

## Message from the Management

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The year 2023 was marked by several achievements for the OrizonVR, consolidating its position as one of the leading companies in the waste disposal and recovery sector in Brazil. The group strengthened its geographical position with the acquisition of new assets, made progress on important fronts such as biomethane and circular economy projects, all while strengthening its capital structure corporate governance and generating even more sustainable results.

Throughout the year, the Company demonstrated its capacity for expansion with the acquisitions of the Porto Velho and Santa Luzia ecoparks and the announcement of the purchase of the Juazeiro do Norte ecopark, which is still in the process of being completed. As a result, our geographical footprint has reached 11 Brazilian states. Also in the final waste disposal segment, in June the concession period for the João Pessoa Ecopark was extended for a further 20 (twenty) years, until 2023.

Biomethane initiatives continued to be in focus, with a few points to highlight of the year ended: (i) the contract for the supply of renewable natural gas from the Jaboaão dos Guararapes project with Copergás, which, with the amendment announced in December 2023, totaled a contracted supply of up to 130,000 m<sup>3</sup>/day; (ii) the important partnership with Compass Comercialização S.A., for the production of biomethane from the biogas captured at Ecoparque Paulínia, which maximizes the generation of value of biomethane and also reinforces the commercial positioning of the biomethane produced at the Paulínia ecopark adding the expertise of our partner. At the beginning of 2024, in addition to the progress made throughout 2023, we informed the market that the Administrative Council for Economic Defense (CADE) about the partnership with GN Verde Participações S.A., for the formation of two new companies in the estimated initial production of 180,000 m<sup>3</sup>/day of biomethane at the Nova Iguaçu and São Gonçalo Ecoparks. The above-mentioned initiatives reinforces our commitment with Orizon's business plan in the Brazil's energy transition, in search of a more sustainable economy.

In the Circular Economy segment, we entered into strategic partnerships that demonstrate our capacity for innovation and collaboration with new alternatives in the market. The main highlights in this segment they were the beginning of the first organic fertilizer project from effluent treatment sludge at Ecoparque Paulínia, and the three-year supply contract with Owen-Illinois that leverages the recycling of glass from UTM Jaboaão dos Guararapes. Both initiatives underline our confidence in the recycling market, which spent 2023 in a maturation phase. These strategic partnerships not only strengthen our position in the market, but also broaden our reach and impact, allowing us to explore new opportunities for growth and value creation.

Regarding the capital structure, in April 2023, we successfully launched a share offering of Orizon Valorização de Resíduos S.A. ("OrizonVR"), in the format of a primary and secondary offer for a total of R\$369.3 million, of which R\$91.1 million in a primary offering that strengthened the Company's cash position, and R\$278.2 million in a secondary offering, which allowed the sale of Jive Investments' shares, concluding a successful cycle of this partner with us.

Furthermore, the signing of the first sustainability linked-loan in Brazil's waste sector with the International Finance Corporation in the amount of R\$130 million highlights our leading role in responsible and sustainable business practices, reinforcing our role in promoting social and environmental development.

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The group's financial strength was also attested by the reaffirmation of OrizonVR's corporate credit rating by S&P Global Ratings at 'brAA+' on the Brazilian National Scale, with a change in outlook to stable. Highlights in this report are the indication of improvement in operational efficiency between 2023 and 2024, as well as the adequate liquidity position associated with a capital structure that allows the execution of our investment plan.

On the social activities, throughout 2023, we maintained projects that generate positive effects on the communities surrounding our ecoparks, impacting 10,471 people directly and more than 40,000 people indirectly, covering 38 municipalities involved.

In this way, we ended 2023 with solid financial results, demonstrating our ability to generate value and growth in a sustainable and consistent manner. We highlight the increase in net revenue of 24% and Adjusted EBITDA of 48% compared to the previous year, reflecting the developments in our waste management and recovery activities.

We begin 2024 with determination and enthusiasm, ready to face new challenges and to explore our organic and inorganic growth opportunities, seeking to generate value for all our stakeholders and contribute to a cleaner and more sustainable future.

Finally, we would like to thank all our employees, shareholders and board members for their contribution and support in the positive transformation process that the Company is going through.

Best regards

**Milton Pilão Jr.**  
CEO

**Leonardo Santos**  
CFO & IRO

**INCOME STATEMENT**

The financial information contained and analyzed below is derived from the audited consolidated financial statements for the fiscal years ended December 31, 2023 and 2022.

The terms "HA and "VA" in the columns of certain tables mean "horizontal analysis" and "vertical analysis", respectively.

**FISCAL YEAR ENDED DECEMBER 31, 2023 COMPARED TO FISCAL YEAR ENDED DECEMBER 31, 2022**

INCOME STATEMENTS (in R\$ millions, except %)	Fiscal Year ended 12/31/2023	VA%	Fiscal Year ended 12/31/2022	VA%	HA%
Net operating revenue	776,276	100.00%	626,224	100.00%	23.96%
Operational costs	(528,599)	-68.09%	(438,329)	-70.00%	20.59%
Gross profit	247,677	31.91%	187,895	30.00%	31.82%
Selling, general and administrative expenses	(132,723)	-17.10%	(148,420)	-23.70%	-10.58%
Other net income (expense)	63,706	8.21%	10,310	1.65%	517.90%
Profit before equity in financial results	178,660	23.02%	49,785	7.95%	258.86%
Equity Income	11,060	1.42%	7,720	1.23%	43.26%
Financial Income	80,387	10.36%	77,221	12.33%	4.10%
Financial Expenses	(199,191)	-25.66%	(231,580)	-36.98%	-13.99%
Profit before income tax and social contribution	70,916	9.14%	(96,854)	-15.47%	N.A.
Current income tax	(34,665)	-4.47%	(38,691)	-6.18%	-10.41%
Deferred income tax	13,916	1.79%	(7,919)	-1.26%	N.A.
Net Income	50,167	6.46%	(143,464)	-22.91%	N.A.

***Net Operating Revenue***

Net operating revenue for the fiscal year ended December 31, 2023 was R\$776,276 million compared to R\$626,224 million in the same period of 2022, which represented an increase of R\$150,052 million or 23.96%. This increase is mainly due to the following factors:

I. Final disposal of solid waste: increase of R\$ 90,415 million or 18.38% comparing the fiscal year ended December 31, 2023 and the same period of 2022, from R\$ 491,796 million in the fiscal year ended December 31, 2022 to R\$ 582,211 million in the same period of 2023, due to (i) the recognition of 12 (twelve) months of the assets acquired throughout 2022, (ii) the assets acquired in 2023, (iii) an increase in the volume of the Ecomarque Pantanal and (v) a positive change in the average price of final disposal of waste;

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II. Energy, biogas and carbon credits: increase of R\$ 57,850 million or 96.89% between the fiscal year ended December 31, 2023 and the same period of 2022, from R\$ 59,708 million in the fiscal year ended December 31, 2022 to R\$ 117,558 million in the same period of 2023, due to the sale of biomethane to UTE Paulínia Verde S.A. throughout 2023;

III. Waste processing and WtE: increase of R\$ 14,038 million or 44.80% between the fiscal year ended December 31, 2023 and the same period of 2022, from R\$ 31,335 million in the fiscal year ended December 31, 2022 to R\$ 45,373 million in the same period of 2023, due to the increase in revenue at the sorting plant in Jaboatão dos Guararapes and 12 (twelve) month recognition of the recently acquired unit blending for co-processing in Sorocaba;

The increases described above were partially offset by the reductions below:

IV. Environmental Engineering: reduction of R\$ 12,251 million or 28.24% between the fiscal year ended December 31, 2023 and the same period of 2022, from R\$ 43,385 million in the fiscal year ended December 31, 2022 to R\$ 31,134 million in the same period of 2023, due to the reduction of these activities at OrizonVR.

### ***Cost of services provided***

The cost of services provided in the fiscal year ended December 31, 2023 was R\$ 528,599 million compared to R\$ 438,329 million in the same period of 2022, which represented an increase of R\$ 90,270 million or 20.59%. The cost of services provided accounted for 68.09% and 70.00% of net revenue in the fiscal years ended December 31, 2023 and 2022, respectively. This increase is substantially attributable to assets that were acquired throughout 2022 being 100% of those consolidated in the 2023 financial year.

### ***Gross profit***

Gross profit in the fiscal year ended December 31, 2023 was R\$247,677 million compared to R\$187,895 million in the same period of 2022, which represented an increase of R\$59,782 million or 31.82%. Gross profit accounted for 31.91% and 30.00% of net revenue in the fiscal years ended December 31, 2023 and 2022, respectively. The change was substantially due to (i) operational improvement in assets, and (ii) assets that were acquired throughout 2022 being 100% consolidated in the 2023 fiscal year.

### ***Selling, general and administrative expenses***

Selling, general and administrative expenses in the fiscal year ended December 31, 2023 were R\$ 132,723 million compared to R\$ 148,420 million in the same period of 2022, which represented a reduction of R\$ 15,697 million or 10.58%. General, administrative and sales expenses accounted for 17.10% and 23.70% of net operating revenue in the fiscal years ended December 31, 2023 and

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2022, respectively, and include central and commercial administration expenses, as well as direct and indirect expenses of operating units.

### ***Other net income (expense)***

Other net revenues (expenses) in the fiscal year ended December 31, 2023 were positive at R\$ 63,706 million compared to R\$ 10,310 million in the same period of 2022. This increase is mainly attributable to the capital gain from the corporate sale of 51% of the capital of Biomethane Paulínia Verde, offset by transaction costs and write-off due to impairment of environmental engineering and assets held for sale.

### ***Financial result, net***

The net financial result for the fiscal year ended December 31, 2023 was negative by R\$ 118,804 million compared to R\$ 154,359 million in the same period of 2022, which represented a reduction of R\$ 35,555 million or 23.03%. The net financial result represented 15.30% and 24.65% of net operating revenue in the fiscal years ended December 31, 2023 and 2022, respectively.

### ***Equity Income***

The equity result for the fiscal year ended December 31, 2023 was positive by R\$11,060 million compared to R\$7,720 million in the same period of 2022, which represented an increase of R\$3,340 million or 43.26%. This increase is substantially attributable to the increase in the results obtained by the Paulínia Verde TPP, which started operating in the middle of the 2022 fiscal year.

### ***Profit before income tax and social contribution***

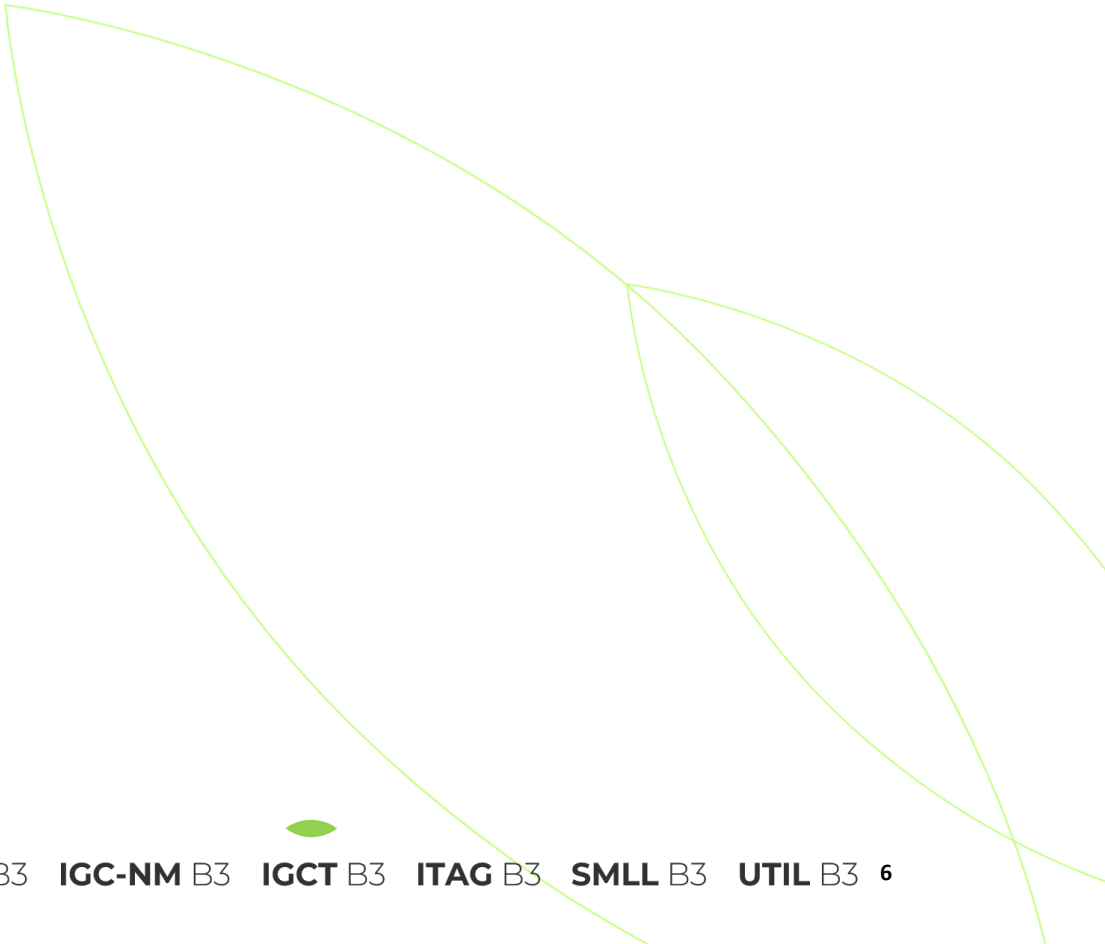
Profit before income tax and social contribution in the fiscal year ended December 31, 2023 was R\$70,916 million compared to a loss of R\$96,854 million in 2022, which represented an improvement of R\$167,770 million. Profit before income tax and social contribution accounted for 9.14% of net operating revenue in the fiscal year ended December 31, 2023. This increase mainly reflects the capital gain from the sale of 51% of the equity of Biomethane Paulínia Verde.

### ***Income tax and social contribution***

Income tax and social contribution in the fiscal year ended December 31, 2023 were R\$20,749 million compared to R\$46,610 in 2022, which represented a reduction of R\$25,861 million or 55.48%. Income tax and social contribution accounted for 2.67% and 7.44% of net revenue in the fiscal years ended December 31, 2023 and 2022, respectively.

### ***Net Income***

The result for the fiscal year ended December 31, 2023 was positive by R\$50,167 million compared to the loss of R\$143,464 million in 2022, which represented a reversal of R\$193,631 million in the result. Profit for the fiscal year ended December 31, 2023 represented 6.46% of net operating revenue. This increase is substantially attributable to the items highlighted above.



## Relationship with Independent Auditors

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In accordance with CVM Instruction 381/2003, the Company informs that Ernst & Young Auditores Independentes S.S. did not provide services that conflicted with the external audit during the fiscal year ended December 31, 2023. The hiring of independent auditors is based on the principles that safeguard the auditor's independence, which consist of: (a) the auditor should not audit his or her own work; (b) not to perform managerial functions; and (c) not to provide any services that may be considered prohibited by applicable law.

Information in the performance report that is not clearly identified as a copy of the information in the individual and consolidated financial statements has not been audited or reviewed by the independent auditors.

## Management's Statement

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We acknowledge, as members of the Company's Management, that we are responsible for the proper preparation of individual and consolidated financial statements prepared in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), as well as for the presentation of this information in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission. applicable to the preparation of the Individual and Consolidated Financial Statements ("FS").

As members of the Company's Management, we believe that the Company has an adequate system of internal controls that allows the preparation of accurate individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and with international standards that are free from material misstatements caused by fraud or errors.

The members of the management declare that they have discussed, reviewed and agreed with the conclusion expressed in the audit report of Ernst & Young Auditores Independentes S.S. on the examination of the FS for the fiscal year ended December 31, 2023.

# **Individual and Consolidated Financial Statements**

**Orizon Valorização de Resíduos S.A.**

December 31, 2023  
with Independent Auditor's Report

# Orizon Valorização de Resíduos S.A.

Individual and consolidated financial statements

March 31, 2023

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**A free translation from Portuguese into English of Independent auditor's report on individual and consolidated financial statements prepared in Brazilian currency in accordance with the accounting polices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Boards (IASB)**

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## **Independent auditor's report on individual and consolidated financial statements**

The Shareholders, Board of Directors and Officers

**Orizon Valorização de Resíduos S.A.**

Rio de Janeiro - RJ

### **Opinion**

We have audited the individual and consolidated financial statements of Orizon Valorização de Resíduos S.A. (the "Company"), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2023 and the statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of the Company as at December 31, 2023, its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

### **Basis for opinion**

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

## **Key audit matters**

Key audit matters are those that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide an individual opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

### Business combinations

As disclosed in Note 1.o to the individual and consolidated financial statements, the Company completed the acquisition of equity interest on January 17, 2023. This transaction was accounted for under the acquisition method in accordance with CPC 15 (R1) – Business Combinations (IFRS 3 - Business Combinations), which requires, among other procedures, that the Company determine the effective date of acquisition of control, the fair value of the consideration transferred, the fair value of the assets acquired and liabilities assumed, and calculate income earned from the business combination. These procedures involve a high level of judgment and require the preparation of estimated fair value based on calculations and assumptions relating to the future performance of the businesses acquired, which are subject to a high degree of uncertainty. This was considered a key audit matter due to the high level of judgment required and the impact that any changes in the assumptions could have on the financial statements.

### How our audit addressed this matter

Our audit procedures included, among others (i) reading the documents relating to the transactions such as agreements and minutes, and obtaining evidence that provided a basis for determining the dates of acquisition of ownership control of the acquired companies, and calculating fair value of the consideration amounts transferred; (ii) analyzing the financial information of the acquired companies, discussing with management the consistency of accounting practices and estimates, obtaining an understanding of the flow of significant transactions and reviewing the significant accounting balances of the acquirees; (iii) assessing the objectivity, independence and technical capacity of the external experts involved in the measurement at fair value of the assets acquired and liabilities assumed; (iv) with the assistance of EY specialists on company appraisal, we analyzed the methodology used for measuring at fair value the consideration transferred, assets acquired and liabilities assumed, assessed the reasonableness of the assumptions used and calculations made, crosschecked these amounts, when available, against market information, and conducted a sensitivity analysis of the significant assumptions used and the impacts of any changes in such assumptions on the fair values computed; and (iv) assessing the disclosures relating to this matter.

We also evaluated the adequacy of the disclosure on this matter that is mentioned in Note 1.0 to the financial statements.

Based on the result of the audit procedures performed on the accounting impacts of the business combinations, which is consistent with the executive board's assessment, we believe that the criteria and assumptions adopted by the Company, and respective disclosures, are acceptable in the context of the financial statements taken as a whole.

#### Recoverability of goodwill from business combinations

As at December 31, 2023, the Company recorded, by means of its subsidiary Orizon Meio Ambiente S.A., goodwill whose amounts should be tested annually for impairment, whether or not there are indications of impairment (Note 11). As a result of the test, Orizon Valorização de Resíduos S.A. recognized impairment loss of R\$32,670 in the year ended December 31, 2023.

This was considered a key audit matter due to the magnitude of the amounts involved and the fact that the process of assessing the recoverability of these assets is complex and involves a high level of subjectivity. Additionally, this calculation is based on various assumptions such as the determination of cash-generating units, discount rates, projected inflation, percentages of growth and profitability of the Company's and its subsidiaries' businesses for the coming years, among others. These assumptions will be affected by future market conditions or economic scenarios in Brazil, which may not be accurately estimated.

#### *How our audit addressed this matter*

Our audit procedures included, among others: : (i) obtaining an understanding of and assessing the methodology used by the executive board to project discounted cash flows; (ii) using specialists in valuation models to help us evaluate and test the model used to measure the recoverable amount and the assumptions, projections and methodology used by the Company, particularly those relating to estimates of future sales, growth rates and discount rates used in the discounted cash flows and profit margin of the cash-generating units to which goodwill was allocated; (iii) validating the information used in the calculations; (iv) retrospectively reviewing previous projections to identify any inconsistencies in the development of estimates in the future; (v) conducting an independent sensitivity analysis of the main assumptions used; and (vi) reviewing adequacy of the disclosures made by the Company on the assumptions used in recoverability calculations, mainly those that had a most significant impact on determining the recoverable amount of goodwill.

Based on the result of the audit procedures performed on the goodwill impairment test, which is consistent with the executive board's assessment, we consider that the criteria and assumptions for the recoverable amount of goodwill adopted by the executive board, as well as respective disclosures in Note 11, are acceptable in the context of the financial statements taken as a whole.

#### Recoverability of deferred income and social contribution taxes

As at December 31, 2023, the Company recorded, by means of its subsidiary Orizon Meio Ambiente S.A., deferred income and social contribution taxes substantially on income and social contribution tax losses. In accordance with the accounting practices adopted in Brazil, the Company should annually review the projections of future taxable profit in order to assess the recoverability of deferred income and social contribution taxes (Note 6.d).

This test was considered a key audit matter given the magnitude of the amounts involved and the fact that the assessment of the recoverability of deferred income and social contribution taxes is complex and involves a high level of subjectivity in the projections of future taxable profit, in addition to being based on various assumptions, usually subjective, that will be affected by Brazil's market conditions or future economic scenarios, which cannot be accurately estimated.

#### *How our audit addressed this matter*

Our audit procedures included, among others: (i) obtaining an understanding of the Company's internal processes for measuring and analyzing the recoverability of deferred income and social contribution taxes; (ii) using tax specialists to assist us in evaluating and testing the balance set up by the Company, as well as the model used to measure the recoverable amount of deferred income and social contribution taxes and the assumptions, projections and methodology used; (iii) validating the information used in the calculations; (iv) retrospectively reviewing previous projections to identify any inconsistencies in the development of estimates in the future; (v) conducting an independent sensitivity analysis of the main assumptions used; and (vi) reviewing the adequacy of the disclosures made by the Company on the assumptions used in the recoverability calculations, mainly those that had a most significant impact on determining the recoverable amount of deferred income and social contribution taxes.

Based on the result of the audit procedures performed on deferred income and social contribution taxes recorded by the Company, as well as the corresponding recoverable amount, which is consistent with the executive board's assessment, we consider that the recording criteria and assumptions for the recoverable amount adopted by the executive board, as well as respective disclosures in Note 6.d, are acceptable in the context of the financial statements taken as a whole.

### Revenue recognition

As mentioned in Note 2.7, the Company recognizes its revenue on an accrual basis, when the services are effectively provided, to the extent that economic benefits are likely to be generated and when these amounts may be reliably measured for an amount that reflects the consideration to which the Company and its subsidiaries expect to be entitled in exchange for the services.

This was considered a key audit matter due to the following factors, among others: (i) the expressive volume of transactions; (ii) the existence of different natures of services provided; and (iii) the significance of the amounts involved. Such characteristics require that the Company and its subsidiaries have controls and maintain these controls within a routine that effectively identifies and measures revenue on an accrual basis.

#### *How our audit addressed this matter*

Our audit procedures included, among others: (i) obtaining an understanding of the Company's internal processes for measuring and recognizing revenue; (ii) conducting substantive tests of key items and representative samples, including, when applicable, the inspection of contracts, issued invoices, documentary evidence of services rendered related to selected transactions and subsequent receipts; (iii) performing sales cut-off tests and their respective accounting recognition upon effective provision of services in the period before and after accounting closing; (iv) monthly analyzing revenue using aggregated and disaggregated data to identify relationships or changes that are inconsistent with our expectations based on our knowledge of the Company and the sector; and (v) reviewing adequacy of the disclosures included in Notes 2.7 and 21 to the financial statements.

Based on the result of the audit procedures performed on revenues, which is consistent with the executive board's assessment, we consider that the Company's policies for recognizing revenue from services provided and respective disclosures in the financial statements are acceptable in the context of the financial statements taken as a whole.

## **Other matters**

### **Statements of value added**

The individual and consolidated statements of value added (SVA) for the year ended December 31, 2023, prepared under the executive board's responsibility, whose presentation is required as supplementary information under IFRS, have been subject to audit procedures in conjunction with the audit of the Company's financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by NBC TG 09 – Statements of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in the abovementioned accounting pronouncement, and are consistent in relation to the individual and consolidated financial statements taken as a whole.

### **Other information accompanying the individual and consolidated financial statements and independent auditor's report**

The executive board is responsible for such other information, which comprises the Management Report.

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

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

### **Responsibilities of the executive board and of those charged with governance for the individual and consolidated financial statements**

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

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

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

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

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

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

- Identified and assessed the risks of material misstatements of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board.



Concluded on the appropriateness of the executive board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast substantial doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Rio de Janeiro, March 27, 2024.

ERNST & YOUNG  
Auditores Independentes S.S.  
CRC-2SP015199/O-6

  
Glaucio Dutra Silva  
Accountant CRC-RJ090174/O

## Orizon Valorização de Resíduos S.A.

Balance sheets

December 31, 2023

(Amounts in thousands of Brazilian *Reais*)

	Note	Parent company		Consolidated	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
Assets					
Current assets					
Cash and cash equivalents	3	<b>36,299</b>	138,827	<b>289,426</b>	168,875
Securities	4	<b>16,506</b>	70,000	<b>33,608</b>	71,922
Trade accounts receivable	5	-	-	<b>184,168</b>	258,897
Taxes and contributions recoverable	6.a	<b>4,175</b>	1,815	<b>30,042</b>	13,907
Other assets	8.a	<b>2,106</b>	976	<b>55,392</b>	66,610
Total current assets		<b>59,086</b>	211,618	<b>592,636</b>	580,211
Non-current assets					
Trade accounts receivable	5	-	-	<b>48,572</b>	14,660
Related parties	7	<b>360,011</b>	190,039	<b>3,006</b>	7,866
Court deposits and bonds	17.c	-	-	<b>10,938</b>	7,162
Deferred income and social contribution taxes	6.d	-	-	<b>76,287</b>	53,090
Investments	9	<b>839,952</b>	771,975	<b>98,957</b>	44,084
Property and equipment	10	-	-	<b>920,767</b>	785,079
Intangible assets	11	-	-	<b>465,870</b>	525,522
Right-of-use assets	12	-	-	<b>40,670</b>	42,658
Other assets	8.a	-	-	<b>4,461</b>	12,964
Total non-current assets		<b>1,199,963</b>	962,014	<b>1,669,708</b>	1,493,085
Total assets		<b>1,259,049</b>	1,173,632	<b>2,262,344</b>	2,073,296

	Note	Parent company		Consolidated	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
Liabilities					
Current liabilities					
Loans and financing	12	-	-	45,583	37,616
Leases	12	-	-	29,057	15,211
Trade accounts payable	13	1,295	312	59,533	65,821
Grants payable	14	-	-	14,818	11,676
Salaries and payroll charges	15	1,278	1,112	25,248	24,849
Taxes and contributions payable	6.b	787	4,320	37,120	48,673
Taxes payable in installments	16	564	-	19,011	17,904
Advances from customers	18	-	-	3,976	24,140
Related parties	7	-	32,255	-	32,255
Accounts payable	19	-	78	18,394	12,945
Other current liabilities	8.b	15	160	5,691	31,792
Total current liabilities		3,939	38,237	258,431	322,882
Non-current liabilities					
Loans and financing	12	487,076	418,912	1,079,806	977,538
Leases	12	-	-	23,329	40,800
Taxes payable in installments	16	13,845	678	63,901	56,406
Provision for losses on investments	9	-	-	158	158
Related parties	7	44,045	151,893	20,949	3,619
Provision for contingencies	17.a	-	-	21,477	25,075
Deferred income and social contribution taxes	6.d	-	9,282	-	-
Deferred PIS and COFINS taxes	6.e	4,139	4,139	4,139	4,139
Accounts payable	19	-	-	22,463	40,021
Other non-current liabilities	8.b	-	-	23,098	21,191
Total non-current liabilities		549,105	584,904	1,259,320	1,168,947
Shareholders' equity					
Capital stock	20.a	1,091,127	844,323	1,091,127	844,323
Investment reserve		453,262	566,649	453,262	566,649
Equity valuation adjustment	20.c	10,359	10,359	10,359	10,359
Accumulated loss		(848,743)	(888,858)	(848,743)	(888,858)
Other comprehensive income		-	18,018	-	18,018
		706,005	550,491	706,005	550,491
Controlling interests		706,005	550,491	706,005	550,491
Non-controlling interests		-	-	38,588	30,976
Total shareholders' equity		706,005	550,491	744,593	581,467
Total liabilities and shareholders' equity		1,259,049	1,173,632	2,262,344	2,073,296

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

## Orizon Valorização de Resíduos S.A.

### Statements of income

Years ended December 31, 2023 and 2022

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

	Note	Parent company		Consolidated	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
Net operating revenues	21	-	-	<b>776,276</b>	626,224
Cost of services provided	22	-	-	<b>(528,599)</b>	(438,329)
Gross profit		-	-	<b>247,677</b>	187,895
Operating revenues (expenses)					
General and administrative expenses	22	<b>(21,747)</b>	(27,343)	<b>(132,723)</b>	(148,420)
Other (expenses) revenues, net	24	<b>50,526</b>	(1,064)	<b>63,706</b>	10,310
Income (Loss) before financial result and equity pick-up		<b>28,779</b>	(28,407)	<b>178,660</b>	49,785
Equity pick-up	9	<b>67,977</b>	(58,572)	<b>11,060</b>	7,720
Financial result					
Financial revenues	23	<b>16,054</b>	77,144	<b>80,387</b>	77,221
Financial expenses	23	<b>(72,695)</b>	(135,589)	<b>(199,191)</b>	(231,580)
Income (loss) before income and social contribution taxes		<b>40,115</b>	(145,424)	<b>70,916</b>	(96,854)
Income and social contribution taxes - Current	6.c	-	-	<b>(34,665)</b>	(38,691)
Income and social contribution taxes - Deferred	6.c	-	(3,582)	<b>13,916</b>	(7,919)
Net income (loss) for the year		<b>40,115</b>	(149,006)	<b>50,167</b>	(143,464)
Attributable to shareholders:					
Non-controlling shareholders				<b>10,052</b>	5,542
Controlling shareholders				<b>40,115</b>	(149,006)
Basic loss / diluted per share				<b>0.48</b>	(2.01)

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

## Orizon Valorização de Resíduos S.A.

Statements of comprehensive income

Years ended December 31, 2023 and 2022

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

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Net income (loss) for the year	<b>40,115</b>	(149,006)	<b>50,167</b>	(143,464)
Net loss on instruments at fair value through other comprehensive income (note 19)	<b>(27,300)</b>	27,300	<b>(27,300)</b>	27,300
Provision made (reversed) for deferred income and social contribution taxes (note 6)	<b>9,282</b>	(9,282)	<b>9,282</b>	(9,282)
Other compressive income not reclassified to income for subsequent years, net of taxes	<b>(18,018)</b>	18,018	<b>(18,018)</b>	18,018
Total other comprehensive income, net of taxes	<b>22,097</b>	(130,988)	<b>32,149</b>	(125,446)
Attributable to shareholders:				
Non-controlling shareholders			<b>10,052</b>	5,542
Controlling shareholders			<b>22,097</b>	(130,988)

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

## Orizon Valorização de Resíduos S.A.

Individual and consolidated statements of changes in shareholders' equity  
 Years ended December 31, 2023 and 2022  
 (Amounts in thousands of *Reais*)

Note	Capital stock	Capital Reserve		Equity instruments	Other reserves	Equity valuation adjustment – Attributed cost	Accumulated loss	Other comprehensive income	Total	Non-controlling interest	Total shareholders' equity	
		Cost on issue of shares	Goodwill on the issue of new shares									
Balances as of January 1, 2022	20	844,323	(31,146)	3,023	-	268,941	10,359	(739,852)	-	355,648	13,765	369,413
Equity instruments		-	-	-	297,518	-	-	-	-	297,518	-	297,518
Instruments remeasured at fair value		-	-	-	-	-	-	27,300	27,300	-	-	27,300
Deferred income and social contribution taxes		-	-	-	-	-	-	(9,282)	(9,282)	-	-	(9,282)
Partial sale of interest in subsidiary		-	-	-	-	28,313	-	-	28,313	11,669	-	39,982
Net income (loss) for the year		-	-	-	-	-	(149,006)	-	(149,006)	5,542	-	(143,464)
Balances as of December 31, 2022		844,323	(31,146)	3,023	297,518	297,254	10,359	(888,858)	18,018	550,491	30,976	581,467
Issue of new shares		246,804	(8,390)	-	(297,518)	192,521	-	-	(27,300)	106,117	-	106,117
Conversion of equity instruments		-	-	-	-	-	-	9,282	9,282	-	-	9,282
Deferred income and social contribution taxes		-	-	-	-	-	-	-	-	9,328	-	9,328
Partial purchase of equity interest		-	-	-	-	-	-	-	-	(11,768)	-	(11,768)
Net income (loss) for the year		-	-	-	-	-	40,115	-	40,115	10,052	-	50,167
Balances as of September 30, 2023	20	1,091,127	(39,536)	3,023	-	489,775	10,359	(848,743)	-	706,005	38,588	744,593

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

**Orizon Valorização de Resíduos S.A.**  
**Statements of cash flows**  
**Years ended December 31, 2023 and 2022**  
**(Amounts in thousands of Brazilian Reais)**

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
<b>Cash flows from operating activities</b>				
Net income (loss) for the year	40,115	(149,006)	50,167	(143,464)
<b>Adjustments to reconcile net income (loss):</b>				
Equity pickup	(67,977)	58,572	(11,060)	(7,720)
Provision for doubtful accounts	-	-	(7,026)	5,174
Provision for contingencies	-	-	95	(11,298)
Present value adjustment	(1,428)	(42,488)	7,756	(14,405)
Foreign exchange change	-	-	4,513	6,599
Amortization of funding expenses	-	918	-	918
Deferred income and social contribution taxes	-	3,582	(13,915)	7,191
Deferred PIS and COFINS taxes	-	(4,966)	-	(4,966)
Depreciation and amortization	-	-	165,660	135,346
Provision for landfill closure	-	-	1,863	5,171
Provision for impairment	-	-	68,062	-
Accrued interest on loans and financing	69,592	107,508	158,883	96,995
Residual value of property and equipment written off	-	-	2,636	-
Provisioned interest on amount outstanding of equity interest purchase	-	-	-	43,184
Gain on sale of subsidiary	(50,507)	-	(135,000)	(5,496)
Financial instrument measured at fair value	-	-	(49,000)	-
Marked to market of share-based payment	-	11,827	-	11,827
(Increase) decrease in operating assets				
Trade accounts receivable	-	-	43,330	(54,749)
Taxes recoverable	(2,360)	(841)	(16,135)	(6,742)
Court deposits and bonds	-	11	(3,776)	(583)
Prepayments	(1,130)	1,228	(9,374)	16,752
Increase (decrease) in operating liabilities				
Trade accounts payable	(3,774)	186	(16,208)	(2,898)
Grants payable	-	-	3,142	(965)
Salaries and payroll charges	166	104	(306)	4,052
Taxes and contributions payable	(3,533)	4,219	21,349	33,389
Advances from customers	-	-	(20,164)	(20,615)
Accounts payable	(78)	(4,206)	(20,274)	(31,711)
Taxes payable in installments	4,862	678	8,408	29,821
Other	(145)	(58)	(27,887)	20,877
Cash from (used in) operating activities	(16,197)	(12,732)	205,739	111,684
Income and social contribution taxes paid	-	-	(32,902)	(21,214)
Interest paid	-	-	(137,358)	(77,802)
Cash from (used in) operating activities	(16,197)	(12,732)	35,479	12,668
<b>Cash flows from investing activities</b>				
Purchases of equity interest, net of acquired cash	-	-	(11,852)	(406,981)
Sale of equity interest	50,507	-	135,000	40,000
Advances for future capital increase	-	-	29,601	(21,588)
Dividends received	-	-	(11,768)	-
Purchases of property and equipment and intangible assets	-	-	(255,334)	(197,348)
Securities	53,494	166,496	38,314	335,677
Net cash from (used in) investing activities	104,001	166,496	(76,039)	(250,240)
<b>Cash flows from financing activities</b>				
Loans and financing raised	-	-	130,000	460,000
Loans and financing paid	-	-	(36,750)	(21,500)
Leases paid	-	-	(32,948)	(25,680)
Related parties	(277,102)	(7,153)	14,039	(1,211)
Share-based payment settled in cash	(718)	(8,079)	(718)	(8,079)
Issue of new shares	87,488	-	87,488	-
Net cash from (used in) financing activities	(190,332)	(15,232)	161,111	403,530
Increase (decrease) in cash and cash equivalents	(102,528)	138,532	120,551	165,958
Cash and cash equivalents at the beginning of the year	138,827	295	168,875	2,917
Cash and cash equivalents at the end of the year	36,299	138,827	289,426	168,875
Increase (decrease) in the balance of cash and cash equivalents	(102,528)	138,532	120,551	165,958

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

## Orizon Valorização de Resíduos S.A.

Statements of value added  
Years ended December 31, 2023 and 2022  
(Amounts in thousands of Brazilian *Reais*)

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
<b>Revenues</b>	<b>50,526</b>	(1,064)	<b>954,133</b>	710,046
Services provided	-	-	<b>883,401</b>	704,910
Other revenues	<b>50,526</b>	(1,064)	<b>63,706</b>	10,310
Reversal of (provision for) doubtful debts	-	-	<b>7,026</b>	(5,174)
<b>Inputs acquired from third parties</b>	<b>(8,352)</b>	(5,052)	<b>(302,466)</b>	(267,626)
Cost of services provided	-	-	<b>(231,872)</b>	(226,956)
Materials, electricity, outsourced services and others	<b>(8,352)</b>	(5,052)	<b>(70,594)</b>	(40,670)
<b>Gross value added</b>	<b>42,174</b>	(6,116)	<b>651,667</b>	442,420
<b>Withholdings</b>	-	-	<b>(167,523)</b>	(140,517)
Depreciation and amortization	-	-	<b>(167,523)</b>	(140,517)
<b>Net value added generated</b>	<b>42,174</b>	(6,116)	<b>484,144</b>	301,903
<b>Value added received in transfer</b>	<b>85,262</b>	22,534	<b>97,179</b>	94,834
Equity valuation adjustment	<b>67,977</b>	(58,572)	<b>11,060</b>	7,720
Financial income	<b>17,285</b>	81,106	<b>86,119</b>	87,114
<b>Total value added to be distributed</b>	<b>127,436</b>	16,418	<b>581,323</b>	396,737
<b>Distribution of value added</b>	<b>127,436</b>	16,418	<b>581,323</b>	396,737
<b>Personnel</b>	<b>13,395</b>	22,291	<b>181,495</b>	153,925
Direct compensation	<b>10,810</b>	19,706	<b>112,122</b>	103,385
Benefits	-	-	<b>10,826</b>	8,252
Unemployment Fund (FGTS)	-	-	<b>9,285</b>	7,422
Other	<b>2,585</b>	2,585	<b>49,262</b>	34,866
<b>Taxes, fees and contributions</b>	<b>1,231</b>	7,544	<b>133,606</b>	135,189
Federal	<b>1,231</b>	7,544	<b>93,793</b>	102,021
State	-	-	<b>3,235</b>	3,048
Municipal	-	-	<b>36,578</b>	30,120
<b>Interest on third-party capital</b>	<b>72,695</b>	135,589	<b>216,055</b>	251,087
Rents	-	-	<b>16,864</b>	19,507
Financial expenses	<b>72,695</b>	135,589	<b>199,191</b>	231,580
<b>Interest on equity</b>	<b>40,115</b>	(149,006)	<b>50,167</b>	(143,464)
Net income (loss) for the period	<b>40,115</b>	(149,006)	<b>40,115</b>	(149,006)
Non-controlling interests	-	-	<b>10,052</b>	5,542

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

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
December 31, 2023 and 2022  
(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, with headquarters at Avenida Nações Unidas No. 12901, Torre Oeste, 8<sup>th</sup> floor, Brooklin, in the State Capital 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 to engage in other related activities. As of December 31, 2023, the Company’s main asset is the direct investment in Orizon Meio Ambiente S.A. (“Orizon Meio Ambiente”).

Additionally, the Company holds 100% of the shares of Foxx Holding SA (“Foxx Holding”), an entity that holds, through Foxx Inova, (i) 67% of the João Pessoa (PB) eco park, and (ii) 80% of the Energy Recovery Unit (“URE”) in Barueri, the first project for generation of electricity from burning of waste (waste-to-energy) in Latin America, which is currently in a pre-operating phase, having Companhia de Saneamento Básico do Estado de São Paulo (“SABESP”) as a shareholder with a 20% stake in the capital stock of Barueri Energia Renovável S.A.

As of December 31, 2023, the Company holds 15 landfills for final disposal of non-hazardous waste (spread over 10 states), 2 transfer sites, 4 hazardous waste treatment and disposal units, 8 biogas plants, 7 carbon credit projects registered in the United Nations Framework Convention on Climate Change, 1 biomethane plant, 5 waste processing plants, 1 waste-to-energy project and 1 biomethane-fired thermopower plant, which, together, received 8.3 million tons of waste in 2023.

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

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
December 31, 2023 and 2022  
(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 fourteen (14) 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, Rondonia and Mato Grosso, receiving approximately 23,000 tons of waste daily.

#### *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 approximately 46,000 Nm<sup>3</sup> per hour of biogas in 8 of its landfills, which means a generation potential of approximately 86MW installed, which has been used in the most diverse ways, in part for the generation of electricity, and in part for gas flaring.

Nova Iguaçu and São Gonçalo landfills have take-or-pay agreements on the long-term 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 generation of 2 MW for a distributed generation project that serves large companies.

Regarding Jabotão 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 statements  
December 31, 2023 and 2022  
(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, recently acquired under UPI Aterros, supplies biogas to the biomethane plant, which in turn supplies fuel to UTE Paulínia.

For the last quarter of 2023, the Company started flaring biogas, through its subsidiaries, at the Maceio and Rosario do Catete ecoparks.

Finally, regarding the exploration of carbon credits, Orizon Meio Ambiente, its subsidiaries and Foxx URE-JP generate approximately 2.3 million tons of carbon, either by burning of biogas or generation of clean energy.<sup>1</sup>

#### *Processing of Waste*

In the waste processing activity, Orizon Meio Ambiente has, as of December 31, 2023, five (5) operating units, namely: (i) a branch in Magé (with blending for co-processing), (ii) a joint venture with Vamtec Rio Insumos Siderurgicos Ltda. for the processing of industrial waste in a plant installed at Companhia Siderurgica Nacional, in the City of Volta Redonda, State of Rio de Janeiro, (iii) one blending unit for processing and reverse logistics in Sorocaba, State of São Paulo, (iv) 1 mechanized sorting unit in Jaboatão dos Guararapes; and (v) 1 mechanized sorting unit in Paulínia.

#### *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.

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<sup>1</sup> Information not audited by the Company's independent auditors.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information

March 31, 2023

(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) it is the only shareholder 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.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information  
March 31, 2023  
(In thousands of Brazilian *Reais*)

### 1. Operations--Continued

The operations of the indirect subsidiaries are as follows:

#### Indirect 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 Nm<sup>3</sup> 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, Chachoeira de Macacu, Tanguá, Niterói, Guapimirim and Maricá.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information  
March 31, 2023  
(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. 1/2004.

Additionally, an expert examination was initiated to determine the updated amounts receivable owned by the granting authority to the subsidiary. On April 19, 2019, the MPRJ issued a document in the scope of the lawsuit, which resulted in the following information:

<u>In favor or CTRA (Concessionaire)</u>	<u>Balance</u>
Reference monthly fees (*)	31,649
Surplus volume	20,509
Adjustment	667
Carbon credit	16,042
Treatment of Itaóca's slurry	14,715
Transportation of Itaóca's slurry	7,943
<b>Total</b>	<b>91,525</b>
Disallowance applied	(14,724)
<b>Net adjusted balance</b>	<b>76,801</b>

(\*) The amounts initially agreed upon are included in this line and refer to CTRA's initial claim. The excess amounts being sought will only be recognized upon conclusion of the lawsuit and determination of the inflation-adjusted amounts involved.

On February 10, 2023, CTRA and PMSG signed an amendment to the instrument of settlement and adjustment of understandings whereby the parties agree that an amount estimated at R\$22,427 will have its settlement deferred into monthly installments of R\$300 as from the ratification of such amendment until the full amount is settled.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information  
March 31, 2023  
(In thousands of Brazilian *Reais*)

### 1. Operations--Continued

#### Indirect Subsidiaries--Continued

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 (RJ), which will expire in 2031 and may be renewed until 2036.

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

CTRBM provides biogas to a thermopower plant with installed capacity of 2MW, which is currently used in a distributed generation project.

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 interim financial information  
March 31, 2023  
(In thousands of Brazilian *Reais*)

### 1. Operations--Continued

#### Indirect Subsidiaries--Continued

e) *Ecopesa Ambiental S.A. ("Ecopesa")*

Ecopesa, headquartered in the city of Jaboatão dos Guararapes, state of Pernambuco, is engaged in the provision of services for implementation and operation of solid waste treatment and final disposal system, waste management, including conservation, maintenance, modernization, expansion, exploration activities, preparation of technical studies and works required to perform these services.

Ecopesa has only one operating unit, i.e., the landfill located in Jaboatão dos Guararapes ("CTR Candeias"), in the state of Pernambuco, which receives approximately 4,000 tons of waste per day.

On May 31, 2022, Ecopesa merged into its direct parent company Orizon Meio Ambiente. The net assets merged amounted to R\$65,182, having been accounted for under investments in Orizon Meio Ambiente, with the purpose of offsetting the investment accounted for until the merger date.

#### Use of biogas for energy generation

On November 17, 2016, Ecopesa signed a binding instrument with ASJA do Brasil Serviços para o Meio Ambiente Ltda. ("Asja Brazil"), having ASJA Ambiente Italia S.p.A. as intervening guarantor, for generation and trading of electricity through biogas produced at Jaboatão dos Guararapes landfill. The agreement became effective on the date of signature and will remain in force for up to 15 years, counted as from the beginning of the commercial operation.

As detailed in note 26, Orizon Meio Ambiente S.A. has an option to purchase Asja Pernambuco, the developer of the energy project at the Jaboatão dos Guararapes ecopark. Currently, the Company is considering exercising the option.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information  
March 31, 2023  
(In thousands of Brazilian *Reais*)

### 1. Operations--Continued

#### Indirect Subsidiaries--Continued

f) *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.

g) *Barueri Energia Renovável S.A. ("Barueri Energia," formerly named Foxx URE-BA)*

Barueri Energia is a joint-stock company incorporated by Foxx Inova and Sabesp, headquartered in the City of Barueri, State de 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. For the years 2021 and 2022, Barueri Energia participated in and won two energy generation auctions held by the federal government.

Beginning January 1, 2026, Barueri Energia will trade 105,000 MWh per year, the equivalent to 75% of its capacity, at an updated price of R\$613.64/MWh, adding up to around R\$1,3 billion for the 20-year period, annually adjusted by the IPCA. Barueri Energia will have an installed power of 20 MWe, with processing capacity of 300,000 tons of urban solid waste per year.<sup>1</sup>

#### Sale of equity interest

On December 22, 2022, the Company sold twenty percent (20%) of the capital stock of Barueri Energia Renovável, OrizonVR's indirect subsidiary, to Sabesp (for the amount of forty million *Reais* (R\$40,000,000.00)).

The net gain of R\$28,313 from this transaction is a result of a write-off of 20% of Barueri Energia Renovável's net assets, in the amount of R\$11,687, and recognition of the R\$40,000.00 sale, with balance received in full on the transaction closing date. Because the Group retained control of Barueri Energia, the result of this transaction was recorded in shareholders' equity.

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<sup>1</sup>: Information not audited by the Company's independent auditors.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information  
March 31, 2023  
(In thousands of Brazilian *Reais*)

### 1. Operations--Continued

#### Indirect Subsidiaries – Continued

##### *h) Orizon Pantanal (formerly “Orizon Locações Ltda.”)*

Orizon Pantanal Ltda. has its head office in the City of São Paulo, State of São Paulo, and its purpose is to hold interests in other companies. Currently, Orizon Pantanal holds one hundred percent (100%) of all shares in CGR Ambiental Tratamento de Resíduos Ltda. and one hundred percent (100%) of all shares in Centro de Gerenciamento de Residuais Cuiabá Limitada, whose purpose is to engage in the business of treating and disposing of waste in a landfill located in the Cuiabá Metropolitan Area.

On September 12, 2022, Foxx Inova Ambiental S.A. (“Foxx Inova”) and Foxx Holding S.A. (“Foxx Holding”) sold their direct and indirect equity interests, respectively, in Orizon Pantanal, to Orizon Meio Ambiente. Thus, the shares were fully assigned on the same date, when Orizon Pantanal became wholly controlled by Orizon Meio Ambiente. This transaction did not generate any impact on the Company’s results or shareholders’ equity.

##### *i) 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 the generation of energy from biogas in a consortium entered into with ASJA.

On May 30, 2023, Foxx URE-JP entered into an Amendment to the Concession Agreement with the João Pessoa Municipal Special Quasi-Government Agency, extending such concession agreement for 20 years and setting its new expiration date to May 29, 2043.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information  
March 31, 2023  
(In thousands of Brazilian *Reais*)

### 1. Operations--Continued

#### Indirect Subsidiaries--Continued

j) *FIDC Orizon - Fundo de Investimentos em Direitos Creditórios Não-Padronizados*

On December 10, 2020, ORIZON executed (i) an Instrument of Adhesion to the Regulations of the exclusive fund Orizon Fundo de Investimento em Direitos Creditórios Não Padronizados (“FIDC Orizon”), corporate taxpayers’ number CNPJ No. 37.737.564/0001-11, administered by Modal Distribuidora de Títulos e Valores Mobiliários Ltda. and managed by Modal Asset Management Ltda. and (ii) a Bulletin for Subscription of Shares in the 1<sup>st</sup> Issue of Shares of FIDC ORIZON, with payment of funds on December 11, 2020, in the amount of R\$8,000.

The Fund is intended for exclusive investment by one single shareholder (Orizon VR), which qualifies as a Professional Investment, according to the applicable regulations.

k) UTM Jaboaão dos Guararapes LTDA. (“UTM Jaboaão”)

#### Mechanized sorting unit in Pernambuco

On May 6, 2021, the Company entered into an agreement for implementation of a mechanized sorting unit (“UTM”) installed in Jaboaão dos Guararapes ecopark, in the state of Pernambuco. The project came into operation in the 3<sup>rd</sup> quarter of 2022 and has an annual capacity to receive 500,000 tons of waste.

l) *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 landfill.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information  
March 31, 2023  
(In thousands of Brazilian *Reais*)

### 1. Operations--Continued

#### Indirect Subsidiaries--Continued

##### m) *SPEs UPIs Estre (“UPIs Estre”)*

On May 13, 2021, the Orizon Group’s Board of Directors approved the presentation, together with a credit rights investment fund managed by Jive Asset Gestão de Recursos Ltda. (“Jive Fund”), of a binding proposal for participation, as long as it has the position of first bidder (stalking horse), in the bidding process aimed at the acquisition of the entire equity interest representing an Separated Productive Unit (“UPI Aterros”) formed by 08 assets, including 07 landfills and 01 blending plant for liquids, solids and reverse logistics.

On May 14, 2021, the court-approved reorganization plan of Estre Group was approved at the general meeting of creditors, providing for the Company’s participation, through Orizon Meio Ambiente S.A., together with Jive Fund, as a stalking horse, upon submission of a binding proposal for the acquisition of UPI Aterros, in a sealed envelope.

On April 19, 2022, the Company completed, through its subsidiary Orizon Meio Ambiente, the acquisition of a full equity interest in seven (07) companies that are part of UPI Landfills of Estre Ambiental S.A. - under Court-Approved Reorganization (“Assets”), of which: 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 Court-Approved Reorganization Proceedings of the Estre Group and, immediately thereafter, with funds managed by Jive Asset Gestão de Recursos Ltda.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information  
March 31, 2023  
(In thousands of Brazilian *Reais*)

### 1. Operations--Continued

#### Indirect Subsidiaries--Continued

##### m) *SPEs UPIs Estre (“UPIs Estre”)*--Continued

In consideration for the acquisition of all investments, the subsidiary Orizon Meio Ambiente paid the total amount of R\$516 million, of which R\$403 million is basically in cash, part on demand and part in installments, and the remaining balance with 3,545,459 common shares issued by the Company (estimated, at the time of closing of the company, at R\$113 million). This updated balance was initially stated in shareholders' equity, having as consideration the assets of Orizon Valorização de Resíduos, by virtue of a loan agreement entered into by the Company and Orizon Meio Ambiente, as a result of the payment conditions of the transaction. The subsidiary Orizon Meio Ambiente, on the other hand, recorded the amount under related parties line item against accounts payable for the acquisition of companies. The breakdown of the financial flow of the acquisition is in note 19.

To complete the UPI Aterros acquisition, on August 26, 2022, Estre Ambiental obtained approval from the City Administration of Maceió for the sale of SPE Maceió. On December 16, 2022, the Company, through its wholly-owned subsidiary Orizon Meio Ambiente S.A., completed the SPE Maceió acquisition. In consideration for this latest step toward acquiring all assets of UPI Aterros, the Company took on the payment to Jive of 4,636,000 shares in the Company, worth R\$184,063, considering a price per share of R\$39.70 (price per share for the private capital increase concluded in February 2023). To register the acquisition and prepare the acquisition PPA, the Company considered the base date of December 31, 2022. In compliance with CPC 15, the excess paid on the acquisition was temporarily allocated as goodwill on license, due to SPE Maceió having a concession license.

As total consideration for the transaction, the Company delivered, as part of the private capital increase announced on December 26, 2022, a total 8,181,000 shares to Jive at a unit price of R\$39.70, totaling R\$324,818.

In April 2023, Jive ceased to be a shareholder in the Company on the context of the follow-on process in the second quarter of 2023.

The payment terms are detailed in note 19.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information  
 March 31, 2023  
 (In thousands of Brazilian *Reais*)

### 1. Operations--Continued

#### Indirect Subsidiaries--Continued

##### m) *SPEs UPIs Estre* (“*UPIs Estre*”)--Continued

#### Measurement Period of the Purchase Price Allocation (PPA)

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 for the business combination at the end of the report period in which the combination occurred.

#### SPE Paulínia Merger

On February 28, 2023, SPE Paulínia was merged into its direct parent Orizon Meio Ambiente. Net assets absorbed amounted to R\$108,981 and were accounted for in Orizon Meio Ambiente’s investments account in order to offset the investment recorded until the date of the merger.

Provided below is a summary of SPE Paulínia’s financial statements as of the merger date:

<b>Assets</b>		<b>Liabilities</b>	
Current		Current	
Cash and cash equivalents	<b>592</b>	Trade accounts payable	<b>7,059</b>
Trade accounts receivable	<b>29,961</b>	Salaries and payroll charges	<b>2,642</b>
Taxes recoverable	<b>1,691</b>	Taxes and contributions payable	<b>1,877</b>
Prepaid accounts	<b>2,122</b>	Advances from customer	<b>753</b>
Total current assets	<b>34,366</b>	Other liabilities	<b>1,951</b>
		Total current liabilities	<b>14,282</b>
Non-current		Non-current	
Related parties	<b>25,307</b>	Leases	<b>13,421</b>
Property, plant & equipment	<b>84,780</b>	Taxes payable in installments	<b>8,893</b>
Right-of-use assets	<b>12,896</b>	Closedown provision	<b>11,772</b>
Total non-current assets	<b>122,983</b>	Total non-current liabilities	<b>34,086</b>
		Shareholders' Equity	
		Capital stock	<b>106,532</b>
		Revenue reserves	<b>2,449</b>
		Total shareholders' equity	<b>108,981</b>
Total assets	<b>157,349</b>	Total liabilities and shareholders' equity	<b>157,349</b>

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information  
March 31, 2023  
(In thousands of Brazilian *Reais*)

### 1. Operations--Continued

#### Indirect Subsidiaries--Continued

##### n) *Orizon Energia e Gás Renovável Ltda* (“*Orizon Energia*”)

On April 5, 2022, Orizon Energia e Gás Renovável Ltda (“Orizon Energia”) was incorporated with corporate purpose of investing in other companies, as a partner or shareholder in the investees listed below:

<u>Company</u>	<u>Purpose</u>
Orizon Biometano Paulínia Ltda	Biomethane generation and trading plant
Orizon Biometano Paulínia II Ltda	Biomethane generation and trading plant
Orizon O&M Ltda.	Equipment operation and maintenance
Orizon Locação de Equipamento Ltda.	Equipment rental
Orizon Biometano Rosário do Catete Ltda.	Biomethane generation and trading plant
Orizon Biometano Jaboatão dos Guararapes Ltda.	Biomethane generation and trading 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
Orizon GD Itapevi 4 Ltda	Electricity generation plant
Orizon GD Itapevi 5 Ltda	Electricity generation plant

##### o) *CTR Porto Velho* (“*CTR PV*”)

On January 17, 2023, the Company acquired through its subsidiary Orizon Meio Ambiente a 51% equity interest in CTR Porto Velho S.A. (“CPR PV”) together with Ecofort Engenharia (“Ecofort”) for the 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 of expanding its activities through projects that add value to the Company, the environment and the population, with the expectation of biogas drilling, carbon credits, electricity, biomethane and other activities being implemented over the life of CTR PV.

In the last quarter of 2023, CTR PV began receiving waste from the municipality of Porto Velho, the largest in the region, and ratifying the project strategy.

#### Purchase Price Allocation (PPA) Measurement Period

The Company calculated the amounts involved in the business combination according to CPC 15 (R1) - Business Combination and IFRS 3 (R) -Business Combination, which require the initial accounting for the business combination to be done at the end of the reporting period in which the combination has occurred, in the Company’s financial statements.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information  
March 31, 2023  
(In thousands of Brazilian *Reais*)

### 1. Operations--Continued

#### Indirect Subsidiaries--Continued

##### o) *CTR Porto Velho* (“*CTR PV*”)--Continued

The fair values stated and the calculation of goodwill on the CRT Porto Velho acquisition were allocated as contemplated by CPC 15/IFRS 3 – Business Combination, which allows the Company to complete the analysis of acquired assets and assumed liabilities within 12 months of the acquisition date.

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

During the measurement period, the Company will be able to retroactively adjust the temporary amounts recognized on the acquisition date to reflect any new information obtained on the existing facts and circumstances as of the date of acquisition that, had it been known on said date, would have affected the measurement of such recognized amounts. During the measurement period, additional recognition of assets or liabilities is required when new information is obtained on the existing facts and circumstances as of the date of acquisition that, had it been known on such date, would have resulted in such assets and liabilities being recognized.

The information on balances as of the acquisition date is provided in the table below:

<b>CTR Porto Velho shareholders' equity</b>	<u>19,039</u>
% interest acquired	<u>51%</u>
<b>Total acquired</b>	<u>9,710</u>
<b>Identifiable net assets at fair value</b>	<u>290</u>
Acquisition Price – Consideration	<u>10,000</u>

#### Jointly controlled companies and affiliates

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

UTE Paulínia was jointly organized with Gera Energia do Brasil S.A. (“Gera”) and Mercúrio Holding S.A. (“Mercúrio”) 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.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information  
March 31, 2023  
(In thousands of Brazilian *Reais*)

### 1. Operations--Continued

#### Jointly controlled companies and affiliates--Continued

##### a) UTE Paulínia Verde Participações S.A. (“UTE *Paulínia*”)--Continued

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, which electricity supply is estimated to begin as from May 1<sup>st</sup>, 2022, which may be extended until July 31, 2022, upon previously established contractual conditions.

On June 29, 2022, via Order No. 1735/2022, Agência Nacional de Energia Elétrica (“ANEEL”) (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 Biding Procedure held on October 25, 2021.

Between May and June 2022, UTE Paulínia incurred a contractual penalty from CCEE in the amount of R\$18,369, reflecting the gap between the original operation startup date, as provided for in the agreement, and the effective term, such amount being reflected in the individual and consolidated equity pick-up of the Company in proportion to its participation in the business.

For the year ended December 31, 2023, UTE Paulínia recorded net revenues of R\$259,202 and income of R\$28,732, reflecting the full operation of the thermal plant with the supply of the amount contracted with CCEE. The amounts mentioned in this note generate effects via equity income in the Company at the rate of 33.33%, in accordance with the interest in the capital stock of the investee.

##### 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 interim financial information  
March 31, 2023  
(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 ("CRT SL")*

On April 10, 2023, the Company signed a binding agreement through its subsidiary Orizon Meio Ambiente S.A. to acquire an equity stake in CTR Santa Luzia S.A. ("CTR SL"), located in the municipality of Santa Luzia, State of Minas Gerais, for the amount of R\$25,000, part of which by capitalizing amounts previously transferred to CTR SL, and the rest through future capital increases.

With the closing of the transaction and fulfillment of the obligations assumed by Suma Brasil Serviço Urbanos e Meio Ambiente S.A. ("SUMA"), CTR SL's capital stock was apportioned as follows: 50% (fifty percent) held by OMA, and 50% (fifty percent) held by SUMA, a Brazilian-based company controlled by Portuguese-based Mota-Engil SGPS S.A. and Spanish-based Urbaser S.A.

CTR SL owns a landfill located in the Belo Horizonte Metropolitan Area that started up in the 1<sup>st</sup> quarter of 2023, with an expected volume of up to 1,500 tons of waste per day to be received.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information  
March 31, 2023  
(In thousands of Brazilian *Reais*)

### 1. Operations--Continued

#### Jointly controlled companies and affiliates--Continued

##### e) *Biometano Verde Paulínia*

#### A company to produce biomethane in Paulínia

On August 14, 2023, the Company and its wholly-owned subsidiary Orizon Meio Ambiente S.A. (“OMA”) published a material fact notice concerning the organization of a company to produce biomethane at the Paulínia Ecopark in conjunction with Compass Comercialização S.A. (“Compass”), a subsidiary of Compass Gás e Energia S.A.

#### Incorporation of investee to produce biomethane in Paulínia

In the context of the transaction, Compass will invest up to R\$355,000, R\$235,000 of which in the early stages of the partnership, with R\$100,000 to be contributed by Biometano Verde Paulínia S.A. and R\$135,000 at a second stage to the Orizon Group. An additional amount of up to R\$120,000 is conditional upon delivery of a larger volume of biogas. OMA, in turn, for a 20-year period, agrees to assign space in the Paulínia landfill for the construction and operation of the plant and to supply biogas for biomethane production (see note 26).

On October 20, 2023, upon implementation of the conditions precedent under the agreement, the transaction was completed, with Compass now holding a 51% stake in Biometano Verde Paulínia S.A., and Orizon Group, though is direct subsidiary OMA, holding 49%. The investment in the project, at its initial stage, is estimated at R\$400 million, with Paulínia biomethane plant expected to start up in the second half of 2025.

## **Orizon Valorização de Resíduos S.A.**

Notes to the individual and consolidated interim financial information  
March 31, 2023  
(In thousands of Brazilian *Reais*)

### **2. Basis for preparation and presentation of the individual and consolidated financial statements and significant accounting practices**

#### **2.1. Declaration of compliance**

The individual and consolidated financial statements were prepared and are being presented in accordance with the accounting practices in place Brazil, which comprise the provisions of the Corporation Law, the standards issued by the Brazilian Securities Commission (“CVM”) and the pronouncements of the Accounting Pronouncements Committee (“CPC”), which are in compliance with the International Financial Reporting Standards issued by the International Accounting Standards Board (“IASB”).

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

Additionally, the individual and consolidated financial statements provide comparative information relative to the previous year. Management also considered the guidelines provided under Technical Guidance CPC 7, as issued by the CPC in November 2014, in preparing its financial statements. Accordingly, the material information specific to financial statements is being evidenced and corresponds to that used by the Management in its management.

Management authorized the issuance of the financial statements on March 27, 2024.

#### **2.2. Basis of preparation**

The individual and consolidated financial statements were prepared based on the historical cost, except for those measured at fair value, when indicated. The financial statements were prepared based on historical cost, except as otherwise indicated in a note to the interim financial information. The financial statements are prepared in Brazilian *Reais* (BRL or R\$), which is the Company’s functional currency.

#### **2.3. Basis for consolidation**

The consolidated financial statements comprise the Group’s and its subsidiaries’ financial statements as of December 31, 2023 and 2022. 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 interim financial information

March 31, 2023

(In thousands of Brazilian *Reais*)

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

### 2.3. Basis for 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:

		12/31/2023	12/31/2022
<b><u>Orizon Valorização de Resíduos Subsidiaries:</u></b>			
Orizon Meio Ambiente S.A.	Direct Subsidiary	100	100
Foxx Holding S.A.	Direct Subsidiary	100	100
FIDC Orizon <sup>1</sup>	Direct Subsidiary	100	100
Orizon Energia e Gás Renovável Ltda.	Direct Subsidiary	100	100
Orizon Compostagem Ltda.	Direct Subsidiary	100	-
<b><u>Orizon Meio Ambiente Subsidiaries:</u></b>			
CTRNI	Indirect subsidiary	100	100
CTRA	Indirect subsidiary	100	100
CTRBM	Indirect subsidiary	100	100
SES Haztec	Joint venture	50	50
ETR Gramacho	Indirect subsidiary	100	100
UTM Jabotão	Indirect subsidiary	100	100
Vamtec Orizon	Joint venture	50	50
UTE Paulínia	Joint venture	33.33	33.33
SPE Itaboraí	Indirect subsidiary	100	100
SPE Itapeví	Indirect subsidiary	100	100
SPE Paulínia	Indirect subsidiary	-	100
SPE Rosário do Catete	Indirect subsidiary	100	100
SPE Sorocaba	Indirect subsidiary	100	100
SPE Tremembé	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	-
CRT Santa Luzia	Joint venture	50	-
Centro de Gerenciamento de Residuais Cuiabá Ltda.	Indirect subsidiary	100	100
CGR Ambiental Tratamento de Resíduos Ltda.	Indirect subsidiary	100	100
Orizon Holding Ceará Ltda.	Indirect subsidiary	100	-

## Orizon Valorização de Resíduos S.A.

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

### 2.3. Basis for consolidation—Continued

<b><u>Foxx Holding Subsidiaries:</u></b>			
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
<b><u>Orizon Energia e Gás Renovável Ltda. Subsidiaries:</u></b>			
GD1 Itapevi <sup>3</sup>	Indirect subsidiary	100	100
GD2 Itapevi <sup>3</sup>	Indirect subsidiary	100	100
GD3 Itapevi <sup>3</sup>	Indirect subsidiary	100	100
GD4 Itapevi <sup>3</sup>	Indirect subsidiary	100	100
GD5 Itapevi <sup>3</sup>	Indirect subsidiary	100	100
Orizon Biometano Paulínia Ltda	Indirect subsidiary	100	100
Orizon Biometano Paulínia II Ltda	Indirect subsidiary	100	-
Orizon O&M Ltda.	Indirect subsidiary	100	-
Orizon Locação de equipamento Ltda.	Indirect subsidiary	100	-
Orizon Biometano Rosário do Catete Ltda.	Indirect subsidiary	100	-
Orizon Biometano Jaboaão dos Guararapes Ltda.	Indirect subsidiary	100	-
<b><u>Orizon Compostagem Ltda. Subsidiaries</u></b>			
Consócio Orizon Tera	Indirect subsidiary	50	-
SPE Biovalore I S.A	Joint venture	30	-
SPE Biovalore II S.A	Joint venture	30	-

<sup>1</sup> FIDC Orizon is not operational.

<sup>2</sup> On September 12, 2022, Orizon Pantanal became the parent company of Orizon Meio Ambiente after its parent companies Foxx Holding and Foxx Inova assigned their shares to the new parent company free of charge.

<sup>3</sup> Itapevi GDs are basically companies created to possibly generate energy in the future at Itapevi ecopark.

<sup>4</sup> Merged into Orizon Meio Ambiente on February 28, 2023.

### 2.4. Investment in subsidiaries, affiliates and joint ventures

The Company's investments are recorded based on the equity method, being initially entered at acquisition cost. All changes in the investees' shareholders' equity are reflected in the Company's investment.

### 2.5. Classification as current vs. non-current

The Company presents assets and liabilities in its balance sheet based on their classification as current/non-current. An asset is classified as current where:

- it is expected to be realized or intended to be sold or used in the ordinary course of business;
- it is primary held for trading;
- it is expected to be realized within 12 months of the year of disclosure;
- cash and cash equivalents, unless there are restrictions on their exchange, are used to settle a liability for at least 12 months after the disclosure year.

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### **2. Basis for preparation and presentation of the individual and consolidated financial statements and significant accounting practices—Continued**

#### **2.5. Classification as current vs. non-current—Continued**

- All other assets are classified as non-current. A liability is classified as current where:
- it is expected to be settled in the ordinary course of business;
- it is primarily held for trading;
- it is expected to be realized within 12 months of the disclosure year;
- there is no unconditional right to settle the liability for at least 12 months after the disclosure year.

The Company classifies all other liabilities as non-current.

#### **2.6. Fair value measurement**

The Company values its financial instruments at the relevant fair values, taking into consideration the price that would be received for the sale of an asset or paid for the transfer of a liability in a non-forced transaction between market participants on the date of measurement. Fair value measurement is based on the assumption that a transaction selling the asset or transferring the liability will occur in compliance with the assumptions of the standard, as set out below:

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

#### 2.6. Fair value measurement--Continued

- on the primary market for the asset or liability; or
- in the absence of a primary market, on the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy at Level 2 – Valuation Techniques for which the lowest level information significant to the fair value measurement is directly or indirectly observable.

From time to time, the Company has its financial instruments valued in order to determine if any transfers between hierarchical levels have occurred and reassess the relevant categorization (based on the lowest level information significant to the fair value measurement as a whole).

Disclosures of financial instruments and those stated at their fair values are detailed in note 26.

#### 2.7. Revenue recognition

Revenues are recognized to the extent that economic benefits are likely to be created for the Company and can be reliably measured, irrespective of when payment is received.

CPC 47/ IFRS 15 provides a five-stage model for recognizing revenues from agreements with customers. Under that standard, a revenue is recognized in an amount that reflects the consideration to which an entity expects to be entitled in exchange for goods transferred or services provided to a customer.

##### 2.7.1. Environmental engineering revenues

Revenues are recognized on an annual basis as services are provided, based on the progress in the performance of contracted services. The managers of each agreement send reports from time to time on service performance status versus provisions of the agreement, based on which they measure the revenues and costs to be recognized on the books.

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Notes to the individual and consolidated interim financial information  
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### 2. Basis for preparation and presentation of the individual and consolidated financial statements and significant accounting practices--Continued

#### 2.7. Basis for recognition--Continued

##### 2.7.2. Waste treatment and disposal revenues

Revenues are recognized on an accrual basis as services are provided, based on measurements issued for each customer. Measurements are taken from the report from the scales periodically controlling the volume of waste (TN) received at the waste treatment and disposal units. At the end of each month, reports are generated reflecting the volume received from each customer, unit price and total revenue. Based on that information, revenues are recognized on the books.

##### 2.7.3. Biogas and biomethane revenues

Biogas and biomethane revenues are recognized on an accrual basis according to measurements taken through the flow rate control of biochemical gas and biomethane by equipment installed on the landfills. Based on that measurement, the technician in charge and manager of each agreement obtains the revenues for the period by multiplying biogas and biomethane volumes by the contracted unit price. With this information on hand, the revenues are recognized on the books.

##### 2.7.4. Carbon credit revenues

Carbon credit revenues are recognized on an accrual basis according to measurements taken through the control of emissions of polluting gases into the atmosphere by equipment installed on the landfills and to the extent that there is a selling price for carbon credits specified in the agreement. Based on that measurement, the technician in charge and manager of the operation obtains the revenues for the period according to the greenhouse gas emissions reduction volume-to-contracted unit price ratio. With this information on hand, the revenues are recognized on the books.

##### 2.7.5. Revenues from consortia and the mechanical sorting plant ("UTM")

Revenues from participation in energy consortia are recognized on accrual basis according to measurement taken by the control of energy generated and traded under the responsibility of consortium member ASJA. Based on that measurement, the indirect subsidiaries that are parties to such consortia are remunerated by a variable share in revenues, according to the terms of the applicable agreements.

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

#### 2.7. Revenue recognition--Continued

##### 2.7.5. Revenues from consortia and the mechanical sorting plant ("UTM")--Continued

Revenues from mechanical sorting units, where the process of separating recyclables from organic waste and subsequently selling them takes place. The Company and its subsidiaries recognize revenues on an accrual basis, after the materials sold to customers are sold and actually delivered.

##### 2.7.6. Energy trading revenues

Energy revenues are recognized on an accrual basis according to the amount of energy contracted (MWh) under the agreement and delivered by the Company. This operation is currently run by the indirect wholly-owned subsidiary Barueri Energia.

##### 2.7.7. Financial revenues

Financial revenues are recognized using the effective interest rate method.

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

#### 2.8. Taxes

##### Income and social contribution taxes - current

The Company measures its current tax assets and liabilities based on their amounts recoverable from or payable to the tax authorities. The tax rates and tax laws used to calculate such amounts are those which are either in force or substantially in force as of the balance sheet date.

##### Deferred tax

The Company values and measures its deferred tax assets and liabilities considering the effects of temporary differences calculated for current transactions, as of the balance sheet date, between the tax bases of the assets and liabilities and their book values, as well as tax losses and negative social contribution tax basis, to the extent that taxable income is likely to be available so that deductible temporary differences can be realized and unused tax credits and losses can be used.

From time to time, the Company reviews the book value of deferred tax assets and proceeds to recognize a write-off in the statement of income for the year according to studies and projections for the realization of these receivables.

Deferred tax assets and liabilities are stated net, if there is any right under law or agreement to offset tax assets against tax liabilities and the relevant deferred taxes are related to the same taxed entity and subject to the same tax authority.

#### 2.9. Property and equipment

Classes of property and equipment are stated at cost, net of cumulative depreciation and accumulated impairment losses, if any. That cost includes the amount used to acquire and/or build up the asset. Other repair and maintenance costs are recognized in the statement of income, as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, also conserving the tax rates for defined-useful life assets. Ecoparks (landfill-based operations) are amortized variably, considering their total capacity to receive waste on the valleys, based on studies conducted by engineers employed by the Company and/or expert contractors, the waste volume received and the cost of forming the valleys.

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

#### **2.9. Property and equipment--Continued**

Assets are tested for impairment whenever there is any sign of impairment of an asset.

A property and equipment item will be written off due to either sale or obsolescence (where no future economic benefit is expected from the use or sale of that item). Any gain or loss resulting from an asset being written off (calculated as the difference between the net selling value and the book value of the asset) are included in the statement of income for the period in which the asset is written off.

The residual life and useful life of assets and the depreciation and amortization methods are reviewed from time to time and prospectively adjusted when material changes occur to the estimated useful life of an asset.

#### **2.10. Intangible assets**

Classes of intangible assets are stated at cost, net of cumulative depreciation and accumulated impairment losses, if any. The useful life of an intangible asset is valued as finite or indefinite.

Finite useful life intangible assets are amortized over their economic useful lives and impairment-tested whenever there is any indication of impairment of an asset. The amortization method for a finite-useful life intangible asset is reviewed from time to time, considering tax rates as well.

Indefinite useful life intangible assets are not amortized, but they are annually impairment-tested instead, either individually or at the cash-generating unit level. The indefinite useful life assessment is annually reviewed to determine whether that assessment continues to be justifiable. If not, the change from indefinite to finite useful life is made prospectively.

Any gain and loss resulting from an intangible asset being written off are measured as the difference between the net amount obtained from the sale and the book value of the asset and are recognized in income of income statement at the time the asset is written off.

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

#### 2.11. Financial instruments

Financial instruments are valued and stated in compliance with CPC 48 / IFRS 9, and detailed information is provided in note 26.

##### Financial assets

The Company recognizes its financial instruments at amortized cost or at their fair values through profit or loss, plus transaction costs. The classification of such instruments is assessed by the Company according to the characteristics of each instrument.

##### *Initial recognition and measurement*

A financial asset is no longer recognized either when contractual rights to cash flows from the assets expire or when the Company transfers its rights to receive contractual cash flows from a financial asset through a transaction in which, in essence, all risks and benefits of owning the financial asset are transferred.

The Company measures financial assets at amortized cost if such financial assets are held within a business model whose goal is to hold the financial assets to receive contractual cash flows and the contractual terms of such financial assets give rise, on specified dates, to cash flows consisting exclusively of payments of principal and interest on the principal amount outstanding.

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

#### 2.11. Financial instruments--Continued

Financial assets at amortized cost are subsequently measured using the effective interest rate method and are subject to impairment. Any gain or loss is recognized in the statement of income when the asset is written off, changed or impaired.

As of December 31, 2023, financial assets basically correspond to cash and cash equivalents, financial investments, securities, trade accounts receivable and related-party accounts receivable.

#### Financial liabilities

The Company values its financial liabilities at amortized cost using the effective interest rate method. As of December 31, 2023, those liabilities basically comprise loans and financing, leases, trade accounts payable and other accounts payable. Financial liabilities are stated at their initial recognition as financial liabilities at fair value through profit or loss.

All financial liabilities are initially measured at their fair values, plus or minus, for any financial liabilities other than at fair value through profit or loss, any transaction costs directly attributable to the issuance of the relevant financial liability. After initial recognition, any debentures issued and any loans and financing contracted subject to interest are subsequently measured at amortized cost, using the effective interest rate method. Any gain or loss is recognized in the statement of income when the liabilities are written off, as well as by the effective interest rate amortization process.

#### *Offsetting financial instruments:*

Financial assets and liabilities are offset, and the net value is stated in the balance sheet when there is a legally applicable right to offset the amounts recognized and they are intended to be settled on a net basis or the assets and liabilities are intended to be realized and settled simultaneously.

#### **2.12. Cash and cash equivalents**

Cash equivalents are held for the purpose of meeting short-term cash commitments. The Company considers cash equivalents to be a financial investment that is immediately convertible into a known amount of cash and is subject to an insignificant risk of change in value, in addition to having a short-term maturity date for realization.

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

#### **2.13. Provisions**

##### General

Provisions are recognized when the Company has a present obligation (legal or not formalized) as a result of a past event, it is probable that economic benefits will be required to settle the obligation and a reliable estimate of the value of the obligation can be made. When the Company expects the value of a provision to be reimbursed, in whole or in part, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when reimbursement is practically certain. The expense relating to any provision is presented in the statement of income, net of any reimbursement.

##### Provisions for tax, civil and labor risks

The Company is party to several legal and administrative proceedings. Provisions are set up for all contingencies relating to legal proceedings for which it is probable that an outflow of resources will be made to settle the contingency/obligation and a reasonable estimate can be made. The assessment of the probability of loss includes the assessment of available evidence, the hierarchy of laws, available jurisprudence, the most recent court decisions and their relevance in the legal system, as well as the assessment of external lawyers. Provisions are periodically reviewed by the Company and adjusted when necessary.

#### **2.14. Judgments, estimates and accounting assumptions**

##### Judgments

The preparation of the Company's individual and consolidated financial statements requires management to make judgments, estimates and adopt assumptions that affect the presented amounts of revenues, expenses, assets and liabilities, and the respective disclosures, as well as the disclosures of contingent liabilities.

##### Estimates and assumptions

The main assumptions relating to sources of uncertainty in future estimates and other important sources of uncertainty in estimates at the balance sheet date, involving a significant risk of causing a significant adjustment in the carrying value of assets and liabilities in the next financial year, are discussed below:

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

#### 2.14. Judgments, estimates and accounting assumptions--Continued

Estimates and assumptions--Continued

##### *Provisions for tax, civil and labor risks*

The Company recognizes a provision for civil and labor claims assessed by legal counsel and consultants with a probable loss. The assessment of the probability of loss includes the assessment of available evidence, the hierarchy of laws, available jurisprudence, the most recent court decisions and their relevance in the legal system, as well as the assessment of external lawyers. Provisions are reviewed and adjusted to take into account changes in circumstances, such as the applicable statute of limitations, tax inspection findings, or additional exposures identified based on new matters or court decisions.

##### *Life cycle of fixed assets*

The accounting values of fixed assets are based on estimates, assumptions and judgments relating to capitalized costs and the total capacity of landfill operations (ecopark) to receive solid waste.

##### *Provision for doubtful debts*

Throughout each year, the Company evaluates the realization of accounts receivable balances based on an estimate based on the weighting of the risks of loss for each group on the "aging list", considering the different risks according to collection operations and the future probability of default, in management's best expectation. The assessment of the need for a provision for doubtful debts is carried out based on the premises established in CPC 48/IFRS 9 - Financial Instruments, considering a history of default by age group.

##### *Analysis of impairment of non-financial assets*

On December 31, 2023, the Company recognized losses for impairment of non-financial assets, in the amount of R\$68,062, relating to the write-off of assets in the engineering segment.

## Orizon Valorização de Resíduos S.A.

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

#### **2.15. New or revised pronouncements applied for the first time in 2023**

The Group has reviewed the following standards and amendments, which are valid for annual periods beginning on or after January 1, 2023 (unless otherwise stated):

- IFRS 17 - Insurance contracts and amendments;
- CPC 26/ IAS 1 and IFRS Practical Statement 2 - Disclosure of accounting policies;
- CPC 23/ IAS 8 - Definition of accounting estimate;
- CPC 32/ IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction.

The Company assessed IFRS 17 as not applicable to accounting practices.

In relation to other standards, the Company did not identify relevant changes applicable to the current practices adopted.

#### **2.16. Standards issued but not yet in force**

The new and amended standards and interpretations issued, but not yet in force as of the date of issue of the Company's financial statements, are described below:

Pronouncement	Change
Changes to IFRS 16	Lease Liabilities in a Sale and Leaseback Transaction
Changes to IAS 1	Classification of Liabilities as Current or Non-Current
Changes to IAS 7 and IFRS 7	Supplier Financing Agreement

The Company did not identify relevant changes applicable to the current practices adopted.

## Orizon Valorização de Resíduos S.A.

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### 3. Cash and cash equivalents

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Cash	1	1	1	59
Banks	484	785	43,686	30,775
Bank Deposit Certificate (CDB)	35,814	138,041	245,739	138,041
Total	<b>36,299</b>	138,827	<b>289,426</b>	168,875

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 pay interest at approximately 100% of the CDI rate.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information

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### 4. Securities

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Bank Deposit Certificates (CDBs)	16,506	70,000	33,608	71,922

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)

	12/31/2023	12/31/2022
Billed	300,033	315,523
Billable <sup>(1)</sup>	88,291	120,644
	388,324	436,167
Provision for doubtful debts	(155,584)	(162,610)
Total	232,740	273,557
Current	184,168	258,897
Non-current	48,572	14,660

(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 registration, 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:

	12/31/2023	12/31/2022
To mature	66,396	54,875
Up to 30 days overdue	15,849	18,235
Between 31 and 60 days overdue	7,346	4,172
Between 61 and 90 days overdue	8,455	5,721
Between 91 and 180 days overdue	13,281	7,707
Between 181 and 360 days overdue	22,843	27,532
More than 360 days overdue	165,863	197,281
Total	300,033	315,523

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information

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### 5. Trade accounts receivable (consolidated)--Continued

Of the balances receivable from the indirect subsidiary CTRA with PMSG, in the amount of R\$36,890, R\$12,068 is fully classified as more than 360 days overdue . As detailed in note 1, there is an ongoing a case in progress where the amounts claimed exceed this client's receivables, which should only be recognized after the case is closed.

The change in the provision for doubtful debts on December 31, 2023 is as follows:

	Consolidated	
	12/31/2023	12/31/2022
Balance as of January 1	(162,610)	(36,412)
Reversal (set-up) of provision for doubtful debts	7,026	(5,174)
Balance from business acquisition	-	(121,024)
Balance in the end of the year	<u>(155,584)</u>	<u>(162,610)</u>

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 December 31, 2023.

## Orizon Valorização de Resíduos S.A.

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### 5. Trade accounts receivable (consolidated)--Continued

As detailed in Note 1.d, 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:

<b>Changes in the agreement</b>	
Balance as of January 1, 2022	14,660
Tranches received in 2022	-
Balance as of December 31, 2022	<u>14,660</u>
Tranches received in 2023	<u>(1,200)</u>
Balance as of December 31, 2023	<u><b>13,460</b></u>

As set out in note 1, in the first quarter an amendment was signed with PMSG specifying a new payment flow.

#### 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	Credit generation period	Quantity of CER's (tCO <sub>2</sub> eq)	Balance
CTRNI	01-01-21 to 31-12-21	563	<b>11,997</b>
CTRA	01-01-21 to 31-12-21	422	<b>8,997</b>
	01-01-21 to 31-12-21	491	<b>10,455</b>
Foxx URE-JP	01-01-21 to 31-12-21	114	<b>2,428</b>
			<b>33,877</b>

## Orizon Valorização de Resíduos S.A.

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### 5. Trade accounts receivable (consolidated)--Continued

The credits generated under contracts prior to 2021 were fully delivered and partially received at the beginning of 2023. The amount corresponded to R\$7,493.

The amounts are impacted by the effects of updated foreign exchange variation until December 31, 2023. The total balance shown is allocated as services to be invoiced under accounts receivable item.

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 by OMA) and Foxx URE-JP. The amount, as updated to December 31, 2023, considering the exchange rate fluctuation effect, is R\$33,877 (R\$36,511 as of December 31, 2022). The relevant 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 qualifies for the voluntary market. The process of classifying an entity comprises the following steps 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, through its indirect subsidiaries, the Company is applying for registration of all its projects with voluntary market entities, such as Verified Carbon Standard (Verra) or Gold Standard.

## Orizon Valorização de Resíduos S.A.

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### 6. Taxes and contributions

#### a) Taxes and contributions recoverable

Taxes recoverable	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Withholding Income Tax (IRRF) (1)	4,162	1,802	18,176	5,161
Social Contribution Tax on Net Profit (CSLL) (1)	-	-	1,637	1,451
National Social Security Institute (INSS)	-	-	1,412	871
Social Integration Program (PIS) (1)	-	-	752	701
Contribution to Social Security Financing (COFINS) (1)	-	-	3,304	3,145
Tax on Industrialized Products (IPI)	-	-	106	101
Other taxes recoverable	13	13	424	436
Subtotal – Federal taxes	4,175	1,815	25,811	11,866
Tax on Circulation of Goods and Services (ICMS)	-	-	77	774
Subtotal – State taxes	-	-	77	774
Services Tax (ISS) (2)	-	-	4,154	1,267
Subtotal – Municipal taxes	-	-	4,154	1,267
Total	4,175	1,815	30,042	13,907

- (1) For the most part the balances shown refer (i) to taxes withheld at source by customers, which are detailed in the invoices for the provision of services, and (ii) to taxes withheld from financial investments, which increased as a result of the increase in the amount of the balance of financial investments arising from funds raised at IFC (Note 13).
- (2) The balance presented refers to the withholding of municipal taxes on the provision of services, which are detailed in the invoices.

#### b) Taxes and contributions payable

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
National Social Security Institute (INSS)	-	-	2,741	1,365
	17	3,038	11,109	12,062
Contribution to Social Security Financing (COFINS)				
Social Integration Program (PIS)	4	494	2,183	5,349
Social Contribution Tax on Net Profit (CSLL)	-	-	3,069	3,215
Income Tax for Legal Entities (IRPJ)	-	-	7,317	7,131
Services Tax of any type (ISS)	-	-	5,266	9,144
Tax on financial transactions (IOF)	766	766	1,727	1,440
Other taxes (*)	-	22	3,708	8,967
Total	787	4,320	37,120	48,673

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

## Orizon Valorização de Resíduos S.A.

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### 6. Taxes and contributions – Continued

SUDENE – Tax incentive obtained

In December 2023, the Company, through some of its subsidiaries, received from the Superintendence of Development of the Northeast (“SUDENE”), a body linked to the Ministry of Integration and Regional Development, approval of the framework referring to the tax incentive to reduce Income Tax Income and Additional Amounts in favor of OMA branch in Jaboatão dos Guararapes-PE, UTM Jaboatão dos Guararapes Ltda., Foxx URE-JP Ambiental S.A., SPE Maceió Ambiental S.A. and Rosário do Catete Ambiental S.A.

The aforementioned frameworks allow a reduction of seventy-five percent (75%) of Corporate Income Tax for a period of 10 years, as from the 2023 fiscal year. The Company filed a request for recognition of the right to reduce IRPJ before to the Federal Revenue of Brazil based on reports issued by SUDENE.

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

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 years ended December 31, 2023 and 2022 is as follows:

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Loss before income tax and social contribution	40,115	(145,424)	70,916	(96,854)
Combined nominal rate	34%	34%	34%	34%
IRPJ/CSLL tax expense at the tax rate in force	(13,639)	49,444	(24,111)	32,930
Adjustments for calculation at the effective rate				
Equity pick-up	23,112	(19,914)	3,760	2,625
Donations	-	-	450	-
Fines and Interest	886	-	4,731	-
Investments taxed on estimated profit	-	-	(8,374)	-
Tax credits set up (not set up) and reduction of deferred tax liabilities	(10,359)	(33,112)	2,795	(82,165)
Total income and social contribution taxes	-	(3,582)	(20,749)	(46,610)
Effective rate (*)	0%	2%	-27%	48%
Income and social contribution taxes	-	(3,582)	(20,749)	(46,610)

(\*) 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 interim financial information  
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### 6. Taxes and contributions – Continued

#### d) Deferred income and social contribution tax assets and liabilities

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

	Consolidated	
	12/31/2023	12/31/2022
<b>Assets</b>		
Tax loss and negative social contribution tax base	158,600	141,940
Temporary differences		
Provision for doubtful debts	52,899	55,287
Provision for contingencies	7,302	8,526
Tax credits not recognized for reaching the recoverability limit	(71,077)	(74,372)
	<u>147,724</u>	<u>131,381</u>
<b>Liabilities</b>		
Temporary differences		
Use of goodwill generated on acquisitions incurred between 2006 and 2009	(21,417)	(32,525)
Adjustment to present value / fair value and other temporary differences	(50,020)	(45,766)
	<u>(71,437)</u>	<u>(78,291)</u>
Deferred income and social contribution tax assets (liabilities)	<u>76,287</u>	<u>53,090</u>

The calculation of the expected offset of taxes against tax losses and negative tax basis factored into assumptions based on our business plan and the projected taxable income for the years ahead, taking into account the corporate restructuring processes carried out and expected to be carried out 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 its acquired businesses 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 had its subsidiary SPE Paulínia merged into it. In addition, the Company continues considering 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.

At the end of the current year, the Company recorded the amount of R\$11,108 as a reversal of deferred income tax and social contribution in liabilities due to the provision for reducing the recoverable value of goodwill.

## Orizon Valorização de Resíduos S.A.

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### 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 follows:

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	40,519
<b>TOTAL</b>	<b>147,724</b>

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					
	12/31/2023			12/31/2022		
	Deferred assets	Deferred Liabilities	Net. effect	Deferred assets	Deferred liabilities	Net. effect
Orizon Meio Ambiente (*)	147,724	(71,437)	76,287	131,381	(69,009)	62,372
Orizon	30,260	(30,260)	-	30,260	(39,542)	(9,282)

(\*) As of December 31, 2023 and 2022, the Company had deferred tax liabilities on the fair value adjustment of the 5<sup>th</sup> debenture issue transaction, in the parent company statements, and on present value adjustments of the loan from Banco Bradesco and the debt arising from the Estre acquisition, in the consolidated statements.

## Orizon Valorização de Resíduos S.A.

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Additionally, Orizon Valorização de Resíduos has tax credits on tax losses and negative basis for income tax and social contribution in the total amount of R\$241,929. This amount is not recorded in the financial statements due to the lack of expectation of realization within an estimable period.

### 6. Taxes and contributions – Continued

#### e) Deferred PIS and COFINS taxes

As of December 31, 2023 and 2022, we have 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	
	12/31/2023	12/31/2022
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	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Orizon Meio Ambiente (1)	340,419	184,064	-	-
Foxx Holding (1)	16,641	4,147	-	-
CTR Nova Iguacu (1)	1,828	1,828	-	-
Orizon Energia e Gás	800	-	-	-
Renovável				
CGR Cuiabá	125	-	-	-
Orizon Compostagem	196	-	293	-
Biometano Paulínia Verde	2	-	-	-
SPE Metropolitana	-	-	1,405	-
LS Participações (2)	-	-	1,155	7,713
Gera Energia Brasil (3)	-	-	153	153
Total	360,011	190,039	3,006	7,866

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

At Orizon Meio Ambiente, the balance originated mainly in the SPE Maceió acquisition because, as part of that transaction and the completion of the UPI Aterros acquisition, the Company delivered 4,636,353 shares to Jive, in the amount of R\$184,064, which gave rise to a balance receivable from its subsidiary Orizon Meio Ambiente.

Additionally, during the first half of 2023, OVR made transfers to OMA, mainly of funds raised in the follow-on offering, to maintain working capital and advance ongoing investments

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

## Orizon Valorização de Resíduos S.A.

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### 7. Transactions with related parties – Continued

Related Parties – Liabilities	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Orizon Meio Ambiente (4)	-	108,261	-	-
CTR Barra Mansa (1)	<b>18,113</b>	18,113	-	-
CTR Alcântara (1)	<b>8,632</b>	8,632	-	-
Barueri Energia (1)	<b>5,217</b>	5,217	-	-
Foxx Inova (1)	<b>11,670</b>	11,670	-	-
Orizon Energia e Gás Renovável	<b>413</b>	-	-	-
Ecofort Amazon	-	-	<b>296</b>	-
SABESP (5)	-	-	<b>16,430</b>	-
UTE Paulínia Verde	-	-	<b>4,223</b>	3,619
Share-based payment (2)	-	32,255	-	32,255
<b>Total</b>	<b>44,045</b>	184,148	<b>20,949</b>	35,874
Current	-	32,255	-	32,255
Non-Current	<b>44,045</b>	151,893	<b>20,949</b>	3,619

(1) Refers to checking account transactions on amounts transferred for payment of debentures issued by OMA.

(2) Refers to a share-based payment related to an agreement with members of the executive body linked to a liquidity event.

(3) Refers to advanced dividends.

(4) Refers to funds raised by OMA in 2022, through the issuance of debentures, transferred to OVR for current account purposes.

(5) Refers to SABESP's contributions to the indirect subsidiary Barueri Energia Renovável for investments in the construction of the WTE plant.

#### Share-based payment settled in cash

In the first quarter of 2021, the Company recorded in liabilities and in result for the period, in personnel expenses, the amount of R\$38,248 regarding share-based payments, as result of the agreement entered into with members of the executive board linked to a liquidity event, that is, the listing of its shares for trading on B3 in February 2021. Changes in the balances for the year are shown below:

Changes in the balance	
Balance recognized in December 2021	28,507
Payments	(8,079)
Restatements	11,827
Balance as of December 31, 2022	32,255
Payments	<b>(32,255)</b>
Balance as of December 31, 2023	-

In the first quarter of 2023, the Company fully settled the balance concerning the share-based payment, with R\$718,000 paid through wire transfer, and the remainder paid via delivery of newly issued shares, the unit price of which was set at R\$39.70.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information  
March 31, 2023  
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### 7. Transactions with related parties – Continued

#### Share-based payment settled in cash—Continued

The compensation in question was submitted to the relevant corporate approvals at the Board of Directors level.

#### Checking Account Transactions

The balances with related parties refer substantially to non-interest bearing, indefinite-maturity checking accounts, and without guarantees. 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 interim financial information  
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### 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. As of December 31, 2023 and 2022, the compensation of key management personnel can be summarized as follows:

	Consolidated	
	12/31/2023	12/31/2022
Compensation of key management personnel	11,995	20,274

(1) In addition to the base compensation of key Management personnel, on December 31, 2023, this amount includes the bonus paid for achievement of targets, the amount of which was R\$3,848.

#### 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.

Furthermore, we have no other share-based compensation program or other long-term benefits for our employees and/or management, except for that mentioned in the share-base payment item.

#### Incorporation of an investee for biomethane production in Paulínia

The Company concluded the transaction with Compass for operation for a period of 20 years in which it undertakes to provide space in the Paulínia landfill for the construction and operation of the plant and to supply biogas for the production of biomethane (See Notes 1 and 26).

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information

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### 8. Other assets and liabilities

#### a) Other assets

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Advance of awards (1)	-	-	<b>5,850</b>	5,850
Advances to employees (2)	-	-	<b>4,292</b>	1,092
Advances to suppliers (3)	<b>2,106</b>	976	<b>22,133</b>	17,376
Advances for acquisition of new business (4)	-	-	<b>17,703</b>	23,894
Held-for-sale assets (5)	-	-	-	16,798
Others (6)	-	-	<b>10,055</b>	14,564
<b>Total</b>	<b>2,106</b>	976	<b>60,033</b>	79,574
Current	<b>2,106</b>	976	<b>55,392</b>	66,610
Non-Current	-	-	<b>4,641</b>	12,964

- (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 amounts sought to be received 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 made in the context of the acquisition of the Porto Velho ecopark, of which R\$12,901 is outstanding, with remuneration according to IPCA+1% p.m. Additionally, in August 2023, the Company formalized the process for acquiring a sanitary landfill located in Juazeiro do Norte in Ceará with advance payment in the amount of R\$4,800.
- (5) In 2022, the Company decided to close the activity of the incineration unit belonging to Orizon Meio Ambiente and maintained the balances of demobilized property and equipment under this item due to the expectation of its sale. On December 31, 2023, the Company wrote off the amount of R\$16,798 to income, due to the lack of expectation of realizing the asset within a measurable period.
- (6) The outstanding balance substantially refers to parent company CTRNI, which has an amount of R\$4,596 provisioned for contingencies, concerning the potential collection of ICMS on biogas sales. To offset that, an asset was recorded in the same amount, as that tax would be added to the end price should it actually be levied on the transaction.

## Orizon Valorização de Resíduos S.A.

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### 8. Other assets and liabilities--Continued

#### b) Other Liabilities

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Acquisitions payable (1)	-	-	4,471	5,411
Other securities payable (2)	15	160	1,264	26,381
Provision for landfill decommissioning (3)	-	-	23,054	21,191
Total	15	160	28,789	52,983
Current	15	160	5,691	31,792
Non-current	-	-	23,098	21,191

(1) Refers to an outstanding balance for the acquisitions of CGR Cuiabá and CGR Ambiental, as detailed in Note 1.

(2) Refers mainly to amounts arising from agreements with legal suppliers whose payments are made in installments.

(3) Refers to amounts provisioned for closing of landfills arising from recent acquisitions: SPE Paulínia, SPE Itapevi, SPE Tremembé, and SPE Rosário do Catete. The provision is made because those are private landfills, with the obligation to demobilize falling on the Company.

### 9. Investments

Changes in investments as of December 31, 2023 and 2022 are as follows:

	Parent Company - 12/31/2023		
	12/31/2022	Equity pickup	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 Compostagem	-	(470)	(470)
Total	771,975	67,977	839,952

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information

March 31, 2023

(In thousands of Brazilian *Reais*)

### 9. Investments—Continued

	Parent Company – 12/31/2022			12/31/2022
	12/31/2021	Capital increase	Equity pickup	
Orizon Meio Ambiente	792,181	-	(82,610)	709,571
Foxx Holding	27,366	11,000	6,884	45,250
Orizon Energia	-	-	17,154	17,154
<b>Total</b>	<b>819,547</b>	<b>11,000</b>	<b>(58,572)</b>	<b>771,975</b>

	Consolidated –12/31/2023				03/31/2023
	12/31/2022	Capital increase /advance for future capital increase	Gain on measuring the investment at fair value	Equity pickup result	
SES Haztec	(158)	-	-	-	(158)
Vamtec Orizon	2,317	993	-	(572)	2,738
	30,940	-	-	9,577	9,814
UTE Paulínia (1)		(30,703)			
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
<b>Total</b>	<b>43,926</b>	<b>(5,187)</b>	<b>49,000</b>	<b>11,060</b>	<b>98,799</b>

(209) In the 2023 financial year, AFAC from UTE Paulínia was returned to its subsidiary Orizon Meio Ambiente.

	Consolidated – 12/31/2022			12/31/2022
	31/12/2021	Capital increase /advance for future capital increase/ Acquisitions	Equity pickup	
SES Haztec	(158)	-	-	(158)
Vamtec Orizon	2,002	-	315	2,317
UTE Paulínia	2,420	20,558	7,962	30,940
Metropolitana Serviços Ambientais	-	11,384	(557)	10,827
<b>Total</b>	<b>4,264</b>	<b>31,942</b>	<b>7,720</b>	<b>43,926</b>

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information

March 31, 2023

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### 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
<u>Shareholders' equity on:</u>							
<b>12/31/2023</b>	<b>698,302</b>	<b>61,414</b>	<b>5,476</b>	<b>(316)</b>	<b>29,742</b>	<b>25,236</b>	<b>161,412</b>
12/31/2022	709,571	45,250	4,634	(316)	30,940	-	17,154
<u>Income for the year ended:</u>							
<b>12/31/2023</b>	<b>(11,269)</b>	<b>16,164</b>	<b>(1,144)</b>	<b>-</b>	<b>28,731</b>	<b>1,378</b>	<b>63,552</b>
12/31/2022	(82,610)	6,884	630	-	23,886	-	17,154

(i) SES Haztec has no income for the years 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>	
	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
Investments	<b>839,952</b>	771,975	<b>98,957</b>	44,084
Provision for losses on investments (*)	-	-	<b>(158)</b>	(158)
Total net	<b>839,952</b>	771,975	<b>98,799</b>	43,926

## Orizon Valorização de Resíduos S.A.

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

March 31, 2023

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### 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)	Business combination (3)	
Cost									
Balance as of January 1, 2022	20,434	4,146	9,760	4,583	4,529	51,599	676,057	9,942	781,050
Balance from business acquisitions	16,145	5,881	354	-	1,854	42,464	563,925	-	630,623
Additions	-	-	7	-	1,218	3,911	192,031	40,933	238,100
Held-for-sale assets	(7)	-	-	(109)	(361)	-	(16,321)	-	(16,798)
Balance as of December 31, 2022	36,572	10,027	10,121	4,474	7,240	97,974	1,415,692	50,875	1,632,975
Additions	-	-	-	-	-	-	20,950	-	20,950
Write-offs	7	981	-	109	985	5,497	247,314	-	254,893
Provision for impairment	(2,314)	(423)	-	(686)	-	-	(100)	-	(3,523)
Balance from business acquisitions	-	-	-	-	-	-	(35,391)	-	(35,391)
Reclassifications	-	-	-	-	-	-	-	6,120	6,120
Balance as of December 31, 2023	<b>34,265</b>	<b>10,585</b>	<b>10,121</b>	<b>3,897</b>	<b>8,225</b>	<b>103,471</b>	<b>1,648,465</b>	<b>56,995</b>	<b>1,876,024</b>
Accumulated depreciation									
Balance as of January 1, 2022	-	(3,704)	(8,458)	(471)	(3,326)	(39,590)	(347,016)	(2,696)	(405,261)
Balance from business acquisitions	-	(4,909)	(57)	-	(1,309)	(25,396)	(319,349)	-	(351,020)
Additions	-	(1,186)	(122)	(12)	(497)	(5,097)	(78,285)	(6,416)	(91,615)
Balance as of December 31, 2022	-	(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	-	<b>(10,151)</b>	<b>(8,783)</b>	<b>(227)</b>	<b>(5,405)</b>	<b>(81,209)</b>	<b>(833,746)</b>	<b>(15,736)</b>	<b>(955,257)</b>
Property and equipment, net									
Balance as of December 31, 2022	36,572	228	1,484	3,991	2,108	27,891	671,042	41,763	785,079
Balance as of December 31, 2023	<b>34,265</b>	<b>434</b>	<b>1,338</b>	<b>3,670</b>	<b>2,820</b>	<b>22,262</b>	<b>814,719</b>	<b>41,259</b>	<b>920,767</b>
Average useful life (years)	-	5	-	25	10	10	10	-	-

(1) According to the term of the lease agreements (average of 20% p.a.).

(2) Refers substantially to the construction of waste treatment "cells" (units) with depreciation over the useful life of each cell. This item also includes the amounts of R\$128,505 and R\$80,099 relating to projects for the construction of the WtE and UTM units (note 1) of the indirect subsidiaries Barueri Energia and UTM Jaboatão, respectively.

At the end of the year 2023, the Company decided to record in the statement of income as a provision for impairment of balances of property and equipment arising from the Environmental Engineering UGC, due to the discontinuity of this segment. The amount of R\$35,391 was recorded under provision for impairment in the statement of income for the year.

This line item also includes the amount of R\$58,727 and R\$77,276 for projects for construction of the WTE and UTM units (note 1) of indirect subsidiaries Foxx URE BA and UTM Jaboatão, respectively.

(3) Refers to additions from property and equipment arising from business combinations that took place in the first half of 2022. These assets have a useful life between 1 and 42 years, with most of the allocated assets in the average range of 23 years.

## Orizon Valorização de Resíduos S.A.

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

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### 11. Intangible assets (Consolidated)

	<b>Consolidated</b>	
	<b>12/31/2023</b>	<b>12/31/2022</b>
<b>Intangible assets, net</b>		
Acquisitions:		
Novagerar Eco-Energia Ltda. (i) (iii)	-	3,533
Ecopesa Ambiental S.A. (i)	35,235	35,235
Customer portfolio	172	347
Plastimassa Tecnologia em Tratamento de Resíduos Ltda. (i)	8,065	8,065
El Capitan Participações e Investimentos S.A. (ii) (iii)	-	10,107
Gaia – Gestão Ambiental da Indústria Ltda. (i) (iii)	-	14,933
E-Ambiental Ltda. (i) (iii)	-	3,990
Haztec Sul Tecnologia e Planejamento Ambiental Ltda. (i) (iii)	-	107
ETR Gramacho (i)	<b>2,731</b>	2,731
SPEs UPI Estre		
License's	<b>353,498</b>	381,644
Customer portfolio	<b>2,350</b>	2,620
Provision for realization of purchase price allocation	-	(4,799)
CGR Cuiabá/ CGR Ambiental		
Licenses	<b>56,447</b>	58,903
Provision for landfill closure	<b>(2,045)</b>	(2,045)
Subtotal – goodwill and surplus value referring to acquisition of investments	<b>456,453</b>	515,371
CTRNI concession – allocation of purchase price	<b>6,844</b>	7,456
CTRA concession – allocation of purchase price	<b>902</b>	1,197
Subtotal – concessions	<b>7,746</b>	8,653
Determining factors for operating permits (LOs)	<b>813</b>	908
Software	<b>858</b>	590
<b>Total</b>	<b>465,870</b>	525,522

(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) Goodwill arising from reverse merger in 2007.

(iii) At the end of the 2023 financial year, the Company decided to record in the statement of income, income as a provision for impairment of goodwill balances arising from the Environmental Engineering UGC, composed of: Novagerar Eco-Energia Ltda., El Capitan Participações e Investimentos S.A., Gaia - Gestão Ambiental da Indústria Ltda., E-Ambiental Ltda., E-Ambiental Ltda. and Haztec Sul Tecnologia e Padrão Ambiental Ltda., due to the discontinuation of this segment. The amount of R\$32,671 was recorded under provision for impairment in the statement of income for the year.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information  
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### 11. Intangible assets (Consolidated)—Continued

The variation in intangible assets is as follows:

	<u>Consolidated</u>
Balance as of January 1, 2022	90,841
Purchase price allocation	452,336
Addition of intangible assets	181
Amortization – goodwill	(11,964)
Provision for realization of purchase price allocation	(4,799)
Amortization of the intangible assets of the concession	(1,008)
Amortization of other intangible assets	(65)
Balance as of December 31, 2022	<u>525,522</u>
Addition of intangible assets	<b>441</b>
Amortization – goodwill	<b>(24,927)</b>
Reclassification	<b>(1,321)</b>
Provision for impairment	<b>(32,671)</b>
Amortization of intangible assets of the concession	<b>(907)</b>
Amortization of other intangible assets	<b>(267)</b>
Balance as of December 31, 2023	<u><b>465,870</b></u>

#### 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,

## **Orizon Valorização de Resíduos S.A.**

Notes to the individual and consolidated interim financial information

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inflation, currency rates and our historical results;

## Orizon Valorização de Resíduos S.A.

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### 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

After the analyses carried out, the Company's Management concluded that it was necessary to recognize the amount of R\$32,670 as impairment of property and equipment and intangible assets of the Environmental Engineering unit of subsidiary Orizon Meio Ambiente.

### 12. Loans, financing and leases

Creditor	Subject	Maturity	Financial charges	Parent Company	
				12/31/2023	12/31/2022
Orizon Meio Ambiente (i)	Debentures	12/26/2032	CDI + 2.5% p.a.	510,035	440,326
Costs with issue of debentures	Debentures			(1,173)	(1,056)
Adjustments to Fair/Present Value	Debentures			(21,786)	(20,358)
Total				487,076	418,912
Current				-	-
Non-Current				487,076	418,912

(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, there was the settlement of the 4<sup>th</sup> issue and renegotiation of the 5<sup>th</sup> issue of debentures, extending the period with new payment flows, as detailed in this note.

## Orizon Valorização de Resíduos S.A.

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Creditor	Subject	Maturity	Financial charges	Consolidated	
				12/31/2023	12/31/2022
Banco ABC do Brasil	Working capital	06/30/2023	CDI + 0.31% p.a.	-	6,264
		10/11/2024	CDI + 0.2141% p.a.	<b>18,872</b>	28,522
Banco ABC do Brasil	Working capital	01/12/2026	CDI +2.9183% p.a.		
		11/30/2028	CDI + 2.4% p.a.	<b>402,128</b>	402,897
Debentures	Debentures	11/15/2035	CDI + 3.8% p.a.	<b>253,197</b>	255,300
Debentures		11/15/2031	IPCA + 6.76% p.a.	<b>277,066</b>	267,332
Costs of issuance of Debentures				<b>(36,636)</b>	(32,622)
Banco Safra	Working capital	06/03/2024	CDI + 2.30% p.a.	<b>5,040</b>	15,171
Banco Votorantim	Working capital	07/22/2024	CDI + 2.60% p.a.	<b>10,652</b>	21,410
Banco Bradesco	Working capital	04/30/2029	CDI + 0.08% p.a.	<b>86,060</b>	75,387
Adjustment to present value				<b>(23,860)</b>	(23,451)
	Corporate Financing				
International Finance Corporation ("IFC")	Linked to Projects	04/15/2031		<b>134,043</b>	-
Costs of funding				<b>(1,173)</b>	(1,056)
Total				<b>1,125,389</b>	1,015,154
Current				<b>45,583</b>	37,616
Non-Current				<b>1,079,806</b>	977,538

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information  
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### 12. Loans, financing and leases--Continued

The variation in loans and financing on December 31, 2023 and 2022 is as follows:

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Balance on January 1	<b>418,912</b>	658,938	<b>1,015,154</b>	556,276
Financial charges	<b>69,709</b>	107,508	<b>154,450</b>	93,119
Adjustment to present value	<b>(1,428)</b>	(42,488)	<b>(409)</b>	804
Funding	-	-	<b>130,000</b>	460,000
Costs to raise funds	<b>(117)</b>	-	<b>(4,131)</b>	(15,394)
Amortization of funding expenses	-	918	-	918
Payment of principal	-	(256,000)	<b>(36,750)</b>	(21,500)
Payment of interest	-	(49,964)	<b>(132,925)</b>	(59,069)
Balances as of December 31, 2023 and 2022	<b>487,076</b>	418,912	<b>1,125,389</b>	1,015,154

## Orizon Valorização de Resíduos S.A.

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### Payment schedule

On December 31, 2023, the balances of loans and financing classified in non-current liabilities are distributed by year of maturity, as follows:

	<u>Consolidated</u>
2025	50,989
2026	190,586
2027	185,191
2028	178,505
2029 onwards	<u>474,535</u>
Total	<u>1,079,806</u>

### *Orizon Meio Ambiente – Banco ABC Brasil (Consolidated)*

On February 18, 2020, the subsidiary Orion Meio Ambiente signed loan agreements with Banco ABC Brasil with the purpose of supporting the settlement of the 1<sup>st</sup> Issue of Simple Debentures Not Convertible into Shares, with Variable Guarantee and Additional Guarantees for Public Distribution with Restricted Placement Efforts of Orizon Meio Ambiente.

The funding transaction with Banco ABC Brasil was performed through the issue of two bank credit notes (“CCBs”) in the total amount of R\$40,000. The Company settled the last installment of this debt in the first half of 2023.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information  
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### 12. Loans, financing and leases – 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 + 0.2141% p.m. The debt will be repaid in 40 installments of R\$375, the first one maturing on July 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, the indirect subsidiary CTRNI signed a Bank Credit Certificate (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 being due on January 9, 2023 and the last on January 12, 2026, with remuneration of 100% of the CDI variation + 2.9183% p.a. Interest will be paid monthly from the payment of the first principal installment. The Instrument also has an early maturity clause conditioned on the maintenance of certain conditions set out in the document.

The debt has some non-financial covenants, mainly related to default situations with other financial institutions and corporate restructuring, as long as there is no prior approval from the creditor. Furthermore, it is worth highlighting the following other items due in advance:

- The debt may mature early in the event of: (1) declaration of bankruptcy; (2) significant deterioration of the economic-financial situation that consequently reduces the ability to pay debts; (3) protest of bills; among other less relevant items.

As of December 31, 2023, the Company has no unfulfilled obligations.

#### *CTRNI – Banco Safra (Consolidated)*

On May 30, 2022, the indirect subsidiary CTRNI raised the amount of R\$20,000 with Banco Safra, through the issue of a sole note. The amount will bear interest of 100% of CDI + 0.19% p.m. The debt will be settled in 4 installments of R\$5,000, the first to become due on December 05, 2022 and the last on June 03, 2024.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information  
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### 12. Loans, financing and leases – Continued

#### Payment schedule—Continued

##### *CTRNI – Banco Safra (Consolidated)- Continued*

The debt has 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 maturity date of a debt may be accelerated in case of: (1) bankruptcy; (2) Significant deterioration of the economic and financial framework that, consequently, decreases the ability to pay debts; (3) Protest of securities and/or declared maturity of debts with amounts greater than R\$15,000; among other less material items.
- The Company undertook to maintain certain economic and financial ratios calculated at the end of each quarter, such as:
  - Net Debt x EBITDA Ratio - 4.5x to 4x phased up until maturity;
  - EBITDA x Financial Expenses Ratio - Less than 2.0x;
  - Debt Service Coverage Ratio - Greater than or equal to 1.25x

As of December 31, 2023, the Company has no unfulfilled obligations.

##### *CTRNI - Banco Votorantim*

On July 22, 2022, the indirect subsidiary CTRNI signed with Banco Votorantim an Issue Indenture of Single Series Commercial Papers, in the amount of R\$20,000, represented by 20,000 commercial papers. The debt will be settled in 4 semiannual installments of R\$5,000, the first maturing on January 22, 2023 and the last on July 22, 2024, with an interest of 100% of the CDI variation + 2.6% p.a. The Indenture has also an early maturity clause subject to the maintenance of certain conditions as provided for in the document.

The debt has 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:

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\$15,000; among other less relevant items.

## **Orizon Valorização de Resíduos S.A.**

Notes to the individual and consolidated interim financial information

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### **12. Loans, financing and leases--Continued**

#### Payment schedule--Continued

#### *CTRN NI - Banco Votorantim--Continued*

The Company committed to maintaining certain economic-financial indices ascertained at the end of each quarter, such as:

- Net Debt x EBITDA Ratio – 4.5x to 4x staggered until maturity;
- EBITDA x Financial Expenses Ratio – Not less than 2.0x;
- Debt Service Coverage Ratio – Greater than or equal to 1.25x

As of December 31, 2023, the Company has no unfulfilled obligations.

## Orizon Valorização de Resíduos S.A.

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### 12. Loans, financing and leases – Continued

#### Payment schedule—Continued

##### *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 the debt of its direct subsidiary, and paying the debt that the Company had with Synthesis. As a result of this transaction, the Company has recognized the amount of R\$23,860 (R\$23,451 as of December 31, 2022) 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.

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### 12. Loans, financing and leases – Continued

#### Payment schedule—Continued

##### *Orizon Meio Ambiente - Issuance of new debentures – 4<sup>th</sup> Issue (Consolidated)*

On November 16, 2021, the 4<sup>th</sup> 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 4<sup>th</sup> quarter of 2022, Orizon Meio Ambiente was registered with the CVM (Brazilian Securities Commission) in the Type B category for conducting capital 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.

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### 12. Loans, financing and leases – Continued

#### Payment schedule—Continued

##### *Orizon Meio Ambiente – Issue of new debentures – 4<sup>th</sup> Issue (Consolidated)--Continued*

- Net Debt x EBITDA – 4.5x to 3.5x escalated to maturity;
- EBITDA x Financial Expenses – Not less than 2.0x;
- Debt Service Coverage - Higher than or equal to 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.

As of December 31, 2023, all covenants set forth in the debenture contracts have been met.

##### *Orizon Meio Ambiente – Issue of new debentures – 5<sup>th</sup> Issue (Consolidated)*

On November 11, 2022 (“RCA”) approved 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. (“OMA”) (“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 grace period extending through December 2025, and the principal amounts will start being paid in 36 monthly installments until November 2028. Interest will be paid on a monthly basis from December 2022 on. The remuneration on this issue is 100% of the CDI rate + 2.4% p.a.

Said Private Deed includes certain financial and non-financial covenants, especially concerning situations involving default to other financial institutions and corporate restructuring processes where there is no previous approval from the financial institutions having worked as bookrunners on these debentures, the valuation of which is effective as of the base date of September 30, 2022. Highlighted are the following covenants:

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### 12. Loans, financing and leases – Continued

#### Payment schedule—Continued

##### *Orizon Meio Ambiente – Issue of new debentures – 5<sup>th</sup> Issue (Consolidated)--Continued*

- Presentation of the financial statements of Orizon and its subsidiary Orizon Meio Ambiente, together with the independent auditor's report, within 90 days for year information (full annual audit) and within 45 days for quarterly information (limited reviews).
- Certain economic and financial indicators being kept as determined at the end of each quarter, such as:
  - Net Debt x EBITDA – 4.5x to 3.5x escalated to maturity;
  - EBITDA x Financial Expenses – Not less than 2.0x;
  - Not to be in default to the debenture holders, maintaining payments on a regular basis, according to the Deed payment schedule;
  - Not to assign or transfer its payment obligations under the Deed to any third parties or any Group company;
  - Non-existence of a 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.

As of December 31, 2023, all covenants established in the debentures agreement are complied with.

#### Execution of a financing agreement with International Finance Corporation (“IFC”)

On June 30, 2023, Orizon Meio Ambiente entered into a financing agreement with International Finance Corporation (“IFC”), an arm of the World Bank focused on the private sector, to strengthen the group's growth strategy and positioning. The financing, in the amount of R\$130,000, was disbursed on September 4, 2023, mainly aiming to reimburse investments made in mechanized sorting and leachate treatment plants, with final maturity on April 15, 2031, with a 1-year grace period on the principal and semiannual payments of interest and principal.

## **Orizon Valorização de Resíduos S.A.**

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### **12. Loans, financing and leases--Continued**

Payment Schedule--Continued

*Execution of a financing agreement with the International Finance Corporation ("IFC")--Continued*

The financing has some financial and non-financial covenants, the main ones being highlighted below:

- Net Debt x EBTIDA Ratio - 4.5x to 3.5x, with the lowest expected to occur as from 2025;
- EBITDA x Financial Expenses Ratio - Not less than 2.0x;
- Debt service coverage ratio - Not less than 1.25x.
- Restriction on corporate restructuring except for cases permitted in the loan agreement.

## Orizon Valorização de Resíduos S.A.

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### 12. Loans, financing and leases – Continued

#### Payment schedule--Continued

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

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.

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 5<sup>th</sup> Issue of Debentures of the Company was renegotiated on December 26, 2022, maintaining the 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.

## Orizon Valorização de Resíduos S.A.

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### 12. Loans, financing and leases – Continued

#### Payment schedule--Continued

#### Renegotiation of 5th issue and settlement of 4<sup>th</sup> Issue of simple debentures

On December 26, 2022, a Term Sheet was signed by and between Orizon Meio Ambiente (“Creditor”) and Orizon Valorização de Resíduos (“Debtor”) to renegotiate the 5th Issue of Simple Debentures. This renegotiation proposes a change in the payment flow, with the first installment to be settled on December 26, 2024, and the last on December 26, 2032, with the same remuneration terms and covenants as in the Original Deed signed for these debentures.

On December 29, 2022, the subsidiary Orizon Meio Ambiente (“Creditor”) and the parent company Orizon Valorização de Resíduos (“Debtor”) signed an instrument settling in full the 4th Issue of Simple Debentures, whose settlement took place for the amount of R\$305,964. As of the settlement date, the debt was updated with a face value of R\$381,912, with the effect of deducting AVJ in the amount of R\$75,948. At the settlement, the taxes due on the realization of AVJ were calculated, with AVJ handled at source with effects of deferral. The balance of AVP and deferred taxes thereon were reversed in the amount of R\$59,060, and offset in the consolidated statements by the subsidiary’s entry.

### 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.

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### 12. Loans, financing and leases--Continued

#### Leases (Consolidated)—Continued

##### *Orizon Meio Ambiente – Banco Safra (Consolidated)*

On October 18, 2022, the subsidiary Orizon Meio Ambiente signed 2 Financial Lease Purchase Agreements with Banco Safra in the total amount of R\$9,667. The purpose of the agreements are leases on reverse osmosis treatment units for slurry from landfills (eco park).

The debt will be settled by 48 monthly installments, the first of which coming due in November 2022, and the last in October 2026, with remuneration at the rate of 2.86% p.a. The Agreements also include a provision for acceleration conditional upon certain conditions set forth therein being met, such as absence of payment of agreed installments, IPVA liabilities, traffic tickets etc.

##### *Orizon Meio Ambiente –Société Générale Equipment Finance S.A. (Consolidated)*

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

The following changes took place in leases as of December 31, 2023:

	<u>Consolidated</u>	
Balance on January 1, 2022		20,957
New agreements added during the year - Leasing		9,667
New agreements added during the year - IFRS 16		50,040
Payment of principal		(25,680)
Payment of interest		(2,849)
Interest appropriated during the year		3,876
Balance as of December 31, 2022		<u>56,011</u>
New agreements added during the year - IFRS 16		<b>29,323</b>
Payment of principal		<b>(32,948)</b>
Payment of interest		<b>(4,433)</b>
Interest appropriated during the year		<b>4,433</b>
Balance as of December 31, 2023		<u><b>52,386</b></u>
	<u>12/31/2023</u>	<u>12/31/2022</u>
Current	<b>29,057</b>	15,211
Non-current	<b>23,329</b>	40,800

## Orizon Valorização de Resíduos S.A.

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### 12. Loans, financing and leases--Continued

#### Leases (Consolidated)--Continued

#### Orizon Meio Ambiente - Banco Safra (Consolidated)--Continued

#### Payment schedule (consolidated)

As of December 31, 2023, the balances of leases classified as non-current liabilities were divided into years of maturity as follows:

	<u>Consolidated</u>
2025	17,686
2026	2,711
2027	1,234
2028	1,037
2029 onwards	661
Total	<u>23,329</u>

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information  
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### 12. Loans, financing and leases--Continued

#### 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, which are for average periods of 1 to 7 years, with the possibility of renewal.

The following changes took place in the balance of right-of-use assets as of December 31, 2023:

	<u>Consolidated</u>
Balance as of January 1, 2022	18,810
Additions during the year	50,040
Amortization of right of use during the year	<u>(26,192)</u>
Balance as of December 31, 2022	42,658
Addition of new agreements – IFRS 16	<b>29,323</b>
Amortization of right of use in the year	<b><u>(31,311)</u></b>
Balance as of December 31, 2023	<b><u>40,670</u></b>

#### 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 December 31, 2023 in the amount of R\$3,048 (R\$2,375 as of December 31, 2022).

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information

March 31, 2023

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### 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 December 31, 2023 and December 31, 2022 are given below:

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Trade accounts payable	1,295	312	59,533	65,821

### 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	12/31/2023	12/31/2022
Orizon Meio Ambiente	10%	101	101
CTRNI	10%	5,856	3,278
CTRAL	2%	3,570	4,686
CTRBM	6%	4,442	3,350
URE-JP	10%	849	261
Total		14,818	11,676

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information

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### 15. Salaries and payroll charges

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Salaries and fees payable	467	458	5,033	4,759
Social Security (INSS) payable	289	140	4,036	4,849
Unemployment Insurance (FGTS) payable	-	-	935	748
Provision and charges on vacation pay	-	-	12,976	10,820
Provision and charges on the 13th salary	-	-	-	980
Withholding income tax (IRRF) on salaries	522	514	1,813	1,519
Others	-	-	455	1,174
<b>Total</b>	<b>1,278</b>	<b>1,112</b>	<b>25,248</b>	<b>24,849</b>

### 16. Tax payable in installments

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
IRRF <sup>(2)</sup>	9,767	-	9,777	-
INSS <sup>(4)</sup>	608	678	8,937	9,027
ISS	-	-	619	130
ICMS	-	-	1,437	433
COFINS <sup>(4)</sup>	3,470	-	23,174	25,586
IRPJ <sup>(4)</sup>	-	-	15,077	17,072
CSLL <sup>(4)</sup>	-	-	6,283	7,097
PIS <sup>(4)</sup>	564	-	5,948	5,074
PERT <sup>(4)</sup>	-	-	11,660	9,891
<b>Total</b>	<b>14,409</b>	<b>678</b>	<b>82,912</b>	<b>74,310</b>
Current	564	-	19,011	17,904
Non-current	13,845	678	63,901	56,406

Information regarding Consolidated installment taxes is presented below:

- (1) In the 4th quarter of 2020, payment of federal tax in installments was approved in the amount of R\$14,222, due in up to 60 installments for the direct subsidiary Orizon Meio Ambiente and indirect subsidiaries CTRNI, CTRBM, CTRA, ETR and URE-JP. Throughout 2021, these same companies joined new installment plans in the approximate amount of R\$14,000, under the same conditions as the installment plans signed in 2020. In 2022, the Company joined new installment plans as a result of tax planning and the need for working capital, with INSS added to installment amounts.
- (2) In the first quarter of 2023, the Company paid the IRRF on the share-based payment in installments, with an updated balance of R\$9,767 on December 31, 2023.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information

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### 16. Tax payable in installments (consolidated)--Continued

Information referring to consolidated taxes paid in installments is shown below:

	<b>Original amount</b>	<b>No. of installments</b>	<b>Installments to mature</b>	<b>Adjustment indices</b>
INSS	4,332	<b>54</b>	<b>46</b>	SELIC
ISS	3,283	<b>21 to 81</b>	<b>7</b>	Arrears interest + IPCA
ICMS	3,167	<b>57</b>	<b>8</b>	Arrears interest + UFIR
IRPJ	15,134	<b>57</b>	<b>6 to 43</b>	SELIC
CSLL	6,482	<b>57</b>	<b>6 to 43</b>	SELIC
PIS	5,693	<b>57</b>	<b>6 to 43</b>	SELIC
COFINS	27,386	<b>57</b>	<b>6 to 43</b>	SELIC

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information

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### Payment schedule

As of December 31, 2023, the balances of taxes due in installments classified as non-current liabilities were divided into years of maturity as follows:

2025	5,878
2026	2,884
2027	2,884
2028 onwards	52,255
Total	<u>63,901</u>

## 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:

	<b>Consolidated</b>	
	<b>12/31/2023</b>	<b>12/31/2022</b>
Labor	11,210	14,930
Civil	2,945	5,549
Tax	7,322	4,596
Total	<u>21,477</u>	<u>25,075</u>

## Orizon Valorização de Resíduos S.A.

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

March 31, 2023

(In thousands of Reais)

The following is a summary of changes in the contingencies:

	Consolidated			Total
	Labor	Tax	Civil	
Balance as of January 1, 2022	20,963	188	12,009	33,160
Additions (Reversals)	(4,618)	4,408	(6,363)	(6,573)
Payments	(1,415)	-	(97)	(1,512)
Balance as of December 31, 2022	14,930	4,596	5,549	25,075
Additions (Reversals)	<b>(2,331)</b>	<b>2,726</b>	<b>(300)</b>	<b>95</b>
Payments	<b>(1,389)</b>	-	<b>(2,304)</b>	<b>(3,693)</b>
Balance as of December 31, 2023	<b>11,210</b>	<b>7,322</b>	<b>2,945</b>	<b>21,477</b>

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 interim financial information  
March 31, 2023  
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### 17. Provision for contingencies--Continued

a) Contingent liabilities classified with probability of probable loss--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.

a) Contingent liabilities where a loss is possible

As of December 31, 2023 and December 31, 2022, 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	
	12/31/2023	12/31/2022
Civil	122,562	90,313
Labor	11,681	8,879
Tax	289,068	238,396
Total	431,431	337,588

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information  
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### 17. Provision for contingencies -- Continued

#### b) Contingent liabilities where a loss is possible-- Continued

Provided below is a summary of key lawsuits and their types:

Tax proceedings	Consolidated 03/31/2023	Consolidated 12/31/2022
Tax assessment notice issued to collect amounts in IRPJ, IRRF, PIS/PASEP, COFINS, CSLL, Separate Fine and CIDE on Remittances resulting from the alleged deduction of undue expenses for the inspected period.	46,740	43,059
Tax assessment notice issued by reason of an inspection against the company to collect amounts in IRPJ, CSLL, PIS and COFINS on the allegedly improper use of the assumed rate to determine such taxes.	34,377	31,851
Tax assessment notices for IRPJ/CSLL calculated based on assumed profit for the calendar years of 2016 and 2017. According to the inspection report, the company breached the tax law by applying assumed profit rates for net revenues of 8% to calculate IRPJ and 12% to calculate CSLL, instead of the rate of 32%	27,321	25,772
Tax assessment notice issued as a result of an inspection against the company to collect amounts in IRPJ, CSLL, PIS and COFINS due to allegedly misusing the assumed profit rate for calculating such taxes.	17,658	16,324
Tax assessment notices for IRPJ/CSLL calculated based on assumed profit for the calendar year 2015. According to the inspection report, the company breached the tax law by using assumed profit tax rates for gross revenues of 8% to calculate IRPJ and 12% for CSLL, instead of the rate of 32%.	14,250	13,108
Tax assessment notices for IRPJ/CSLL calculated based on assumed profit for the calendar year 2012. According to the inspection report, the company breached the tax law by applying the assumed profit rates for gross revenues of 8% for calculating IRPJ and 12% for calculating CSLL instead of the rate of 32%.	13,351	11,398
Tax assessment notices for IRPJ/CSLL calculated based on assumed profit for the calendar years 2016 and 2017. According to the inspection report, the company breached the tax law by applying assumed profit rates for net revenues of 8% to calculate IRPJ and 12% to calculate CSLL, instead of the rate of 32%.	11,182	10,590
Notification from RFB about disallowance of tax losses used in PERT.	8,863	-
This is an application for offsetting the negative IRPJ balance at the end of the calendar year 2013.	7,066	6,614
Notification from RFB about disallowance of tax losses used in PERT.	6,194	-
Tax assessment notices for IRPJ/CSLL calculated based on assumed profit for the calendar years 2016 and 2017. According to the inspection report, the company breached the tax law by applying assumed profit rates for net revenues of 8% to calculate IRPJ and 12% to calculate CSLL, instead of the rate of 32%.	5,636	5,347
Tax assessment notice to collect employer contributions to social security.	5,387	4,756
Tax assessment notice for payment of IOF on loan operations, referring to the calendar year 2015.	4,724	-
Tax assessment notice drawn up due to inspection of the company, for payment of amounts for IRPJ, CSLL, PIS and COFINS, under alleged incorrect use of the presumption percentage for calculating them, referring to the calendar year 2019.	4,697	-
Interim relief filed with a view to preemptively ensuring that all alleged ISSQN debts will not be an impediment to the issue of a certification of good standing with tax authorities in the company's name.	4,505	4,487
Tax assessment notice to collect employer contributions to social security.	4,579	4,223

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information

March 31, 2023

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### 17. Provision for contingencies -- Continued

#### b) Contingent liabilities where a loss is possible-- Continued

Civil actions	Consolidated 12/31/2023	Consolidated 12/31/2022
Motion for piercing the corporate veil with the goal of making the Company a co-defendant in the principal lawsuit.	26,781	24,935
Foreclosure on receivables under a Sales Representation Agreement.	13,900	13,351
Popular action filed against the Company claiming bidding irregularities.	9,228	8,933
Action for damages seeking conviction of the respondents to pay damages for alleged breach of the Purchase and Sale Agreement and Other Covenants.	12,777	7,329
Assessment notice issued due to alleged release of effluents into a body of water.	4,723	4,000
Action for declaratory judgment seeking suspension of entries on credit restriction lists and potential redress for pain and suffering and material damages.	15	3,157
Fine imposed due to alleged breaches of conditions set forth in an environmental license, resulting in prohibition of entry in the relevant section of the company.	2,177	2,316
Labor	Consolidated 12/31/2023	Consolidated 12/31/2022
Labor claim regarding payment of severance pay by former employees.	657	636
Labor claim regarding payment of severance pay by former employees.	605	-

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information  
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### 17. Provision for contingencies -- Continued

#### b) Contingent liabilities where a loss is possible-- Continued

In addition to the aforementioned cases, the Company is a party to several other different legal and administrative proceedings (civil, labor, tax, competition, etc.), whose chances of loss according to analysis of the company and its external lawyers are remote.

#### 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 December 31, 2023 and December 31, 2022, balances were as follows:

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Court deposits	-	-	10,398	7,162

Barueri Energia Renovável is the subject of 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 interim financial information  
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### 18. Advances from customers (consolidated)

Outstanding amounts mainly refer to advances received from customers for the provision of waste treatment and disposal services, the compensation for which is paid as the services are performed and billed.

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

Balance as of January 01, 2022	20,195
Balance from acquisitions	2,260
Advances received	30,309
Offsets	(28,624)
Balance as of December 31, 2022	24,140
Advances received	26,136
Offsets	(46,300)
Balance as of December 31, 2023	3,976

### 19. Accounts payable

#### Arbitration

Under the instruments previously signed by the indirect subsidiaries CTRNI and CTRA, it was agreed that the sums due to Gás Verde (NIEGAR/SGEGAR) within the scope of the arbitration, would be deducted to the extent of 30% of each invoice due by it.

As of December 31, 2023, the balances were as follows:

	CTR NI	CTRA	Total
Balance as of January 1, 2022	6,096	8,658	14,754
Offsets against future Biogas invoices	(6,935)	(3,404)	(10,339)
Monetary adjustments	864	314	1,178
Balance as of December 31, 2022	25	5,568	5,593
Offsets against biogas invoices	(25)	(4,390)	(4,415)
Monetary adjustments	-	1,485	1,485
Balance as of December 31, 2023	-	2,663	2,663

## Orizon Valorização de Resíduos S.A.

Notes to individual and consolidated financial statements--  
December 31, 2021 and 2020  
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### 19. Accounts payable--Continued

#### Business acquisitions:

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 trading amount was signed as follows:

The changes in the balance are shown below:

	Flow of payment - Acquisition of SPEs Estre					Total
	(1)	(2)	(3)	(4)	(5)	
Acquisition price - April 2022	125,000	8,482	195,000	75,000	113,455	516,937
Acquisition price - December 2022	-	-	-	-	184,063	184,063
Payments made from April to December 2022	(125,000)	(8,482)	(210,884)	(12,496)	-	(356,862)
Monetary adjustments	-	-	15,884	-	-	15,884
Mark-to-market of equity instrument	-	-	-	-	27,300	27,300
Adjustment to present value	-	-	-	(15,209)	-	(15,209)
Balance as of December 31, 2022	-	-	-	47,295	324,818	372,113
Payments made in 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

(1) The amount was settled by transfer of funds on the acquisition date.

(2) The amount was settled by transfer of the claims held by FIDC Orizon.

(3) The amount should be settled within 21 months after the acquisition date and will be adjusted by the variation of the IPCA + 11% p.a. However, in December 2022, the Company opted to advance the full payment of this installment out of funds raised by issuing debentures. The event did not give rise to any prepayment costs.

(4) The amount will be settled in 48 fixed and non-adjustable installments of R\$1,562. As of December 31, 2023, there were 43 outstanding installments. Because these long-term installments are non-interest-bearing, the Company calculates the amount at present value.

(5) As of December 31, 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, Orizon's capital increase was ratified, and part of the shares issued was delivered to Jive to settle the outstanding amount.

Below is the schedule of payment of the debt for acquisition of SPEs in non-current liabilities, except for the portion classified in shareholders' equity.

2025	15,731
2026	5,244
<b>Total</b>	<b>20,975</b>

## Orizon Valorização de Resíduos S.A.

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### 19. Accounts payable--Continued

Acquisition of companies--Continued

Acquisition of CTR Santa Luzia

As disclosed in note 1, the Company concluded in the first half of 2023 the acquisition of a 50% stake in the share capital of CTR Santa Luzia, for the amount of R\$25,000. Transactions related to the acquisition of equity interest are shown below:

Acquisition of CTR Santa Luzia – April/2023	<b>25,000</b>
Monetary update (190)	<b>(190)</b>
Compensation of advance amounts (23,322)	<b><u>(23,322)</u></b>
Balance on December 31, 2023	<b><u>1,488</u></b>

### 20. Shareholders' equity

#### a) Capital stock

As of December 31, 2023, the capital stock of the Company was R\$1,091,127 (R\$844,323 as of December 31, 2022), represented by 82,951 registered common shares with no par value, subscribed and fully paid up (71,500 as of December 31, 2022).

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

<b>Shareholder</b>	<b>Number of shares (thousands)</b>	<b>Percentage interest (%)</b>
Reference shareholders <sup>(1)</sup>	<b>37,311</b>	<b>44.98%</b>
Equitas Gestão de Fundos de Investimento Ltda ("Equitas") – Free Float	<b>5,440</b>	<b>6.56%</b>
Hix Investimentos Ltda ("HIX") - Free Float	<b>4,203</b>	<b>5.07%</b>
Other shareholders – Free Float	<b><u>35,997</u></b>	<b><u>43.40%</u></b>
Total	<b><u>82,951</u></b>	<b><u>100%</u></b>

## Orizon Valorização de Resíduos S.A.

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### 20. Shareholders' equity-Continued

#### a) Capital stock-Continued

The following table sets forth the composition of capital stock as of December 31, 2022:

Shareholder	Number of shares (thousands)	Percentage interest (%)
Inovatec Participações S.A. ("Inovatec")	36,997	51.74%
TPE Gestora de Recursos Ltda. ("Tarpon")	3,708	5.19%
Equitas Administração de Fundos de Investimento Ltda. ("Equitas")	4,044	5.66%
Truxt Investimentos Ltda. ("Truxt")	3,593	5.03%
Free Float	23,158	32.39%
Total	71,500	100%

## Orizon Valorização de Resíduos S.A.

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### *Capital increase*

On February 13, 2022, the Company ratified a capital increase in the amount of R\$348,205 through the issue of 8,771,000 new book-entry, registered, common shares with no par value (“New Shares”) at the issue price of R\$39.70 per share. Out of the price per share: (i) R\$17.75 was allocated to the capital stock, in an amount totaling R\$155,683; and (ii) the balance of R\$21.95 per share was allocated to the formation of a capital reserve, in a total amount of R\$192,521.

Out of the total shares issued, 8,181,000 shares valued at R\$324,818 were delivered to Jive to settle a debt for the UPI Aterros acquisition.

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### 20. Shareholders' equity-- Continued

#### a) Capital stock--Continued

##### Public offering of new shares

On April 27, 2023, at a meeting of the Company's Board of Directors held on this date, the following were approved: (i) the subscription/acquisition price per Share of R\$34.00 ("Price per Share"); and (ii) the increase in the Company's share capital within the scope of the Primary Offering, in the amount of R\$91,120 (R\$87,488 net of issuance costs), within the limit of the authorized under the Company's bylaws ("Capital Increase"). Due to the Capital Increase, the Company's capital stock increased from R\$1,000,006, divided into 80,271 (thousand) common shares, all book-entry registered shares with no par value, to R\$1,091,126, divided into 82,951 (thousand) common shares, all book-entry registered shares and no par value. The Shares issued within the scope of the Offering started to be traded on B3 S.A. - Brasil, Bolsa, Balcão ("B3") on May 2, 2023, with the physical and financial settlement of the Shares taking place on May 3, 2023.

#### b) Capital reserve

##### b.1) Goodwill on issue 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 December 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 premium on the issue of new shares in the financial statements.

##### b.2) Other reserves

##### Conversion of equity instruments - Convertible Debentures

As of January 1, 2013, the Company had the amount of R\$133,898 in equity instruments - convertible debentures. On February 7, 2013, Fundo de Investimento em Participações Multisetorial Plus, in its capacity as debentureholder of Company debentures, partially converted its debentures into shares in the amount of R\$103,021, still holding the outstanding balance of R\$30,877.

## Orizon Valorização de Resíduos S.A.

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### 20. Shareholders' equity--Continued

#### b.2) Other reserves--Continued

Excess funds raised through the public offering of shares

On February 11, 2021, the Company formally proceeded with its capital increase in the amount of R\$381,400 by issuing 17,336 new common shares with a unit price of R\$22.00, with the number of shares increasing from 54,164 to 71,500 and the amount from R\$544,323 to R\$844,323. These new shares were the subject of a Public Offering for Primary and Secondary Distribution of Common Shares. The Public Offering of Company Shares took place on February 17, 2021 at a price of R\$22.00 per common share (ORVR3), with the Company raising a gross amount of R\$381,400 and receiving the amount of R\$359,977 net of transaction costs.

Since the authorized increase in the capital stock was R\$300,000, the excess amount of R\$81,400 was allocated to the capital reserve account in shareholders' equity.

## Orizon Valorização de Resíduos S.A.

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### Capital gain on transaction with shareholders

On December 22, 2022, Orizon sold 20% of the capital stock in Barueri Energia Renovável, turning a net gain of R\$28,313. Since this transaction did not lead to loss of control, the positive result of the transaction was allocated to shareholders' equity, in other capital reserves.

### *Share-based payment*

Additionally, 589 (thousand) shares, valued at R\$23,386, were used to settle the debt relating to share-based payment (note 7).

### 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. The amount was fully exercised by Jive in the issuance of new shares that took place 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.

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### 20. Shareholders' equity– Continued

#### e) Basic and diluted earnings (Loss) per share

In the years ended December 31, 2023 and 2022, earnings per share were as follows:

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Net income (Loss) for the year	40,115	(149,006)	50,167	(143,464)
Number of common shares	82,951	71,500	82,951	71,500
Basic and diluted earnings (loss) per share*	0.48	(2.08)	0.60	(2.01)

\* The Company does not have instruments with a dilutive effect in the year

### 21. Net operating revenues (consolidated)

	12/31/2023	12/31/2022
Gross operating revenues	891,307	710,185
Deductions from Gross Revenues		
Social Integration Program – PIS	(13,240)	(8,116)
Contribution to Social Security Financing – COFINS	(54,072)	(37,402)
Services tax – ISS	(36,578)	(30,120)
Tax on Circulation of Goods and Services – ICMS	(3,235)	(3,048)
Other	(3,705)	(5,238)
Total taxes accrued	(110,830)	(83,924)
Cancelled sales	(4,201)	(37)
Net operating revenue	776,276	626,224

### 22. General and administrative costs and expenses

	Parent Company					
	12/31/2023			12/31/2022		
	Cost of services provided	General and administrative expenses	Total	Cost of services provided	General and administrative expenses	Total
Personnel	-	(13,395)	(13,395)	-	(22,291)	(22,291)
Third party services	-	(7,673)	(7,673)	-	(4,286)	(4,286)
Others	-	(679)	(679)	-	(766)	(766)
Total	-	(21,747)	(21,747)	-	(27,343)	(27,343)

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	Consolidated					
	12/31/2023			12/31/2022		
	Cost of services provided	General and administrative expenses	Total	Cost of services provided	General and administrative expenses	Total
Personnel	(126,332)	(55,163)	(181,495)	(92,347)	(61,578)	(153,925)
Materials for production and consumption	(90,620)	-	(90,620)	(70,768)	-	(70,768)
Depreciation and amortization	(155,508)	(10,152)	(165,660)	(98,214)	(37,132)	(135,346)
Third-party services	(1,863)		(1,863)	(5,171)	-	(5,171)
Provision for landfill closure	(74,351)	(46,755)	(121,106)	(62,967)	(22,632)	(85,599)
Rent	(13,024)	(3,840)	(16,864)	(15,641)	(3,866)	(19,507)
Grants	(2,051)	(2,262)	(4,313)	(10,568)	(2,094)	(12,662)
Energy	(11,075)	(292)	(11,367)	(21,043)	(523)	(21,566)
Fuels	(35,279)	(1)	(35,280)	(37,828)	(186)	(38,014)
Freights	(4,946)	-	(4,946)	(2,427)	(207)	(2,634)
Others	(13,550)	(14,258)	(27,808)	(21,355)	(20,202)	(41,557)
Total	(528,599)	(132,723)	(661,322)	(438,329)	(148,420)	(586,749)

Below are the details of depreciation costs and expenses and provision for landfill closure by their respective natures:

	12/31/2023	12/31/2022
Ecoparques Amortization	(77,925)	(72,901)
Surplus Value Amortization	(33,779)	(24,187)
IFRS 16 Amortization	(31,311)	(26,192)
Other depreciations	(24,508)	(17,237)
Total	(167,523)	(140,517)

## Orizon Valorização de Resíduos S.A.

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### 23. Financial revenues and expenses

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Interest income				
Adjustment to present/fair value	-	64,137	<b>49,000</b>	25,615
Marking to market value FIDC	-	3,345	-	35,871
Exchange variation gain	-	75	<b>2</b>	5,376
Revenues from financial investments	<b>17,095</b>	8,874	<b>28,525</b>	11,960
Financial discounts obtained	<b>2</b>	2	-	180
Other financial revenues	<b>188</b>	4,673	<b>8,592</b>	8,112
PIS and COFINS on financial revenues	<b>(1,231)</b>	(3,962)	<b>(5,732)</b>	(9,893)
Total	<b>16,054</b>	77,144	<b>80,387</b>	77,221
Financial expenses				
Adjustment to present/fair value	-	(25,712)	<b>(10,162)</b>	(14,482)
Marking to market FIDC	-	-	-	(37,512)
Exchange variation loss	<b>(3)</b>	-	<b>(4,515)</b>	(11,975)
Interest on loans and financing	<b>(69,714)</b>	(107,508)	<b>(157,978)</b>	(97,144)
Corrections on balances payable for company acquisitions	-	-	-	(43,184)
Fine and interest	<b>(2,605)</b>	(263)	<b>(13,916)</b>	(22,331)
Discount granted	-	-	<b>(1,154)</b>	-
Amortization of funding expenses	-	(918)	-	(918)
Other financial expenses	<b>(373)</b>	(1,188)	<b>(11,466)</b>	(4,034)
Total	<b>(72,695)</b>	(135,589)	<b>(199,191)</b>	(231,580)
Net financial income	<b>(56,641)</b>	(58,445)	<b>(118,804)</b>	(154,359)

## Orizon Valorização de Resíduos S.A.

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### 24. Other net revenues and expenses

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Gain on sale of equity interest (1)	<b>50,507</b>	-	<b>135,000</b>	-
Bargain Purchase (2)	-	-	-	4,799
Impairment of asset (3)	-	-	<b>(68,062)</b>	-
Sale of fixed property and equipment (4)	-	-	<b>8,270</b>	-
Write-off of assets held for sale (5)	-	-	<b>(16,797)</b>	-
Other	<b>19</b>	(1,064)	<b>5,295</b>	5,511
Total	<b>50,526</b>	(1,064)	<b>63,706</b>	10,310

(1) Refers to the recognition of the gain on the sale of the equity interest in Biometano Verde Paulínia.

(2) Refers to the recognition of bargain purchase determined in the acquisitions of SPEs acquired in 2022.

(3) Refers to the provision for impairment of assets arising from the closed engineering segment.

(4) Mainly refers to the sale of Santa Cruz land to Orizon Meio Ambiente.

(5) Refers to the recognition in the statement of income of balances arising from the closure of the incineration segment.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated interim financial information

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### 25. Segment Reporting

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

	Consolidated				
	12/31/2023				
	Treatment and final disposal	Energy, Biogas and carbon credits	Waste processing /Waste to Energy (WtE)	Environmental engineering	Total
Net operating revenues	583,021	117,558	45,373	31,134	776,276
Cost of services provided	(263,673)	(14,890)	(58,684)	(33,980)	(373,091)
Gross profit before depreciation	<u>319,348</u>	<u>102,668</u>	<u>(13,311)</u>	<u>(2,846)</u>	<u>403,185</u>
Depreciation costs					(155,508)
Gross profit					<u>247,677</u>
Operating revenues (expenses)					
General and administrative expenses					(132,723)
Other revenues (expenses), net					<u>63,706</u>
Loss before financial result and equity pickup					<u>(69,017)</u>
Financial result					
Financial revenues					80,387
Financial expenses					<u>(199,191)</u>
Financial result, net					<u>(118,804)</u>
Equity pickup					11,060
Income before income and social contribution taxes					<u>70,916</u>
Income and social contribution taxes					
Current					(34,665)
Deferred					<u>13,916</u>
Net income for year					<u><u>50,167</u></u>

## Orizon Valorização de Resíduos S.A.

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### 25. Segment reporting --Continued

	<b>Consolidated</b>				<b>Total</b>
	<b>Treatment and final disposal</b>	<b>Energy, biogas and carbon credits</b>	<b>Waste processing /WtE</b>	<b>Environmental engineering</b>	
	<b>12/31/2022</b>				
Net operating revenues	491,796	59,708	31,335	43,385	626,224
Cost of services provided	(238,023)	(9,293)	(42,544)	(45,084)	(334,944)
Gross profit before depreciation	253,773	50,415	(11,209)	(1,699)	291,280
Depreciation costs					(103,385)
Gross profit					187,895
Operating revenues (expenses)					
General and administrative expenses					(148,420)
Other revenues (expenses), net					10,310
Loss before financial result and equity pickup					(138,110)
Financial result					
Financial revenues					77,221
Financial expenses					(231,580)
Financial result, net					(154,359)
Equity pickup					7,720
Loss before income and social contribution taxes					(96,854)
Income and social contribution taxes					
Current					(38,691)
Deferred					(7,919)
Net income for the year					(143,464)
Loss for the year					(143,464)

## Orizon Valorização de Resíduos S.A.

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### 26. Commitments (consolidated)

#### Barueri Energia - Delivery of energy in compliance with auction

In the year 2021, Barueri Energia Renovável participated in and won Generation Auction No. 8/2021-ANEEL 2021. Starting on January 1, 2026, URE-BA will annually trade 105 MWh, equivalent to 75% of its capacity, at a price of R\$549.35 per MWh, totaling R\$1,155,745 (one billion, one hundred and fifty-five million, seven hundred and forty-five thousand Reais), as annually adjusted for inflation by the IPCA. The term of the agreement is 20 years. URE-BA will have an installed power of 20 MWe, with processing capacity of 300,000 tons of urban solid waste per year.

#### Carbon Credits - Certification and delivery of carbon credits

Through its indirect subsidiaries, the Company has signed agreements for delivery of carbon credits, as detailed in note 5.

#### Biogas Supply

##### Indirect investees – CTRNI and CTRA

Through its indirect subsidiaries, the Company has signed agreements, which will be in force until 2034, on the supply of biogas extracted from its operations in eco parks in Nova Iguaçu and São Gonçalo. The agreements set the prices at R\$0.12 to R\$0.14 per Nm<sup>3</sup> (base date October 2014), free of taxes, depending on the quantities supplied, adjusted annually by the IPCA/IBGE.

##### OMA – Biometano Verde Paulínia

The subsidiary OMA has a biogas supplier commitment with Biometano Verde Paulínia, a biogas purification plant in Paulínia Ecoparque with daily production estimated at 180,000 m<sup>3</sup> with possibility of reaching up to 300,000 m<sup>3</sup>.

Additionally, there are other commitments, as listed below:

- Earn-out: for Biogas between 18,500 Nm<sup>3</sup>/h and 30,000 Nm<sup>3</sup>/h to be verified in a specific year, limited to the 5th year after the start of supply. The Parties undertake to expand the plant's capacity to this new volume.
- Take or pay contract – Biogas: Orizon up to all the biogas for the production of biomethane at market prices for a period of 20 years (with guaranteed supply, defined volumes, etc.).

## **Orizon Valorização de Resíduos S.A.**

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### **26. Commitments (consolidated)-Continued**

OMA – Biometano Verde Paulínia--Continued

Take or pay contract – Biomethane: Compass purchases up to all of the biomethane produced by Paulínia plant at market prices for a period of 10 years

Option to acquire equity interest

Through the Purchase Option and Assignment of Rights Over Shares agreement, the Company, through its subsidiaries OMA and Foxx, has the option to purchase the remaining equity interest of Consórcio Pernambuco Asja Foxx and Consórcio Paraíba Asja Foxx. Currently, the Company is evaluating the exercise of the option.

## Orizon Valorização de Resíduos S.A.

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### 27 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:

		12/31/2023			
		Parent Company		Consolidated	
Category		Book Value	Fair Value	Book Value	Fair Value
Financial assets					
Cash and cash equivalents	Amortized cost	36,299	16,991	289,426	289,426
	Fair value through profit or loss	16,506	35,814	33,608	33,608
Securities					
Trade accounts receivable	Amortized cost	-	-	232,740	232,740
Related-party receivables	Amortized cost	360,011	360,011	3,006	3,006
Court deposits and guarantees	Amortized cost	-	-	10,938	10,938
Financial liabilities					
Trade accounts payable	Amortized cost	1,295	1,295	59,533	59,533
		487,076	487,076		
Loans and financing	Amortized cost			1,125,389	1,125,389
Leases	Amortized cost	-	-	52,386	52,386
Related-party payables	Amortized cost	44,045	44,045	-	-
Grants payable	Amortized cost	-	-	14,818	14,818
Advances from customers	Amortized cost	-	-	3,976	3,976

## Orizon Valorização de Resíduos S.A.

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### 27 Financial instruments--Continued

#### a) Risk management objectives and strategies--Continued

	Category	12/31/2022			
		Parent Company		Consolidated	
		Book value	Fair value	Book value	Fair value
Financial assets					
Cash and cash equivalents	Amortized cost	138,827	138,827	168,875	168,875
	Fair value through profit or loss	70,000	70,000	71,922	71,922
Securities	Amortized cost	-	-	273,557	273,557
Trade accounts receivable	Amortized cost	190,039	190,039	7,866	7,866
Receivables from related parties	Amortized cost	-	-	7,162	7,162
Court deposits and surety	Amortized cost	-	-	-	-
Financial liabilities					
Trade accounts payable	Amortized cost	312	312	65,821	65,821
	Fair value through profit or loss	418,912	418,912	1,015,154	1,015,154
Loans and financing	Amortized cost	-	-	56,011	56,011
Leases	Amortized cost	184,148	184,148	35,874	35,874
Accounts payable to related parties	Amortized cost	-	-	11,676	11,676
Grants payable	Amortized cost	-	-	24,140	24,140
Advances from customers	Amortized cost	-	-	-	-

## Orizon Valorização de Resíduos S.A.

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### 27. Financial instruments--Continued

The Company has no forward contracts, options, swaptions, flexible options, derivatives embedded in other products, structured transactions with derivatives or “exotic” derivatives. The Company does not use derivative financial instruments.

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.

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 December 31, 2023, the Company was not holding any financial instruments classified as Level 1.

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### 27. 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 December 31, 2023 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.

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As of December 1, 2023, 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 December 31, 2023:

	Fair value hierarchy	Parent Company			
		Book value		Prices quoted for identical assets and liabilities (Level 2)	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
Financial assets					
Cash and cash equivalents	Level 2	36,299	138,827	36,299	168,875
Securities	Level 2	16,506	70,000	16,506	236,496
Receivable from related parties		360,011	190,039	360,011	190,039
Financial liabilities					
Trade accounts payable		1,295	312	1,295	312
Loans and financing	Level 2	487,076	418,912	487,076	418,912
Accounts payable to related parties		44,045	151,893	44,045	11,676
	Fair value hierarchy	Consolidated			
		Book value		Prices quoted for identical assets and liabilities (Level 2)	
		03/31/2023	12/31/2022	03/31/2023	12/31/2022
Financial assets					
Cash and cash equivalents	Level 2	289,426	2,917	289,426	2,917
Securities	Level 2	33,608	407,499	33,608	407,499
Trade accounts receivable		232,740	178,022	232,740	178,022
Receivable from related parties		3,006	7,866	3,006	7,866
Court deposits and surety		10,938	6,579	10,938	6,579
Financial liabilities					
Trade accounts payable		59,533	65,821	59,533	65,821
Loans and financing	Level 2	1,125,389	1,015,154	1,125,389	1,015,154
Leases		52,386	56,011	52,386	56,011
Accounts payable to related parties		20,949	35,874	20,949	35,874
Grants payable		14,818	11,676	14,818	11,676
Advances from customers		3,976	24,140	3,976	24,140

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### 27. 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

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### 27. 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					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	36,299	-	-	-	-	36,299
Securities	16,506	-	-	-	-	16,506
Related parties	360,011	-	-	-	-	360,011
Total	412,816	-	-	-	-	412,816

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### 27. 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	289,426	-	-	-	-	289,426
Securities	33,608	-	-	-	-	33,608
Trade accounts receivable	-	142,800	35,448	5,920	48,572	232,740
Total	323,034	142,800	35,448	5,920	48,572	555,774

##### 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	1,295	-	-	-	-	1,295
Loans and financing	-	-	-	-	487,076	487,076
Related parties	-	-	-	-	44,045	44,045
Total	1,295	-	-	-	531,121	532,416

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	56,547	2,331	655	-	-	59,533
Loans and financing	3,799	7,597	63,244	563,673	487,076	1,125,389
Leases	2,421	4,843	21,793	23,329	-	52,386
Grants payable	14,818	-	-	-	-	14,818
Advances from customers	3,976	-	-	-	-	3,976
Total	81,561	14,771	85,692	587,002	487,076	1,256,102

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### 27. 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 December 31, 2023 and 2022, the consolidated balance of the provision for losses on accounts receivable was R\$155,584 and R\$162,610, 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.

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### 27. Financial instruments--Continued

#### b) 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 December 31, 2023, as follows:

Transaction	Balance on 12/31/2023	Assets (Consolidated)		
		Probable Scenario	Scenario I Δ 25%	Scenario II Δ 50%
CDI effective annual rate – year ended 12/31/2023	13.04%			
Financial investments (Note 4) <i>Estimated annual rate – Year ended 12/31/2023</i>	33,608	37,990 26.08%	40,181 32.60%	42,373 39.12%
Positive (negative) effect on income/shareholders' equity – year ending on 12/31/2024:		4,382	6,573	8,765
Transaction	Balance on 03/31/2023	Liabilities (Consolidated)		
		Probable scenario	Scenario I Δ 25%	Scenario II Δ 50%
Effective annual CDI rate – year ended 12/31/2023	13.04%			
Loans and financing (Note 12) <i>Estimated annual rate – Year ending 12/31/2024</i>	1,125,389	1,272,133 26.08%	1,345,506 32.60%	1,418,878 39.12%
Positive (negative) effect on income/shareholders' equity – year ending on 03/31/2024:		146,744	220,117	293,489

(\*) 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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### 27. 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 December 31, 2023, 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.

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### 28. 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 December 31, 2023, 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.

### 29. Transactions not involving cash (Consolidated)

Capital increase through previously registered equity instruments	<b>324,818</b>
Share-based payment	<b>31,537</b>
Biometano Verde Paulínia – Primary contribution made by Compass	<b>100,000</b>

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### 30. Subsequent events

Exploration of biomethane production in Ecoparks

The Company submitted to the Administrative Council for Economic Defense, through its subsidiary Orizon Energia e Gás Renovável Limitada (“BioE”), the approval of the operation consisting of the incorporation of two new companies (“Companies”) in partnership with GN Verde Participações S.A. (“GN Verde”), for the production of biomethane in Ecoparks Nova Iguaçu and São Gonçalo. The estimated initial production is 180,000 m<sup>3</sup>/day. The parties are in an advanced stage of discussing the final transaction documents.

Completion of registration of the carbon credits project at João Pessoa Ecopark (PB)

On March 14, 2024, the registration process for the João Pessoa Ecopark carbon credit project (Foxy URE-JP) was completed, before the Gold Standard, a mechanism recognized worldwide for its eligibility criteria, which includes quality, integrity and compliance with socio-environmental benefits. Additionally, carbon credits were issued for the periods of 2021, 2022 and the first two months of 2023<sup>1</sup>.

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<sup>1</sup> Information not audited by the Company's independent auditors.