Consideration	7,650
Goodwill recorded as of the acquisition date	8,013

n) Ecoparque Juazeiro do Norte (“Juazeiro Ecopark”)

On August 13, 2024, the Company announced that the conditions previously defined to complete the transaction have been met, and, through Orizon Holding Ceará Ltda. (“Orizon Ceará”), a fully owned subsidiary of Orizon Meio Ambiente, the acquisition of control of Ecoparque Juazeiro do Norte S.A. (“Juazeiro Ecopark” and “CE Transaction” respectively) was completed.

Initially, Orizon Ceará held a 60% stake in Juazeiro Ecopark, but, due to the compliance with earn-out metrics by the seller, this percentage was reduced to 51%, and a complement to the price was disbursed. This Transaction also includes an option to purchase the remaining interest under previously defined conditions.

Period of Measurement of Purchase Price Allocation (PPA)

The Company calculated the amounts from business combination according to CPC 15 (R1) - *Combinação de Negócios* and IFRS 3 (R) - Business Combination, which provide for the initial recognition of the business combination in the financial statements after the end of the reporting period in which the combination takes place.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

1. Operations - Continued

Indirect subsidiaries - Continued

n) Ecoparque Juazeiro do Norte (“Juazeiro Ecopark”)—Continued

Period of Measurement of Purchase Price Allocation (PPA) - Continued

During the measurement period, the Company may retrospectively adjust the temporary amounts recorded as of the acquisition date in order to reflect new information obtained about any facts and circumstances existing as of the acquisition date, and that, if known on that occasion, would have affected the measurement of the amounts recognized. During the measurement period, the Company may also recognize assets or liabilities, if new information is received about any facts and circumstances existing as of the acquisition date, and that, if known on that occasion, would have resulted in the recognition of these assets and liabilities. The measurement period ends when the offeror gets the information searched about the facts and circumstances existing as of the acquisition date, or when the offeror concludes that no other information can be obtained. However, the measurement period should not exceed one year as from the acquisition date.

The information about the balances as of the acquisition date is detailed below:

Fair value as of the acquisition date	987
Acquisition price - Consideration	7,308
Goodwill recorded as of the acquisition date	6,321

- o) *UTE Orizon Pernambuco Ltda. (“UTE Pernambuco”) and UTE Orizon Paraíba Ltda. (“UTE Paraíba”), previously called ASJA Pernambuco Serviços Ambientais (“ASJA Pernambuco”) and ASJA Paraíba Serviços Ambientais (“ASJA Paraíba”) respectively*

On September 23, 2024, the Company completed, through BioE, the acquisition of one hundred percent (100%) of shares in ASJA Paraíba Serviços Ambientais Ltda. (“ASJA Paraíba”) and ASJA Pernambuco Serviços Ambientais Ltda. (“ASJA Pernambuco”), which, together, currently hold two (2) Thermoelectric Plants (“UTES”) with installed capacity of 5.7MW and 28.5MW respectively, and are fueled with the biogas generated in the João Pessoa and Jaboatão dos Guararapes Ecoparks.

The acquisition of these UTEs consolidates the Company’s access to the biogas produced in the sanitary landfills of these two assets, and allows the development of biomethane projects. In the scope of the Transaction, the Ecoparks assigned the purchase options to BioE without consideration, so that the latter could carry out the purchase of the thermoelectric plants.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

1. **Operations** - Continued

Indirect subsidiaries - Continued

- o) UTE Orizon Pernambuco Ltda. (“UTE Pernambuco”) and UTE Orizon Paraíba Ltda. (“UTE Paraíba”), previously called ASJA Pernambuco Serviços Ambientais (“ASJA Pernambuco”) and ASJA Paraíba Serviços Ambientais (“ASJA Paraíba”) respectively - Continued

The purchase of the thermoelectric plants amounted to R\$156,600 (“enterprise value,” including debts and working capital), of which R\$32,400 corresponded to ASJA Paraíba, and R\$124,200, to ASJA Pernambuco.

On the one hand, the Company will continue to develop its biomethane projects in João Pessoa and Jaboatão dos Guararapes, being the owner of 100% of these units. On the other hand, until the beginning of operations at the biomethane plants, the Company will use the biogas of the relevant Ecoparks, generating an 100% renewable electricity (i100) and, subsequently, it will generate electricity from the existing biogas or Natural Gas. For 2024 and 2025, OrizonVR has already traded the electricity of the developments in the free market.

Period of Measurement of Purchase Price Allocation (PPA)

The Company calculated the amounts from business combination according to CPC 15 (R1) - *Combinação de Negócios* and IFRS 3 (R) - Business Combination, which provide for the initial recognition of the business combination in the financial statements after the end of the reporting period in which the combination takes place.

During the measurement period, the Company may retrospectively adjust the temporary amounts recorded as of the acquisition date in order to reflect new information obtained about any facts and circumstances existing as of the acquisition date, and that, if known on that occasion, would have affected the measurement of the amounts recognized. During the measurement period, the Company may also recognize assets or liabilities, if new information is received about any facts and circumstances existing as of the acquisition date, and that, if known on that occasion, would have resulted in the recognition of these assets and liabilities. The measurement period ends when the offeror gets the information searched about the facts and circumstances existing as of the acquisition date, or when the offeror concludes that no other information can be obtained. However, the measurement period should not exceed one year as from the acquisition date.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

1. Operations - Continued

Indirect subsidiaries - Continued

- o) UTE Orizon Pernambuco Ltda. (“UTE Pernambuco”) and UTE Orizon Paraíba Ltda. (“UTE Paraíba”), previously called ASJA Pernambuco Serviços Ambientais (“ASJA Pernambuco”) and ASJA Paraíba Serviços Ambientais (“ASJA Paraíba”) respectively - Continued

The information about the balances as of the acquisition date is detailed below:

	UTE Orizon Pernambuco	UTE Orizon Paraíba
Fair value as of the acquisition date	102,803	30,710
Acquisition price - Consideration	116,871	32,462
Goodwill recorded as of the acquisition date	14,068	1,752

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

1. Operations - Continued

Jointly controlled companies and affiliates

a) UTE Paulínia Verde Participações S.A. (“UTE Paulínia”)

UTE Paulínia was organized jointly with Gera Energia do Brasil S.A. and Mercúrio Holding S.A. aiming at the exploration of an open cycle renewable natural gas thermoelectric plant, generated in the landfill located in the municipality of Paulínia, state of São Paulo. The organization of UTE Paulínia did not generate effects on the income or goodwill.

At the end of April 2022, UTE Paulínia became the holder of the agreement entered into by Mercurio and Câmara de Comercialização de Energia Elétrica (“CCEE”) (the Electric Energy Trading Chamber) for the sale of average 15.7 MW, upon previously established contractual conditions.

On June 29, 2022, via Order No. 1735/2022, Agência Nacional de Energia Elétrica (the National Electric Energy Agency) published the release of the ninth generating unit of UTE Paulínia, which made it possible to fully meet the average 15.7 MW negotiated in the auction, as from June 30, 2022 with the supply of the entire volume of electricity negotiated under the Simplified Bidding Procedure held on October 25, 2021.

b) SES Haztec Serviços de Resposta a Emergência Ltda. (“SES Haztec”)

SES Haztec was organized in 2006, aiming to participate in a specific bidding process. However, after the failure of such bidding, SES Haztec remained with no operational activity.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

1. Operations--Continued

Jointly controlled companies and affiliates – Continued

c) *Vamtec Orizon Soluções Ambientais Ltda. (“Vamtec Orizon”)*

Vamtec Orizon was organized on October 25, 2017, as a result of an association between Orizon Meio Ambiente and Vamtec Rio Insumos Siderúrgicos Ltda., and its purpose is the processing of fine steel scraps to return to the production process. Vamtec Orizon began its operations in December 2019.

Vamtec Orizon has as its only customer Companhia Siderurgica Nacional, operating with total available capacity.

d) *CTR Santa Luzia (“CTR SL”)*

On April 10, 2023, the Company entered into a binding contractual instrument, through its subsidiary Orizon Meio Ambiente S.A., for the acquisition of equity interest in CTR SL, located in the Municipality of Santa Luzia, State of Minas Gerais, for an amount of R\$25,000, partly through capitalization of amounts previously transferred to CTR SL and the remainder through future capital increases.

With the closing of the transaction and compliance with the obligations assumed by Suma Brasil Serviços Urbano e Meio Ambiente S.A. (“SUMA”), the capital stock of CTR SL was distributed as follows: fifty percent (50%) to OMA and fifty percent (50%) to SUMA, a Brazilian company controlled by Mota-Engil SGPS S.A., a Portuguese company.

CTR SL owns a landfill located in the Belo Horizonte Metropolitan Area which started operations in the 1st quarter of 2023, with an expected volume of receipt of up to 1,500 tons of waste daily.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial information
September 30, 2024
(In thousands of Brazilian *Reais*)

1. Operations--Continued

Jointly-owned subsidiaries and affiliates – Continued

e) *Biometano Verde Paulínia*

A biomethane production company located in Paulínia

On August 14, 2023, the Company and its wholly-owned subsidiary Orizon Meio Ambiente S.A. (“OMA”) disclosed a material fact regarding the formation of a company for the production of biomethane at the Paulínia Ecopark together with Edge Comercialização S.A. (“Edge”), a company controlled by Compass Gás e Energia S.A.

Organization of the investee for production of biomethane in Paulínia

In connection with the transaction, Edge will invest up to R\$355,000, R\$235,000 million of which in the initial stage of the partnership, R\$100,000 of which will be invested in Biometano Verde Paulínia S.A. and R\$135,000 in a secondary venture for Orizon Group. An additional amount of up to R\$120,000 is conditional on the delivery of a greater volume of biogas. OMA, in turn, undertakes to assign space in Paulínia landfill for the construction and operation of the plant and to supply biogas for the production of biomethane (See Note 25).

On October 20, 2023, with the implementation of the contractual conditions precedent, the transaction was completed, and Edge then held a 51% interest in Biometano Verde Paulínia S.A. and Orizon Group, through its direct subsidiary OMA, 49%. The project investment in its first stage is estimated at up to R\$450,000, the beginning of the operation of the Paulínia Biomethane plant is scheduled for the second half of 2025.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

2. Basis of preparation and presentation of the individual and consolidated interim financial information and significant accounting practices

2.1. Declaration of compliance

The individual and consolidated interim financial information was prepared in accordance with technical pronouncement NBC TG 21 and with international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board – IASB. The presentation of this information was prepared in a manner consistent with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Interim Information Form - ITR.

The statements of value added are being presented as supplementary information for IFRS purposes.

The individual and consolidated interim financial information and the accompanying notes do not include all information and disclosures required for annual financial information. Therefore, these statements should be read in conjunction with the annual audited financial statements as of December 31, 2023.

The Company's Management authorized the issuance of the individual and consolidated interim financial information on November 13, 2024.

According to Technical Guidance OCPC 07, Management states that all material information specific to the interim financial information is being evidenced and corresponds to that used by the Company's Management on September 30, 2024 in its management.

2.2. Basis of preparation

The individual and consolidated interim financial information were prepared based on the historical cost, except for those measured at fair value, when indicated. The interim financial information was prepared based on historical cost, unless otherwise stated in the notes. The interim financial information was prepared in *Reais* (R\$), which is the Company's functional currency.

2.3. Basis of consolidation

The consolidated interim financial information comprises the Group's interim accounting information as of September 30, 2024. Control is obtained when the Group is exposed or is entitled to variable returns based on its involvement with the investee and has the ability to affect those returns through the power exercised in relation to the investee.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

2. Basis of preparation and presentation of the individual and consolidated interim financial information and significant accounting practices-- Continued

2.3. Basis of consolidation -- Continued

The change in the subsidiary's equity interest, without loss of control, is accounted for as an equity transaction. If the Group loses the control exercised over a subsidiary, the corresponding assets (including goodwill), liabilities, non-controlling interests and other equity components are written off, while any resulting gain or loss is recorded in income. The Group's corporate structure is as follows:

		09/30/2024	12/31/2023
<u>Subsidiaries of Orizon Valorização de Resíduos:</u>			
Orizon Meio Ambiente S.A.	Direct Subsidiary	100	100
Foxx Holding S.A.	Direct Subsidiary	100	100
FIDC Orizon ¹	Direct Subsidiary	100	100
Orizon Energia e Gás Renovável Ltda.	Direct Subsidiary	100	100
Orizon Economia Circular Ltda.	Direct Subsidiary	100	100
<u>Subsidiaries and affiliates of Orizon Meio Ambiente:</u>			
CTRNI	Indirect subsidiary	100	100
CTRA	Indirect subsidiary	100	100
CTRBM	Indirect subsidiary	100	100
SES Haztec	Jointly-controlled subsidiary	50	50
ETR Gramacho	Indirect subsidiary	100	100
UTM Jaboatão	Indirect subsidiary	100	100
Vamtec Orizon	Jointly-controlled subsidiary	50	50
UTE Paulínia	Jointly-controlled subsidiary	33.33	33.33
SPE Itaboraí	Indirect subsidiary	100	100
SPE Itapevi	Indirect subsidiary	100	100
SPE Rosário do Catete	Indirect subsidiary	100	100
Orizon Sorocaba Blendagem	Indirect subsidiary	100	100
Orizon Tremembé Ambiental	Indirect subsidiary	100	100
SPE CTR Metropolitana	Indirect subsidiary	100	100
Metropolitana Serviços Ambientais	Indirect subsidiary	50	50
SPE Maceió	Indirect subsidiary	100	100
Orizon Pantanal	Indirect subsidiary	100	100
CTR Porto Velho	Indirect subsidiary	51	51
CTR Santa Luzia ³	Jointly-controlled subsidiary	50	75
Centro de Gerenciamento de Resíduos Cuiabá Ltda.	Indirect subsidiary	100	100
CGR Ambiental Tratamento de Resíduos Ltda.	Indirect subsidiary	100	100
Oeste Ambiental	Indirect subsidiary	51	-
Ecoparque Juazeiro	Indirect subsidiary	51	-
Orizon Holding Ceará Ltda.	Indirect subsidiary	100	100
Biometano Verde Paulínia	Jointly-controlled subsidiary	49	49

³ Reduction in equity interest due to the contribution of the remaining fraction of land by SUMA (Shareholder of CTR Santa Luzia), which was used in the initial transaction for payment of capital.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

2. Basis of preparation and presentation of the individual and consolidated financial statements and significant accounting practices--Continued

2.3. Basis of consolidation -- Continued

<u>Subsidiaries of Foxx Holding:</u>			
Foxx Inova Ambiental S.A	Indirect subsidiary	100	100
Foxx URE JP Ambiental S.A	Indirect subsidiary	67	67
Barueri Energia Renovável S.A	Indirect subsidiary	80	80
<u>Subsidiaries of Orizon Energia e Gás Renovável Ltda</u>			
GD1 Itapevi ²	Indirect subsidiary	100	100
GD2 Itapevi ²	Indirect subsidiary	100	100
GD3 Itapevi ²	Indirect subsidiary	100	100
Orizon Biometano Paulínia Ltda	Indirect subsidiary	100	100
Orizon Biometano Paulínia II Ltda	Indirect subsidiary	100	100
Orizon O&M Ltda.	Indirect subsidiary	100	100
Orizon Locação de equipamento Ltda.	Indirect subsidiary	100	100
Orizon Biometano Rosário do Catete Ltda.	Indirect subsidiary	100	100
Orizon Biometano Jaboatão dos Guararapes Ltda.	Indirect subsidiary	100	100
Orizon Biometano João Pessoa Ltda.	Indirect subsidiary	100	100
Orizon Biometano Cuiabá Ltda.	Indirect subsidiary	100	100
Orizon Biometano Tremembé Ltda.	Indirect subsidiary	100	100
UTE Orizon Pernambuco	Indirect subsidiary	100	-
UTE Orizon Paraíba	Indirect subsidiary	100	-
<u>Direct subsidiaries of Orizon Economia Circular Ltda.</u>			
Consórcio Orizon Tera	Indirect subsidiary	50	50
SPE Biovalore I S.A	Jointly-controlled subsidiary	30	30
SPE Biovalore II S.A	Jointly-controlled subsidiary	30	30
Gestora Orizon	Indirect subsidiary	100	100

¹ FIDC Orizon is non-operating.

² GDs Itapevi refer basically to companies incorporated for potential generation of energy in the future in the Itapevi ecopark.

2.4. Functional currency, reporting currency and transactions in foreign currency - translation of balances and transactions in foreign currency

The interim financial information is prepared in Reais (R\$), which is the functional currency used by the Company.

2.5. Judgments, estimates and significant accounting assumptions

The preparation of interim financial information requires the use of certain accounting estimates and also the exercise of judgment by Management. Areas deemed significant, which require a higher level of judgment and are subject to estimates, include: unbilled revenues billed, deferred income tax and social contribution, impairment loss on intangible assets, provision for doubtful accounts and provision for tax, civil, labor and regulatory risks, and fair value measurement.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

2. Basis of preparation and presentation of the individual and consolidated financial statements and significant accounting practices--Continued

2.6. New technical pronouncements, revisions and interpretations not yet in force

The information regarding the new accounting pronouncements issued by the Accounting Pronouncements Committee (CPC) and the International Accounting Standards Board (IASB) did not bring significant changes in relation to those disclosed in Note 2.15 to the Financial Statements as of December 31, 2023.

3. Cash and cash equivalents

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Cash and banks	62	485	47,914	43,687
Bank deposit certificates (CDBs)	-	35,814	620,637	245,739
Total	62	36,299	668,551	289,426

Cash equivalents include short-term investments with immediate liquidity, for a known amount of cash and where there is an insignificant risk of any change in value, and which are maintained for the purpose of managing short-term commitments. Bank deposit certificates bear interest at approximately 100% of the CDI rate.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

4. Securities

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Bank Deposit Certificates (CDBs)	-	16,506	125,628	33,608

The balance of financial investments includes funds with profitability through investments in CDB, without significant risk of variation in principal and earnings upon redemption, and they are remunerated with earnings close to 100% of the variation in the Interbank Deposit Certificates (“CDIs”).

5. Trade accounts receivable (consolidated)

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Billed	-	-	313,773	300,033
To be billed ⁽¹⁾	7,348	-	117,251	88,291
	7,348	-	431,024	388,324
Provision for doubtful debts	-	-	(155,595)	(155,584)
Total	7,348	-	275,429	232,740
Current	-	-	212,121	184,168
Non-current	7,348	-	63,308	48,572

- (1) The balance of accounts receivable to be billed refers to (i) carbon credits traded in accordance with the contractual conditions, which will be timely written off from accounts receivable in accordance with the recording, verification and delivery process; and (ii) accounting on an accruals basis, based on measurement reports that indicate the effective provision of services in accordance with the contracted conditions, the balances of which will be transferred to accounts receivable when the corresponding billing is made.

The balances of accounts receivable, billed, by age of maturity are shown below:

	09/30/2024	12/31/2023
To mature	71,919	66,396
Up to 30 days overdue	10,577	15,849
Between 31 and 60 days overdue	7,724	7,346
Between 61 and 90 days overdue	11,073	8,455
Between 91 and 180 days overdue	12,468	13,281
Between 181 and 360 days overdue	16,396	22,843
More than 360 days overdue	183,616	165,863
Total	313,773	300,033

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

5. Trade accounts receivable (consolidated)-- Continued

Of the balances receivable from the indirect subsidiary CTRA in connection with PMSG in the amount of R\$50,375, of which R\$15,662 are fully classified as more than 360 days overdue. There is a case in progress the claimed amounts of which exceed the receivables of this customer, which should only be recognized after the case is closed.

The change in the provision for doubtful debts on September 30, 2024 is as follows:

	Consolidated	
	09/30/2024	12/31/2023
Balance as at January 1	(155,584)	(162,610)
(Provision) Reversal of provision for doubtful debts	(11)	7,026
Balance in the end of the year	(155,595)	(155,584)

The assessment of the need of a provision for doubtful debts is carried out based on the assumptions established in CPC 48/IFRS 9 - Financial Instruments, with the analysis of certain customers and transactions. According to Management's understanding, certain receivables should not be taken into account for the purpose of setting up a provision for doubtful debts given that there is no indication of loss upon realization, such as services provided to companies within the same Economic Group.

The Company does not expect to incur losses that exceed the provision for doubtful debts that was set up on September 30, 2024.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

5. Trade accounts receivable (consolidated) – Continued

As detailed in Note 1.b, there is an agreement signed by the indirect subsidiary CTRA with PMSG through the Public Prosecutor of the State of Rio de Janeiro, on the receipt of amounts, the changes in which are shown below:

Changes in the agreement	
Balance as at January 1, 2023	14,660
Tranches received in 2023	(1,200)
Balance as at December 31, 2023	13,460
Tranches received in 2024	(600)
Balance as at September 30, 2024	12,860

Carbon credits trade (Consolidated)

The information on the outstanding balances of carbon credits sold, pending the completion of the certification process for delivery, is detailed in the table below:

Company that owns the carbon credits	Credit generation period	Quantity of Carbon Credits (tCO ₂ eq)	Balance
OVR	01-01-22 to 12-31-23	172	7,348
CTRNI	01-01-21 to 12-31-21	563	13,500
CTRA	01-01-21 to 12-31-21	422	10,125
OMA	01-01-21 to 12-31-21	491	11,813
FOXX URE-JP	01-01-21 to 12-31-23	275	4,347
			47,133

The credits generated under contracts prior to 2021 were fully delivered and received in part in early 2023 in the amount of R\$7,493.

The amounts are impacted by the effects of updated foreign exchange variation until September 30, 2024. The total balance shown is allocated as services to be invoiced under accounts receivable item.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

5. Trade accounts receivable (consolidated) – Continued

On December 30, 2021, the Company sold the carbon credits generated in 2021 in the amount of R\$39,275 through the subsidiaries CTRNI, CTRA, Ecopesa (merged in May 2022 into OMA) and Foxx URE-JP. Additionally, in September 2024, the Company traded carbon credits from the operations of Jaboatão dos Guararapes and João Pessoa, in the total of R\$37,430, having received the amount of R\$30,317 in the same period.

The restated amount as of September 30, 2024, taking into account the effect of the foreign exchange rate variation, is R\$47,133 (R\$33,877 as of December 31, 2023). Such agreements cover the total volume of carbon credits generated in 2021, without stipulating a minimum or maximum volume and delivery period. The agreement initially has a base price for projects within the scope of the Clean Development Mechanism (“CDM”) with additional price if the Company is fit for the voluntary market. The process of becoming an entity comprises the following phases and is under development by the Company:

- 1) Project development;
- 2) Consultation with project stakeholders (inspection bodies, local communities, NGOs, etc.);
- 3) Sending the project to the new entity;
- 4) Project review by the new entity;
- 5) Project certification.

Currently, the Company, through its indirect subsidiaries, is applying for registration of all its projects in voluntary market entities, such as Verified Carbon Standard (Verra) or Gold Standard.

On March 14, 2024, the process of registering the carbon credits project for João Pessoa Ecopark (Foxx URE-JP) was completed before the Gold Standard, a mechanism recognized worldwide for its eligibility criteria, which includes quality, integrity and compliance with social and environmental benefits. In addition, carbon credits were issued for the periods 2021, 2022 and first two-month period of 2023⁴.

On August 5, 2024, the Jaboatão dos Guararapes Ecopark (Orizon Meio Ambiente) carbon credit project registration process was completed with the Gold Standard, a mechanism recognized worldwide for its eligibility criteria, which includes quality, integrity, and compliance with socio-environmental benefits.

On September 16, 2024, the process of registration of the credit carbon project of Sergipe Ecopark was concluded with Gold Standard, and it will generate approximately 290 thousand tCO₂e of carbon credits per year.

⁴ Information not audited by the Company's independent auditors.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

6. Taxes and contributions

a) Taxes and contributions recoverable

Taxes recoverable	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Withholding Income Tax (IRRF) (1)	3,830	4,162	24,516	18,176
Social Contribution Tax on Net Profit (CSLL) (1)	-	-	1,683	1,637
National Social Security Institute (INSS)	-	-	1,057	1,412
Social Integration Program (PIS) (1)	-	-	1,350	752
Contribution to Social Security Financing (COFINS) (1)	-	-	6,030	3,304
Tax on Industrialized Products (IPI)	-	-	107	106
Other taxes recoverable	14	13	533	424
Subtotal – Federal taxes	3,844	4,175	35,276	25,811
Tax on Circulation of Goods and Services (ICMS)	-	-	33	77
Subtotal – State taxes	-	-	33	77
Services Tax (ISS) (2)	-	-	4,696	4,154
Subtotal – Municipal taxes	-	-	4,696	4,154
Total	3,844	4,175	40,005	30,042

(1) For the most part, the balances shown refer to (i) taxes withheld at source by customers, which are detailed in the invoices for the provision of services, and (ii) taxes withheld from financial investments, which increase is due to the higher amount of the balance of financial investments arising from the funds raised in the IFC (Note 12).

(2) The balance shown refers to the withholding of municipal taxes in the provision of services, which are detailed in the tax invoices.

b) Taxes and contributions payable

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
National Social Security Institute (INSS)	3	-	843	2,741
Contribution to Social Security Financing (COFINS)	1	17	12,611	11,109
Social Integration Program (PIS)	-	4	2,510	2,183
Social Contribution Tax on Net Profit (CSLL)	-	-	1,855	3,069
Income Tax for Legal Entities (IRPJ)	-	-	4,969	7,317
Services Tax of any type (ISS)	-	-	5,398	5,266
Tax on circulation of goods and services (ICMS)	-	-	997	961
Tax on financial transactions (IOF)	750	766	766	766
Other taxes ^(*)	-	-	5,526	3,708
Total	754	787	35,475	37,120

(*) This item mainly includes taxes provisioned for services to be billed.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

6. Taxes and contributions – Continued

SUDENE - Tax incentive obtained

In December 2023, the Company, through certain subsidiaries, received from the Northeast Development Superintendence (“SUDENE”), a body linked to the Ministry of Integration and Regional Development, approval for classifications regarding the tax incentive to reduce Income Tax and Additional Taxes in favor of OMA’s subsidiary in Jaboatão dos Guararapes – State of Pernambuco, UTM Jaboatão dos Guararapes Ltda., Foxx URE-JP Ambiental S.A., SPE Maceió Ambiental S.A. and Rosário do Catete Ambiental S.A.

These classifications permit a reduction of 75% (seventy-five percent) in Corporate Income Tax (IRPJ) for a 10-year period, beginning in the fiscal year 2023. The Company filed a request for recognition of the right to reduce IRPJ before the Brazilian Federal Revenue Service based on the opinions issued by SUDENE.

c) Reconciliation of income and social contribution tax expenses in income for the period

The reconciliation between the amount of tax charges determined as per the nominal rates and the amount recorded in the Company’s consolidated income for the three- and nine-month periods ended September 30, 2024 and 2023 is as follows:

	Parent Company		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
	4	3	4	23
Income (loss) before income and social contribution taxes	69,287	(48,371)	104,395	(18,911)
Combined nominal rate	34%	34%	34%	34%
IRPJ/CSLL tax expense at the tax rate in force	(23,558)	16,446	(35,494)	6,430
Adjustments for calculation at the effective tax rate				
Equity pick-up	36,350	1,056	4,093	2,657
Donations	-	-	450	450
Fine and interest	112	-	3,817	-
Tax credits accrued (not accrued) and reduction in deferred tax asset	(10,758)	(17,502)	5,348	(32,763)
Total income and social contribution taxes	2,146	-	(21,786)	(23,226)
Effective rate (*)	3%	0%	-21%	123%
Income and social contribution taxes – Current	-	-	(26,097)	(24,982)
Income and social contribution taxes – Deferred	2,146	-	4,311	1,756

(*) The calculation of the effective rate is directly affected by the effects of the indirect subsidiaries that are taxed under the estimated profit regime and by the credits not set up on tax loss of the Company.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

6. Taxes and contributions – Continued

	Parent Company		Consolidated	
	07/01/2024	07/01/2023	07/01/2024	07/01/2023
	to	to	to	to
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Income (loss) before income and social contribution taxes	34,938	1,851	44,352	10,017
Combined nominal rate	34%	34%	34%	34%
IRPJ/CSLL tax expense at the tax rate in force	(11,879)	(629)	(15,080)	(3,406)
Adjustments for calculation at the effective tax rate				
Equity pick-up	11,515	7,030	1,780	605
Donations	-	-	-	-
Fine and interest	48	-	2,282	-
Tax credits accrued (not accrued) and reduction in deferred tax asset	2,462	(6,401)	7,922	(3,322)
Total income and social contribution taxes	2,146	-	(3,096)	(6,123)
Effective rate (*)	6%	0%	-7%	-61%
Income and social contribution taxes – Current	-	-	(6,419)	(6,711)
Income and social contribution taxes – Deferred	2,146	-	3,323	588

d) Deferred income and social contribution tax assets and liabilities

The balances of deferred income and social contribution taxes are as follows:

	Consolidated	
	09/30/2024	12/31/2023
Assets		
Tax loss and negative social contribution tax base	141,940	158,600
Temporary differences		
Provision for doubtful debts	52,902	52,899
Provision for contingencies	6,390	7,302
Tax credits not recognized for reaching the recoverability limit	(70,166)	(71,077)
	131,066	147,724
Liabilities		
Temporary differences		
Use of goodwill generated on acquisitions incurred between 2006 and 2009	(21,417)	(21,417)
Adjustment to present value / fair value and other temporary differences	(31,196)	(50,020)
	(52,613)	(71,437)
Deferred income and social contribution tax assets (liabilities)	78,453	76,287

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

6. Taxes and contributions – Continued

d) Deferred income and social contribution tax assets and liabilities – Continued

The calculation of the expected offset of taxes against tax losses and negative base factored in assumptions based on our business plan and the projected taxable income for the years ahead, taking into account the undertaking of corporate restructurings made and expected for Orizon Meio Ambiente, realization of the fair value of the debentures operation carried out between Orizon Valorização de Resíduos and its subsidiary Orizon Meio Ambiente, with realization of fair value calculated in the origin of the transaction, in addition to improvement in operating performance, and, thus, increase in the taxable base.

Aiming at the best operational and administrative efficiency, the Company has an interest in merging the newly-acquired companies into Orizon Meio Ambiente, so it did not create a deferred tax liability on the fair values allocated. On February 28, 2023, Orizon Meio Ambiente absorbed its subsidiary SPE Paulínia. In addition, the Company is still assessing mergers of newly-acquired assets.

Management is of the opinion that the assumptions in preparing the projected results and, consequently, in determining the realization amount of the deferred taxes, are in compliance with the Company's business plan.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

6. Taxes and contributions – Continued

d) Deferred income and social contribution tax assets and liabilities -- Continued

Based on a technical study of the estimated taxable income calculated in accordance with CPC/32 IAS 12, we expect to recover the tax credit arising from temporary differences and accumulated losses, as shown below:

2025	2,824
2026	5,490
2027	8,633
2028	10,821
2029	12,690
2030	14,103
2031	15,986
2032	17,319
2033	19,339
2034	23,861
TOTAL	131,066

Tax losses and negative income and social contribution tax bases are not subject to the statute of limitation for offset purposes. However, offset is limited to 30% of the taxable income of the year when the offset occurs.

The deferred tax liability registered by the subsidiary Orizon Meio Ambiente refers to the effect of 34% on the tax deductibility of the installments of tax amortization of goodwill, which, for accounting purposes, ceased as from 2009.

The balances of deferred income and social contribution tax assets and liabilities are shown net and are as follows:

Deferred tax assets (Consolidated)

	Consolidated					
	09/30/2024			12/31/2023		
	Deferred assets	Deferred liabilities	Net. effect	Deferred assets	Deferred liabilities	Net. effect
Orizon Meio Ambiente (*)	131,066	(52,613)	78,453	147,724	(71,437)	76,287
Orizon	30,260	(30,260)	-	30,260	(30,260)	-

(*) On September 30, 2024, the Company had deferred tax liabilities on the adjustment to fair value of its 5th issue of debentures transaction, on the parent company, and on adjustments to fair value of a loan from Banco Bradesco and of a debt arising from the acquisition of Estre in the consolidated information.

Additionally, as of December 31, 2023, Orizon Valorização de Resíduos had tax credits on tax losses and negative income and social contribution tax base totaling R\$214,929. This amount is not reflected in the financial statements due to the absence of expected realization within a reasonable period.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

6. Taxes and contributions – Continued

e) Deferred PIS and COFINS taxes

As of September 30, 2024 and December 31, 2023, the Company deferred PIS (0.65%) and COFINS (4%) taxes recorded on the effect recognized in income arising from the FIDC NP transaction.

Description	Parent Company and Consolidated	
	09/30/2024	12/31/2023
Financial instrument measured at fair value	89,001	89,001
Deferred PIS and COFINS tax liabilities	4,139	4,139

7. Transactions with related parties

Details of the transactions between us and our related parties are shown below:

Related Parties – Assets	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Orizon Meio Ambiente (1)	96,635	340,419	-	-
Foxx Holding (1)	110,678	16,641	-	-
CTR Nova Iguaçu (1)	1,828	1,828	-	-
Orizon Energia e Gás Renovável (1)	216,286	800	-	-
CGR Cuiabá (1)	125	125	-	-
Orizon Economia Circular (1)	618	196	915	293
Biometano Paulínia Verde (1)	-	2	-	-
Metropolitana Serviços (1)	278	-	1,203	1,405
LS Participações (2)	-	-	3,687	1,155
Ecofort Amazon (1)	-	-	1,859	-
Gera Energia Brasil (1)	-	-	153	153
Total	426,448	360,011	7,817	3,006

(1) The balances refer to checking account transactions for working capital purposes.

For Orizon Meio Ambiente, the balance originated primarily from the acquisition of SPE Maceió, given that, in connection with such transaction and with the completion of the acquisition of UPI Aterros, the Parent Company delivered 4,636,353 shares to Jive, totaling an amount of R\$184,064, which generated a balance receivable from its subsidiary Orizon Meio Ambiente.

In addition, during the first half of 2023, OVR carried out transfers to OMA, primarily of funds raised in the subsequent offering of shares, for maintenance of working capital and continuance of investments in progress.

(2) The balances refer to checking account transactions with a non-controlling shareholder of Foxx URE-JP and LS Participações.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

7. Transactions with related parties – Continued

Related Parties – Liabilities	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
CTR Barra Mansa (1)	18,113	18,113	-	-
CTR Alcântara (1)	8,632	8,632	-	-
Barueri Energia (1)	-	5,217	-	-
Foxx Inova (1)	11,670	11,670	-	-
Orizon Energia e Gás Renovável (1)	-	413	-	-
Ecofort Amazon (1)	-	-	-	296
SABESP (3)	-	-	-	16,430
UTE Paulínia Verde (2)	-	-	3,299	4,223
Total	38,415	44,045	3,299	20,949

(1) Refers to checking account transactions for investments and maintenance of working capital. On September 30, 2024, the Company elected to write off the balance at its subsidiary;

(2) Refers to advance payment of dividends.

(3) Refers to SABESP's contributions in indirect subsidiary Barueri Energia Renovável for investments in the construction of the waste-to-energy plant.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

7. Transactions with related parties – Continued

Checking Account Transactions

The balances with related parties refer substantially to non-interest bearing, indefinite-maturity unsecured checking accounts. The settlement of balances affects the balances of banks and equity accounts of related parties, with no impact on income.

In order to avoid the unpredictability of inbound resources against obligations, the economic group started to perform “checking account” transactions so that the Company and its subsidiaries could achieve their corporate purpose, preserve their interests, fulfill their contracted financial obligations and, thus, avoid default and/or non-compliance of legal and contractual obligations that could have adverse financial effects for the Company’s economic group and, consequently, its shareholders.

The Company does not classify “checking account” transactions as a specific loan agreement on a given amount received, according to which the borrower undertakes the obligation to pay back the same quantity, quality and type. According to the Company, this transaction takes place in a checking account, where the establishment of a financial flow without previously defined conditions is assumed, and it is carried out according to working capital needs. Moreover, the funds and cash flows of the Company’s economic group companies currently follow the same financial policy and management, and the managers are responsible for deciding the best allocation of resources according to the aforementioned needs.

These operations do not involve the recognition of loss and/or loss expectations, or any formalization of guarantees, due to the fact that the companies of the Group are under the same economic and financial management.

Additionally, the Company holds debentures payable to the subsidiary Orizon Meio Ambiente, with details of their respective effects on income for the period in Note 12. Service provision transactions between Group companies are eliminated in the consolidated statement of income, with no effect on the amounts presented.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued
September 30, 2024
(In thousands of Brazilian *Reais*)

7. Transactions with related parties – Continued

Compensation of key management personnel

We consider as “key management personnel” only those members of our statutory executive board and the members of the board of directors. On September 30, 2024 and 2023, the compensation of key management personnel can be summarized as follows:

	Consolidated	
	09/30/2024	09/30/2023
Compensation of key management personnel	6,932	6,197

Others

We have no additional post-employment obligations, nor do we offer other long-term benefits such as leave for time of service and other time-of-service benefits. We also do not provide other benefits on the termination of the members of our senior management, in addition to those defined by the labor legislation prevailing in Brazil.

According to Brazilian Corporate Law (Law no. 6.404/76) and our bylaws, it is the responsibility of the general shareholders’ meeting to establish the annual global amount of management compensation, with the board of directors being responsible for distributing such amount among the members of our management.

Organization of an investee for biomethane production in Paulínia

The Company concluded the transaction with Edge for operation for a 20-year period in which it undertakes to provide space in Paulínia landfill for the construction and operation of the plant and to supply biogas for the production of biomethane (See Notes 1 and 25).

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

8. Other assets and liabilities

a) Other assets

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Advance of awards (1)	-	-	5,850	5,850
Advances to employees (2)	-	-	4,708	4,292
Advances to suppliers (3)	966	2,106	21,035	22,133
Advances for acquisition of new business (4)	-	-	20,709	17,703
Inventories (5)	-	-	9,276	3,297
Insurance (5)	-	-	4,938	1,545
Others (6)	1,065	-	9,084	5,213
Total	2,031	2,106	75,600	60,033
Current	2,031	2,106	69,438	55,392
Non-Current	-	-	6,162	4,641

- (1) Refers to the advance of future awards to the city administration of São Gonçalo via rebate in the fixed monthly amount of R\$65 on the invoices issued against it, for future offset against revenue from sales of carbon credits as provided for in the concession agreement. Bearing in mind that the generation of carbon credits began in 2016, these amounts will begin to be realized after completion of the court investigation of the receivable amounts claimed from the city administration of São Gonçalo (Note 1).
- (2) This refers substantially to advances to employees (salaries, vacation pay, and travel, among others).
- (3) Refers primarily to the amounts of advances to service providers, property insurance and healthcare.
- (4) Refers to loans contracted in the context of the acquisition of Porto Velho ecopark, of which R\$14,037 are outstanding with remuneration at IPCA + 1% p.m. Additionally, in August 2023 the Company formally started the process of acquiring a landfill located in Juazeiro do Norte, Ceará, with a prepayment amounting to R\$4,800; in addition to the foregoing, other contributions were made in connection with an evaluation for acquisition of new investments.
- (5) The balances of the inventories of Jaboatão and Paraíba UTEs, which were purchased in September 2024, were allocated to this item, as well as new insurance coverages that were contracted for the new operations.
- (6) The outstanding balance refers to the indirect subsidiary CTRNI, which has an amount of R\$4,596 provisioned under contingencies relating to the potential collection of ICMS on sales of biogas. An asset in the same amount was recorded as a contra account, given that such tax would be added to the final price in case of actual taxation of the transaction.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

8. Other assets and liabilities – Continued

b) Other Liabilities

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Acquisitions payable (1)	-	-	3,212	4,471
Other securities payable (2)	16	15	1,688	1,263
Provision for landfill decommissioning (3)	-	-	26,081	23,055
Total	16	15	30,981	28,789
Current	16	15	1,688	5,691
Non-current	-	-	29,293	23,098

(1) Refers to the outstanding balance for the acquisitions of CGR Cuiabá and CGR Ambiental.

(2) Refers mainly to amounts originating from agreements with judicial providers whose payments are made in installments.

(3) Refers to amounts provisioned for closing of landfills arising from acquisitions: SPE Paulínia, SPE Itapevi, SPE Tremembé, and SPE Rosário do Catete. The provision is due to the fact that such landfills are private, and the obligation to demobilize them falls on the Company.

9. Investments

The variation in investments as of September 30, 2024 and December 31, 2023, is as follows:

	Parent Company – 09/30/2024			
	12/31/2023	Capital increase/ Other	Comprehensive income (*)	Equity pickup result
				09/30/2024
Orizon Meio Ambiente	698,302	(9)	6,667	59,896
Foxx Holding	61,414	-	-	12,981
Orizon Energia	80,706	-	-	33,385
Orizon Economia Circular	(470)	600	-	650
Total	839,952	591	6,667	106,912
				954,122

(*) Refers to the recognition of proportional equity pickup from a non-controlled investee due to the contribution of a residual fraction of a plot of land, generating a reflexive investment gain.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

9. Investments–Continued

	Parent Company – 12/31/2023		
	12/31/2022	Equity pickup result	12/31/2023
Orizon Meio Ambiente	709,571	(11,269)	698,302
Foxx Holding	45,250	16,164	61,414
Orizon Energia	17,154	63,552	80,706
Orizon Economia Circular	-	(470)	(470)
Total	771,975	67,977	839,952

	Consolidated – 09/30/2024				
	12/31/2023	Reclassifications /Dividends	Comprehensive income (*)	Equity pickup result	09/30/2024
SES Haztec	(158)	-	-	-	(158)
Vamtec Orizon	2,738	(1,530)	-	731	1,939
UTE Paulínia (i)	9,814	(9,577)	-	7,020	7,257
Metropolitana Serviços Ambientais	12,618	-	-	1,116	13,734
CTR Santa Luzia (*)	24,087	-	6,667	1,234	31,988
	49,700	-	-	1,938	51,638
Biometano Verde Paulínia					
Total	98,799	(11,107)	6,667	12,039	106,398

(*) Refers to the recognition of proportional equity pickup from a non-controlled investee due to the contribution of a residual fraction of a plot of land, generating a reflexive investment gain.

	Consolidated – 12/31/2023				
	12/31/2022	Capital increase /advance for future capital increase/ Acquisitions/Recla ssifications	Gain in measureme nt of investment at fair value	Equity pickup result	12/31/2023
SES Haztec	(158)	-	-	-	(158)
Vamtec Orizon	2,317	993	-	(572)	2,738
UTE Paulínia (i)	30,940	(30,703)	-	9,577	9,814
Metropolitana Serviços Ambientais	10,827	1,102	-	689	12,618
CTR Santa Luzia	-	23,421	-	666	24,087
Biometano Verde Paulínia	-	-	49,000	700	49,700
Total	43,926	(5,187)	49,000	11,060	98,799

(i) In the fiscal year 2023, the advance for future capital increase was returned from UTE Paulínia to its subsidiary Orizon Environment.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

9. Investments–Continued

Composition of the balance

Financial information of direct and indirect subsidiaries, indirect joint ventures, and indirect affiliate:

Investment	Orizon Meio Ambiente	Foxx	Vamtec Orizon (i)	SES Haztec (i)	UTE Paulínia (ii)	SPE Metropolitana	Orizon Energia	Biometano Verde Paulínia	CTR Santa Luzia	Economia Circular
<u>Shareholders' equity on:</u>										
09/30/2024	764,856	74,395	4,914	(316)	21,771	27,468	114,091	105,384	63,976	780
12/31/2023	698,302	61,414	5,476	(316)	29,752	25,236	80,706	101,439	33,286	(794)
<u>Income for the period/year ended:</u>										
09/30/2024	59,896	12,981	1,462	-	21,060	2,232	33,385	3,955	2,468	650
12/31/2023	(11,269)	16,164	(1,144)	-	28,731	1,378	63,552	1,474	1,332	(793)

(i) SES Haztec has no income for the period and fiscal year shown. Furthermore, the income of Vamtec Haztec had already been recognized in Orizon Meio Ambiente, which holds 50% of the equity of this investee, affecting only the consolidated balance sheet of ORIZON.

(ii) The subsidiary Orizon Meio Ambiente has an interest of 33.33% at UTE Paulínia.

	<u>Parent Company</u>		<u>Consolidated</u>	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Investments	954,122	839,952	106,556	98,957
Provision for losses on investments	-	-	(158)	(158)
Total net	954,122	839,952	106,398	98,799

Orizon Valorização de Resíduos S.A.

Notes to the interim individual and consolidated financial information -- Continued

June 30, 2024

(In thousands of *Reais*)

10. Property and equipment (consolidated)

Property and equipment, net	Consolidated								Total
	Land	Vehicles	Improvements to third-party properties (1)	Buildings	Furniture and Fixtures	Machines and equipment	Facilities (2)	Goodwill	
Cost									
Balance on December 31, 2022	36,572	10,027	10,121	4,474	7,240	97,974	1,415,692	50,875	1,632,975
Balance from acquisitions of companies	-	-	-	-	-	-	20,950	-	20,950
Additions	7	981	-	109	985	5,497	247,314	-	254,893
Write-offs	(2,314)	(423)	-	(686)	-	-	(100)	-	(3,523)
Provision for impairment	-	-	-	-	-	-	(35,391)	-	(35,391)
Reclassifications	-	-	-	-	-	-	-	6,120	6,120
Balance on December 31, 2023	34,265	10,585	10,121	3,897	8,225	103,471	1,648,465	56,995	1,876,024
Balance from acquisitions of companies	318	-	-	-	51	90,720	61,423	-	152,512
	3,566	-	-	(3,331)	458	3,376	370,766	-	374,835
Additions	-	(99)	-	-	4	(531)	200	-	(426)
Write-offs	-	10,486	10,121	566	8,738	197,036	2,080,854	56,995	2,402,945
Balances on September 30, 2024	38,149								
Accumulated depreciation									
Balance on January 1, 2023	-	(9,799)	(8,637)	(483)	(5,132)	(70,083)	(744,650)	(9,112)	(847,896)
Additions	-	(872)	(146)	(14)	(276)	(11,126)	(89,190)	(6,624)	(108,248)
Write-offs	-	520	-	270	3	-	94	-	887
Balance on December 31, 2023	-	(10,151)	(8,783)	(227)	(5,405)	(81,209)	(833,746)	(15,736)	(955,257)
Balance from acquisitions of companies	-	-	-	-	(9)	(18,695)	(10,467)	-	(29,171)
Additions	-	(155)	(201)	(11)	(196)	(3,203)	(46,690)	(4,879)	(55,335)
Write-offs	-	99	-	-	-	292	-	-	391
Balance on September 30, 2024	-	(10,207)	(8,984)	(238)	(5,610)	(102,815)	(890,903)	(20,615)	(1,039,372)
Property and equipment, net									
Balance on December 31, 2023	34,265	434	1,338	3,670	2,820	22,262	814,719	41,259	920,767
	38,149	279	1,137	328	3,128	94,221	1,189,951	36,380	1,363,573
Balance on September 30, 2024									

(1) According to the term of the lease agreements (average of 10% p.a.).

(2) Refers substantially to the construction of waste treatment "cells" (units), with depreciation using the useful life of each cell. This line item also includes the amount of R\$246,302 and R\$77,880 for projects for construction of the WIF and UTM units (note 1) of indirect subsidiaries Barueri Energia and UTM Jaboatão, respectively.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

11. Intangible assets (Consolidated)

<u>Intangible assets, net</u>	Consolidated	
	09/30/2024	12/31/2023
Acquisitions:		
Ecopesa Ambiental S.A. ⁽ⁱ⁾	35,235	35,235
Customer portfolio	41	172
Plastimassa Tecnologia em Tratamento de Resíduos Ltda. ⁽ⁱ⁾	8,065	8,065
ETR Gramacho ⁽ⁱ⁾	2,731	2,731
SPEs UPI Estre		
Licenses ⁽ⁱⁱ⁾	337,034	353,498
Client portfolio	2,149	2,350
CGR Cuiabá/ CGR Ambiental		
Licenses ⁽ⁱⁱ⁾	54,605	56,447
Provision for landfill closure	(2,045)	(2,045)
Juazeiro Ecopark	6,321	-
Oeste Ambiental	5,280	-
UTE Orizon Pernambuco	21,278	-
UTE Orizon Paraíba	1,752	-
Subtotal – goodwill and surplus value referring to acquisition of investments	472,446	456,453
CTRNI concession – allocation of purchase price	6,385	6,844
CTRA concession – allocation of purchase price	681	902
Subtotal – concessions	7,066	7,746
Determining factors for operating permits (LOs)	744	813
Software	982	858
Total	481,238	465,870

(i) Goodwill arising from acquisitions of investments between 2008 and 2009, up to 2016, and merged in the same periods. As goodwill is founded on future profitability, it is recognized and tested separately for impairment on a yearly basis.

(ii) The licenses are divided in 6 acquisitions and will be amortized until 2046.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued
September 30, 2024
(In thousands of Brazilian *Reais*)

11. Intangible assets (Consolidated)–Continued

The variation in intangible assets is as follows:

	Consolidated
Balance on January 1, 2023	525,522
Addition of intangible assets	441
Amortization – goodwill of acquired assets	(24,927)
Reclassification	(1,321)
Provision for impairment	(32,671)
Amortization of the intangible assets of the concession	(907)
Amortization of other intangible assets	(267)
Balance on December 31, 2023	465,870
Allocation of purchase price	34,631
Addition of intangible assets	159
Amortization of goodwill on acquired assets	(18,638)
Amortization of intangible assets of the concession	(680)
Amortization of other intangible assets	(104)
Balance on September 30, 2024	481,238

Impairment losses

At least once a year, we test the recoverable amount of the goodwill generated in business combinations by evaluating the value in use, where the estimated future cash flows are discounted to their present values using a pre-tax discount rate in a manner that reflects a current market evaluation of the value of the currency over time and the specific risks of the assets or the Cash Generation Unit (“UGC”). The amount of the goodwill ascertained in the business combination is allocated to the CGU or to the group of CGUs for which the benefit of the synergies from the combination is expected.

As part of the closing of the financial statements for the year ended December 31, 2023, the Company undertook an analysis of the indicators of impairment of assets. The Company did not identify any indication of impairment of these assets.

The Company believes that all its estimates are reasonable, consistent with the in-house reports, our businesses and reflect management’s best estimates. The impairment testing prepared each year is based on a series of judgments, estimates and assumptions. The key assumptions on which our management based their future cash flow projections, estimates and exercised their judgment are as follows:

- Projected operating results for the first year, based on the growth rate of the current year. The flows are based on the strategic plans approved by our board of directors. This is prepared on a per-business basis, when applicable, and takes into account external sources such as macroeconomic scenarios of the segment where we operate, the evolution of the business, inflation, currency rates and our historical results;

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

11. Intangible assets (Consolidated)–Continued

Impairment losses–Continued

- Projected operating results for future years, based on the results expected from capturing new clients, retention of existing clients and the development of new solutions for the market and the effectiveness period of the concession agreements. Management estimates recovering the goodwill amounts invested when acquiring businesses within a term of at least 10 years plus perpetuity, and for that analysis it used as assumptions the growth rates of the industry, rates of return on the investment made and the continuity of our operations. The considerations for the minimum term used are based on the concession agreements with clients whose terms exceed 10 years.

The analysis of impairment used the discounted future cash flow model applying a WACC (weighted average cost of capital) discount rate as per the following table. Future cash flow was adjusted for the specific risk of the segment of our subsidiaries, based on the risk determined by our management.

UGC	Average growth rate	Pre-tax discount rate	Net assets at 12/31/2023	Methodology used
Plastimassa	5%	15%	8,065	Value in use
Ecopesa	5%	15%	80,860	Value in use
ETR Jardim Gramacho	5%	15%	26,413	Value in use

At the close of the year ending December 31, 2024, the Company will revalue the UCGs and possible impacts on the need for recognizing a provision for impairment of the assets.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

12. Loans, financing and leases

Creditor	Subject	Maturity	Financial charges	Parent Company	
				09/30/2024	12/31/2023
Orizon Meio Ambiente (i)	Debentures	12/26/2032	CDI + 2.5% p.a.	561,118	510,035
Costs with issue of debentures	Debentures			(1,173)	(1,173)
Adjustments to Fair/Present Value	Debentures			(19,960)	(21,786)
Total				539,985	487,076
Current				74,201	-
Non-Current				465,784	487,076

(i) Amount arising from Orizon's debentures acquired by FIDC NP and paid in the debentures issued by Orizon Meio Ambiente. On December 30, 2022, the 4th issuance and renegotiation of the 5th issuance of debentures was discharged, extending their term with new payments flows, as detailed in this note.

Creditor	Subject	Maturity	Financial Charges	Consolidated	
				09/30/2024	12/31/2023
Banco ABC do Brasil	Working capital	10/11/2024 01/12/2026	CDI + 2,60% p.a. CDI + 2,47% p.a.	72,995	18,872
Banco do Brasil	Working capital	04/10/2026 06/10/2027	CDI + 2,21% p.a. CDI + 2,27% p.a.	66,798	-
Banco Itau	Working capital	09/25/2026	CDI + 1,65% p.a.	180,168	-
Debentures	Debentures	11/30/2028	CDI + 2,6% p.a.	402,172	402,128
Debentures	Debentures	11/15/2035	CDI + 3,8% p.a.	249,208	253,197
Debentures	Debentures	11/15/2031	IPCA + 6,76% p.a.	288,526	277,066
Debentures	Debentures	03/15/2043	IPCA + 7,7959% p.a.	403,330	-
Costs of issuing debentures				(65,614)	(32,624)
Banco Safra	Working capital	06/03/2024	8,11% p.a.	27,258	5,040
Adjustment to fair value – MTM swap				(1,122)	-
Banco Votorantim	Working capital	07/22/2024 04/02/2026	CDI + 2.6% p.a. CDI + 2.65% p.a.	69,285	10,652
Banco Bradesco	Working capital	04/30/2029	CDI + 1% p.a.	93,633	86,060
Adjustment to present value				(22,208)	(23,860)
International Finance Corporation ("IFC")	Corporate Financing Linked to Projects	04/15/2031	CDI + 2.9% p.a.	138,110	134,043
Debt raising costs				(7,064)	(4,012)
Costs with issue of Debentures (Parent Company)				(1,173)	(1,173)
Total				1,894,302	1,125,389
Current				308,682	45,583
Non-Current				1,585,620	1,079,806

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

12. Loans, financing and leases—Continued

The variation in loans and financing on September 30, 2024 and December 31, 2023 is as follows:

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Balance on January 1	487,076	418,912	1,125,389	1,015,154
Financial charges (result)	51,083	69,709	121,731	154,450
Financial charges (asset capitalization)	-	-	7,375	-
Adjustment to present value/MTM Swap	1,826	(1,428)	530	(409)
Foreign exchange variation	-	-	1,405	-
Funding	-	-	945,000	130,000
Costs to raise funds	-	(117)	(36,396)	(4,131)
Payment of principal	-	-	(178,644)	(36,750)
Payment of interest	-	-	(92,088)	(132,925)
Balances on September 30, 2024 and December 31, 2023	539,985	487,076	1,894,302	1,125,389

Payment schedule

On September 30, 2024, the balances of loans and financing classified in non-current liabilities are distributed by year of maturity, as follows:

	<u>Consolidated</u>
2025	55,710
2026	288,157
2027	211,406
2028	197,297
2029 onwards	833,050
Total	<u>1,585,620</u>

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued
September 30, 2024
(In thousands of Brazilian *Reais*)

12. Loans, financing and leases – Continued

Payment schedule – Continued

CTRNI – Banco ABC Brasil (Consolidated)

On June 11, 2021, the indirect subsidiary CTRNI raised the amount of R\$15,000 from Banco ABC Brasil, through the issuance of a single certificate. Such amount is remunerated at 100% of the CDI + 2.6% p.a. The debt will be repaid in 40 installments of R\$375, the first one maturing on June 12, 2021 and the last on October 11, 2024.

The loan has no guarantees and the early maturity clauses of such instruments are related to compliance with the same non-financial ratios already described in the section addressing the funds raised by Orizon Meio Ambiente with ABC.

Additionally, on December 8, 2022, indirect subsidiary CTRNI signed a Bank Credit Note (CDB) with Banco ABC do Brasil in the amount of R\$20,000. The debt will be settled in 8 semi-annual installments of R\$5,000, the first becoming due on January 9, 2023 and the last on January 12, 2026, bearing interest at 100% of the CDI variation + 2.9183% p.a. Interest will be paid monthly from the payment of the first installment of the principal amount. The Instrument also contains an acceleration clause subject to the maintenance of certain conditions set forth therein.

On September 25, 2024, the indirect subsidiary CTRNI signed with Banco ABC Brazil an Instrument for the Third Issue of Registered Trade Notes in the amount of R\$60,000. The debt will be settled in one single installment maturing on September 25, 2026, remunerated at 100% of the CDI + 2.47% p.a. Interest will be paid in three half yearly installments as from March 25, 2025. The Instrument includes an early maturity clause conditioned to the maintenance of certain conditions provided for in the document.

The debt has some financial and non-financial covenants that are common to this type of transaction.

As of September 30, 2024, the Company has no defaulted obligations.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued
September 30, 2024
(In thousands of Brazilian *Reais*)

12. Loans, financing and leases – Continued

Payment schedule – Continued

CTRNI – Banco Safra (Consolidated)

On June 4, 2024, indirect subsidiary CTRNI raised an amount of R\$30,000 (USD 5,718 converted at a rate of R\$5.25 as of the date of the contract) from Banco Safra through the issuance of a single international credit note. Such amount will bear interest at a fixed rate of 8.11% p.a. in foreign currency. The debt will be settled in 8 quarterly installments of R\$3,751 (USD 715), the first of which will become due on September 3, 2024 and the last on May 26, 2026. Since this is a debt in foreign currency, the Company entered into a swap agreement to protect against exchange rate fluctuations during the term of the debt; the final contracted rate is CDI + 2.3% p.a.

The debt has some financial and non-financial covenants, in line with other loans taken by the Company.

As of September 30, 2024, the Company had no unfulfilled obligations.

CTRNI – Banco do Brasil (Consolidated)

On April 29, 2024, indirect subsidiary CTRNI raised an amount of R\$15,000 from Banco do Brasil through the issuance of a single note. Such amount bears interest at the CDI + 2.21% p.a. The debt will be settled in 18 monthly installments of R\$833, the first of which became due on April 10, 2024 and the last on March 11, 2026.

Additionally, on June 24, 2024, indirect subsidiary CTRNI raised an amount of R\$50,000 from Banco do Brasil through the issuance of a single note. Such amount bears interest at 100% of the CDI + 2.27% p.a. The debt will be settled in 3 annual installments of R\$16,667, the first of which will become due on June 10, 2025 and the last on June 10, 2027.

The debt has some financial and non-financial covenants, in line with other loans taken by the Company. As of September 30, 2024, the Company had no unfulfilled obligations.

Orizon Valorização de Resíduos S.A.

Notes to the interim individual and consolidated financial information -- Continued
June 30, 2024
(In thousands of *Reais*)

12. Loans, financing and leases – Continued

Payment schedule – Continued

CTRNI – Banco Votorantim (Consolidated)

On April 1, 2024, the indirect subsidiary CTRNI signed with Banco Votorantim an Instrument for Issue of Registered Trade Notes in a Single Series, in the amount of R\$65,000, represented by 65,000 trade notes. The debt will be settled in 4 half yearly installments of R\$16,250, with the first installment maturing on October 2, 2024, and the last, on April 2, 2026, bearing interest of 100% of CDI variation + 2.65% p.a. The Instrument includes an early maturity clause conditioned to the maintenance of certain conditions provided for in the document.

The debts have some financial and non-financial covenants, mainly related to events of default with other financial institutions and court-approved reorganization, provided that there is no prior approval from creditor. In addition, it is worth mentioning the following other items of early maturity.

The debt has some financial and non-financial covenants, in line with other loans taken by the Company. As of September 30, 2024, the Company had no unfulfilled obligations.

Orizon Biometano Jaboatão – Trade Notes - Itau (Consolidated)

On September 11, 2024, the indirect subsidiary Orizon Biometano Jaboatão signed an Instrument of Issue of Single Series Trade Notes, in the amount of R\$180,000, represented by 180,000 trade notes. The debt will be settled in one single installment maturing on September 18, 2025, with interest of 100% of the CDI variation + 1.65% p.a. The Indenture has also an early maturity clause subject to the maintenance of certain conditions as provided for in the document.

On September 25, 2024, the indirect subsidiary Orizon Biometano Jaboatão signed a Private Agreement with Banco do Nordeste do Brasil in the amount of R\$70,000. The debt will be settled in one single installment maturing on September 18, 2025, bearing interest at 100% of the CDI variation + 2.8% p.a. The amount contracted was disbursed in the beginning of October 2024.

The debts have some financial and non-financial covenants, mainly related to situations of default with other financial institutions and corporate restructuring, as long as there is no prior approval by the creditor. In addition, it is worth highlighting the following other early maturity items:

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued
September 30, 2024
(In thousands of Brazilian *Reais*)

12. Loans, financing and leases – Continued

Payment schedule – Continued

Orizon Biometano Jaboatão – Trade Notes - Itau (Consolidated)--Continued

Early maturity of the debt may be declared in the event of: (1) declaration of bankruptcy; (2) significant deterioration of the economic-financial condition thus reducing the ability to pay debts; (3) protest of bills and/or declared maturity of debts in amounts greater than R\$5,000 (individual) and R\$30,000 (aggregate); among other less relevant items.

As of September 30, 2024 the Company had no unfulfilled obligations.

Orizon Meio Ambiente – Assumption of debt - Banco Bradesco - (Consolidated)

On June 23, 2020, the debt of Synthesis with Bradesco bank was assigned to Orizon Meio Ambiente, and the Company became a debtor of its direct subsidiary's debt, paying the debt that the Company had and was outstanding with Synthesis. As a result of this transaction, the Company has recognized the amount of R\$22,208 (R\$23,860 on December 31, 2023) as adjustment to present value, so as to reflect the flow of amounts receivable from the subsidiary Orizon Valorização de Resíduos. The effect of the adjustment to present value decreased the debt recorded in a reducing account in liabilities, which will be realized until the maturity thereof.

Accordingly, Banco Bradesco S.A. and Orizon Meio Ambiente, with the Company as intervening party and guarantor, signed a Private Instrument of Confession, Assumption of Debt and Other Covenants, according to which Orizon Meio Ambiente assumed the position of Synthesis before Banco Bradesco, to be paid as follows:

- (a) 12 monthly and consecutive installments of R\$327; and
- (b) Payment of the remaining outstanding balance on April 30, 2029

After June 19, 2021 interest began to be calculated at 0.08% per month, equivalent to an annual rate of 1%, while the amount added will be updated according to the daily variation corresponding to 100% of the rate of Interbank Deposit Certificates – CDIs, with a term of 1 business day, as calculated by *Central de Custódia e de Liquidação Financeira de Títulos* – CETIP. As per said document, Synthesis and the Company, as a result of the terms agreed in the Instrument of Confession and Assumption of Debt, granted each other mutual and reciprocal release, having nothing else to claim from each other, at any time and for any reason, regarding the balance existing between the parties.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued
September 30, 2024
(In thousands of Brazilian *Reais*)

12. Loans, financing and leases – Continued

Payment schedule – Continued

Orizon Meio Ambiente - Issuance of new debentures – 4th Issue (Consolidated)

On November 16, 2021, the 4th issue of simple, non-convertible debentures, with collateral, with additional personal security, in 2 series, of Orizon Meio Ambiente, for public distribution with restricted efforts, was approved pursuant to CVM Instruction No. 476 (revoked by CVM No. 160), of January 16, 2009, as amended, of 500,000 Debentures, of which: (i) 250,000 Debentures of the first series; and (ii) 250,000 Debentures of the second series, totaling R\$500,000 on the issuance date. The funds raised in the Issuance of the First Series Debentures will be used solely for the costs related to the Issuance, and for the achievement, adequacy and expansion of the waste treatment centers located in Barra Mansa, Nova Iguaçu and Alcântara, whereas the funds raised in the Issuance of the Second Series Debentures will be used to refinance the existing debts and for general use by the Company, in compliance with its corporate purpose. The series were issued by the subsidiary Orizon Meio Ambiente.

The debentures had a grace period for the principal, and as of November 2023, the principal and interest amounts will begin to be paid in semiannual installments until the respective maturities of the first and second series, on November 15, 2035 and November 15 of 2031, respectively. The series will be restated at CDI + 3.8% p.a. and IPCA + 6.76% p.a., respectively.

Said Private Deed has some financial and non-financial covenants mainly related to situations of default with other financial institutions and court-approved reorganization where there is no prior approval from the bookkeeping financial institutions, whose valuation is effective as from the base date of September 30, 2022. Among these, the following are noteworthy:

- Listing of the subsidiary Orizon Meio Ambiente at CVM - Type B. In the 4th quarter of 2022, Orizon Meio Ambiente obtained its registration with the CVM (the “Brazilian Securities Commission”) in the Type B category for carrying out equity transactions.
- Presentation of the financial statements of Orizon and its subsidiary Orizon Meio Ambiente, together with the independent auditor’s report, within 90 days for the fiscal year (complete annual audit) and 45 days for the quarterly information (limited reviews);
- Maintenance of certain economic and financial ratios verified at the end of each quarter, such as:

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued
September 30, 2024
(In thousands of Brazilian *Reais*)

12. Loans, financing and leases – Continued

Payment schedule – Continued

Orizon Meio Ambiente - Issuance of new debentures – 4th Issue (Consolidated) – Continued

- Net Debt x EBTIDA – equal to or lower than 4.5x to 3.5x staggered until maturity;
- EBTIDA x Financial Expenses – Not lower than 2.0x;
- Debt Service Coverage - Not less than 1.25x
- Not to be in default with the debenture holders, maintaining payments on a regular basis, according to the Deed payment schedule;
- Not to assign or transfer its payment obligations from the Deed to third parties or any Group company;
- •No declaration of bankruptcy of the debtor or any guarantor;
- Not to terminate in advance any of the concession agreements of the indirect subsidiaries involved as guarantors of the Deed, among others.

On September 30, 2024, all covenants established in the debentures agreement are complied with.

Orizon Meio Ambiente – Issuance of new debentures – 5th Issue (Consolidated)

On November 11, 2022, the 5th issue of simple non-convertible debentures with collateral and additional personal guarantee in one (1) single series of Orizon Meio Ambiente S.A. (“Debentures”), a subsidiary of the Company, for public distribution with restricted efforts, pursuant to CVM Instruction 476 (revoked by CVM No. 160), of four hundred thousand (400,000) Debentures, totaling four hundred million *Reais* (R\$400,000) (sic) on the issuance date (“Issuance”). The proceeds from the Issue of Debentures will be used to (i) refinance OMA’s existing debts, and (ii) finance the expansion plan of the Company and its investees.

The debentures have a principal amount grace period until December 2025, and the principal amounts started to be paid in 36 monthly installments by November 2028. Interest will be paid monthly beginning in December 2022. The remuneration on such issue is 100% of the CDI + 2.4% p.a. The Private Deed contains some financial and non-financial covenants, related mainly to default with other financial institutions and court-approved reorganization without the prior approval of the banks bookkeeping the debentures, the valuation of which is valid since the base date of September 30, 2022. Among these, we highlight:

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued
September 30, 2024
(In thousands of Brazilian *Reais*)

12. Loans, financing and leases – Continued

Payment schedule – Continued

Orizon Meio Ambiente – Issue of new debentures – 5th Issue (Consolidated) – Continued

- Presentation of the financial statements of Orizon and its subsidiary Orizon Meio Ambiente, accompanied by the independent auditor's report, within 90 days for the fiscal year (complete annual audit) and 45 days for the quarterly information (limited reviews).
- Maintenance of certain economic and financial ratios determined as of the end of each quarter, such as:
 - Net Debt x EBTIDA Ratio – equal to or lower than 4.5x to 3.5x staggered until maturity;
 - EBTIDA x Financial Expense Ratio – Not less than 2.0x;
 - Not being in default with debenture holders, making payments regularly in accordance with the payment schedule set forth in the Deed;
 - Not assigning or transferring its payment obligations under the Indenture to third parties or to any Group company;
 - No adjudication of bankruptcy decree of the debtor or of any guarantor;
 - Not terminating in advance any of the concession agreements of the indirect subsidiaries involved as guarantors of the Indenture, among others.

On September 30, 2024, all restrictive clauses established in the debentures agreement were complied with.

Signing of a financing agreement with the International Finance Corporation (“IFC”)

On September 30, 2023, Orizon Meio Ambiente entered into a financing agreement with IFC, the private sector arm of the World Bank, to strengthen the group's growth and positioning strategy. The financing, in the amount of R\$130,000, released on September 4, 2023, aiming especially for reimbursement of investments made in mechanized sorting and manure treatment stations, with final maturity on April 15, 2031, with a 1-year grace period on the principal amount and semiannual payments of interest and principal amount.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued
September 30, 2024
(In thousands of Brazilian *Reais*)

12. Loans, financing and leases --Continued

Payment schedule – Continued

Signing of a financing agreement with the International Finance Corporation (“IFC”) – Continued

The financing has some financial and non-financial covenants, the most important of which are highlighted below:

- Net Debt x EBTIDA Ratio – equal to or lower than 4.5x to 3.5x, the lesser of which must occur from 2025 onwards;
- EBTIDA x Financial Expense Ratio – Not less than 2.0x;
- Debt service coverage ratio – Not less than 1.25x;
- Restriction on corporate restructurings, except as permitted under the loan agreement;

Barueri Energia – Issue of new debentures

On July 2, 2024, the 1st issue of simple, non-convertible debentures, with security interest and additional personal guarantee, in one single series was approved for the indirect subsidiary Barueri Energia Renovável (“Debentures”), in the total amount of R\$395,000 on the issue date. The date of issue of the Debentures is June 15, 2024, and the final maturity of these Debentures will occur at the end of a period of eighteen (18) years and nine (9) months from the date of issue, that is, March 15, 2043 (“Issue”), and they will have a maturity term of eighteen (18) years and nine (9) months from the date of issue, with a grace period of three (3) years for payment of interest and principal, monetarily adjusted by the IPCA index and bearing interest of 7.7959% per year with a base of 252 business days.

The Debentures benefit from the incentive provided for in Article 2, Paragraphs 1 and 1-B of Law No. 12.431 of June 24, 2011 and will be subject to public distribution, under the firm placement guarantee regime for all Debentures, by certain financial institutions that are part of the securities distribution system (the Underwriters). The offering will be registered under the automatic registration procedure and will be solely targeted at qualified investors (as defined in Article 12 of CVM Resolution No. 30 of May 11, 2021, under the terms of CVM Resolution No. 160 of July 13, 2022 (“CVM Resolution 160”) and other applicable legal and regulatory provisions.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

12. Loans, financing and leases --Continued

Payment schedule – Continued

Issue of new debentures - Barueri Energia--Continued

The net proceeds from the Issue will be used to implement the energy generation project through incineration of urban solid waste (“RSU”), with installed capacity of 20MW and receipt of 870 tons/day of RSU. The technology used in this plant is by far the most widely used in Waste-to-Energy (WtE) plants in the world, and its main attractions are the reduced area for installation, technological robustness, and the possibility of implementation in locations close to large urban centers.

The Debentures will be characterized as “green debentures” due to their compliance, in their material aspects, with the Green Bond Principles and good market practices for the issuance of green bonds, contributing to the mitigation of climate change and sustainable development. This characterization will be confirmed based on a second opinion issued by a specialized consulting firm, as provided for in the offering documents.

Finally, S&P Global Ratings assigned a “brAA-” rating, with a stable outlook, to the Issue, as per the press release issued on July 2, 2024.

On August 7, 2024, the public offering of the first (1st) issue of simple non-convertible debentures with security interest, with additional personal guarantee, in a single series, of Barueri Energia Renovável S.A. (the “Debentures”) was completed, with a total amount of three hundred and ninety-five million *Reais* (R\$395,000) having been paid up.

The debt has some financial and non-financial covenants that are common to this type of transaction.

As of September 30, 2024 the Company had no unfulfilled obligations.

5th Issue of simple non-convertible debentures – Amendment to the 4th Issue

On January 30, 2015, the Company issued a Private Non-Convertible Debenture Deed, with additional collateral and personal guarantees, in an amount of R\$150,000, in a single series, for a period of 7 years, with a coupon of the DI rate plus a margin varying from 2.5% to 4% p.a., depending on the Net Debt/EBITDA ratio.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

12. Loans, financing and leases --Continued

Payment schedule – Continued

5th Issue of simple non-convertible debentures – Amendment to the 4th Issue – Continued

The debentures had a grace period of 24 months in January 2017, in 21 quarterly installments until maturity that was originally scheduled for January 2022. As detailed in this note, the operation was supported by a waiver obtained in 2021, effective until November 2023, with the effect of suspending the maturity of this debt.

The 5th Issue of Debentures of the Company was renegotiated on December 26, 2022, with financial and non-financial covenants maintained, related mainly to default with other financial institutions and court-approved reorganization without the prior approval of the banks bookkeeping the debentures.

Renegotiation of the 5th issue and Release of the 4th issue of Simple Debentures

On December 26, 2022, an instrument (“Term Sheet”) was entered into between Orizon Meio Ambiente (the “Creditor”) and Orizon Valorização de Resíduos (the “Debtor”) for renegotiation of the 5th Issue of Simple Debentures. This renegotiation proposes a change in the payment flow, the first installment of which must be paid on December 26, 2024 and the last on December 26, 2032, while keeping the same remuneration conditions and restrictive clauses contained in the Original Indenture for these debentures.

On December 29, 2022, the subsidiary Orizon Meio Ambiente and the parent company Orizon Valorização de Resíduos entered into an instrument of full settlement of the 4th Issue of Simple Debentures, the settlement of which occurred for an amount of R\$305,964. On the settlement date, the debt was restated with a face value of R\$381,912, with the effect of deducting the AVJ in the amount of R\$75,948. At the time of settlement, the taxes payable on the realization of the AVJ were calculated, treated at the origin with the effects of deferred time. The balance of AVP and its respective deferred taxes were reversed in the amount of R\$59,060, being offset in the consolidated information by the entry of the subsidiary.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

12. Loans, financing and leases--Continued

Leases (Consolidated)

The Company and its subsidiaries have entered into lease agreements in the normal course of their business. The Company has adopted the following practical expedients to measure the impact of the application of CPC 06 (R2)/IFRS 16:

- Application of a single discount rate for a portfolio of leases with similar characteristics. The Company has adopted a rate of 9.5% p.a., its average cost of capital.
- Application of the exemption permitting non-recognition of right-of-use assets and lease liabilities for terms shorter than 12 months and for small amounts. Payments under these agreements will be recognized as expenses on a straight-line basis over the period of the lease. Expenses for agreements not affected by CPC 06 (R2)/ IFRS 16 are shown as equipment leases.
- Retrospective use of observable information to determine lease periods, taking into account options for extension or termination.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

12. Loans, financing and leases--Continued

Leases (Consolidated)--Continued

Orizon Meio Ambiente - Banco Safra (Consolidated)

On October 18, 2022, subsidiary Orizon Meio Ambiente entered into 2 Financial Lease Agreements with Banco Safra in the total amount of R\$9,667. The purpose of the agreements is the leasing of processing units for manure from landfills (ecopark) by reverse osmosis.

The debt will be settled in 48 monthly installments, the first becoming due in November 2022 and the last in October 2026, with interest at 2.86% p.a. The Instrument also contains an acceleration clause subject to the maintenance of certain conditions set forth in the document, such as: failure to pay contract installments, IPVA obligations, fines for traffic violations, among others.

Orizon Meio Ambiente - Société Générale Equipment Finance S.A. (Consolidated)

On August 17, 2023, OMA entered into a financing agreement with Société Générale Equipment Finance S.A. for the acquisition of a biogas suction and burning center in the amount of 7,337. The financing will be settled in 48 monthly installments of R\$135, the first one with maturity on October 28, 2023 and the last one on September 28, 2028, with remuneration of CDI + 3% p.a.

The following changes took place in leases as of September 30, 2024:

	<u>Consolidated</u>	
Balance on January 1, 2023	56,011	
New agreements added during the year – IFRS 16	29,323	
Payment of principal	(32,948)	
Payment of interest	(4,433)	
Interest appropriated during the year	4,433	
Balance as of December 31, 2023	<u>52,386</u>	
New agreements added during the period – IFRS 16	88,065	
Payment of principal	(43,597)	
Payment of interest	(2,695)	
Interest appropriated during the year	3,442	
Balance as of September 30, 2024	<u>97,601</u>	
	<u>09/30/2024</u>	<u>12/31/2023</u>
Current	50,151	29,057
Non-current	47,450	23,329

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

12. Loans, financing and leases--Continued

Leases (Consolidated)--Continued

Payment schedule (consolidated)

As of September 30, 2024, the balances of leases classified as non-current liabilities were divided into years of maturity as follows:

	<u>Consolidated</u>
2025	2,590
2026	21,137
2027	13,109
2028	8,987
2029 onwards	1,627
Total	<u>47,450</u>

Right-of-use assets (Consolidated)

Assets classified as right of use mainly relate to equipment lease and land rental agreements for use in landfills and projects.

The following changes took place in the balance of right-of-use assets as of September 30, 2024:

	<u>Consolidated</u>
Balance as of January 1, 2023	42,658
Additions during the year	29,323
Amortization of right of use during the year	<u>(31,311)</u>
Balance as of December 31, 2023	40,670
Addition of new agreements – IFRS 16	88,065
Amortization of right of use in the period	<u>(32,592)</u>
Balance as of September 30, 2024	<u>96,143</u>

Right to PIS and COFINS recoverable (Consolidated)

The Company has the right to PIS and COFINS recoverable embedded in the consideration for leases. Measurement of lease cash flows does not show tax credits, and the potential effects of PIS and COFINS on gross contractual flows as of September 30, 2024 in the amount of R\$4,033 (R\$3,048 as of December 31, 2023).

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

13. Trade accounts payable

Outstanding balances refer mainly to the purchase of materials and services for parent company projects and for use in landfills by the subsidiaries.

Outstanding balances as of September 30, 2024 and December 31, 2023 are given below:

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Trade accounts payable	12,615	1,295	68,396	59,533

14. Grants payable (Consolidated)

These are amounts varying from 2% to 10% of revenues from landfill services provided (CTRNI, CTRA and CTRBM) to customers other than the granting authorities.

Landfill	Grant percentage	09/30/2024	12/31/2023
Orizon Meio Ambiente	10%	101	101
CTRNI	10%	3,545	5,856
CTRAL	2%	4,058	3,570
CTRBM	6%	4,537	4,442
URE-JP	10%	280	849
Total		12,521	14,818

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

15. Salaries and social charges

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Salaries and fees payable	559	467	4,773	5,033
Social Security payable (INSS) payable	328	289	6,300	4,036
Unemployment Insurance (FGTS) payable	3	-	722	935
Provision and charges on vacation pay	91	-	14,172	12,976
Provision and charges on the 13th salary	39	-	7,032	-
Withholding income tax (IRRF) on salaries	737	522	2,402	1,813
Others	-	-	795	455
Total	1,757	1,278	36,196	25,248

16. Tax paid in installments

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
IRRF ⁽²⁾	8,170	9,767	8,170	9,777
INSS ⁽¹⁾	502	608	7,792	8,937
ISS	-	-	128	619
ICMS	-	-	959	1,437
COFINS ⁽¹⁾	2,909	3,470	21,638	23,174
IRPJ ⁽¹⁾	-	-	13,830	15,077
CSLL ⁽¹⁾	-	-	5,828	6,283
PIS ⁽¹⁾	473	564	5,577	5,948
PERT ⁽¹⁾	15	-	7,974	11,660
Total	12,069	14,409	71,896	82,912
Current	487	564	20,453	19,011
Non-current	11,582	13,845	51,443	63,901

(1) In the 4th quarter of 2020, the payment of federal taxes in the amount of R\$14,222 of the direct subsidiary Orizon Meio Ambiente and indirect subsidiaries CTRNI, CTRBM, CTRA, ETR e URE-JP was approved with maturity within up to 60 installments. Over 2021, those same companies adhered to new installment plans in the approximate amount of R\$14,000, under the same terms as the installment plans signed in 2020. In 2022, the Company adhered to new installment plans due to tax planning and the need for working capital, with the inclusion of INSS in the installment amounts.

(2) In the first quarter of 2023, the Company obtained an installment plan for IRRF on share-based payments, with a restated balance of R\$8,702 as of September 30, 2024.

Most of the installment plan balances will become due by 2027 and bear interest at the Selic rate.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued
September 30, 2024
(In thousands of Brazilian *Reais*)

16. Tax paid in installments (consolidated)--Continued

Payment schedule

As of September 30, 2024, the balances of taxes due in installments classified as non-current liabilities were divided into years of maturity as follows:

2025	7,716
2026	15,433
2027	15,433
2028 onwards	12,861
Total	<u>51,443</u>

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

17. Provision for contingencies

a) Contingent liabilities where a loss is probable

In the normal course of its business, the Company is the subject of labor, tax and civil claims. For each case or potential case, management assesses the probability that the final ruling may result in a loss for the Company and, based on this assessment, provisions were established to cover probable labor, tax and civil losses.

Management and its external legal counsel classify probable losses, for which provisions have been set up, as follows:

	Consolidated	
	09/30/2024	12/31/2023
Labor	8,482	11,210
Civil	2,944	2,945
Tax	7,367	7,322
Total	18,793	21,477

The following is a summary of changes in the contingencies:

	Consolidated			
	Labor	Tax	Civil	Total
Balance as of January 1, 2023	14,930	4,596	5,549	25,075
Additions (Reversals)	(2,331)	2,726	(300)	95
Payments	(1,389)	-	(2,304)	(3,693)
Balance as of December 31, 2023	11,210	7,322	2,945	21,477
Additions (Reversals)	(2,629)	65	534	(2,030)
Payments	(99)	(20)	(535)	(654)
Balance as of September 30, 2024	8,482	7,367	2,944	18,793

Labor claims are mainly related to the payment of overtime, transfer bonuses etc., frequently connected to disputes on severance pay.

The civil proceedings provided for are mainly related to the indirect subsidiary Barueri Energia, regarding disputes with suppliers in the implementation of a project for the waste-to-energy plant, which balances are substantially supported by court deposits.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued
September 30, 2024
(In thousands of Brazilian *Reais*)

17. Provision for contingencies -- Continued

a) Contingent liabilities where a loss is probable-- Continued

The Company continues to defend its interests in all these lawsuits and has set up a provision for probable losses where it has been served notice as a defendant.

b) Contingent liabilities where a loss is possible

As of September 30, 2024 and December 31, 2023, cases where losses were considered possible by management and its external counsel, not provisioned in the financial statements, were as follows:

Nature of the Cases	Consolidated	
	09/30/2024	12/31/2023
Civil (1)	124,058	122,562
Labor (2)	16,911	11,681
Tax (3)	301,269	289,068
Total	442,238	423,311

(1) *Civil*

- Incident motion for disregard of corporate veil in order to include the Company as a respondent in the main lawsuit.
- Foreclosure of credit arising from a Sales Agency Agreement.
- Class action filed before the Company alleging irregularities in a bidding process.
- Action for damages seeking sentencing the defendants to payment of damages for purported non-performance of a Sales Agreement and Other Covenants.
- Notice of violation issued due to alleged discharge of effluents in the water body.

(2) *Labor*

- Labor claims concerning severance pay to former employees.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

17. Provision for contingencies -- Continued

(3) Tax

- Notice of violation issued for collection of IRPJ, IRRF, PIS/ PASEP, COFINS, CSLL, Non-Recurring Fine, Cide tax on Shipments arising from alleged deduction of undue expenses during the period under audit.
- Notice of violation issue due to a tax audit of the company for collection of IRPJ, CSLL, PIS and COFINS due to alleged undue use of the presumption percentage for calculation thereof.
- Notice of violation issued for IRPJ/CSLL calculated based on presumptive profit for the 2016 and 2017 calendar years. According to the tax auditors, the company violated the tax law by applying the presumption percentages of 8% on gross revenue for calculation of IRPJ and 12% for CSLL, instead of a 32% percentage.
- Notice of violation issued due to a tax audit of the company for collection of IRPJ, CSLL, PIS and COFINS, under alleged undue use of the presumption percentage for calculation thereof.

c) Court deposits

Court deposits are mainly related to labor claims, in addition to court-ordered freezing of bank balances in civil proceedings and are held as non-current assets. As of September 30, 2024 and December 31, 2023, balances were as follows:

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Court deposits	-	-	6,018	10,938

Barueri Energia Renovável is subject to an Action for Execution of Extrajudicial Instrument filed by a supplier, demanding payment under a trading agreement between the parties.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

18. Advances from customers (consolidated)

The outstanding balances refer primarily to advances received from customers for the provision of waste treatment and final disposal services, which are offset as the services are performed and billed.

Below we show changes in the balances of advances from customers:

Balance as of January 01, 2023	24,140
Advances received	26,136
Offsets	(46,300)
Balance as of December 31, 2023	3,976
Advances received (*)	167,313
Offsets	(16,978)
Balance as of September 30, 2024	154,311
<hr/>	
Current	4,309
Non-current	150,002

On September 25, 2024, UTE Paraíba and UTE Pernambuco signed an electricity sale and purchase agreement in the amounts of R\$30,000 and R\$120,000 respectively. These agreements provide for the delivery of energy from January 1, 2026 to December 31, 2027.

Based on this agreement, the amount of R\$150,000 was advanced still in September.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of *Reais*)

19. Accounts payable

Acquisition of companies

Acquisition of SPEs - UPI Estre

As detailed in note 1, on April 19, 2022, the subsidiary Orizon Meio Ambiente completed the process of acquiring UPI Aterros. The changes in the balance are shown below:

	Flow of payment - Acquisition of SPEs Estre		
	(1)	(2)	Total
Balance as of January 1, 2023	47,295	324,818	372,113
Payments made during the year	(18,754)	(324,818)	(343,572)
Adjustment to present value	8,165	-	8,165
Balance as of December 31, 2023	36,706	-	36,706
Payments made in the period	(24,062)	-	(24,062)
Adjustment to present value	6,540	-	6,540
Balance as of September 30, 2024	19,184	-	19,184

Balances are entirely classified in current liabilities.

- (1) The amount will be settled in 48 fixed and non-adjustable installments of R\$1,562. As of September 30, 2024, there were 12 outstanding installments. Given that such long-term installments did not bear interest, the Company calculated the adjustment to present value. In September 2024, the Company advanced the amount of R\$10 million of the debt with Estre, and the early settlement of the full debt is scheduled for the beginning of 2025.
- (2) As of September 30, 2022, this amount was recorded under Equity Instruments in Shareholders' Equity, and was presented in this note for composition of the total debt for the acquisition of UPI Estre SPEs. In February 2023, the capital increase of Orizon was ratified, and a portion of the shares issued was delivered to Jive for discharge of the outstanding balance.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

20. Shareholders' equity

a) Capital stock

As of September 30, 2024 and December 31, 2023, the capital stock of the Company is R\$1,091,127, represented by 82,951 registered common shares of no par value, subscribed and fully paid up with the following capital structure.

The following table sets forth the composition of capital stock as of September 30, 2024:

Shareholder	Number of shares (thousands)	Percentage interest (%)
Reference Shareholders	35,593	42.91%
Hix Investimentos Ltda. ("HIX")	4,203	5.07%
Free Float	43,155	52.02%
Total	82,951	100%

The following table sets forth the composition of capital stock as of December 31, 2023:

Shareholder	Number of shares (thousands)	Percentage interest (%)
Reference shareholders	37,311	44.98%
Equitas Administração de Fundos de Investimento Ltda. ("Equitas") – Free Float	5,440	6.56%
Hix Investimentos Ltda. ("HIX") – Free Float	4,203	5.07%
Other shareholders - Free Float	35,997	43.40%
Total	82,951	100%

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

20. Shareholders' equity– Continued

b) Capital reserve

b.1) *Goodwill on the issuance of new shares*

On February 7, 2013, the Company swapped shares with Inovatec S.A. and thereby acquired a 100% interest in Foxx Holding. The investment was valued on the basis of the Foxx Holding shareholders' equity as of March 31, 2012, which was R\$2,815. However, when the investment was effectively recognized, Foxx Holding was valued at R\$5,838, an increase of R\$3,023. The Company recognized this sum as goodwill on the issue of new shares in the financial statements.

b.2) *Other reserves*

Conversion of equity instruments – Convertible Debentures

On January 1, 2013, the Company had an amount of R\$133,898 in equity instruments, i.e. convertible debentures. On February 7, 2013, Fundo de Investimento em Participações Multisetorial Plus, as a debenture holder of the Company, converted a portion of its debentures into shares in the amount R\$103,021, with a balance of R\$30,877 still remaining.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued
September 30, 2024
(In thousands of Brazilian *Reais*)

20. Shareholders' equity– Continued

b.2) Other reserves – Continued

Excess funds raised with the public offering of shares

On February 11, 2021, the Company formalized a capital increase in the amount of R\$381,400 upon issue of 17,336 new common shares, with value of R\$22.00 per unit. The quantity of shares increased from 54,164 to 71,500, and the amount increased from R\$544,323 to R\$844,323. These new shares were the subject matter of the Public Offering for Primary and Secondary Distribution of Common Shares. The Public Offering of Shares was held on February 17, 2021 at the price of R\$22.00 per common share (ORVR3). The Company raised the gross amount of R\$381,400, and received the amount of R\$359,977 net of transaction costs.

Given that the authorized capital increase was R\$300,000, the excess amount of R\$81,400 was allocated to the capital reserve line item in shareholders' equity.

Capital gain in transaction with partners

On December 22, 2022, Orizon sold 20% of the capital stock of Barueri Energia Renovável, generating a net gain of R\$28,313. Given that this transaction did not generate loss of control, the positive result of the transaction was allocated to shareholders' equity, under the other capital reserves line item.

Share-based payment

Additionally, 589 (thousand) shares, valued at R\$23,386, were used to settle the debt related to the share-based payment.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

20. Shareholders' equity– Continued

b.3) *Subscription Warrants*

On June 19, 2020, Orizon Meio Ambiente issued 10,000 subscription warrants, pursuant to Article 77 of Law 6.404/1976, as amendment (Brazilian Corporation Law), which were delivered in payment to the debenture holders of the Issues, in an amount corresponding to R\$156,664. The conditions for the issue of shares, the quantity, the price, term and form of payment, as well as other conditions and procedures, are provided for in the Subscription Warrants Certificate. This amount was recorded in shareholders' equity according to the conditions established with FIDC NP, represented by its manager Jive Asset Gestão de Recursos Ltda., for future conversion into capital stock of the company. Such conditions include: (1) the subscriber would be entitled to subscribe and pay 52,657 common shares; and (2) these shares would only be exercised in the case of a liquidity event. Such amount was fully exercised by Jive on the issuance of new occurred (sic) in April 2023.

c) Equity valuation adjustment

This represents the value in the Company books of the cost of R\$10,359 attributed to a piece of land located in the city of Barra Mansa - RJ, net of tax effects, in the financial statements on the transition date, January 1, 2009. In 2010, on initial adoption of the new standards, the land, which was in the books at acquisition cost of R\$1,304, was revalued to R\$16,999, giving a gross gain of R\$15,695 (R\$10,359 net of deferred income and social contribution taxes calculated at 34%).

d) Dividend distribution

The Company bylaws provide for the payment of mandatory minimum dividends of 5% of net income for the year, after transferring 5% to the legal reserve, as required by law.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

20. Shareholders' equity– Continued

e) Basic and diluted loss per share

In the six- and three-month periods ended September 30, 2024 and 2023, earnings per share were as follows:

	Parent Company		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Income (Loss) for the period	71,433	(48,371)	82,609	(42,137)
Number of common shares	82,951	82,951	82,951	82,951
Basic and diluted earnings (loss) per share*	0.86	(0.58)	1.00	(0.51)

	Parent Company		Consolidated	
	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023
Income (Loss) for the period	37,084	1,851	41,256	3,894
Number of common shares	82,951	82,951	82,951	82,951
Basic and diluted earnings (loss) per share*	0.45	0.02	0.50	0.05

* The Company does not have instruments with a diluting effect in the period.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

21. Net operating revenues (consolidated)

	Parent Company		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Gross operating revenues (*)	37,430	-	775,647	666,436
Deductions from gross revenues				
Social Integration Program – PIS	-	-	(10,366)	(8,413)
Contribution for Social Security Financing – COFINS	-	-	(47,654)	(38,768)
Service Tax – ISS	-	-	(31,083)	(27,806)
Tax on Circulation of Goods and Services – ICMS	-	-	(3,981)	(2,659)
Others	-	-	(2,304)	(6,058)
Total taxes levied	-	-	(95,388)	(83,704)
Cancelled sales	-	-	(6,992)	(5,043)
Net operating revenues	37,430	-	673,267	577,689

	Parent Company		Consolidated	
	07/01/2024	07/01/2023	07/01/2024	07/01/2023
	to	to	to	to
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Gross operating revenues(*)	37,430	-	282,876	220,545
Deductions from gross revenues				
Social Integration Program – PIS	-	-	(3,628)	(2,645)
Contribution for Social Security Financing – COFINS	-	-	(16,605)	(12,181)
Service Tax – ISS	-	-	(10,685)	(9,312)
Tax on Circulation of Goods and Services – ICMS	-	-	(1,556)	(826)
Others	-	-	551	(2,511)
Total taxes levied	-	-	(31,923)	(27,475)
Cancelled sales	-	-	(1,879)	(471)
Net operating revenues	37,430	-	249,074	192,599

(*) Regarding the parent company, this refers to the trading of carbon credits of subsidiaries' operations.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

22. General and administrative costs and expenses

Parent Company					
09/30/2024			09/30/2023		
Cost of services provided	General and administrative expenses	Total	Cost of services provided	General and administrative expenses	Total
Personnel	-	(10,416)	-	(7,200)	(7,200)
Third party services	-	(5,934)	-	(2,575)	(2,575)
Others	(10,412)	(1,039)	-	(529)	(529)
Total (*)	(10,412)	(17,389)	-	(10,304)	(10,304)

(*) As of September 30, 2024, the amount recorded in this line refers to the transfer of amounts from the trading of carbon credits to generation units (Orizon Meio Ambiente – Jaboatão and Foxx URE-JP-Paraíba), whose revenues were calculated by the Company.

Consolidated					
09/30/2024			09/30/2023		
Cost of services provided	General and administrative expenses	Total	Cost of services provided	General and administrative expenses	Total
Personnel	(93,106)	(49,494)	(92,288)	(40,295)	(132,583)
Production and consumption materials	(59,622)	-	(59,145)	-	(59,145)
Depreciation and amortization	(85,088)	(22,260)	(121,724)	(11,371)	(133,095)
Provision for closure of landfill	(3,027)	-	(1,622)	-	(1,622)
Third party services	(38,950)	(27,315)	(44,996)	(24,951)	(69,947)
Rents	(3,576)	(952)	(10,448)	(2,957)	(13,405)
Grants	(9,916)	-	(8,729)	(1,662)	(10,391)
Electricity	(13,858)	(196)	(8,203)	(287)	(8,490)
Fuels	(25,413)	-	(26,060)	(1,172)	(27,232)
Freights	(704)	(36)	(4,591)	(120)	(4,711)
Others	(24,577)	(17,448)	(19,262)	(8,929)	(28,191)
Total	(357,837)	(117,701)	(397,068)	(91,744)	(488,812)

Parent Company					
07/01/2024 to 09/30/2024			07/01/2023 to 09/30/2023		
Cost of services provided	General and administrative expenses	Total	Cost of services provided	General and administrative expenses	Total
Personnel	-	(2,123)	-	(2,485)	(2,485)
Third party services	-	(4,864)	-	(1,051)	(1,051)
Others	(10,412)	(119)	-	(329)	(329)
Total	(10,412)	(7,106)	-	(3,865)	(3,865)

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

22. General and administrative costs and expenses – Continued

	Consolidated					
	07/01/2024 to 09/30/2024			07/01/2023 to 09/30/2023		
	Cost of services provided	General and administrative expenses	Total	Cost of services provided	General and administrative expenses	Total
Personnel	(30,180)	(16,811)	(46,991)	(30,319)	(14,236)	(44,555)
Production and consumption materials	(14,494)	-	(14,494)	(14,839)	-	(14,839)
Depreciation and amortization	(33,249)	(6,621)	(39,870)	(35,852)	(1,382)	(37,234)
Provision for closure of landfill	(1,393)	-	(1,393)	3,848	-	3,848
Third party services	(14,422)	(13,103)	(27,525)	(13,541)	(10,842)	(24,383)
Rents	(330)	(500)	(830)	(9,388)	(857)	(10,245)
Grants	(3,305)	-	(3,305)	(2,883)	(776)	(3,659)
Electricity	(4,251)	(90)	(4,341)	(3,003)	(83)	(3,086)
Fuels	(8,438)	-	(8,438)	(8,508)	(263)	(8,771)
Freights	(83)	(6)	(89)	(659)	(40)	(699)
Others	(13,999)	(8,133)	(22,132)	(5,648)	(2,501)	(8,149)
Total	(124,144)	(45,264)	(169,408)	(120,792)	(30,980)	(151,772)

Below is a breakdown of depreciation costs and expenses and provision for closure of landfill, by their respective nature:

	09/30/2024	09/30/2023
Amortization of Ecoparks	(33,989)	(62,456)
Amortization of Goodwill	(23,520)	(24,480)
Amortization under IFRS 16	(32,592)	(23,190)
Other depreciations and provision for closure of landfill	(20,274)	(24,591)
Total	(110,375)	(134,717)
	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023
Amortization of Ecoparks	(12,589)	(11,365)
Amortization of Goodwill	(7,840)	(8,095)
Amortization under IFRS 16	(14,012)	(7,644)
Other depreciations and provision for closure of landfill	(6,822)	(6,282)
Total	(41,263)	(37,234)

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Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

23. Financial income and expenses

	Parent Company		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Financial income				
Adjustment to present value	-	-	3,110	260
Positive foreign exchange variation	205	-	5,540	1,318
Income from financial investments	1,219	15,236	20,872	18,690
Financial discounts obtained	-	2	27	265
Other income, interest	60	78	4,941	6,018
PIS and COFINS on interest income	(59)	(1,125)	(4,836)	(2,276)
Total	1,425	14,191	29,654	24,275
Financial expenses				
Adjustment to present value	(1,825)	(286)	(10,187)	(5,806)
Negative foreign exchange variation	(49)	-	(2,305)	(3,309)
Interest on borrowings and financing	(51,083)	(52,696)	(123,301)	(118,082)
Fine and interest	(328)	(2,078)	(11,226)	(7,836)
Discount granted	-	-	(539)	(1,210)
Other financial expenses	(566)	(304)	(3,809)	(7,262)
Total	(53,851)	(55,364)	(151,367)	(143,505)
Net financial income	(52,426)	(41,173)	(121,713)	(119,230)

	Parent Company		Consolidated	
	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023
Interest income				
Adjustment to present value	-	-	1,337	260
Positive foreign exchange variation	205	-	352	1,318
Income from financial investments	-	3,361	7,601	6,162
Financial discounts obtained	-	-	2	159
Other income, interest	57	78	1,631	2,732
PIS and COFINS on interest income	(2)	(181)	(1,580)	413
Total	260	3,258	9,343	11,044
Financial expenses				
Adjustment to present value	(619)	(109)	(6,077)	(2,189)
Negative foreign exchange variation	(49)	3	(2,305)	42
Interest on borrowings and financing	(17,917)	(18,349)	(43,086)	(37,458)
Fine and interest	(138)	531	(3,631)	(2,527)
Discount granted	-	-	467	87
Other financial expenses	(360)	(294)	(1,444)	(3,484)
Total	(19,083)	(18,218)	(56,076)	(45,529)
Net financial income	(18,823)	(14,960)	(46,733)	(34,485)

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

24. Segment reporting

The Group's reportable operating segments are shown in the table below:

	Consolidated				
	09/30/2024				
	Treatment and final disposal	Energy, Biogas and carbon credits	Waste processing /Waste to Energy (WtE)	Environmental engineering	Total
Net operating revenues	485,362	128,800	40,761	18,344	673,267
Cost of services provided	(195,543)	(14,814)	(40,633)	(18,732)	(269,722)
Gross profit before depreciation	289,819	113,986	128	(388)	403,545
Depreciation costs					(88,115)
Gross profit					315,430
Operating revenues (expenses)					
General and administrative expenses					(117,701)
Other revenues (expenses), net					16,340
Income before financial result and equity pickup					214,069
Financial result					
Financial income					29,654
Financial expenses					(151,367)
Financial result, net					(121,713)
Equity pickup					12,039
Income before income and social contribution taxes					104,395
Income and social contribution taxes					
Current					(26,097)
Deferred					4,311
Net income for the period					82,609

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

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(In thousands of Brazilian *Reais*)

24. Segment reporting --Continued

	Consolidated 09/30/2023			
	Treatment and final disposal	Energy, biogas and carbon credits	Waste processing /WtE	Environmental engineering
				Total
Net operating revenues	430,001	86,924	36,428	24,336
Cost of services provided	(192,702)	(10,746)	(46,547)	(25,349)
Gross profit before depreciation	237,299	76,178	(10,119)	(1,013)
Depreciation costs				(121,724)
Gross profit				180,621
Operating revenues (expenses)				
General and administrative expenses				(91,744)
Other revenues (expenses), net				3,628
Income before financial result and equity pickup				92,505
Financial result				
Financial income				24,275
Financial expenses				(143,505)
Financial result, net				(119,230)
Equity pickup				7,814
Loss before income and social contribution taxes				(18,911)
Income and social contribution taxes				
Current				(24,982)
Deferred				1,756
Net income for the year				
Loss for the period				(42,137)

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Notes to the individual and consolidated financial statements – Continued
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25. Commitments (consolidated)

Barueri Energia – Delivery of energy in compliance with auction:

In 2021, the company participated in and won two auctions for energy generation held by the federal government. As from 2027, the Company will sell 105,000 MWh annually, equivalent to 75% of its capacity, at an updated price of R\$613.64/MWh, totaling about R\$1.3 billion for a 20-year period, adjusted annually by the IPCA. The Company will have an installed capacity of 20 MWe, with capacity to receive approximately 300 thousand tons of urban solid waste per year.

Currently, the plant is still at construction stage, with completion forecast for 2026.

Carbon credits – Certification and delivery of carbon credits

The Company, through its indirect subsidiaries, has a commitment to deliver carbon credits, as detailed in note 5.

Supply of Biogas

Indirect investees – CTRNI and CTRA

Through its indirect subsidiaries, the Company has executed agreements effective until 2034 for the supply of biogas extracted from the operations at the Nova Iguaçu and São Gonçalo ecoparks. The agreements set prices from R\$0.12 to R\$0.14 per Nm³ (base date: October 2014), free of taxes, which will vary according to the amounts of biochemical gas supplied, readjusted annually by the IPCA/IBGE.

OMA - Biometano Verde Paulínia

The subsidiary OMA has a commitment to Biometano Verde Paulínia for provision of biogas. Biometano Verde Paulínia is a biogas purification plant at Paulínia Ecopark, with daily production estimated at 180,000 m³, which may reach up to 300,000 m³. The agreement is expected to begin by the end of 2025.

Additionally, there are other commitments, as listed below:

- Earn-out: for Biogas between 18,500 Nm³/h and 30,000 Nm³/h to be verified in a specific year, limited to the 5th year after beginning of supply. The Parties undertake to expand the capacity of the plant for this new volume.
- Take or pay contract - Biogas: Delivery of the totality of biogas for biomethane production at market prices for a 20-year term (with guaranteed supply, defined volumes, etc.).

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued
September 30, 2024
(In thousands of Brazilian *Reais*)

25. Commitments (consolidated)-Continued

OMA – Biometano Verde e Paulínia-Continued

- Take or pay contract - Biometano: Edge buys up to the totality of biomethane produced by the Paulínia plant at market prices for a 10-year period.

Signature of Biomethane Purchase and Sale Agreement

On July 15, 2024, a purchase and sale agreement was signed on the biomethane to be generated at Itapevi's ecopark ("Itapevi Agreement"). The document was entered into between BioE and Edge Comercialização S.A., which is controlled by Compass Gás e Energia S.A. ("Edge" and, jointly with BioE, the "Parties").

According to the Itapevi Agreement, BioE will make available and sell to Edge, for a period of 10 years as from the second half of 2026, an estimated average volume of at least 25 thousand m³/day of biomethane.

Regarding the commercial aspects, the Agreement defines a fixed price, adjustments according to inflation, and a variable compensation linked to the specific metrics established in the agreement's documents.

Strategic Partnership for Acquisition of Biogas in the Metropolitan Regions of Curitiba and Ribeirão Preto

On September 20, 2024, through its subsidiary BioE, the Company signed a strategic partnership for exploration of biogas at the landfills of Fazenda Rio Grande (located in the metropolitan region of Curitiba/State of Paraná) and Guatapar (located in the metropolitan region of Ribeiro Preto/State of So Paulo), both owned by Estre Ambiental – Em Recuperao Judicial ("Estre").

Under this partnership, BioE and Estre signed biogas purchase and sale agreements with a term of twenty (20) years and prices similar to those practiced by Orizon VR in its current agreements. The agreements will allow an estimated daily production of up to 170,000 m³ of biomethane. The plants, which will be fully owned by BioE, should start to operate in 2027.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

25. Commitments (consolidated)-Continued

Strategic Partnership for Acquisition of Biogas in the Metropolitan Regions of Curitiba and Ribeirão Preto--Continued

The agreements also provide for responsibilities between the parties that are common to this type of operation, such as, among others, obligations on the purchase and delivery of biogas, penalties, investments and guarantees, under certain conditions.

26. Financial instruments

a) Risk management objectives and strategies

As its policy for financial asset management, the Company is always seeking to improve yield without undue risk. Criteria and indicators are selected to show the level of liquidity, market and credit risks.

In the normal course of its business, the Company is exposed to market risks such as interest rates, liquidity, credit etc.

The main financial instruments used by the Company are listed below:

		09/30/2024			
		Parent Company		Consolidated	
	Category	Book value	Fair value	Book value	Fair value
Financial assets					
Cash and cash equivalents	Amortized cost	62	62	668,551	668,551
	Fair value through profit or loss	-	-	125,628	125,628
Securities	Amortized cost	7,348	7,348	275,429	275,429
Trade accounts receivable		426,448	426,448	7,817	7,817
Receivables from related parties	Amortized cost	-	-	6,018	6,018
Court deposits and surety	Amortized cost	-	-		
Financial liabilities					
Trade accounts payable	Amortized cost	12,615	12,615	68,396	68,396
Loans and financing	Amortized cost	539,985	539,985	1,894,302	1,894,302
Leases	Amortized cost	-	-	97,601	97,601
Accounts payable to related parties	Amortized cost	38,415	38,415	3,299	3,299
Grants payable	Amortized cost	-	-	12,521	12,521
Advances from customers	Amortized cost	-	-	154,311	154,311

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

26. Financial instruments--Continued

a) Risk management objectives and strategies--Continued

Category		12/31/2023			
		Parent Company		Consolidated	
		Book Value	Fair Value	Book Value	Fair Value
Financial assets					
Cash and cash equivalents	Amortized Cost	36,299	36,299	289,426	289,426
	Fair value through profit or loss	16,506	16,506	33,608	33,608
Securities					
Trade accounts receivable	Amortized Cost	-	-	232,740	232,740
Receivables from related parties	Amortized Cost	360,011	360,011	3,006	3,006
Court deposits and surety	Amortized Cost	-	-	10,938	10,938
Financial liabilities					
Trade accounts payable	Amortized Cost	1,295	1,295	59,533	59,533
Loans and financing	Amortized Cost	487,076	487,076	1,125,389	1,125,389
Leases	Amortized Cost	-	-	52,386	52,386
Accounts payable to related parties	Amortized Cost	44,045	44,045	20,949	20,949
Grants payable	Amortized Cost	-	-	14,818	14,818
Advances from customers	Amortized Cost	-	-	3,976	3,976

Indirect controlling company CTRNII has a swap contract for foreign exchange coverage of the credit transaction with Banco Safra, in accordance with an agreement entered into in June 2024.

Management also believes that the book values of the other financial instruments are not significantly different from their fair values, since the interest rates applicable to them are not significantly different from market rates.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued
September 30, 2024
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26. Financial instruments--Continued

a) Fair value hierarchy

Technical Pronouncement CPC 48/ IFRS 9 – Financial Instruments defines fair value as the value/price that would be obtained for selling an asset or paid on transfer of a liability in an ordinary transaction between market participants on the measurement date. The standard states that fair value must be based on the premises that the participants in a market use when attributing a value/price to an asset or liability, and establishes a hierarchy which gives priority to the information used to define these premises. The fair value hierarchy gives more weight to information available in a market (i.e. observable data) and less to information based on data showing little or no market activity (i.e. non-observable data). The standard also requires a company to consider every aspect of nonperformance risk, including the company's own credit, to measure the fair value of a liability.

CPC 48/ IFRS 9 establishes a three-level hierarchy to be used to measure and report fair value. An instrument is categorized in the fair value hierarchy according to the lowest level of significant input for its measurement. A description of the three levels of this hierarchy follows:

Level 1 - Inputs are based on prices practiced in an active market for identical assets or liabilities on the measurement date. The Company must also be able to trade in this active market, and must not be able to adjust the price. As of September 30, 2024, the Company was not holding any financial instruments classified as Level 1.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

26. Financial instruments--Continued

b) Fair value hierarchy – Continued

Level 2 - Inputs are directly or indirectly observable for the asset or liability, but do not qualify as Level 1. Level 2 inputs include prices in an active market for similar assets or liabilities, prices in an inactive market for identical assets or liabilities; or inputs that are observable or that may corroborate the observation of market data by correlation or otherwise, for substantially the whole of the asset or liability. The financial instruments held by the Company as of September 30, 2024 are all classified as Level 2.

Level 3 – Non-observable inputs where there is little or no market activity. These inputs represent management's best estimates of how market participants might attribute value/price to assets or liabilities. Generally, Level 3 assets and liabilities are measured using pricing models, discounted cash flows or similar methods that require a significant level of judgment or estimate.

As of September 30, 2024, the Company was not holding any financial instruments classified as Level 3.

Under Technical Pronouncement CPC 48/ IFRS 9 – *Financial Instruments: Disclosure*, the Company measures financial investments and restricted financial investments at fair value.

The following table summarizes financial assets recorded at fair value as of September 30, 2024:

	Fair value hierarchy	Parent Company			
		Book Value		Prices quoted for identical assets and liabilities (Level 2)	
		09/30/2024	12/31/2023	09/30/2024	12/31/2023
Financial assets					
Cash and cash equivalents	Level 2	62	36,299	62	36,299
Securities	Level 2	-	16,506	-	16,506
Trade accounts receivable		7,348	-	7,348	-
Receivable from related parties		426,448	360,011	426,448	360,011
Financial liabilities					
Trade accounts payable		12,615	1,295	12,615	1,295
Loans and financing	Level 2	539,985	487,076	539,985	487,076
Accounts payable to related parties		38,415	44,045	38,415	44,045

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

26. Financial instruments--Continued

b) Fair value hierarchy – Continued

	Fair value hierarchy	Consolidated			
		Book Value		Prices quoted for identical assets and liabilities (Level 2)	
		09/30/2024	12/31/2023	09/30/2024	12/31/2023
Financial assets					
Cash and cash equivalents	Level 2	668,551	289,426	668,551	289,426
Securities	Level 2	125,628	33,608	125,628	33,608
Trade accounts receivable		275,429	232,740	275,429	232,740
Receivable from related parties		7,817	3,006	7,817	3,006
Court deposits and surety		6,018	10,938	6,018	10,938
Financial liabilities					
Trade accounts payable		68,396	59,533	68,396	59,533
Loans and financing	Level 2	1,894,302	1,125,389	1,894,302	1,125,389
Leases		97,601	52,386	97,601	52,386
Accounts payable to related parties		3,299	20,949	3,299	20,949
Grants payable		12,521	14,818	12,521	14,818
Advances from customers		154,311	3,976	154,311	3,976

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

26. Financial instruments--Continued

b) Fair value hierarchy--Continued

Financial instruments measured at fair value

The Company assessed its financial assets and liabilities against the relevant market values or recoverable values, by using the information available and the best practices in market assessment methods for each situation. The interpretation of market data and the methods selected require a high degree of judgment in order to define reasonable estimates for calculating the fair value. As a result, the estimates presented may not necessarily indicate the amounts that would be obtained in the current market. The use of different hypotheses to calculate the fair value may significantly affect the amounts obtained.

For agreements whose current conditions are similar to those under which they have been originally agreed, or agreements without quotation or contracting parameters, the fair values are similar to the book values. The assessment to determine the fair value of these assets and liabilities measured at amortized cost took into account the impacts from adoption of CPC 48/IFRS 9.

c) Management of financial risks

The Company is exposed to liquidity, credit and market risks. Our Management believes that the main market risk to which we are exposed is the interest rate risk, as described below:

Liquidity risk

Liquidity risk represents the possibility of mismatches between the maturity dates of our assets and liabilities, as a result of which we may be unable to meet our obligations within the established deadlines. We manage our liquidity risk by matching the maintenance of appropriate reserves, credit facilities and other financial products, and continuously monitoring our budget and current cash flow, matching the maturity dates of our financial assets and liabilities.

Management has been acting to revert the Company's accumulated losses and negative working capital. Among the goals it established in order to achieve better results, as well as the results already achieved, the following may be highlighted:

- Study of opportunities to reduce costs and expenses, which have already been implemented, and ongoing assessment of operational and administrative improvement

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

(In thousands of Brazilian *Reais*)

26. Financial instruments--Continued

c) Management of financial risks--Continued

Liquidity risk--Continued

- Advance in negotiations with the São Gonçalo Municipal Government involving balances receivable of the indirect subsidiary CTRA, concerning settlement of past balances, offset of municipal taxes and outstanding grants, in addition to a claim for concession term extension.
- Implementation of new business which the Company expects to be profitable in the coming years. These include (i) trading of biogas from the decomposition of solid waste disposed of in the sanitary landfills in Nova Iguaçu and São Gonçalo, regarding which the indirect subsidiaries have agreements for supply of gas to third parties in force until 2029; (ii) biogas supply agreement executed between CTRBM and Biogera; and (iii) partnership agreement for sharing and use of biogas for electricity generation executed between former Ecopesa (merged into OMA in May 2022) and ASJA Brasil Serviços para o Meio Ambiente Ltda.
- Implementation of new waste reuse activities which will strength the Company's operating cash generation, with emphasis on recycling, briquetting and electricity generation.
- Beginning of electricity trading by the energy recovery unit located in Barueri, São Paulo, by means of a long term (15 years) agreement executed with Companhia Energética de Minas Gerais. Reprofiting of the Company's liabilities with a payment flow compatible with its cash generation and that of its subsidiaries.

The table below shows the composition and the schedule of receipt of payments of our financial assets and liabilities:

Financial assets

	Parent Company				
	No maturity date	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years
Cash and cash equivalents	62	-	-	-	-
Accounts receivable	-	-	-	-	7,348
Related parties	-	-	-	-	426,448
Total	62	-	-	-	433,796

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Notes to the individual and consolidated financial statements – Continued

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(In thousands of Brazilian *Reais*)

26. Financial instruments--Continued

c) Management of financial risks--Continued

Liquidity risk -- Continued

Financial assets

	Consolidated					Total
	No maturity date	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	
Cash and cash equivalents	668,551	-	-	-	-	668,551
Securities	125,628	-	-	-	-	125,628
Trade accounts receivable	-	181,916	19,123	11,082	63,308	275,429
Related parties	-	-	-	-	7,817	7,817
Total	794,179	181,916	19,123	11,082	71,125	1,077,425

Financial liabilities

Financial liabilities	Parent Company					Total
	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	
Trade accounts payable	12,615	-	-	-	-	12,615
Loans and financing	-	-	74,201	195,791	269,993	539,985
Related parties	-	-	-	-	38,415	38,415
Total	12,615	-	74,201	195,791	308,408	591,015

Financial liabilities	Consolidated					Total
	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	
Trade accounts payable	65,165	3,015	216	-	-	68,396
Loans and financing	25,553	51,106	232,024	921,371	664,249	1,894,302
Leases	4,179	8,359	37,613	47,450	-	97,601
Related parties	-	-	-	-	3,299	3,299
Grants payable	12,521	-	-	-	-	12,521
Advances from customers	4,309	-	-	150,002	-	154,311
Total	111,727	62,479	269,853	1,118,823	667,548	2,230,430

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Notes to the individual and consolidated financial statements – Continued

September 30, 2024

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26. Financial instruments--Continued

c) Management of financial risks--Continued

Credit risk

Credit risk refers to the risk of possible default by a counterparty regarding its contractual obligations, resulting in financial loss for the Company. The financial instruments that may subject us to the concentration of credit risk are, primarily, cash and cash equivalents, financial investments, restricted financial investments, trade accounts receivable and receivables from related parties. The Company's practice is to deposit cash and cash equivalents, financial investments and restricted financial investments in fixed income securities of financial institutions with high credit ratings. The Company limits the amount of exposure to financial institutions in order to reduce its credit risk exposure.

With respect to other credits, our Management monitors the credit risk attentively by adopting the measures and precautions required, and recording a provision for doubtful debts, whenever this is needed.

On September 30, 2024 and December 31, 2023, the consolidated balance of the provision for losses on accounts receivable was R\$155,595 and R\$155,584, respectively, to cover credit risk (Note 5).

Price risk

The prices used by the Company substantially reflect the conditions of the market. The prices used in special projects are based on the trade negotiations on a case-by-case basis.

Interest rate risk

This is the risk of the Company incurring losses due to changes in interest rates, which may boost our financial expenses due to liabilities raised on the market. We do not have a policy in place for contracting derivative transactions for speculative purposes.

The sensitivity analyses below were defined based on the exposure to interest rates of derivative and non-derivative financial instruments as of the balance sheet date. Scenarios I and II were estimated based on a deterioration of 25% and 50%, respectively, above probable expectations.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

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26. Financial instruments--Continued

c) Management of financial risks--Continued

Interest rate risk--Continued

Sensitivity analysis on the variation in CDI rates

Our Management applied the sensitivity test in assets and liabilities indexed to the CDI, considering a deterioration of 25% and 50%, respectively, below and above the probable scenario, based on the annual effective rate determined as of September 30, 2024, as follows:

Transaction	Balance on 09/30/2024	Assets (Consolidated)		
		Probable scenario	Scenario I Δ 25%	Scenario II Δ 50%
CDI effective annual rate – period ended 09/30/2024 (*)	7.94%			
Financial investments (Note 4)	125,628	128,954	132,280	135,607
Estimated annual rate – year ending 12/31/2024		10.59%	13.24%	15.89%
Positive (negative) effect on income/shareholders' equity – year ending 12/31/2024		3,326	6,652	9,979

Transaction	Balance on 09/30/2024	Liabilities (Consolidated)		
		Probable scenario	Scenario I Δ 25%	Scenario II Δ 50%
CDI effective annual rate – period ended 09/30/2024 (*)	7.94%			
Loans and financing (Note 12)	1,894,302	1,944,457	1,994,613	2,044,768
Estimated annual rate – period ending 12/31/2024		10.59%	13.24%	15.89%
Positive (negative) effect on income/shareholders' equity – year ending 12/31/2024		50,155	100,311	150,466

(*) Source: B3 website (<https://www.calculadorarendafixa.com.br/#/navbar/calculadora>).

Capital management risk

We manage our capital for the purpose of guaranteeing the continuity of our activities, and, simultaneously, seeking to optimize the return for all stakeholders or parties involved in our operations through the optimization of our debt and equity balance.

We are not subject to external capital requirements.

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Notes to the individual and consolidated financial statements – Continued
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26. Financial instruments--Continued

d) Criteria, assumptions and limitations used in calculating fair values

We analyzed the fair values of our main financial instruments as of September 30, 2024, by applying usual market pricing techniques that involve our management's judgment. This analysis indicates that the fair values approach the book values recorded.

In order to estimate the fair value of our financial instruments, Management used the following assumptions:

Cash and cash equivalents

Due to their immediate liquidity and insignificant risk of change in value, the fair values of cash and cash equivalents balances are similar to their book values.

Financial investments and restricted financial investments

Due to their immediate liquidity and insignificant risk of change in value, the fair values of financial investments and restricted financial investments are similar to their book values.

Loans and Financing

Our Management believes that the value recorded approaches the fair value.

Accounts receivable, trade accounts payable (third parties) and miscellaneous credits

Since they represent trade transactions that are carried out based on the market, Management believes that there are no material differences between the fair value and the accounting balances.

Related parties

The balances of assets and liabilities with related parties are not remunerated. It was not possible to classify the fair values since there are no contractual maturity terms.

Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements – Continued

September 30, 2024

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27. Insurance coverage (consolidated)

According to our policy, we contract insurance coverage for assets subject to risks in amounts considered sufficient by management to cover any losses, bearing in mind the nature of our activities.

On September 30, 2024, the main insurance coverage in effect for us and our subsidiaries refer to our sanitary landfills and waste processing units, in addition to administrative coverage. The risk assumptions adopted, given their nature, are not part of the scope of the review performed by our independent auditors.

28. Subsequent Events (consolidated)

Production of Biomethane in the Region of Bauru (State of São Paulo)

On October 22, 2024, the Company, through BioE, signed a new strategic partnership for exploration of biogas in the landfill of Piratininga, located in the region of Bauru, in the State of São Paulo, which is owned by Estre.

The parties signed a biogas purchase and sale agreement with a term of twenty (20) years, with terms and conditions that are common to this type of transaction, at prices similar to those used by OrizonVR in its current agreements. The agreement will allow an estimated daily production of 25,000 m³, with production beginning in 2027. The biomethane plant will be fully owned by BioE, and will expand the positioning of OrizonVR in the State of São Paulo.

Signing of a Biomethane Purchase and Sale Agreement regarding Tremembé Ecopark

On November 12, the Company entered into a purchase and sale agreement for biomethane to be produced at the Tremembé Ecopark (the “Agreement”) between Orizon Biometano Tremembé Ltda. (Biometano Tremembé), a wholly owned subsidiary of Orizon Energia e Gás Renovável Ltda., and Neogás do Brasil Gás Natural Comprimido S.A. (“Neogás”) guaranteed by Companhia Ultragaz S.A.

Under the terms of the Agreement, Biometano Tremembé will make available and sell compressed biomethane to Neogás for a period of 10 years, with supply expected to begin in the third quarter of 2027 and an estimated average volume of 35,000m³/day of biomethane.