

**Individual and Consolidated Interim  
financial information**

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

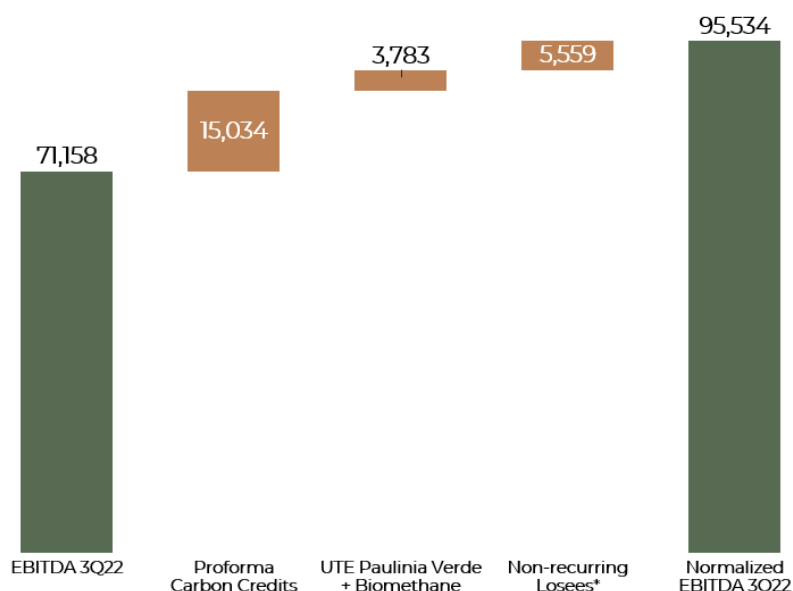
September 30, 2022  
with Independent Auditor's Review Report

## MESSAGE FROM THE MANAGEMENT

In the first 9 months of 2022, OrizonVR showed steady improvement in results, reaching another record in Revenue and EBITDA in the third quarter. In this quarter, the Company confirmed its robust and solid growth profile. In 3Q22, Net Revenue and EBITDA recorded growth of 97% and 113%, respectively, compared to the same quarter of the previous year.

Regarding normalized EBITDA (which includes the Carbon Credit produced in the quarter and considers the maturation of energy generation by UTE Paulínia and biomethane) we would reach a positive generation of R\$95,534, slightly above the forecast in our last earnings release (R\$95.130).

Normalized EBITDA- Values in R\$ 000´



\* Non-recurring losses: UTM Paulínia, UTM Jabotão dos Guararapes, URE BA and Belford Roxo Incinerator.

Source: Company Estimates

Regarding the operational indicators that measure our organic growth, we also point out important improvements in comparison to 3Q21: (a) the volume of waste received grew by 4%, (b) the volume of carbon credits generated increased by 19%, (c) energy dispatched was up 92% and biogas produced grew by 38%.

For the coming periods, the Company will extract operational improvements from the recent acquisitions, that will be achieved by final destination segment (e.g. Ecopark Pantanal), biogas and carbon credits (new assets) and recycling activities (UTM Paulínia and Jabotão dos Guararapes).

Regarding the others growth vectors, it is worth mentioning three important new fronts that are being implemented as of the fourth quarter.

- On November 8, the Company announced a transaction with Sabesp, which resulted in the sale of a 20% stake in URE Barueri for R\$40 million. The URE will

start operating in July 2025. It will be the first waste thermal treatment plant in Brazil, has a contract for waste receipt valid until 2051 and for energy trading until 2046, with an estimated annual EBITDA generation of more than R\$100 million. This partnership will bring in broad advantages to both players, better sequence with stakeholders, leverage cost reduction and possible new strategic partnerships;

- Together with this earnings release, the Company announces the launch of the BioE brand, the former name of Orizon Energia e Gás Renovável S/A, a company 100% controlled by OrizonVR that will be responsible for purchasing and processing the biogas generated in OrizonVR Ecoparks and from third parties through the generation of renewable energy and biomethane. BioE is born with two operating assets (one thermoelectric plant and one biomethane unit, with both located in Paulínia) and has the mission to become the largest producer of renewable gas in the country in the next 5 years, with a Capex forecast of around R\$1.2 billion and an expected annual EBITDA generation of R\$550 million only with the processing of contracted biogas from the Ecoparks currently managed by OrizonVR;
- For the upcoming quarters, OrizonVR foresees the consolidation of another 3 new landfills, which together will represent an additional receipt of approximately 1.5 million tons per year, which these assets will not require cash effort for the cash flow.

During the third quarter of 2022, we reinforced our performance in the social pillar of the ESG theme. Through environmental education, we developed activities involving a total of 3,255 people from 43 institutions, including young people and teachers from municipal public schools in the regions where Orizon VR is present. The Company's materiality matrix was also concluded, defining the main themes that will support the company in achieving its strategic objectives, thus reaffirming its commitment with "ESG" in its DNA.

In terms of capital structure, the Company maintains an adequate cash position and healthy leverage to pursue its growth strategy. The proceeds from the issue of Orizon Meio Ambiente (OMA) debentures announced on November 11, 2022, will be used to (i) refinance existing OMA debt, increasing duration and reducing the cost of capital, and (ii) finance the expansion plan of the Company and its investees.

Regarding the management of its human capital, OrizonVR has invested in the development of its talents and in the tools required to improve its activities.

Finally, we would like to thank all our employees, Board of Directors, shareholders and customers for their strong support and commitment.

Milton Pilão Jr.  
CEO

Leonardo Santos  
CFO and  
Investor Relations Officer

## Comments of Consolidated Results regarding 3Q22 and 9M22

Income Statement (R\$ thousand)	3Q22	3Q21	Δ	9M22	9M21	Δ
Net Revenue	197,177	99,841	97%	447,015	280,153	60%
Operating Costs - wt depreciation	(102,673)	(49,909)	106%	(236,650)	(147,998)	60%
Gross Profit before depreciation	94,504	49,932	89%	210,365	132,155	59%
Cost of depreciation	(35,922)	(11,473)	213%	(73,656)	(31,952)	131%
Gross Profit	58,582	38,459	52%	136,709	100,203	36%
General and administrative expenses	(45,656)	(21,008)	117%	(101,715)	(82,499)	23%
Other revenues (expenses) net	(405)	2,142	N.A.	14,390	2,811	412%
Result before financial result and equity	12,521	19,593	-36%	49,384	20,515	141%
Financial revenue	531	9,664	-95%	73,190	23,252	215%
Financial expenses	(37,467)	(23,898)	57%	(147,855)	(70,532)	110%
Result before equity	(24,415)	5,359	-556%	(25,281)	(47,280)	-47%
Equity Interest	9,569	215	-	3,931	345	N.A.
Result before taxes	(14,846)	5,574	N.A.	(21,350)	(26,420)	-19%
Income and Social Contribution - Current	(12,666)	(6,137)	106%	(28,968)	(14,289)	103%
Income and Social Contribution -Deferred	(2,114)	(786)	169%	(9,002)	234	N.A.
Net income (loss) for the period	(29,626)	(1,349)	-	(59,320)	(40,475)	47%
Adjusted EBITDA	71,159	38,189	86%	168,172	100,775	67%

### Net Revenue

Net Operating Revenue in 3Q22 totaled R\$197.2 million, up 97% compared to the same period last year. In the 9-month period, Net Operating Revenue was R\$447 million, an increase of 60%. The highlights of the best performance in 3Q22 are due to (i) increase in volume, (ii) increase in energy sales, (iii) price adjustment in contracts signed with the customer base and (iv) consolidation of revenues from UPI Aterros assets.

On the nine-month period (9M22), the Net Revenue reached R\$447 million, an increase of 60% due to que recently assets acquired.

Net Revenue (R\$ thousands)	3T22	3T21	Δ	9M22	9M21	Δ
Final disposal of solid waste	154,009	67,123	129%	351,056	188,346	86%
Energy, biogas and carbon credits	22,127	15,463	43%	42,621	43,388	-2%
Waste processing and Waste-to-energy	11,911	11,519	3%	22,368	32,322	-31%
Environmental Engineering	9,129	5,737	59%	30,969	16,097	92%
<b>Total</b>	<b>197,177</b>	<b>99,841</b>	<b>97%</b>	<b>447,015</b>	<b>280,153</b>	<b>60%</b>

## Costs and Expenses

COSTS AND EXPENSES without depreciation (R\$ thousands)	3Q22	3Q21	Δ	9M22	9M21	Δ
PERSONNEL	(44,908)	(27,271)	65%	(102,310)	(105,857)	-3%
PRODUCTION AND CONSUMPTION MATERIALS	(19,666)	(12,048)	63%	(56,226)	(33,199)	69%
RENTS	(6,732)	(3,472)	94%	(15,593)	(9,511)	64%
GRANTS	(2,799)	(2,152)	30%	(9,167)	(6,977)	31%
ENERGY	(6,414)	(7,136)	-10%	(16,263)	(29,005)	-44%
OTHERS	(103,732)	(30,311)	242%	(212,462)	(77,900)	173%
<b>TOTAL COSTS AND EXPENSES</b>	<b>(184,251)</b>	<b>(82,390)</b>	<b>124%</b>	<b>(412,021)</b>	<b>(262,449)</b>	<b>57%</b>

Operating Costs and Expenses totaled R\$184.2 million in 3Q22, an increase of 124% against 3Q21 and 57% when comparing the nine months of 2022 with the same period in 2021.

Among all the items, these ones deserve prominence: (i) personnel, (ii) fuels, (iii) freight, (iv) external treatment of leachate, and (v) third parties' services.

## Financial Result

FINANCIAL RESULT (R\$ thousands)	3Q22	3Q21	Δ	9M22	9M21	Δ
FINANCIAL REVENUE	531	9,664	-95%	73,190	23,252	215%
FINANCIAL EXPENSES	(37,467)	(23,898)	57%	(147,855)	(70,532)	110%
LOANS AND FINANCING INTEREST:	(19,791)	(5,973)	231%	(67,359)	(29,885)	125%
OTHER FINANCIAL EXPENSES	(17,676)	(17,925)	-1%	(80,496)	(40,647)	98%
<b>TOTAL FINANCIAL RESULT</b>	<b>(36,936)</b>	<b>(14,234)</b>	<b>159%</b>	<b>(74,665)</b>	<b>(47,280)</b>	<b>58%</b>

In 3Q22, Financial Income was negative on R\$36.9 million, mainly impacted by the increase in debt balance, as well as the hike on basic interest rate and inflation.

Regarding OrizonVR's credit risk, is important to highlight the recent Company rating upgrading S&P from brAA to brAA+, with the perspective change from "stable" to "positive".

## EBITDA e Adjusted EBITDA

EBITDA (R\$ mil)	3Q22	3Q21	Δ	9M22	9M21	Δ
NET INCOME (LOSS) FOR THE PERIOD	(29,626)	(1,349)	N.A.	(59,320)	(40,475)	47%
TAXES	14,780	6,923	113%	37,970	14,055	170%
FINANCIAL RESULTS	36,936	14,234	159%	74,665	47,280	58%
DEPRECIATION	48,076	13,134	266%	93,860	35,691	163%
<b>EBITDA</b>	<b>70,166</b>	<b>32,942</b>	<b>113%</b>	<b>147,175</b>	<b>56,551</b>	<b>160%</b>
EXPENSES/REVENUES NON-RECURRENT	993	5,247	-81%	641	44,224	-99%
<b>ADJUSTED EBITDA</b>	<b>71,159</b>	<b>38,189</b>	<b>86%</b>	<b>147,816</b>	<b>100,775</b>	<b>47%</b>

In 3Q22, EBITDA was R\$70.2 million, 113% higher than in the same period of the previous year due to the consolidation of new assets, increase on revenues and operational volumes.

Adjusted EBITDA reached R\$ 71.2 million, 86% higher than 3Q21 and in the 9-month period variation it reached R\$168 million, a variation of 67%.

Additionally, we started capturing the results of recent acquisitions, with emphasis on the total revenue from the 7 assets of UPI Aterros and the start-up of UTE Paulínia Verde.

## Net Income

NET INCOME (R\$ thousands)	3Q22	3Q21	Δ	9M22	9M21	Δ
NET REVENUE	197.177	99.841	97%	447.015	280.153	60%
OPERATIONAL COSTS	(138.595)	(61.382)	319%	(310.306)	(179.950)	190%
GROSS PROFIT	58.582	38.459	52%	136.709	100.203	36%
GENERAL & ADM. EXPENSES	(45.656)	(21.008)	117%	(101.715)	(82.499)	23%
OTHER NET REVENUE (EXPENSE)	(405)	2.142	N.A.	14.390	2.811	-
FINANCIAL RESULT	(36.936)	(14.234)	-	(74.665)	(47.280)	58%
EARNINGS BEFORE EQUITY PICKUP	(24.415)	5.359	-556%	(25.281)	(47.280)	-47%
EQUITY PICKUP	9.569	215	-	3.931	345	-
TAXES	(14.780)	(6.923)	113%	(37.970)	(14.055)	170%
<b>NET INCOME (LOSS) FOR THE PERIOD</b>	<b>(29.626)</b>	<b>(1.349)</b>	<b>-</b>	<b>(59.320)</b>	<b>(40.475)</b>	<b>47%</b>

This quarter's Net Income was negative by R\$29.6 million, with emphasis to (i) net loss financial result, (ii) amortization and depreciation with no cash impact (includes landfill closure provision, amortization from the recent acquired assets added value) and (iii) non-recurring losses above mentioned.

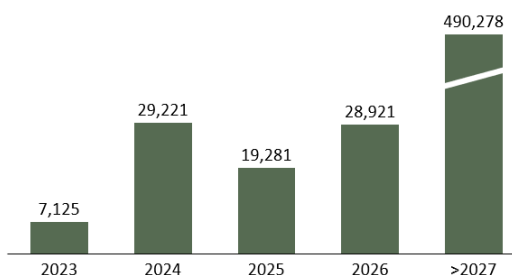
## Leverage Ratio

The Company has a 3.1x pro forma leverage ratio and 2.2x in relation to normalized EBITDA (R\$ 381.6 million/ year, equivalent to R\$ 95.5 per quarter).

The difference between current leverage and the one expected on a normalized basis is due to the full impact consolidation of growth projects. Of those, highlighting the recent acquisition and the effect of greenfield projects (*UTE Paulínia Verde, biometano Paulínia, among others*).

INDEBTEDNESS (R\$mil)	3Q22	
	Pro forma	Normalized
NET DEBT - BANK	582,436	582,436
AQUISITION TO PAY (ST+LT)	262,136	262,136
<b>NET DEBT</b>	<b>844,572</b>	<b>844,572</b>
EBITDA PRO FORMA LTM	272,538	381,600
<b>LEVERAGE (x)</b>	<b>3.1</b>	<b>2.2</b>

BANK DEBT - AMORTIZATION SHCHEDULE (R\$ thousand)



## Management's Statement

We acknowledge, as members of the Company's Management, that we are liable for the proper presentation of the individual and consolidated quarterly financial information, prepared in accordance with the accounting practices adopted in Brazil and with the international financial reporting standards (IFRS).

We believe that the individual and consolidated financial information fairly presents, in all material respects, the Company's equity and financial position, its results of operations and cash flows, in accordance with the accounting practices adopted in Brazil, and that it is free from material distortions, including omissions.

As members of the Company's Management, we believe that the Company has an adequate system of internal controls that enables the preparation of accurate individual and consolidated financial information in accordance with the accounting practices adopted in Brazil and the international financial reporting standards (IFRS) and free from material distortions, whether caused by fraud or error.

The members of management declare that they have discussed, revised and agreed with the opinions stated in the review report by ERNST & YOUNG Auditores Independentes S.S.

# Orizon Valorização de Resíduos S.A.

Individual and consolidated interim financial information

September 30, 2022

Table of Contents

Report on review of the quarterly information

Individual and consolidated interim financial information

Balance sheets .....	3
Statements of income .....	5
Statements of comprehensive income .....	6
Individual and consolidated statements of changes in shareholder's equity .....	7
Statements of cash flows .....	8
Statements of value added .....	10
Notes to the individual and consolidated financial information.....	11

A free translation from Portuguese into English of Independent Auditor's Review Report on quarterly information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB)

---

## Independent auditor's review report on quarterly information (ITR)

To the Shareholders, Board of Directors and Officers  
**Orizon Valorização de Resíduos S.A.**  
Rio de Janeiro - RJ

### Introduction

We have reviewed the individual and consolidated interim financial information of Orizon Valorização de Resíduos S.A. ("Company"), contained in the Quarterly Information Form (ITR) for the quarter ended September 30, 2022, which comprises the statement of financial position as at September 30, 2022 and the related statements of profit or loss and of comprehensive income for the three- and nine-month periods then ended, and of changes in equity and of cash flows for the nine-month period then ended, including explanatory information.

The executive board is responsible for preparation of the individual and consolidated interim financial information in accordance with NBC TG 21 and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of review

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

### Conclusion on the individual and consolidated interim financial information

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



## **Other matters**

### **Statements of value added**

The quarterly information referred to above includes the individual and consolidated statements of value added (SVA) for the nine-month period ended September 30, 2022, prepared under the responsibility of the Company's executive board, and presented as supplementary information for IAS 34 purposes. These statements were subject to review procedures conducted jointly with the review of the quarterly information for the purpose of concluding whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, pursuant to such standard and consistently with the individual and consolidated interim financial information taken as a whole.

Rio de Janeiro, November 14, 2022

ERNST & YOUNG  
Auditores Independentes S.S.  
CRC SP-015199/F

A handwritten signature in blue ink, appearing to be 'Pia Leocádia de Avellar Peralta', written over the text of the firm's name.

Pia Leocádia de Avellar Peralta  
Accountant CRC RJ-101080/O

## Orizon Valorização de Resíduos S.A.

### Balance sheets

September 30, 2022 and December 31, 2021

(Amounts in thousands of Brazilian *Reais*)

	Note	Parent company		Consolidated	
		09/30/2022	12/31/2021	09/30/2022	12/31/2021
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3	<b>338</b>	295	<b>27,289</b>	2,917
Securities	4	<b>22</b>	227,328	<b>19,618</b>	398,458
Trade accounts receivable	5	-	-	<b>284,134</b>	163,362
Taxes and contributions recoverable	6.a	<b>2,352</b>	974	<b>11,519</b>	7,136
Advances	8.a	<b>1,393</b>	2,204	<b>32,520</b>	31,276
Total current assets		<b>4,105</b>	230,801	<b>375,080</b>	603,149
<b>Non-current assets</b>					
Securities	4	-	9,168	-	9,041
Trade accounts receivable	5	-	-	<b>14,660</b>	14,660
Related parties	7	<b>369,284</b>	27,027	<b>8,969</b>	7,015
Court deposits and bonds	17.c	<b>11</b>	11	<b>9,054</b>	6,579
Deferred income and social contribution taxes	6.d	-	3,582	<b>60,560</b>	69,563
Advances	8.a	-	-	<b>8,444</b>	6,194
Investments	9	<b>868,211</b>	819,547	<b>39,860</b>	4,422
Property and equipment	10	-	-	<b>745,099</b>	375,789
Intangible assets	11	-	-	<b>383,428</b>	90,841
Right-of-use assets	12	-	-	<b>44,721</b>	18,810
Total non-current assets		<b>1,237,506</b>	859,335	<b>1,314,795</b>	602,914
<b>Total assets</b>					
		<b>1,241,611</b>	1,090,136	<b>1,689,875</b>	1,206,063

	Note	Parent company		Consolidated	
		09/30/2022	12/31/2021	09/30/2022	12/31/2021
<b>Liabilities</b>					
<b>Current liabilities</b>					
Loans and financing	12	-	-	<b>34,899</b>	16,844
Leases	12	-	-	<b>29,340</b>	9,526
Suppliers	13	<b>239</b>	126	<b>71,976</b>	43,810
Grants payable	14	-	-	<b>12,026</b>	12,641
Salaries and payroll charges	15	<b>2,537</b>	1,008	<b>32,059</b>	12,710
Taxes and contributions payable	6.b	<b>859</b>	101	<b>47,049</b>	31,313
Taxes payable in installments	16	-	-	<b>5,820</b>	7,561
Advances from customers	18	-	-	<b>26,364</b>	20,195
Related parties	7	<b>5,709</b>	16,829	<b>5,709</b>	16,829
Accounts payable	19	<b>111</b>	4,284	<b>14,104</b>	13,470
Other current liabilities	8.b	<b>136</b>	218	<b>21,757</b>	4,190
<b>Total current liabilities</b>		<b>9,591</b>	22,566	<b>301,103</b>	189,089
<b>Non-current liabilities</b>					
Loans and financing	12	<b>758,903</b>	658,938	<b>574,826</b>	539,432
Leases	12	-	-	<b>18,482</b>	11,431
Taxes payable in installments	16	-	-	<b>39,849</b>	36,790
Provision for losses on investments	9	-	-	<b>158</b>	158
Related parties	7	<b>51,017</b>	43,879	<b>19,055</b>	11,917
Provision for contingencies	17.a	-	-	<b>22,617</b>	33,160
Deferred PIS and COFINS taxes	6.e	<b>9,105</b>	9,105	<b>9,105</b>	9,105
Accounts payable	19	-	-	<b>248,032</b>	5,568
Other non-current liabilities	8.b	-	-	<b>25,998</b>	-
<b>Total non-current liabilities</b>		<b>819,025</b>	711,922	<b>958,122</b>	647,561
<b>Shareholders' equity</b>					
Capital stock	20.a	<b>844,323</b>	844,323	<b>844,323</b>	844,323
Special premium reserve	20.c	<b>3,023</b>	3,023	<b>3,023</b>	3,023
Investment reserve	20.d	<b>268,941</b>	268,941	<b>268,941</b>	268,941
Cost on the issue of shares		<b>(31,146)</b>	(31,146)	<b>(31,146)</b>	(31,146)
Equity valuation adjustment	20.e	<b>10,359</b>	10,359	<b>10,359</b>	10,359
Equity instrument	19	<b>120,557</b>	-	<b>120,557</b>	-
Accumulated losses		<b>(803,062)</b>	(739,852)	<b>(803,062)</b>	(739,852)
		<b>412,995</b>	355,648	<b>412,995</b>	355,648
Controlling interests		<b>412,995</b>	355,648	<b>412,995</b>	355,648
Non-controlling interests		-	-	<b>17,655</b>	13,765
<b>Total shareholders' equity</b>		<b>412,995</b>	355,648	<b>430,650</b>	369,413
<b>Total liabilities and shareholders' equity</b>		<b>1,241,611</b>	1,090,136	<b>1,689,875</b>	1,206,063

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

## Orizon Valorização de Resíduos S.A.

### Statements of income

Nine-month periods ended September 30, 2022 and 2021

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

	Note	Parent company		Consolidated	
		01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021
Net operating revenues	21	-	-	<b>447,015</b>	280,153
Cost of services provided	22	-	-	<b>(310,306)</b>	(179,950)
Gross profit		-	-	<b>136,709</b>	100,203
Operating revenues (expenses)					
General, administrative and selling expenses	22	<b>(14,681)</b>	(51,732)	<b>(101,715)</b>	(82,499)
Other revenues (expenses), net		-	(384)	<b>14,390</b>	2,811
Income (Loss) before financial result and equity pick-up		<b>(14,681)</b>	(52,116)	<b>49,384</b>	20,515
Equity pick-up	9	<b>48,664</b>	83,752	<b>3,931</b>	345
Financial result					
Financial income	23	<b>11,563</b>	4,292	<b>73,190</b>	23,252
Financial expenses	23	<b>(105,174)</b>	(83,111)	<b>(147,855)</b>	(70,532)
Loss before income and social contribution taxes		<b>(59,628)</b>	(47,183)	<b>(21,350)</b>	(26,420)
Income and social contribution taxes					
Current	6.c	-	-	<b>(28,968)</b>	(14,289)
Deferred	6.c	<b>(3,582)</b>	3,807	<b>(9,002)</b>	234
Loss for the period		<b>(63,210)</b>	(43,376)	<b>(59,320)</b>	(40,475)
Attributable to shareholders:					
Non-controlling shareholders				<b>3,890</b>	2,901
Controlling shareholders				<b>(63,210)</b>	(43,376)
Basic loss per share				<b>(0.83)</b>	(0.57)
Diluted loss per share				<b>(0.83)</b>	(0.57)

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

## Orizon Valorização de Resíduos S.A.

### Statements of income

Three-month periods ended September 30, 2022 and 2021

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

	Parent company		Consolidated	
	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021
Net operating revenues	-	-	197,177	99,841
Cost of services provided	-	-	(138,595)	(61,382)
Gross profit	-	-	58,582	38,459
Operating revenues (expenses)				
General, administrative and selling expenses	(5,096)	(6,984)	(45,656)	(21,008)
Other revenues (expenses), net	-	-	(405)	2,142
Income (Loss) before financial result and equity pick-up	(5,096)	(6,984)	12,521	19,593
Equity pick-up	11,092	36,200	9,569	215
Financial result				
Financial income	130	2,065	531	9,664
Financial expenses	(37,219)	(31,003)	(37,467)	(23,898)
(Loss) Income before income and social contribution taxes	(31,093)	278	(14,846)	5,574
Income and social contribution taxes				
Current	-	-	(12,666)	(6,137)
Deferred	-	(2,486)	(2,114)	(786)
Income (Loss) for the period Attributable to shareholders:	(31,093)	(2,208)	(29,626)	(1,349)
Non-controlling shareholders			3,117	1,847
Controlling shareholders			(12,386)	(3,196)
Basic (loss) income per share			(0.41)	(0.02)
Diluted (loss) income per share			(0.41)	(0.02)

## Orizon Valorização de Resíduos S.A.

### Statements of comprehensive income

Three and nine-month periods ended September 30, 2022 and 2021

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

	Parent company		Consolidated	
	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021
(Loss) for the period	<b>(63,210)</b>	(43,376)	<b>(59,320)</b>	(40,475)
Net gain in instrument at the fair value through other comprehensive income, net of taxes (Note 19)	<b>7,102</b>	-	<b>7,102</b>	-
Other comprehensive income not classified to the income for the year in subsequent periods, net of taxes	<b>7,102</b>	-	<b>7,102</b>	-
Total of other comprehensive income for the period, net of taxes	<b>(56,108)</b>	(43,376)	<b>(52,218)</b>	(40,475)
Attributable to shareholders:				
Non-controlling shareholders			<b>3,890</b>	2,901
Controlling shareholders			<b>(56,108)</b>	(43,376)

	Parent company		Consolidated	
	07/01/2021 to 09/30/2021	07/01/2020 to 09/30/2020	07/01/2021 to 09/30/2021	07/01/2020 to 09/30/2020
Loss for the period	<b>(31,093)</b>	(2,208)	<b>(29,626)</b>	(1,349)
Net gain in instruments at the fair value through other comprehensive income (Nota 20)	<b>8,698</b>	-	<b>8,698</b>	-
Other compressive income reclassified to the income for the year in subsequent periods, net of taxes	<b>8,698</b>	-	<b>8,698</b>	-
Total of other comprehensive income for the period, net of taxes	<b>(22,395)</b>	(2,208)	<b>(20,928)</b>	(1,349)
Attributable to shareholders:				
Non-controlling shareholders			<b>3,117</b>	1,847
Controlling shareholders			<b>(24,045)</b>	(3,196)

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

## Orizon Valorização de Resíduos S.A.

Individual and consolidated statements of changes in shareholders' equity  
 Nine-month periods ended September 30, 2022 and 2021  
 (Amounts expressed in thousands of *Reais*)

	Not e	Capit al stock	Equity instru ments – conver tible debentur es	Other comprehen sive income	Capita l Reser ve	Capita l reserv es – good will on the issue of new share s	Capital Reserv e - Warran ts	Equity valuatio n adjustm ent – Attribute d cost	Cost on the issue of share s	Accumula ted losses	Total	Non- controlli ng interest	Total sharehold ers' equity
Balances on January 1, 2021	20	544,323	30,877	-	-	3,023	156,664	10,359	-	(677,824)	67,422	15,304	82,726
Capital increase on the issue of shares	20.	300,000	-	-	81,400	-	-	-	-	-	381,400	-	381,400
Conversion of equity instruments into capital	a	-	(30,877)	-	30,877	-	-	-	-	-	-	-	-
Warrant exercised		-	-	-	156,664	-	(156,664)	-	-	-	-	-	-
Cost on the issue of shares – CPC 08		-	-	-	-	-	-	(31,146)	-	-	(31,146)	-	(31,146)
Dividend distribution		-	-	-	-	-	-	-	-	-	-	(8,061)	(8,061)
Loss for the period		-	-	-	-	-	-	-	-	(43,376)	(43,376)	2,901	(40,475)
Balances on September 30, 2021		844,323	-	-	268,941	3,023	-	10,359	(31,146)	(721,200)	374,300	10,144	384,444
Balances on January 1, 2022		844,323	-	-	268,941	3,023	-	10,359	(31,146)	(739,852)	355,648	13,765	369,413
Equity instruments		-	-	113,455	-	-	-	-	-	-	113,455	-	113,455
Re-measurement to the fair value of equity instruments.		-	-	7,102	-	-	-	-	-	-	7,102	-	7,102
Loss for the period		-	-	-	-	-	-	-	-	(63,210)	(63,210)	3,890	(59,320)
Balances on September 30, 2022	20	844,323	-	120,557	268,941	3,023	-	10,359	(31,146)	(803,062)	412,995	17,655	430,650

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

## Orizon Valorização de Resíduos S.A.

### Statements of cash flows Nine-month periods ended September 30, 2022 and 2021 (Amounts in thousands of Brazilian Reais)

	Parent company		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Cash flows from operating activities				
Loss for the period	(63,210)	(43,376)	(59,320)	(40,475)
Adjustments to reconcile net income (loss):				
Equity pickup	(48,664)	(83,752)	(3,931)	(345)
Provision for doubtful accounts	-	-	5,115	1,347
Provision for contingencies	-	-	(9,972)	(2,396)
Foreign exchange change	-	-	5,555	(764)
Adjustment to present value	21,648	50,337	(19,732)	1,692
Amortization of expenses with fundraising	-	-	-	4,703
Income and social contribution taxes - Deferred	3,582	(3,807)	9,003	(234)
Depreciation and amortization	-	-	93,860	35,691
Accrued interest on loans and financings	78,317	32,289	67,359	31,259
Accrued interest on outstanding balance for acquisition of equity	-	-	9,753	-
Gain on beneficial purchase	-	-	(10,295)	-
Updating of financial instruments	-	-	7,102	-
Marked to market of share-based payment	2,962	42,561	2,962	42,561
Others	-	-	-	(2,944)
(Increase) Decrease in operating assets				
Trade accounts receivable	-	-	(84,106)	(24,385)
Taxes recoverable	(1,378)	(613)	(4,358)	(8,189)
Court deposits and bonds	-	-	(2,475)	(6,403)
Advances	811	3,268	2,210	1,479
Increase (decrease) in operating liabilities				
Suppliers	113	(10,316)	15,944	(27,435)
Grants payable	-	-	(615)	3,219
Salaries and payroll charges	1,529	1,002	11,917	6,544
Taxes and contributions payable	758	30	26,947	17,613
Advances from customers	-	-	3,909	(3,532)
Accounts payable	(4,173)	(2,929)	(30,106)	(2,802)
Taxes payable in installments	-	-	1,180	(7,054)
Other	(82)	96	17,937	(3,003)
Cash (used in) operating activities	(7,787)	(15,210)	55,842	16,147
Income and social contribution taxes paid	-	-	(15,675)	(8,271)
Interest paid	-	-	(36,908)	(29,671)
Net cash (used in) operating activities	(7,787)	(15,210)	3,259	(21,795)
Cash flows from investing activities				
Purchases of equity interest, net of acquired cash	-	-	(186,941)	-
Advances for future capital increase	-	-	(21,109)	(2,123)
Purchases of property and equipment and intangible assets	-	-	(157,447)	(49,260)
Securities	236,474	(171,101)	387,982	(196,314)
Net cash (used in) investing activities	236,474	(171,101)	22,485	(247,697)
Cash flows from financing activities				
Loans and financing raised	-	-	40,000	15,000
Loans and financing paid	-	-	(12,376)	(84,002)
Leases paid	-	-	(16,358)	(8,829)
Related parties	(221,826)	(160,432)	(5,820)	(411)
Share-based payment settled in cash	(6,818)	(12,942)	(6,818)	(12,942)
Capital increase on the issue of shares	-	359,977	-	359,977
Net cash (used in) financing activities	(228,644)	186,603	(1,372)	268,793
Increase (decrease) in cash and cash equivalents				
	43	292	24,372	(699)
Cash and cash equivalents at the beginning of the period				
	295	1	2,917	6,044
Cash and cash equivalents at the end of the period				
	338	293	27,289	5,345
Increase (decrease) in the balance of cash and cash equivalents				
	43	292	24,372	(699)

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

## Orizon Valorização de Resíduos S.A.

Statements of value added

Nine-month periods ended September 30, 2022 and 2021

(Amounts in thousands of Brazilian Reais)

	Parent company		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
<b>Revenues</b>		-	<b>498,129</b>	320,224
Services provided	-	-	<b>503,244</b>	321,571
Provision for impairment of trade accounts receivable	-	-	<b>(5,115)</b>	(1,347)
<b>Inputs acquired from third parties</b>	<b>(3,662)</b>	(2,193)	<b>(180,753)</b>	(107,232)
Cost of services provided	-	-	<b>(162,801)</b>	(111,390)
Materials, electricity, outsourced services and others	<b>(3,662)</b>	(2,193)	<b>(17,952)</b>	4,158
Gross value added	<b>(3,662)</b>	(2,193)	<b>317,376</b>	212,992
<b>Withholdings</b>	-	-	<b>(93,860)</b>	(35,691)
Depreciation and amortization	-	-	<b>(93,860)</b>	(35,691)
<b>Net value added generated</b>	<b>(3,662)</b>	(2,193)	<b>223,516</b>	177,301
<b>Value added received in transfer</b>	<b>60,870</b>	88,355	<b>82,990</b>	27,996
Equity valuation adjustment	<b>48,664</b>	83,752	<b>3,931</b>	345
Financial income	<b>12,206</b>	4,603	<b>79,059</b>	27,651
<b>Total value added to be distributed</b>	<b>57,208</b>	86,162	<b>306,506</b>	205,297
<b>Distribution of value added</b>	<b>57,208</b>	86,162	<b>306,506</b>	205,297
<b>Personnel</b>	<b>11,019</b>	49,923	<b>102,310</b>	105,857
Direct compensation	<b>9,109</b>	48,624	<b>68,428</b>	84,475
Benefits	<b>14</b>	14	<b>5,064</b>	3,396
Unemployment Fund (FGTS)	-	-	<b>5,476</b>	3,051
Other	<b>1,896</b>	1,285	<b>23,342</b>	14,935
<b>Taxes, fees and contributions</b>	<b>4,225</b>	(3,496)	<b>102,037</b>	59,872
Federal	<b>4,225</b>	(3,496)	<b>78,735</b>	44,728
State	-	-	<b>2,260</b>	2,321
Municipal	-	-	<b>21,042</b>	12,823
<b>Interest on third-party capital</b>	<b>105,174</b>	83,111	<b>161,479</b>	80,043
Rents	-	-	<b>15,593</b>	9,511
Financial expenses	<b>105,174</b>	83,111	<b>145,886</b>	70,532
<b>Interest on equity</b>	<b>(63,210)</b>	(43,376)	<b>(59,320)</b>	(40,475)
Retained income (loss) for the period	<b>(63,210)</b>	(43,376)	<b>(63,210)</b>	(43,376)
Non-controlling interests	-	-	<b>3,890</b>	2,901

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

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated Interim financial information  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 1 Operations

Orizon Valorização de Resíduos S.A. (“Orizon” or the “Company,” formerly named “Haztec Investimentos e Participações S.A.”), was organized in December 2009, with headquarters at Avenida Nações Unidas, No. 12.901, Torre Oeste, 8<sup>th</sup> floor, Brooklin – City and State of São Paulo, and the change in its corporate name was approved at the Special Shareholders’ Meeting held on August 20, 2020.

The corporate purpose of the Company is to hold interests in other business companies or civil associations as a partner or shareholder, and other related activities. As of September 30, 2022, the Company’s main asset is the direct investment in Orizon Meio Ambiente S.A. (“Orizon Meio Ambiente”), formerly named “Haztec Tecnologia e Planejamento Ambiental S.A.” - “Haztec”.

Additionally, the Company holds 100% of the shares of Foxx Holding SA (“Foxx Holding”), an entity that holds, through Foxx Inova, 67% of the João Pessoa (PB) eco park, and 100% of the Energy Recovery Unit (“URE”) of Barueri, the first project for the generation of electricity from burning of waste (waste-to-energy) in Latin America, which is currently in a pre-operating phase.

In the first quarter, the Company acquired, through its indirect subsidiary, the entire equity interest in the companies Centro de Gestão de Resíduos Ltda and CGR Ambiental Tratamento de Resíduos Ltda., located in the city of Cuiabá, state of Mato Grosso. The core business of the acquired companies is the disposal of solid waste in a private landfill located in the city of Cuiabá, state of Mato Grosso.

On April 19, 2022, through its subsidiary Orizon Meio Ambiente S.A., the Company completed the acquisition of 07 assets in the context of UPI Aterros, 6 of which are landfills and 01 is a liquid, solid and reverse logistics blending plant. 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.

In general terms, on September 30, 2022, the Company holds 12 landfills for final disposal of non-hazardous waste (distributed in 7 states), 02 transfer sites, 03 plants for treatment of hazardous waste, 06 biogas exploration plants, 05 carbon credit projects, 01 biomethane plant, 03 waste processing plants and 01 waste-to-energy plant.

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

On September 30, 2022, the Company’s current net consolidated capital was positive by R\$73,977 (R\$414,060 on December 31, 2021). In February 2021, the Company went public on B3, and the proceeds of such process are being used in investments, acquisitions, debt amortization and working capital maintenance.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated Interim financial information  
September 31, 2022  
(In thousands of Brazilian *Reais*)

### 1. Operations -- Continued

Management continues to promote several actions intended to improve the Company's economic and financial condition continuously, such as: (i) analysis of opportunities to reduce costs and expenses, which were implemented, and continuity of the evaluation of processes to improve the Company's operating and administrative activities; (ii) implementation of new business that may result in profit for the Company in the coming years; (iii) implementation of new activities to increase the value of waste and strengthen the generation of cash from operations, with focus on recycling and generation of electric power from biogas and biomethane; (iv) implementation of the waste-to-energy unit located in Barueri; (v) strategic acquisitions; and (vi) optimization of funds from the Public Offering of Shares completed on February 11, 2021.

The operations of the direct subsidiaries are as follows:

#### Direct subsidiaries

##### a) *Orizon Meio Ambiente*

Orizon Meio Ambiente was organized in 1999 and its activities are: (i) treatment and final disposal of hazardous and non-hazardous waste, (ii) exploration of biogas, energy and carbon credits, (iii) waste processing, and (iv) environmental engineering services.

The purpose of Orizon Meio Ambiente 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 plants for treatment and final disposal of hazardous waste and eleven (11) landfills for non-hazardous waste.

The assets are located in the states of Pernambuco, Sergipe, Rio de Janeiro, São Paulo, Goiás and Mato Grosso, receiving approximately 22,000 tons of waste daily.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated Interim financial information  
September 31, 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

The subsidiaries of Orizon Meio Ambiente explore biogas from its sanitary landfills for production of energy. Currently, the company captures approximately 36,000 Nm<sup>3</sup> per hour of biogas in 05 of its landfills, which means a generation potential of approximately 60MW installed, which has been used in the most diverse ways in the context of generation of electricity.

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

The Barra Mansa landfill owned by CTR Barra Mansa trades biogas for the generation of 2 MW for a distributed generation project that serves large companies.

Regarding Jaboaão 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.

In Paulínia, the landfill, recently acquired under UPI Aterros, supplies biogas to UTE Paulínia (as defined below) and to the biomethane plant.

Finally, regarding the exploration of carbon credits, the subsidiaries of Orizon Meio Ambiente and Foxx URE-JP generate approximately 2.0 million tons of carbon equivalent annually in four of their sanitary landfills, either by burning of biogas or generation of clean energy, projected to reach 3.4 million carbon credits per year by the end of 2023<sup>1</sup>.

---

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

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 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

##### Processing of Waste

In the waste processing activity, Orizon Meio Ambiente has, on September 30, 2022, four (04) operating units, namely: (01) branch in Magé (with blending for co-processing), (2) a joint venture with Vamtec Rio Insumos Siderurgicos Ltda. For processing of industrial waste in a plant installed at Companhia Siderurgica Nacional, in the city of Volta Redonda, state of Rio de Janeiro, (3) one blending unit for processing and reversal logistics in Sorocaba, state of São Paulo, and (4) 01 mechanized sorting unit in Jaboaão dos Guararapes.

##### 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.

##### 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 URE Barueri, 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, and (iii) and is the parent company, through Orizon Pantanal Holding Ltda. (former Orizon Locação Ltda), Orizon Pantanal (Former CGR Cuiabá) and CGR Ambiental, of a private landfill located in the city of Cuiabá, State of Mato Grosso.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 1. Operations – Continued

The operations of the indirect subsidiaries are as follows.

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, Belford Roxo, São João de Meriti and Mesquita. In addition, CTR NI 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 for trade.

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”)*

On November 26, 2008, Orizon Meio Ambiente acquired CTRA, a landfill concessionaire in the municipality of São Gonçalo (RJ). CTRA performs, solely and exclusively, 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 major municipalities, such as São Gonçalo, Niterói, Guapimirim and Maricá.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 1. Operations -- Continued

The operations of the indirect subsidiaries were as follows – 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, and currently SGEGAR is deploying a thermal plant to generate energy from the sanitary landfill 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.

CTRA and PMSG agreed that the estimated amount of R\$28,904 would be settled by PMSG on a deferred basis, until the deadline of December 31, 2020, in monthly installments in the approximate amount of R\$407 thousand since the approval of the instrument signed until the conclusion of the expert work, when then the monthly installments would be recalculated so that the settlement would occur until December 31, 2020. On December 31, 2020, the outstanding balance was R\$14,660. Any outstanding balance exceeding the amount to be settled until the 2020 deadline, as verified by the expert, would be settled in monthly installments starting on January 1, 2021, with a monthly amount of approximately R\$825 thousand (adjusted by the IPCA as from the date the instrument is signed), in as many installments as necessary until the full settlement of any outstanding balance exceeding the amount to be settled until the deadline of September 30, 2022 and December 31, 2021. The outstanding balance as of December 31, 2021 and 2020 is R\$14,660, according to the receipts shown in Note 5.

The instrument signed was approved by a judge, and is valid as an execution instrument, so that the early maturity of the debt can be declared in case of default by the granting authority.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 1. Operations -- Continued

The operations of the indirect subsidiaries were as follows – Continued

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

Instrument of settlement and adjustment of understandings – Continued

Based on the instrument signed, CTRA obtained from PMSG and MPRJ the extension of the term of the concession agreement until 2030, in addition to the ratification of the right to update the balances receivable from the São Gonçalo Municipal Government.

Additionally, after the instrument of settlement was signed between the subsidiary CTRA, MPRJ and PMSG, 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:

<b>In favor or CTRA (Concessionaire)</b>	<b>Balance</b>
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.

On September 1, 2020, a favorable judgment was issued regarding a collection lawsuit against the Municipality of São Gonçalo, based on a request made by CTR Alcântara, according to which this municipality was sentenced to pay eighteen million, eight hundred sixty-eight thousand *Reais* (R\$18,868) – amount consolidated on June 20, 2018 -, and the establishment of the base value admitted a disallowance of 8%. The amount originally requested was R\$20,509, plus the adjustment of R\$667, as explained above.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 1. Operations -- Continued

The operations of the indirect subsidiaries were as follows – Continued

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

*Instrument of settlement and adjustment of understandings – Continued*

On September 21, 2020, the Municipality filed an appeal against said decision, against which an appellate brief was filed by CTRA. Upon expiration of the term for the appellate briefs, the proceedings will be submitted to the Court of Justice, who will judge the appeal. The Company will record the amount in its interim financial information after the issue of the final and unappealable decision. In view of the foregoing, the Municipality is awaiting the decision of the court as to the terms to proceed with certain pending provisions under such Instrument, in relation to the scope of this lawsuit.

The balances shown in the table above are part of the discussions in progress by the Company’s Management and PMSG. Of the amount of R\$76,801, shown in the table above, R\$14,660 comprises accounts receivable as of September 30, 2022 and December 31, 2021, as recorded in the interim financial information. The remainder refers to the amount claimed and will only be recognized in the accounting books after completion of all applicable proceedings confirming that CTRA will prevail in its claims.

On February 9, 2022, the decision of the justice was granted to notify the Municipal Government of São Gonçalo to continue to make the payments of the initial agreement, the outstanding balance of which as of September 30, 2022 is R\$14,660. The decision determines that, in such scenario, the updated amount of the installment is R\$1,349. Currently, the parties await for the statement of the Municipal Government of São Gonçalo about the court order.

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. The concession agreement includes the environmental recovery of the “dumping ground,” which received waste from that municipality for 24 years.

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

CTRBM provides biogas for the generation of 2MW of thermal energy, which is currently used in a distributed generation project.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 1. Operations -- Continued

The operations of the indirect subsidiaries are as follows – Continued

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

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

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.

Currently, 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 5,000 tons of waste per day.

*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., having ASJA Ambiente Italia S.p.A. as intervening guarantor, for generation and trading of electricity through biogas produced at Jaboatão dos Guararapes landfill. ASJA, leader of energy generation projects from biogas of sanitary landfills in Europe, will be responsible for all investments and expenses required for the implementation, operation, maintenance and use of all biogas produced in the 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.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 1. Operations -- Continued

The operations of the indirect subsidiaries are as follows – Continued

e) Ecopesa Ambiental S.A. ("Ecopesa")—Continued

#### Merger

On May 31, 2022, Ecopesa was 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.

The following is the summary of financial statements of Ecopesa on the merging date, on May 31, 2022:

<b>Assets</b>		<b>Liabilities</b>	
Current assets		Current liabilities	
Cash and cash equivalents	628	Leases	867
Trade accounts receivable	20,529	Suppliers	3,332
Taxes recoverable	4,995	Salaries and social charges	1,874
Advance payments	279	Taxes and contributions payable	1,448
Total current assets	<u>26,431</u>	Tax installments	2,057
Non-current assets		Advance from clients	14
Related parties	45,827	Other liabilities	144
Property, plant and equipment	25,161	Total current liabilities	<u>9,736</u>
Intangible assets	132	Non-current liabilities	
Right of use	2,843	Leases	2,198
Total non-current assets	<u>73,963</u>	Related parties	3,299
		Tax installments	8,915
		Provision for contingencies	11,064
		Total non-current liabilities	<u>25,476</u>
		Shareholders' equity	
		Share Capital	19,272
		Income reserves	45,910
		Total Shareholders' equity	<u>65,182</u>
Total Assets	<u>100,394</u>	Total Liabilities and shareholders' equity	<u>100,394</u>

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 1. Operations -- Continued

The operations of the indirect subsidiaries are as follows – 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) *Foxx URE-BA*

Foxx URE-BA is a joint-stock company 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 the by-product resulting from the treatment and final disposal of urban solid waste. Foxx URE-BA is a pioneer in the implementation of waste-to-energy in Latin America.

In 2021, Foxx URE-BA participated in and won Generation Auction No. 8/2021-ANEEL for 2021. Beginning January 1, 2026, URE-BA will trade 105 MWh per year, the equivalent to 75% of its capacity, at a price of R\$549.35/MWh, adding up to R\$1,155,745, annually adjusted by the IPCA. The agreement is effective for 20 years. URE-BA will have an installed power of 20 MWe, with processing capacity of 300 thousand tons of urban solid waste per year.

h) *Orizon Pantanal (former Orizon Locação Ltda.)*

Orizon Pantanal is a joint-stock company with head office in the city of São Paulo (SP). Its corporate purpose includes, among others, (i) lease of machinery and equipment, being directly controlled by Foxx Inova, and (ii) an interest in companies through the acquisition of Orizon Pantanal (Former CGR Cuiabá) and CGR Ambiental, as detailed in this Note under item (o). Currently, the main contracts signed are with the City Administrations of Cuiabá and Várzea Grande.

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.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 1. Operations -- Continued

The operations of the indirect subsidiaries are as follows – Continued

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.

The company has motor-generators for the generation of energy from biogas in a consortium entered into with ASJA.

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 regulations applicable and is the holder of debentures issued by Estre Ambiental S.A. As detailed in Note 29, certain credits of FIDC Orizon were assigned as part of payment for the acquisition of 7 SPEs, disclosed in a Material Fact dated April 19, 2022, having been valued in this transaction at the amount of R\$8,483. On September 12, 2022, FIDC Orizon delivered its shares to MAF Distribuidora de Títulos e Valores Mobiliários S.A., thus closing the fund, with no effect on income.

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, impacting net revenue for the quarter by R\$1,458.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 1. Operations -- Continued

The operations of the indirect subsidiaries are as follows – Continued

- l) *Orizon Pantanal (Former Centro de Gerenciamento de Resíduos Ltda, (“CGR Cuiabá)) and CGR Ambiental Tratamento de Resíduos Ltda (“CGR Ambiental”)*

#### Business Combination

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

- Purchase price: R\$ 66,000, with the following payment schedule:
  - (1) R\$ 46,000 has been settled on the closing date
  - (2) R\$10,000 to be settled 30 days after the closing date;
  - (3) R\$5,000 to be settled 60 days after the closing date;
  - (4) R\$5,000 due in 5 years, being adjusted as from the closing date according to the corresponding variation of 105% of the DI Rate.

As of September 30, 2022, the Company has accounted for in its long-term account payables the amount of R\$5,000, which will remain outstanding over the contractual term.

The Company intends to operationalize the management of such landfill with other player, and has been discussing the contractual terms for concluding such negotiation.

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

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

The fair values described and the determination of goodwill on the acquisition of Orizon Pantanal and CGR Ambiental are preliminary, as provided for in CPC15/IFRS3 – Business Combinations, which allows the Company to complete the analysis of the assets acquired and liabilities assumed within 12 months from the date of acquisition.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 1. Operations -- Continued

The operations of the indirect subsidiaries are as follows – Continued

- l) Orizon Pantanal (Former Centro de Gerenciamento de Resíduos Ltda, (“CGR Cuiabá)) and CGR Ambiental Tratamento de Resíduos Ltda (“CGR Ambiental”)-- Continued

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

During the measurement period, the Company may retroactively adjust the provisional amounts recognized on the acquisition date to reflect any new information obtained regarding the facts and circumstances existing on the acquisition date, which, if known on that date, would have affected the measurement of the amounts recognized. During the measurement period, it additionally will recognize assets or liabilities in case new information is obtained about facts and circumstances existing on the acquisition date, which, if known on that date, would have resulted in the recognition of such assets and liabilities. The measurement period ends when the acquirer obtains the information sought about facts and circumstances existing on the acquisition date, or when it concludes that further information may not be obtained. However, the measurement period will not exceed one year from the acquisition date.

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

	Orizon Pantanal	CGR Ambiental	Total
<b>Shareholders' equity of acquired companies</b>	2,492	1,136	3,628
Capital gain – Property, plant and equipment	3,262	-	3,262
Capital gain - Licenses	56,134	5,020	61,154
Provision for landfill demobilization	(1,888)	(156)	(2,044)
<b>Total capital gain</b>	<b>60,000</b>	<b>6,000</b>	<b>66,000</b>
<b>Identifiable net assets at fair value</b>	<b>60,000</b>	<b>6,000</b>	<b>66,000</b>
Acquisition price - Consideration	<b>60,000</b>	<b>6,000</b>	<b>66,000</b>

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 1. Operations--Continued

The operations of indirect subsidiaries is as follows--Continued

- l) Orizon Pantanal (Former Centro de Gerenciamento de Resíduos Ltda, (“CGR Cuiabá)) and CGR Ambiental Tratamento de Resíduos Ltda (“CGR Ambiental”)-- Continued

Business Combination--Continued

Purchase Price Allocation (PPA) Measurement Period -- Continued

The acquired companies contributed gross income of R\$5,897 and losses of R\$48 from the acquisition date to September 30, 2022 in the consolidated income statement.

Management intends to merger Orizon Pantanal and Ambiental with a view to generating administrative and operational efficiencies; accordingly, it considered the tax bases of assets and liabilities equal to the accounting bases, which is why deferred tax liabilities were not recognized on the fair values allocated to the assets.

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) 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 financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 1. Operations--Continued

The operations of indirect subsidiaries is as follows—Continued

m) *SPEs UPIs Estre ("UPIs Estre")*—Continued

In consideration for the acquisition of all investments, the subsidiary Orizon Meio Ambiente undertook to pay 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) or in cash under the terms of the transaction agreements. The balance related to the portion to be paid in shares is stipulated in the Company's shareholders' equity. The consideration is in 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.

As established in the agreement, the new shares should be transferred to the Jive Funds within up to 60 days after the closing of the transaction of April 19, 2022. Failure to deliver them immediately would result in a 10-percent fine on the original amount of the debt (R\$113,455).

On June 30, 2022, the Company obtained a waiver document from creditor, postponing such obligation until October 30, 2022. On October 30, 2022, the Company obtained a new waiver postponing the delivery of shares to January 18, 2023, with no fines until the new date.

On August 26, 2022, Orizon Meio Ambiente obtained approval from the City Administration of Maceió, authorizing the acquisition by Orizon. The Company continues to work towards meeting the conditions precedent for completing the transaction.

In addition, considering that the quarter ended without the conclusion of the conditions precedent related to the acquisition of SPE Maceió, the transaction is expected to occur in 2022, as soon as the final formalizations are completed.

The payment terms are detailed in note 19.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 1. Operations--Continued

The operations of indirect subsidiaries is as follows—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 in its financial statements of business combination at the end of the report period in which the combination occurs.

During the measurement period, the Company may retroactively adjust the provisional amounts recognized on the acquisition date to reflect any new information obtained regarding the facts and circumstances existing on the acquisition date, which, if known on that date, would have affected the measurement of the amounts recognized. During the measurement period, it additionally will recognize assets or liabilities in case new information is obtained about facts and circumstances existing on the acquisition date, which, if known on that date, would have resulted in the recognition of such assets and liabilities. The measurement period ends when the acquirer obtains the information sought about facts and circumstances existing on the acquisition date, or when it concludes that further information may not be obtained. However, the measurement period will not exceed one year from the acquisition date.

The fair values described and the determination of goodwill on the acquisition of the SPEs are preliminary, as provided for in CPC15/IFRS3 – Business Combinations, which allows the Company to complete the analysis of the assets acquired and liabilities assumed within 12 months from the acquisition date.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 1. Operations--Continued

The operations of indirect subsidiaries are as follows—Continued

m) *SPEs UPIs Estre ("UPIs Estre")*—Continued

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

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

	SPE Paulínia	SPE Itapevi	SPE Tremembé	SPE Itaborai	Rosário do Catete	SPE Sorocaba	SPE Metropolitana	Total
<b>Shareholders' equity of acquired companies</b>	<b>95,598</b>	<b>16,963</b>	<b>18,090</b>	<b>38,267</b>	<b>49,313</b>	<b>18,473</b>	<b>10,345</b>	<b>247,049</b>
Capital gain – Property, plant and equipment	26,023	4,154	3,762	1,176	2,544	11	-	37,670
Capital gain - Licenses	165,065	-	18,570	-	56,079	-	-	239,714
Capital gain - Client portfolio	-	-	1,000	-	-	1,799	-	2,799
<b>Total capital gain</b>	<b>191,088</b>	<b>4,154</b>	<b>23,332</b>	<b>1,176</b>	<b>58,623</b>	<b>1,810</b>	<b>-</b>	<b>280,183</b>
<b>Net identifiable assets</b>	<b>286,686</b>	<b>21,117</b>	<b>41,422</b>	<b>39,443</b>	<b>107,936</b>	<b>20,283</b>	<b>10,345</b>	<b>527,232</b>
Purchase price - Consideration	-	-	-	-	-	-	-	516,937
<b>Gain on acquisition of companies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,295</b>

The Company evaluated the acquisition of UPI Landfills as a single investment block, considering that the conditions presented only occur upon valuation of the assets as a whole, with the fair value of the assets acquired valued at R\$527,232 and the acquisition price at R\$516,937. Thus, in the business combination carried out in accordance with CPC 15 (R1) - Business Combination, and IFRS 3 (R) – “Business Combination” was calculated the income of R\$10,295 recognized under operational income at the income result for the period.

Although the amount is not significant (less than 2% of the transaction), it may be supposed that the advantageous purchase was due to the court-approved reorganization sphere to which the seller of the assets was subject, as well as the favorable position of the buyers, who were the main creditors of the seller.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 1. Operations--Continued

The operations of indirect subsidiaries is as follows—Continued

m) *SPEs UPIs Estre ("UPIs Estre")—Continued*

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

SPEs contributed income of R\$143.684 and losses of R\$3.636 from the acquisition date to September 30, 2022 in the consolidated income statement.

	SPE Paulínia	SPE Itapevi	SPE Tremembé	SPE Itaborai	Rosario do Catete	SPE Sorocaba	SPE Metropolitana	Total
Net operating revenues	68,893	5,104	15,284	4,343	40,488	9,572	-	143,684
Net Income (Loss)	7,509	(1,824)	(4,145)	(7,231)	13,507	(3,723)	(457)	3,636

In order to improve the operational and administrative efficiency, the Company intends to start the incorporation of the assets acquired beginning in the first half of 2023, thereby deducting the amortization of the capital gain of the identified assets, which is why it did not create a deferred tax liability on the fair values allocated.

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. Orizon Energia is the wholly-owned controlling shareholder of Orizon Biometano.

o) Orizon Biometano Paulínia Ltda (“Orizon Biometano”)

On May 30, 2022, Orizon Biometano Paulínia Ltda (“Orizon Biometano”) was incorporated with the following corporate purpose : (i) machinery and equipment lease; (2) real estate lease and (iii) interest in other companies. Orizon Biometano is fully controlled by Orizon Energia.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 1. Operations--Continued

#### Jointly controlled companies

##### a) UTE Paulínia Verde Participações ("UTE Paulínia")

On December 16, 2021, a Private Loan with Acknowledge of Debt Agreement and Other Covenants was entered into, through which Orizon Meio Ambiente granted a certain credit to Gera Energia do Brasil S.A. ("Gera") and Mercúrio Holding S.A. ("Mercúrio") to meet the initial investments of the project under the organization of UTE Paulínia, which loan was totally repaid in January 2022.

UTE Paulínia was jointly organized with the companies above mentioned, aiming at the exploration of an open cycle renewable natural gas thermoelectric plant, generated in the landfill located in the municipality of Paulínia, state of São Paulo. The organization of UTE Paulínia did not generate effects on the income or goodwill.

At the end of April 2022, UTE Paulínia became the holder of the agreement entered into by Mercurio and Câmara de Comercialização de Energia Elétrica ("CCEE") (the Electric Energy Trading Chamber) for the sale of Average 15.7 MW, 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.

In the third quarter of 2022, between the months of July and September, UTE Paulínia recorded net revenue of R\$63,667, 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.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 1. Operations--Continued

#### Jointly controlled companies

#### 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. Currently, the Company's Management is in an advanced phase of demobilizing such subsidiary.

#### 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.

#### Impact of Covid-19

On the first quarter of 2020 occurred the pandemic resulting from the new Coronavirus (“COVID 19”), implied in stoppages of non-essential activities, such as social distancing measures imposed by government authorities, or defined by companies as preventive measures.

Given the challenges that the COVID-19 pandemic has imposed on everyone, the Company undertook, together with its employees, partners and customers to take up the challenge and work to be part of the solution by focusing on operations with minimal impact on customers, foster the well-being of the employees, and contribute to reducing the risks for the community.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 1. Operations -- Continued

#### Impact of Covid-19 - Continued

#### Precautions with the employees

During the pandemic period, Management has adopted policies and actions to protect the employees from the spread of the virus, such as:

- (i) Partial home-office regime for part of the employees, including those over the age of 60 and others considered to be in the risk group;
- (ii) Flexible times for arriving at and leaving the office;
- (iii) Introduction of routines involving cleaning, sterilization and sanitization of furniture and building facilities;
- (iv) Follow-up and fulltime monitoring of suspected and/or confirmed cases;
- (v) Telemedicine assistance through the healthcare plan contracted by the Company, with subsequent performance of COVID-19 tests;
- (vi) Among other procedures.

Due to the spread of the pandemic and, consequently, the need to improve the measures to avoid the effects of COVID-19, the Company started to adopt additional measures during the pandemic period, such as:

- Follow-up of suspected or confirmed COVID-19 cases, and reporting to the Executive Board and the Senior Management of Units;
- Engagement of telemedicine services for providing assistance to all employees and their dependents at no cost.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 1. Operations -- Continued

With the evolution of the vaccination rate and the reduction of cases of contamination, in line with government measures, the Company decided for the entire return of its personnel to corporate functions.

#### Economic and financial impacts

There was a marginal impact on the operations of eco-industrial parks as a result of the measures taken, such as personnel rotation, increase in costs of sanitization materials, and others.

In the commercial front, there was a reduction in waste volumes of some customers, particularly in blending and incineration units, as well as a reduction in environmental services activities relating to certain agreements.

The Company holds a volume of cash that is considered sufficient by Management for its operational and investment needs, a condition which Management understands as having given us a breathing space to weather this crisis. Nevertheless, the potential economic and financial impacts are monitored on a daily basis.

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

As of September 30, 2022, we did not recognize impairment losses on non-financial assets, given the absence of indicators that would prompt us to verify and measure any such amounts.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 2. Presentation of the individual and consolidated interim financial information and significant accounting practices

#### a) Declaration of compliance

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

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

The individual and consolidated interim financial information and the accompanying notes do not include all information and disclosures required for annual financial information. Therefore, these statements should be read in conjunction with the annual audited financial statements as of December 31, 2021.

The Company's Management authorized the issuance of the individual and consolidated interim financial information on November 14, 2022.

According to Technical Guidance OCPC 07, Management states that all material information specific to the interim financial information is being evidenced and corresponds to that used by the Company's Management on September 30, 2022 in its management.

#### b) Basis of preparation

The individual and consolidated interim financial information were prepared based on the historical cost, except for those measured at fair value, when indicated.

#### c) Basis of consolidation

The consolidated interim financial information comprises the Group's accounting information as of September 30, 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 financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 2. Presentation of the individual and consolidated interim financial information and significant accounting practices-- Continued

#### c) Basis of consolidation -- Continued

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

The Group's corporate structure is as follows:

Company	Category	Equity interest (%)	
		09/30/2022	12/31/2021
Orizon Meio Ambiente	Subsidiary	100	100
Foxx Holding	Subsidiary	100	100
FIDC Orizon <sup>1</sup>	Subsidiary	-	100
Orizon Energia	Subsidiary	100	-
Direct subsidiaries of Orizon Energia:			
Orizon Biometano	Indirect subsidiary	100	-
<u>Direct subsidiaries of Orizon Meio Ambiente:</u>			
CTRNI	Indirect subsidiary		
CTRA	Indirect subsidiary	100	100
CTRBM	Indirect subsidiary	100	100
SES Haztec	Joint venture	100	100
ETR Gramacho	Indirect subsidiary	50	50
Ecopesa <sup>2</sup>	Indirect subsidiary	100	100
UTM Jaboaão	Indirect subsidiary	-	100
Vamtec Orizon	Joint venture	100	-
UTE Paulínia	Joint venture	50	50
SPE Itaboraí	Indirect subsidiary	33.33	33.33
SPE Itapevi	Indirect subsidiary	100	-
SPE Paulínia	Indirect subsidiary	100	-
SPE Rosário do Catete	Indirect subsidiary	100	-
SPE Sorocaba	Indirect subsidiary	100	-
SPE Tremembé	Indirect subsidiary	100	-
SPE Metropolitana	Indirect subsidiary	100	-
Orizon Pantanal <sup>3</sup>	Indirect subsidiary	100	100-
<u>Direct subsidiaries of Foxx:</u>			
Foxx Inova	Indirect subsidiary	100	100
Foxx URE-BA	Indirect subsidiary	100	100
Foxx URE-JP	Indirect subsidiary	100	100
Orizon Pantanal	Indirect subsidiary	67	67
CGR Ambiental	Indirect subsidiary	100	-

<sup>1</sup> FIDC Orizon was closed in the third quarter of 2022

<sup>2</sup> Merged into Orizon Meio Ambiente on May 31, 2022.

<sup>3</sup> On September 12, 2022, Orizon Pantanal became a subsidiary of Orizon Meio Ambiente given that its parent companies Foxx Holding and Foxx Inova assigned their shares without burden to the new parent company.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 2. Presentation of the individual and consolidated interim financial information and significant accounting practices--Continued

d) Functional currency, reporting currency and transactions in foreign currency - translation of balances and transactions in foreign currency

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

e) Judgments, estimates and significant accounting assumptions

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

f) New technical pronouncements, revisions and interpretations not yet in force

The information regarding the new accounting pronouncements issued by the Accounting Pronouncements Committee (CPC) and the International Accounting Standards Board (IASB) did not bring significant changes in relation to those disclosed in Note 2.15 to the Financial Statements as of December 31, 2021.

g) Reclassification of the corresponding values

The Company, in the process of reviewing its Interim Financial Information, evaluated certain information disclosed in previous periods and, aiming at the ongoing process of improving its disclosures, elected to carry out in the statements of income for the three and nine-month periods ended September 30, 2021 of the parent company the classification of R\$22,187 and R\$38,137, respectively, increasing the equity pick-up line with an entry in financial expenses, due to the adjustment recognized in the subsidiary Orizon Meio Ambiente with its parent company. The reclassifications did not have an impact on the consolidated figures.

The reclassification made does not change the shareholders' equity, the income of the periods, the Company's operating and liquidity ratios and, due to this fact and the extension of the amount involved, such improvement was deemed not material by the Company's Management.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 3. Cash and cash equivalents

	Parent Company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Cash			50	52
Cash equivalents			27,239	2,865
Total			27,289	2,917

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. The amount of cash equivalents mainly refers to checking account balances.

### 4. Securities

	Parent Company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Bank Deposit Certificates (CDBs)				396,043
Savings bonds				2,473
Debentures				8,983
FIDC Orizon				-
Total				407,499
Current	22	227,328	19,618	398,458
Non-current	-	9,168	-	9,041

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").

Savings bonds refer to Banco Bradesco savings bonds, with maturity in 12 months, with earnings close to 2% p.a. over their face values and loss of value (discount) in the case of early redemption.

#### *Fundo de Investimentos em Direitos Creditórios Não-Padronizados ("FIDC Orizon")*

As detailed in note 1, at the end of 2020, Orizon signed an Instrument of Adhesion to the Regulations of the exclusive fund Orizon Fundo de Investimento em Direitos Creditórios Não Padronizados ("FIDC ORIZON"), administered by Modal Distribuidora de Títulos e Valores Mobiliários Ltda. and managed by Modal Asset Management Ltda.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 4. Securities - Continued

FIDC ORIZON has repo transactions backed by debentures, fully invested with premium institutions, earnings interest at a rate of 100% of the CDI and maturing on December 20, 2025. As detailed in Note 4, certain credits of FIDC Orizon were assigned in the transaction for purchase of UPIs Estre. On September 12, 2022, FIDC Orizon delivered its shares to MAF Distribuidora de Títulos e Valores Mobiliários S.A., thus closing the fund, with no effect on income.

### 5. Trade accounts receivable (consolidated)

	<u>09/30/2022</u>	<u>12/31/2021</u>
Accounts receivable	<b>189,875</b>	110,437
Services to be billed <sup>(1)</sup>	<b>150,446</b>	103,997
	<b>340,321</b>	214,434
Provision for doubtful debts	<b>(41,527)</b>	(36,412)
Total	<b>298,794</b>	178,022
Current	<b>284,134</b>	163,362
Non-current	<b>14,660</b>	14,660

(1) The balance of services to be billed refers to (i) carbon credits traded in accordance with the contractual conditions, which will be timely transferred to accounts receivable in accordance with the 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.

As of September 30, 2021, the subsidiaries CTRNI and CTRSG signed with NIEGAR and SGEGAR, respectively, an Amendment to the Biochemical Gas Purchase and Sale Agreement, settling the total outstanding invoiced balance until the date of signature, through the payment of invoices and offset against arbitration balances and advances. Offsets are detailed in notes 18 and 19, respectively.

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

	<u>09/30/2022</u>	<u>12/31/2021</u>
To mature	<b>65,521</b>	18,208
Up to 30 days overdue	<b>23,252</b>	4,663
Between 31 and 60 days overdue	<b>7,849</b>	3,862
Between 61 and 90 days overdue	<b>5,825</b>	4,899
Between 91 and 180 days overdue	<b>6,498</b>	6,313
Between 181 and 360 days overdue	<b>5,669</b>	8,074
More than 360 days overdue	<b>75,261</b>	64,418
Total	<b>189,875</b>	110,437

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

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

The increase in the amount of this item is mainly due to the inflow of balances arising from newly acquired companies, after the conclusion of the business combination transaction occurred on April 19, 2022.

The aging of accounts receivable includes balances receivable from the indirect subsidiary CTRA in connection with PMSG in the amount of R\$36.408 of which R\$2.845 classified as to become due, and R\$33,563 classified as more than 360 days overdue (this amount includes the balance discussed in court of R\$14,660). As detailed in note 1, there is a case in progress the claimed amounts of which exceed the receivables of this customer, currently accounted for; however, they should only be recognized after the case is closed. Currently, this amount is not included in the provision for doubtful debts, considering the current negotiation conditions.

The change in the provision for doubtful debts on September 30, 2022 and December 31, 2021 is as follows:

	<b>Consolidated</b>	
	<b>09/30/2022</b>	<b>12/31/2021</b>
Balance as at January 1	<b>(36,412)</b>	(32,291)
Provision for doubtful debts	<b>(5,115)</b>	(4,121)
Balance in the end of the period	<b><u>(41,527)</u></b>	<b><u>(36,412)</u></b>

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

The Company does not expect to incur losses that exceed the provision for doubtful debts that was set up on September 30, 2022.

As detailed in Note 1.d, there is an agreement signed by the indirect subsidiary CTRA with the Principal 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 at January 1, 2021	20,358
Tranches received in 2021	<u>(5,698)</u>
Balance as at December 31, 2021	14,660
Tranches received in 2022	-
Balance as at September 30, 2022	<b><u>14,660</u></b>

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

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

Currently, the client is not paying the installments of the agreement; however, as already discussed in note 1, the indirect subsidiary CTRA obtained a favorable court decision so that the negotiation for the receipt of outstanding balances and other claims be immediately resumed by the creditor, under risk of punishment due to non-compliance.

#### 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 in R\$ thousand
CTRNI	01-01-21 to 12-31-21	563	13,397
CTRA	01-01-19 to 10-04-19	228	2,302
	10-05-19 to 12-31-20	402	4,061
	01-01-18 to 12-31-18	320	1,383
	01-01-21 to 12-31-21	422	10,048
Orizon Meio Ambiente (Balance incorporated from Ecopesa)	01-01-21 to 12-31-21	491	11,676
FOXX URE-JP	01-01-21 to 12-31-21	114	2,711
			<b>45,578</b>

The amounts impacted by the effects of updated foreign exchange variation until September 30, 2022. The total balance shown is allocated as services to be invoiced under accounts receivable item.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

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

On December 30, 2021, the Company sold the carbon credits generated in 2021 in the amount of R\$39,275 (R\$37,832 on September 30, 2022) through the subsidiaries CTRNI, CTRA, Ecopesa and Foxx URE-JP. Said 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 they are part of a voluntary market entity. The process of becoming a voluntary market entity comprises the following phases and is under development by the Company:

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

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 6. Taxes and contributions

#### a) Taxes and contributions recoverable

<b>Taxes recoverable</b>	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>09/30/2022</b>	<b>12/31/2021</b>	<b>09/30/2022</b>	<b>12/31/2021</b>
Withholding Income Tax (IRRF) (1)				
Social Contribution Tax on Net Profit (CSLL) (1)				
National Social Security Institute (INSS)				
Social Integration Program (PIS) (1)				
Contribution to Social Security Financing (COFINS) (1)				
Tax on Industrialized Products (IPI)				
Other taxes recoverable				
Subtotal – Federal taxes				
Tax on Circulation of Goods and Services (ICMS)				
Subtotal – State taxes				
Services Tax (ISS)				
Subtotal – Municipal taxes				
Total				

(1) For the most part the balances shown refer to taxes withheld at source by customers, which are detailed in the invoices for the provision of services, in addition to taxes withheld from financial investments.

#### b) Taxes and contributions payable

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>09/30/2022</b>	<b>12/31/2021</b>	<b>09/30/2022</b>	<b>12/31/2021</b>
National Social Security Institute (INSS)	-	-	-	1,050
Contribution to Social Security Financing (COFINS)	-	-	8,207	5,215
Social Integration Program (PIS)	-	-	1,881	1,067
Social Contribution Tax on Net Profit (CSLL)	-	-	4,270	4,735
Income Tax for Legal Entities (IRPJ)	-	-	13,834	11,983
Services Tax of any type (ISS)	-	-	6,711	1,787
Tax on financial transactions (IOF)	766	-	766	-
Tax on Circulation of Goods and Services (ICMS)	-	-	4,163	1,621
Other taxes (*)	93	-	7,217	3,855
Total	859	-	47,049	31,313

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



## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 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:

	<b>Consolidated</b>	
	<b>09/30/2022</b>	<b>12/31/2021</b>
<b>Assets</b>		
Tax loss and negative social contribution tax base	<b>141,940</b>	141,940
Temporary differences		
Provision for doubtful debts	<b>14,119</b>	12,380
Provision for contingencies	<b>7,690</b>	13,414
Adjustment to present value	-	3,582
Tax credits not recognized for reaching the recoverability limit	<b>(10,563)</b>	(40,995)
	<b>153,186</b>	130,321
<b>Liabilities</b>		
Temporary differences		
Use of goodwill generated on acquisitions incurred between 2006 and 2009	<b>(32,525)</b>	(32,525)
Adjustment to present value / fair value	<b>(60,101)</b>	(28,233)
	<b>(92,626)</b>	(60,758)
Deferred income and social contribution tax assets (liabilities)	<b>60,560</b>	69,563

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

Aiming at the best operational and administrative efficiency, the company has an interest in merging the acquired Companies, so it did not create a deferred tax liability on the fair values allocated.

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

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 6. Taxes and contributions – Continued

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

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

	2023	9,318
2024		11,099
2025		17,895
2026		19,749
2027		18,357
2028		20,460
2029		25,643
2030		28,417
2031		<u>2,248</u>
TOTAL		153,186

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. Up to the year ended 2013, the goodwill generated from acquisitions and mergers were fully amortized for tax purposes.

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

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 6. Taxes and contributions – Continued

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

##### *Deferred tax assets (Consolidated)*

	Consolidated			Consolidated		
	09/30/2022			12/31/2021		
	Deferred assets	Deferred liabilities	Net. effect	Deferred assets	Deferred liabilities	Net. effect
Orizon Meio Ambiente (*)	153,186	(92,626)	60,560	126,739	(60,758)	65,981
Orizon	56,083	(56,083)	-	59,665	(56,083)	3,582

(\*) On December 31, 2020, the subsidiary Orizon Meio Ambiente recorded deferred tax liabilities in the amount of R\$9,587 on the total adjustment to present value of the Transaction of assumption of debt with Bradesco (Note 12). Deferred tax assets include the total adjustment to present value recorded on the balance of debentures issued by the parent company, which had already recorded a deferred tax liability on the same amount recorded. These deferred values are null for consolidation purposes, since they are included in assets and liabilities.

Additionally, the Companies recorded a deferred tax asset in the amount of R\$29,753 upon recognition of the adjustment to fair value of the debentures transaction carried out with the subsidiary Orizon Meio Ambiente.

#### e) Deferred PIS and COFINS taxes

As of September 30, 2022 and 2021, we have deferred PIS (0.65%) and COFINS (4%) taxes recorded on the effect recognized in income arising from the FIDC NP transaction, as mentioned in Note 12.

Description	Parent company and consolidated	
	09/30/2022	12/31/2021
Financial instrument measured at fair value	195,813	195,813
Deferred PIS and COFINS tax liabilities (0.65% and 4%)	9,105	9,105

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 7. Transactions with related parties

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

Related Parties – Assets	Parent Company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Orizon Meio Ambiente (1)	<b>352,309</b>	9,823	-	-
Foxx Holding (1)	<b>15,147</b>	15,147	-	-
CTR Nova Iguacu (1)	<b>1,828</b>	2,057	-	-
LS Participações (2)	-	-	<b>8,969</b>	2,472
Gera Energia Brasil (3)	-	-	-	2,421
Mercúrio (3)	-	-	-	2,122
<b>Total</b>	<b>369,284</b>	<b>27,027</b>	<b>8,969</b>	<b>7,015</b>

(1) The balances refer to checking account transactions for working capital purposes. Over 2021, the Company transferred significant amounts of funds to its subsidiaries Orizon Meio Ambiente and Foxx Holding from the funds raised in the going public process, which occurred in February 2021. These transfers were mainly aimed at investments and payment of outstanding obligations with creditors, among which the prepayment of Credit Suisse CCBs (note 12) and investments for the construction of UTM Jaboaão (note 1). In the last quarter of 21, the subsidiary Orizon Meio Ambiente transferred the amount of R\$64,000 to the parent company, reducing the balance receivable. In 2022, there was an increase in the amount of proceeds transferred to Orizon Meio Ambiente, intended mainly for capitalization at UTM Jaboaão and UTE Paulínia. In addition, as detailed in note 1, Orizon Valorização de Resíduos undertook in the acquisition agreement of UPI Aterros part of the debt updated amount of Orizon Meio Ambiente of R\$120,557 on September 30, 2022, through a future commitment to issue new shares. At Orizon Valorização de Resíduos, such amount was created under the shareholders' equity against an asset of a party related to Orizon Meio Ambiente, which in turn segregated in the acquisition debt of companies the amount above mentioned against its parent company, with no effect on the consolidated amount.

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

(3) As mentioned in note 1, at the end of 2021, the subsidiary Orizon Meio Ambiente entered into an association with the companies Gera and Mercúrio to take part in the capital of UTE Paulínia. For this purpose, initially Orizon Meio Ambiente expended the first funds to starting the plant, financing the other partners by means of a loan agreement, with remuneration fixed at the positive variation of the IPCA + 1% p.m, with maturity on 01/14 /2022. The amounts were received in the beginning of 2022.

Related Parties – Liabilities	Parent Company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
CTRBM (1)	<b>18,113</b>	18,113	-	-
CTR Alcântara (1)	<b>8,632</b>	8,632	-	-
FOXX URE-BA	<b>5,217</b>	5,217	-	-
Share-based payment, to be settled in cash	<b>24,651</b>	28,507	<b>24,651</b>	28,507
Management bonus (2)	<b>113</b>	239	<b>113</b>	239
<b>Total</b>	<b>56,726</b>	<b>60,708</b>	<b>24,764</b>	<b>28,746</b>
Current	<b>5,709</b>	16,829	<b>5,709</b>	16,829
Non-Current	<b>51,017</b>	43,879	<b>19,055</b>	11,917

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

(2) Refers to Management's compensation due to performance.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 7. Transactions with related parties – Continued

#### 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 and period are shown below:

<u>Changes in the balance</u>	
Balance recognized in February 2021	38,248
Payments	(13,281)
Restatements (1)	3,540
Balance as at December 31, 2021	<u>28,507</u>
Payments	<b>(6,818)</b>
Updates (1)	<b>2,962</b>
Balance as at September 30, 2022	<u><b>24,651</b></u>

The payment Schedule is as follows:

2022	<b>6</b>
2023	<b>8</b>
2024	<b>17</b>
	<u><b>51</b></u>

(1) The residual balance payable was restated in the amount of R\$2,962 in the nine-month period ended September 30 (R\$3,540 in the year ended December 31, 2021) due to the appreciation of the shares in the period, in accordance with the contractual provision.

The compensation in question was submitted to the relevant corporate approvals at the Board of Directors levels and it was duly reported in the going public process.

#### Checking Account Transactions

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

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 7. Transactions with Related Parties – Continued

#### Checking Account Transactions – Continued

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.

#### Compensation of key management personnel

We consider as “key management personnel” only those members of our statutory executive board and the members of the board of directors. On September 30, 2022 and December 31, 2021, the compensation of key management personnel can be summarized as follows:

	<b>Consolidated</b>	
	<b>09/30/2022</b>	<b>12/31/2021</b>
Compensation of key management personnel (*)	<b>9,344</b>	49,704

(\*) The year ended December 31, 2021 includes the recognition in full of the share-based payment to management, in the amount of R\$41,788, of which R\$38,248 results from a liquidity event

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 7. Transactions with Related Parties – Continued

#### 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, as reported in the financial statements, or other long-term benefits for our employees and/or management, except for that mentioned in the share-base payment item.

### 8. Advances and other liabilities

#### a) Advances

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>09/30/2022</u>	<u>12/31/2021</u>	<u>09/30/2022</u>	<u>12/31/2021</u>
Advance of awards (1)	-	-	<b>5,850</b>	5,850
Advances to employees (2)	-	-	<b>2,983</b>	1,570
Advances to suppliers (3)	<b>1,393</b>	2,204	<b>16,970</b>	16,445
Advances for acquisition of new business (4)	-	-	<b>13,879</b>	8,327
Others	-	-	<b>1,282</b>	5,278
Total	<b>1,393</b>	2,204	<b>40,964</b>	37,470
Current	<b>1,393</b>	2,204	<b>32,520</b>	31,276
Non-Current	-	-	<b>8,444</b>	6,194

(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 with 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 advances for the acquisition of new landfills, in line with the Company's business expansion plan.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 8. Advances and other liabilities – Continued

#### b) Other Liabilities

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>09/30/2022</u>	<u>12/31/2021</u>	<u>09/30/2022</u>	<u>12/31/2021</u>
Acquisitions payable (1)	-	-	<b>5,411</b>	-
Other securities payable (2)	<b>136</b>	218	<b>21,757</b>	4,190
Provision for landfill decommissioning (3)	-	-	<b>20,587</b>	-
Total	<b>136</b>	218	<b>47,755</b>	4,190
Current	<b>136</b>	218	<b>21,757</b>	4,190
Non-current	-	-	<b>25,998</b>	-

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

(2) Most of the balance refers to the newly acquired SPEs that have amounts payable to Estre (former parent company), to the detriment of operating costs of certain contracts, temporarily maintained by the former shareholder after completion of the transaction, which took place on April 19, 2022, mainly due to the fact that some contracts had not yet been transferred to the SPEs due to lack of consent. In addition, the Company has obligations with the client Bayer. At present, the incineration unit in Belford Roxo is located within the Bayer industrial complex where services are provided to the latter. For the use of space and infrastructure, Bayer requests monthly reimbursements from Orizon Meio Ambiente.

(3) Refers to amounts provisioned for closing of landfills arising from recent acquisitions.

### 9. Investments

The variation in investments (Parent Company and Consolidated) as of September 30, 2022 and December 31, 2021, is as follows:

	<u>Parent Company – 09/30/2022</u>		
	<u>12/31/2021</u>	Equity pickup	<u>09/30/2022</u>
Orizon Meio Ambiente	792,181	<b>39,268</b>	<b>831,449</b>
Foxx Holding	27,366	<b>4,865</b>	<b>32,231</b>
Orizon Energia	-	<b>4,531</b>	<b>4,531</b>
Total	819,547	<b>48,664</b>	<b>868,211</b>
	<u>Parent Company – 12/31/2021</u>		
	<u>12/31/2020</u>	Equity pickup	<u>12/31/2021</u>
Orizon Meio Ambiente	733,044	<b>59,137</b>	<b>792,181</b>
Foxx Holding	10,879	<b>16,487</b>	<b>27,366</b>
Total	743,923	<b>75,624</b>	<b>819,547</b>

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 9. Investments—Continued

<b>Consolidated – 09/30/2022</b>				
	<b>12/31/2021</b>	<b>Capital increase /advance for future capital increase</b>	<b>Equity pickup result</b>	<b>09/30/2022</b>
SES Haztec	(158)	-	-	(158)
Vamtec Orizon	2,002	-	86	2,088
UTE Paulínia	2,420	21,109	4,052	27,581
SPE Metropolitana (i)	-	10,398	(207)	10,191
<b>Total</b>	<b>4,264</b>	<b>31,507</b>	<b>3,931</b>	<b>39,702</b>

(i) Refers to the corporate investment of SPE Metropolitana in the jointly-owned subsidiary CTR Metropolitana (50%)

<b>Consolidated – 12/31/2021</b>				
	<b>12/31/2020</b>	<b>Capital increase /advance for future capital increase</b>	<b>Equity pickup expense</b>	<b>12/31/2021</b>
SES Haztec (i)	(158)	-	-	(158)
Vamtec Orizon (i)	(845)	2,123	724	2,002
UTE Paulínia (i)	-	2,420	-	2,420
<b>Total</b>	<b>(1,003)</b>	<b>4,543</b>	<b>724</b>	<b>4,264</b>

(i) In accordance with Technical Pronouncement CPC 19 (R2)/IFRS 11 – Joint Arrangements, the investees in which we share control are not consolidated.

#### Composition of the balance

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

<b>Investment</b>	<b>Orizon Meio Ambiente</b>	<b>Foxx</b>	<b>Vamtec Orizon (i)</b>	<b>SES Haztec (i)</b>	<b>UTE Paulínia (ii)</b>	<b>SPE Metropolitana</b>	<b>Orizon Energia</b>
<b>Shareholders' equity on:</b>							
<b>09/30/2022</b>	<b>831,449</b>	<b>32,231</b>	<b>4,176</b>	<b>(316)</b>	<b>81,219</b>	<b>21,877</b>	<b>4,530</b>
12/31/2021	792,181	27,366	4,004	(316)	37,621	-	-
<b>Income for the period/year ended:</b>							
<b>09/30/2022</b>	<b>39,268</b>	<b>4,865</b>	<b>172</b>	<b>-</b>	<b>12,156</b>	<b>(414)</b>	<b>4,530</b>
12/31/2021	59,137	16,487	1,448	-	-	-	-

(i) SES Haztec has no income for the periods 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, established at the end of 2021.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 9. Investments – Continued

#### Composition of the balance

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>09/30/2022</u>	<u>12/31/2021</u>	<u>09/30/2022</u>	<u>12/31/2021</u>
Investments	<b>868,211</b>	819,547	<b>39,860</b>	4,422
Provision for losses on investments (*)	-	-	<b>(158)</b>	(158)
Total net	<b>868,211</b>	819,547	<b>39,702</b>	4,264

(\*) The provision for losses on investments is classified in non-current liabilities

## Orizon Valorização de Resíduos S.A.

Notes to the interim individual and consolidated financial information -- Continued  
December 31, 2021 and 2020  
(In thousands of Reais)

### 10. Property and equipment (consolidated)

Property and equipment, net	Consolidated						
	Land	Vehicles	Improvements to third-party properties (1)	Buildings	Furniture and Fixtures	Machines and equipment	Facilities (2)
Cost							
Balance on January 1, 2021	24,000	4,146	8,746	1,018	3,974	53,841	548,000
Additions	-	-	1,037	-	550	3,519	122,000
Reclassification	(3,566)	-	(23)	3,565	5	(5,761)	5
Balance on December 31, 2021	20,434	4,146	9,760	4,583	4,529	51,599	676,000
	<b>16,145</b>	<b>6,490</b>	<b>354</b>		<b>1,737</b>	<b>42,604</b>	<b>487,900</b>
Balance from acquisition of companies				-			
Additions			7		1,107	159	152,000
Balance on September 30, 2022	<b>36,579</b>	<b>10,636</b>	<b>10,121</b>	<b>4,583</b>	<b>7,373</b>	<b>94,362</b>	<b>1,316,000</b>
Accumulated depreciation							
Balance on January 1, 2021	-	(3,574)	(8,442)	(455)	(3,141)	(42,443)	(309,000)
Additions	-	(133)	(39)	(13)	(177)	(2,527)	(32,200)
Reclassification	-	3	23	(3)	(8)	5,380	(5,390)
Balance on December 31, 2021	-	(3,704)	(8,458)	(471)	(3,326)	(39,590)	(347,000)
Balance from acquisition of companies	-	(5,446)	(57)	-	(1,229)	(27,680)	(286,000)
Additions	-	(521)	(87)	(10)	(345)		(56,600)
Balance on September 30, 2022	-	(9,671)	(8,602)	(481)	(4,900)	(67,270)	(690,000)
Property and equipment, net							
Balance on December 31, 2021	20,434	442	1,302	4,112	1,203	12,009	329,000
Balance on September 30, 2022	<b>36,579</b>	<b>965</b>	<b>1,519</b>	<b>4,102</b>	<b>2,473</b>	<b>27,092</b>	<b>625,500</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 using the useful life of each cell, usually between five and eight years, corresponding to a weighted average rate of approximately 15% p.a., depending on the ratio of the volume treated (cubic meters) to the total capacity of each cell.

This line item also includes the amount of R\$57,736 and R\$51,424 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 fixed assets 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 newly 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  
December 31, 2021 and 2020  
(In thousands of Reais)

### 10. Property and equipment (Consolidated)–Continued

#### OCPC Guidance 05 – Concession Agreements (Consolidated)

	<u>Installation permit (LI) (*)</u>	<u>Operating permit (LO)</u>
<b>Cost</b>		
Balances on January 1, 2021	650	2,224
(+) Additions	-	-
Balances on December 31, 2021	650	2,224
(+) Additions	-	-
Balance on September 30, 2022	<b>650</b>	<b>2,224</b>
<b>Amortization</b>		
Balances on January 1, 2021	(410)	(1,106)
(+) Additions	(29)	(110)
Balances on December 31, 2021	(439)	(1,216)
(+) Additions	<b>(14)</b>	<b>(73)</b>
Balance on September 30, 2022	<b>(453)</b>	<b>(1,289)</b>
Balance on December 31, 2021	211	1,008
Balance on September 30, 2022	<b>197</b>	<b>935</b>

(\*) Installation permits are shown in line item “facilities” in property and equipment.

To comply with the instructions in OCPC Guidance 05, the landfills (CTRNI, CTRA and CTRBM) have decided to register future environmental costs arising from the installation permits (“Lis”) under property and equipment and operating permits (“Los”) under intangible assets, recognizing in their assets and liabilities the present value of the respective obligations.

The indirect subsidiaries (landfills) carried out a detailed survey of the costs and time frames of the programs referring to the implementation phase, as well as those arising from the operating permits that will remain in effect until the end of the concessions, that is, during the entire operating phase. For the Six-month period ended September 30, 2022, we did not identify material facts that affect the registration of these permits.

Following initial registration, the balances are updated monthly, based on the rate that reflects our weighted average cost of capital when that study was undertaken.

The booked amounts will be amortized monthly until their respective environmental permits expire.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 11. Intangible assets (Consolidated)

	<b>Consolidated</b>	
	<b>09/30/2022</b>	<b>12/31/2021</b>
<b>Intangible assets, net</b>		
Acquisitions:		
Novagerar Eco-Energia Ltda. <sup>(i)</sup>	<b>3,533</b>	3,533
Ecopesa Ambiental S.A. <sup>(i)</sup>	<b>35,235</b>	35,235
Customer portfolio	<b>391</b>	654
Non-competition agreement	-	193
Workforce	-	11
Plastimassa Tecnologia em Tratamento de Resíduos Ltda. <sup>(i)</sup>	<b>8,065</b>	8,065
El Capitan Participações e Investimentos S.A. <sup>(ii)</sup>	<b>10,107</b>	10,107
Gaia – Gestão Ambiental da Indústria Ltda. <sup>(i)</sup>	<b>14,933</b>	14,933
E-Ambiental Ltda. <sup>(i)</sup>	<b>3,990</b>	3,990
Haztec Sul Tecnologia e Planejamento Ambiental Ltda. <sup>(i)</sup>	<b>107</b>	107
ETR Gramacho <sup>(i)</sup>	<b>2,731</b>	2,731
Customer portfolio	-	190
Non-competition agreement	-	49
SPEs UPI Estre		
License's	<b>233,752</b>	-
Client portfolio	<b>2,687</b>	-
CGR Cuiabá/ CGR Ambiental		
Licenses	<b>59,517</b>	-
Provision for landfill closure	<b>(2,045)</b>	-
Subtotal – goodwill and surplus value referring to acquisition of investments	<b>373,003</b>	79,798
CTRNI concession – allocation of purchase price	<b>7,610</b>	8,069
CTRA concession – allocation of purchase price	<b>1,270</b>	1,492
Subtotal – concessions	<b>8,880</b>	9,561
Determining factors for operating permits (Los)	<b>935</b>	1,008
Software	<b>610</b>	474
Total	<b>383,428</b>	90,841

(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)

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 11. Intangible assets (Consolidated)–Continued

The variation in intangible assets is as follows:

	<u>Consolidated</u>
Balance on January 1, 2021	96,374
Addition of other intangible assets	269
Amortization – goodwill	(3,539)
Amortization of the intangible assets of the concession	(1,016)
Amortization of other intangible assets in the year	(1,247)
Write-off of goodwill	90,841
Balance on December 31, 2021	
Allocation of purchase price	<b>302,314</b>
Addition of intangible assets	<b>201</b>
Amortization – goodwill	<b>(9,109)</b>
Amortization of the intangible assets of the concession	<b>(754)</b>
Amortization of other intangible assets	<b>(65)</b>
Balance on September 30, 2022	<u><b>383,428</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 interim financial information for the three-month period ended September 30, 2022, the Company undertook an analysis of the indicators of impairment of assets. The Company did not identify any indication of impairment of these assets.

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

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

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 11. Intangible assets (Consolidated)–Continued

#### Impairment losses–Continued

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

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

UGC	Average growth rate	Pre-tax discount rate	Net assets at 12/31/2021	Methodology used
Remediation and Advisory	4.5%	15%	65,915	Value in use
Plastimassa	11%	15%	14,985	Value in use
Ecopesa	4.5%	15%	95,614	Value in use
ETR Jardim Gramacho	11%	15%	16,012	Value in use

At the close of the year ending December 31, 2022, the Company will revalue the UGCs and any impacts from impairment.

### 12. Loans, financing and leases

Creditor	Subject	Maturity	Financial charges	Parent Company	
				09/30/2022	12/31/2021
Orizon Meio Ambiente (i)	Debentures	11/30/2023	CDI + 2.5% p.a.	793,047	714,730
Costs with issue of debentures	Debentures			(1,974)	(1,974)
Adjustments to Fair/Present Value	Debentures			(32,170)	(53,818)
Total				<b>758,903</b>	<b>658,938</b>
Current				-	-
Non-Current				<b>758,903</b>	<b>658,938</b>

(i) Amount arising from Orizon's debentures acquired by FIDC NP and paid in the debentures issued by Orizon Meio Ambiente, the maturity effects of which were suspended until November 2023, through a waiver, as disclosed in this note below.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

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

Creditor	Subject	Maturity	Financial charges	Consolidated	
				09/30/2022	12/31/2021
Banco ABC do Brasil	Working capital	06/30/2023	CDI + 0.31% p.a.	9,446	18,269
Banco ABC do Brasil	Working capital	10/11/2024	CDI + 0.2141% p.a.	9,278	12,825
		11/15/2031	CDI + 3.8% p.a.		
Debentures	Debentures	11/15/2035	IPCA + 6.76% p.a.	524,356	502,225
Costs of loan funding				(18,847)	(17,228)
Costs with issue of Debentures				(1,974)	(1,974)
Banco Safra	Working capital	06/03/2024	CDI + 2.30% p.a.	21,059	-
Banco Votorantim	Working capital	07/22/2024	CDI + 2.60% p.a.	20,616	-
Banco Bradesco	Working capital	04/30/2029	CDI + 0.08% p.a.	72,872	66,414
Adjustment to present value				(27,081)	(24,255)
Total				609,725	556,276
Current				34,899	16,844
Non-Current				574,826	539,432

The variation in loans and financing on September 30, 2022 and December 31, 2021 is as follows:

	Parent Company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Balance on January 1	658,938	553,610	556,276	325,658
Financial charges	78,317	51,606	64,315	41,046
Adjustment to present value	21,648	53,722	(2,826)	4,469
Funding	-	-	40,000	515,000
Costs to raise funds	-	-	(1,619)	(17,228)
Amortization of funding expenses	-	-	-	20,057
Payment of principal	-	-	(12,376)	(236,936)
Payment of interest	-	-	(34,045)	(95,790)
Balances on September 30, 2022 and December 31, 2021	758,903	658,938	609,725	556,276

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

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

#### Payment schedule

On September 30, 2022, the balances of loans and financing classified in non-current liabilities are distributed by year of maturity, as follows:

	<u>Consolidated</u>
2023	7,125
2024	29,221
2025	19,281
2026	28,921
2027 onwards	490,278
Total	<u>574,826</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 million, and the notes have the following characteristics:

1. Note – R\$7,000 (“CCB 1”):
  - Monthly installments: R\$1,000, plus 100% of CDI variation + 0.3113% p.m.
  - Maturity: 1<sup>st</sup> installment on March 30, 2020, and last installment on September 25, 2020. This note was already settled.
2. Note – R\$33,000 (“CCB 2”):
  - Monthly installments: R\$1,000, plus 100% of CDI variation + 0.3113% p.m.
  - Maturity: 1<sup>st</sup> installment on October 26, 2020, and last installment on June 12, 2023.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

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

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

CCBs were raised on February 28, 2020, and the early maturity clauses of these instruments to relate to the achievement of non-financial indices, such as: (1) Declaration of bankruptcy; (2) Significant deterioration in the economic and financial structure, which consequently reduces the capacity to pay debts; (3) Protest of securities in its amounts higher than R\$5.000; among other less material items.

The table below describes the flow of payments of principal amounts of CCBs:

<u>Issues</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
CCB1				
CCB2		0	0	
Total	0	0	0	

#### *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 07/12/2021 and the last on 10/11/2024.

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.

#### *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 12/05/2022 and the last on 06/03/2024.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 12. Loans, financing and leases – 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 September 30, 2022, 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.
- The Company is committed to maintaining certain economic-financial indices ascertained at the end of each quarter, such as:
  - Net Debt x EBTIDA Ratio – 4.5x to 4x staggered until maturity;
  - EBTIDA x Financial Expenses Ratio – Less than 2.0x;
  - Debt Service Coverage Ratio – Greater than or equal to 1.25x

As of September 30, 2022, the Company has no unfulfilled obligations.

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

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

On June 23, 2020, the debt of Synthesis with Bradesco bank was assigned to Orizon Meio Ambiente in the adjusted amount of R\$61,954, and the Company became a debtor of its direct subsidiary, paying the debt that was outstanding with Synthesis. As a result of this transaction, the Company has recognized the amount of R\$25,699 (R\$24,255 on December 31, 2021) 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.

### *Orizon Meio Ambiente - Debt assumption – Banco Bradesco (Consolidated) -- Continued*

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

Interest was calculated until June 19, 2021 at a rate of 0.84% per month, equivalent to an annual rate of 10.50%. After said date, 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 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, 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.

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

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

The debentures have 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 June 30, 2022. Among these, the following are noteworthy:

- Listing of the subsidiary Orizon Meio Ambiente at CVM - Type B until the end of the current year to be ended on December 31, 2022.
- Presentation of the interim financial information 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:
  - Net Debt x EBTIDA – 4.5x to 3.5x escalated to maturity;
  - EBTIDA x Financial Expense – Lower 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.

On September 30, 2022, all covenants established in the debentures agreement are complied with.

### Issues of debentures by Orizon

#### *4th Issue of new simple non-convertible debentures*

On February 6, 2013, the Company issued a Private Non-Convertible Debenture Deed ("Private Deed"), with additional collateral and personal guarantees, in an amount of R\$256,000, in a single series, for a period of 7 years, with a coupon of 100% of the accumulated variation of the interbank deposit rate (DI) plus a margin varying from 2.5% to 4% p.a., depending on the Net Debt/EBITDA ratio.

The debentures have a grace period of 24 months. As from February 2015, principal and interest started to be paid in 11 six-monthly installments until the due date. The Private Deed originally contained some financial and non-financial covenants, related mainly to default with other financial institutions and court-approved reorganization without the prior approval of the

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

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

banks bookkeeping the debentures.

The primary purpose of this debenture issue was to extend the Company debt profile with these lenders.

Orizon Meio Ambiente is currently the debenture holder of the 4<sup>th</sup> Issue of new simple debentures of Orizon.

On January 30, 2015, the Company issued a Private Debenture Deed (“Private Deed”) simply to pay the interest on the latest debenture issue.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

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

#### Issues of debentures by Orizon—Continued

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

On January 30, 2015, the Company issued a Private Non-Convertible Debenture Deed, with additional collateral and personal guarantees, in an amount of R\$150 million, 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 have 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 is currently 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 contains some financial and non-financial covenants, related mainly to default with other financial institutions and court-approved reorganization without the prior approval of the banks bookkeeping the debentures.

The debentures were issued to pay the interest due on the 4th Issue to the same creditor banks.

Orizon Meio Ambiente is currently the debenture holder of the 5<sup>th</sup> Issue of Simple Debentures of Orizon.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

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

#### Issues of debentures by ORIZON--Continued

##### *Suspension of the effects of maturity – 4th and 5th issues*

On December 18, 2020, Orizon Meio Ambiente parent company signed waiver documents suspending the effective early maturities of all the monetary and non-monetary liabilities under the 4th and 5th issues of debentures, due to the Issuer's failure to meet its obligations by the dates indicated in the debenture deeds, including in respect of overdue installments and installments falling due. The waiver postpones such maturities up to November 2023, which is the maximum term for structuring these issues.

#### Leases (Consolidated)

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

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

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

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

#### Leases (Consolidated)--Continued

The following changes took place in leases as of September 30, 2022 and December 31, 2021:

	<u>Consolidated</u>	
Balance on January 1, 2021		11,719
New agreements added during the year		22,198
Payment of principal		(12,132)
Payment of interest		(2,672)
Interest appropriated during the year		1,844
Balance as of December 31, 2021		<u>20,957</u>
New agreements added during the year		<b>43,042</b>
Payment of principal		<b>(16,358)</b>
Payment of interest		<b>(2,863)</b>
Interest appropriated during the year		<b>3,044</b>
Balance as of September 30, 2022		<u><b>47,822</b></u>
	<u><b>06/30/2022</b></u>	<u><b>12/31/2021</b></u>
Current	<b>29,340</b>	9,526
Non-current	<b>18,482</b>	11,431

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

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

#### Payment schedule (consolidated)

As of September 30, 2022, the balances of leases classified as non-current liabilities were divided into years of maturity as follows:

	<u>Consolidated</u>
2023	12,839
2024	2,711
2025	1,234
2026	1,037
2027 onwards	661
Total	<u>18,482</u>

#### Right-of-use assets (Consolidated)

Assets classified as right of use mainly relate to equipment lease and land rental agreements for use in landfills and projects, 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 September 30, 2022:

	<u>Consolidated</u>
Balance as of January 1, 2021	11,201
Additions during the year	19,414
Amortization of right of use during the year	<u>(11,805)</u>
Balance as of December 31, 2021	18,810
Addition of new agreements	<b>43,042</b>
Amortization of right of use in the year	<u><b>(17,131)</b></u>
Balance as of September 30, 2022	<u><b>44,721</b></u>

#### Right to PIS and COFINS recoverable (Consolidated)

The Company has the right to PIS and COFINS recoverable embedded in the consideration for leases. Measurement of lease cash flows does not show tax credits, and the potential effects of PIS and COFINS on gross contractual flows as of September 30, 2022 in the amount of R\$1,513 (R\$1,122 as of December 31, 2021).

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 13. Suppliers

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

Outstanding balances as of September 30, 2022 and December 31, 2021 are given below:

	Parent Company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Suppliers	239	126	71,976	43,810

### 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.

Grants are calculated on all revenues from the landfill, except those from the granting authority itself, for which the company has a concession, using percentages defined in the contracts. Payments are monthly and at the end of each period grant amounts are registered in income against a corresponding liability. The liability can be settled by direct payment to the granting authority or by offsetting against amounts receivable for services billed to the granting authority, subject to mutual agreement.

Grants arising from the subsidiary CTRNI as from July 2013 began to be settled through offsetting against accounts receivable from the Granting Authorities (Note 5). Overdue grants not yet offset are adjusted by the same index as used by the Nova Iguaçu municipal government (INPC/IBGE + 1% a month).

Landfill	Grant percentage	09/30/2022	12/31/2021
Orizon Meio Ambiente (1)	10%	101	101
CTRNI (2)	10%	3,675	5,856
CTRAL	2%	4,569	4,153
CTRBM	6%	3,001	2,150
URE-JP	10%	680	381
Total		<b>12,026</b>	12,641

(1) Grants calculated on previous contracts for carbon credit trading, through the merger of Novagerar in 2009 (previously the parent company of CTRNI).

(2) Grants calculated on operations in the Nova Iguaçu landfill, for the following transactions: treatment and disposal of waste, sale of Biogas and sale of carbon credits

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 15. Salaries and social charges

	Parent Company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Salaries and fees payable	928	482	5,014	2,323
Social Security payable (INSS) payable	581	165	8,003	2,419
Unemployment Insurance (FGTS) payable	-	-	646	446
Provision and charges on vacation pay	-	-	10,771	6,448
Provision and charges on the 13th salary	-	-	5,177	-
Withholding income tax (IRRF) on salaries	1,028	361	1,626	975
Others	-	-	822	99
<b>Total</b>	<b>2,537</b>	<b>1,008</b>	<b>32,059</b>	<b>12,710</b>

### 16. Tax paid in installments (consolidated)

	09/30/2022	12/31/2021
INSS	2,161	1,805
ISS <sup>(1)</sup>	80	120
ICMS <sup>(2)</sup>	433	1,744
COFINS <sup>(3)</sup>	22,426	19,381
IRPJ <sup>(3)</sup>	10,195	10,899
CSLL <sup>(3)</sup>	4,249	4,622
PIS <sup>(3)</sup>	4,407	3,994
PERT <sup>(3)</sup>	1,718	1,786
<b>Total</b>	<b>45,669</b>	<b>44,351</b>
Current	5,820	7,561
Non-current	39,849	36,790

Information referring to consolidated taxes paid in installments is shown below

	Original amount	No. of installments	Installments to mature	Adjustment indices
INSS	4,332	16 to 60	4 to 58	SELIC
ISS	3,283	24 to 84	19	Arrears interest + IPCA
ICMS	3,167	60	11 to 23	Arrears interest + UFIR
IRPJ	15,134	60	21 to 58	SELIC
CSLL	6,482	60	21 to 58	SELIC
PIS	5,693	60	17 to 58	SELIC
COFINS	27,386	60	17 to 58	SELIC

(1) The balance outstanding on September 30, 2022 refers to the approval of ISS tax installments of the indirect subsidiaries CRTBM and CTRA.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

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

- (2) In 2014, Orizon Meio Ambiente joined a special program of payment in installments of outstanding balances of ICMS (PEP) owing to the State of São Paulo. The total amount involved was R\$3,525, divided into 120 installments. Installments of R\$29 have been being paid since December 2014, and the last one is due in May 2024.
- (3) In 2019, the indirect subsidiaries CTRA, CTRBM, CTRNI, ETR, Ecopesa and Foxx URE-BA obtained approval for payment of federal taxes (IRPJ, CSLL, PIS and COFINS) in installments from the Brazilian Federal Revenue, for a total of R\$7,518. The debt is to be settled in 60 installments, plus fines and interest. In the 4<sup>th</sup> quarter of 2020, the payment of federal taxes in the amount of R\$14,222 of the direct subsidiary Orizon Meio Ambiente and indirect subsidiaries CTRNI, CTRBM, CTRA, ETR e URE-JP was approved with maturity within up to 60 installments. Over 2021, those same companies adhered to new installment plans in the approximate amount of R\$14 million, under the same terms as the installment plans signed in 2020. In 2022, the Company adhered to new installment plans due to tax planning and the need for working capital.

#### Payment schedule

As of September 30, 2022, the balances of taxes due in installments classified as non-current liabilities were divided into years of maturity as follows:

2023	5,878
2024	2,884
2025	2,884
2026 onwards	28,203
Total	<u>39,849</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:

	<u>Consolidated</u>	
	<u>09/30/2022</u>	<u>12/31/2021</u>
Labor	14,388	20,963
Civil	8,229	12,009
Tax	-	188
Total	<u>22,617</u>	<u>33,160</u>

## Orizon Valorização de Resíduos S.A.

Notes to the interim individual and consolidated financial information -- Continued  
December 31, 2021 and 2020  
(In thousands of Reais)

### 17. Provision for contingencies -- Continued

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

The following is a summary of changes in the contingencies:

	<b>Consolidated</b>			
	<b>Labor</b>	<b>Tax</b>	<b>Civil</b>	<b>Total</b>
Balance as of January 1, 2021	23,182	488	11,092	34,762
Additions (Reversals)	(2,121)	(300)	6,708	4,287
Payments	(98)	-	(5,791)	(5,889)
Balance as of December 31, 2021	20,963	188	12,009	33,160
Additions (Reversals)	<b>(6,100)</b>	<b>(188)</b>	<b>(3,684)</b>	<b>(9,972)</b>
Payments	<b>(475)</b>	-	<b>(96)</b>	<b>(571)</b>
Balance as of September 30, 2022	<b>14,388</b>	-	<b>8,229</b>	<b>22,617</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 Foxx URE-BA, regarding disputes with suppliers in the implementation of a project for the waste-to-energy plant, which balances are substantially supported by court deposits.

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

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

As of September 30, 2022 and December 31, 2021, cases where losses were considered possible by management and its external counsel, not provisioned in the interim financial information, were as follows:

<b>Nature of the Cases</b>	<b>Consolidated</b>	
	<b>09/30/2022</b>	<b>12/31/2021</b>
Civil	<b>73,096</b>	245,782
Labor	<b>6,926</b>	6,319
Tax	<b>191,433</b>	189,325
Total	<b>271,455</b>	441,426

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 17. Provision for contingencies -- Continued

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

##### *Civil action (Consolidated)*

In 2005, the Rio de Janeiro State Prosecutor's Office filed Public Civil Action No. 2005.004.080695-8 against S.A. Paulista de Construções e Comércio, CTRA et all, alleging administrative misconduct in the bidding process held by the São Gonçalo Municipality for the installation and operation of an Urban Solid Waste Treatment and Final Disposal System (Bidding process No. 13/03 and Concession Agreement No. 001/04). At the time, the amount in dispute was R\$145,992, with no change as of September 30, 2022, but with a remote probability of loss.

In 2019, through an appellate decision, a case was filed, notifying the Haztec Serveng Mana Consortium, of which Orizon Meio Ambiente ("former Haztec") was a participant until 2012, for due diligence and expert examinations due to the Plaintiff's allegations of overpricing in the amount of R\$15,209 in works and services previously provided by the Consortium. Currently, a defense has been submitted and the final decision is pending. In September 2021, the chances of loss of this proceeding were considered as possible in the restated amount of R\$33,436, and is now disclosed in this section.

In 2005, a lawsuit was filed with the purpose of including Orizon Meio Ambiente S.A. and five other companies in a civil action for losses, damages and moral damages. On September 30, 2022, the amount in dispute was R\$18,533.

In 2014, an indemnity action was initiated, aiming at sentencing the defendants, among which Orizon Meio Ambiente, to pay damages for alleged breach of the Purchase Agreement and Other Covenants entered into between Orizon Meio Ambiente and Aquamec Equipamentos Ltda., of which the Plaintiff was a partner. The proceeding is in progress, being followed by the Company's legal counsel, and as of September 30, 2022 the amount in dispute was R\$7,329.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 17. Provision for contingencies -- Continued

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

##### *Tax proceedings (Consolidated)*

##### *Income and Social Contribution Taxes (Consolidated)*

This is a discussion on Corporate Income Tax (IRPJ) and Social Contribution on Net Profit (CSLL) for an amount of R\$17,089, relating to calendar year 2008, relating to deduction of expenses and uncomputed additions by the companies acquired Azurix, Aquamec, Novagerar and El Capitan.

There is a discussion on IRPJ and CSLL amounting to R\$10,222, in calendar year 2012, based on estimated profit, plus fines and arrears interest. In March 2017, a challenge to the assessment was filed. In January 2018, the challenge was denied. An appeal was filed in March 2018, and a decision is now awaited.

In 2018, the indirect subsidiary was assessed by the Federal Revenue for income and social contribution taxes (IRPJ and CSLL) for R\$19,781 (R\$11,547 adjusted as of December 31, 2020). The assessment challenges the basis for estimated profit for calendar year 2015. The Company is currently awaiting a decision on the challenge to the assessment submitted by the lawyers handling the case.

In 2020, subsidiary Orizon Meio Ambiente and indirect subsidiaries CTRNI, CTRA e CTRBM were issued Assessment Notices by the Brazilian Federal Revenue ("RFB") regarding alleged identified IRPJ, CSLL, PIS, COFINS, IOF and social security contribution debits in the total amount of R\$131,798. The cases are currently at the Lower Level of the Judgment Unit of the Federal Revenue Office awaiting a decision on the objection already filed.

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.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 17. Provision for contingencies -- Continued

#### c) Court deposits

Court deposits are mainly related to labor claims, in addition to court-ordered freezing of bank balances in civil proceedings and are held as non-current assets. As of September 30, 2022 and December 31, 2021, balances were as follows:

	Parent Company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Court deposits	11	11	9,054	6,579

In 2019 an Action for Execution of Extrajudicial Instrument was filed against the direct subsidiary Orizon Meio Ambiente and the indirect subsidiary Foxx URE-BA by a supplier of Foxx URE-BA, demanding payment under a trading agreement between the parties. Accordingly, the amount of R\$5,774 was subject to court-ordered freezing until conclusion of the case.

### 18. Advances from customers (consolidated)

On October 15, 2014, CTRNI and CTRA signed exclusive contracts for the supply of biochemical gas extracted and collected from the landfills at Nova Iguaçu (RJ) and São Gonçalo (RJ), to Nova Iguaçu Energia e Gás Renovável Ltda. ("NIEGAR") and São Gonçalo Energia e Gás Renovável Ltda ("SGEGAR"), respectively. These companies engage in electricity generation from landfill biogas. The terms of the supply contracts are as follows:

#### Expiration:

CTRNI – December 15, 2034.

CTRA – August 10, 2030.

Price: R\$0.12 to R\$0.14 per Nm<sup>3</sup> (base date October 2014), free of tax, depending on the quantities supplied. Minimum requirements 1,369 Nm<sup>3</sup>/h for CTRA and 2,933 Nm<sup>3</sup>/h for CTRNI (flow unit: Normal Cubic Meter per hour), adjusted annually by the IPCA/IBGE<sup>4</sup>.

<sup>4</sup> Broad National Consumer Price Index (IPCA), published by the Brazilian Institute of Geography and Statistics (IBGE).

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 18. Advances from customers (consolidated) – Continued

Compensation: under the agreement, the advance will be offset by a forty percent (40%) rebate on the value of invoices issued.

In the first quarter of 2016, the Company started supplying biogas to its customer Gás Verde, and then NIEGAR and SGEGAR took over the Gás Verde agreements with CTRNI and CTRA.

In 2017 Gás Verde settled the outstanding balance owed by CTRA to Paraná Banco, as a type of contractual advance for starting biogas sales, in the amount of R\$14,000. This advance was recognized by CTRA as an obligation to Gás Verde and offset it when sales of biogas began. The advance has been set off against invoices issued to Gás Verde.

On February 27, 2015, the direct subsidiary CTRNI also received an advance from Gás Verde (subsequently NIEGAR) for the sale of biogas, amounting to R\$9,308, R\$7,308 of it in cash and R\$2,000 by settling a debt of related party.

In addition, under an agreement between the parties, after the concession period of the landfill was extended in July 2017, CTRNI received a further advance from Gás Verde of R\$10,000. CTRNI recognized these sums as an obligation to Gás Verde (subsequently NIEGAR) and since trading of biogas began they have been offset against biogas revenue invoices issued to Gás Verde/NIEGAR.

In 2018, CTRNI and CTRA started billing and receiving amounts based on current measurements. As indicated in Note 12, the receivables for the sale of biogas were given as security of the transaction with Credit Suisse in June 2020. Before that, receivables were given as security of the transaction with, FIDC NP, also settled in June 2020. The debt to Credit Suisse was settled at the end of 2021.

As disclosed in note 5, the parties signed an Amendment to the Memorandum of Understanding, settling amounts that were outstanding until September 30, 2021.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 18. Advances from customers (consolidated) -- Continued

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

Balance as of January 01, 2021	22,777
Advances received	17,492
Offsets	<u>(20,074)</u>
Balance as of December 31, 2021	<u>20,195</u>
Balance arising from acquisitions	<b>2,260</b>
Advances received	<b>12,026</b>
Offsets	<u><b>(8,117)</b></u>
Balance as of September 30, 2022	<u><b>26,364</b></u>

### 19. Accounts payable

#### Arbitration

On January 31, 2012, Biogás filed arbitration proceedings relating to a Private Deed of Purchase and Sale Option on an Asset against the subsidiary Orizon Meio Ambiente, which recognized the debt in view of the Arbitration Award.

On October 15, 2014, Orizon Meio Ambiente and Biogás signed a Private Deed for the Assumption of Debt, whereby the indirect subsidiaries CTRNI and CTRA assumed all Orizon Meio Ambiente's debt (R\$26,480 at the time of the agreement) plus charges. CTRA assumed the sum of R\$9,930 and CTRNI R\$16,550. Biogás, in turn, transferred the rights to these receivables to Gás Verde, which has contracts with CTRA and CTRNI for the purchase of biogas from the landfills.

It was agreed that the sums now due by CTRA and CTRNI to Gás Verde (NIEGAR/SGEGAR) within the scope of the arbitration, would be deducted to the extent of 30% of each (sic) due by it.

On June 22, 2020, Orizon Meio Ambiente, NIEGAR and SGEGAR signed an agreement ratifying the understandings and confirming the amounts to be offset from receivables under the biogas sales agreement, against the arbitration balances provisioned.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 19. Accounts payable--Continued

#### Arbitration – Continued

As of September 30, 2022, the balances were as follows:

	CTR NI	CTRA	Total
Balance as of January 1, 2021	5,945	8,350	14,295
Offsets against future Biogas invoices	-	(272)	(272)
Monetary adjustments	151	580	731
Balance as of December 31, 2021	6,096	8,658	14,754
Offsets	<b>(6,537)</b>	<b>(2,502)</b>	<b>(9,039)</b>
Monetary adjustments	<b>466</b>	<b>810</b>	<b>1,276</b>
Balance as of September 30, 2022	<b>25</b>	<b>6,966</b>	<b>6,991</b>
Current	<b>25</b>	<b>1,398</b>	<b>1,423</b>
Non-Current	-	<b>5,568</b>	<b>5,568</b>

#### Assignment of debts

In March 2020, the Company and Synthesis signed a Private Instrument of Debt and Renegotiation of Terms and Conditions. This document defines the portion of the new balance agreed would be assigned to Synthesis creditors in order to settle this company's debts. Thus, the Company became a debtor of two individuals that had a relationship with Synthesis, in the amount of R\$9,491. The assignment was divided into two debts, as follows:

- 1st assignment of debt: Principal amount: R\$8,991; Fixed Remuneration: 8.6% p.a. and maturity in March 2027, with monthly payments.
- 2nd assignment of debt: Principal amount: R\$500; Remuneration: 80% of CDI and maturity in June 2023, with monthly payments.

The amounts are shown in the table below:

Balance as of January 1, 2021	8,648
Net payments	(4,940)
Monetary adjustments	576
Balance as of December 31, 2021	4,284
Net payments	<b>(4,319)</b>
Monetary adjustments	<b>146</b>
Balance as of September 30, 2022	<b>111</b>

## Orizon Valorização de Resíduos S.A.

Notes to individual and consolidated financial statements--  
December 31, 2021 and 2020  
(In thousands of reais)

### Acquisition of companies:

#### Acquisition of SPEs - UPI Estre:

As detailed in note 1, on April 19, 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 UPI Estre					
	(1)	(2)	(3)	(4)	(5)	
Acquisition price	125,000	8,482		75,000	113,455	516,937
Payments made from April to September 2022	(125,000)	(8,482)	-	(7,813)	-	(141,295)
Monetary adjustments	-	-	9,753	-	-	9,753
Mark-to-market of equity instrument	-	-	-	-	7,102	7,102
Adjustment to present value (6)	-	-	-	(16,906)	-	(16,906)
Balance as of September 30, 2022	-	-	204,753	50,281	120,557	375,591

(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 will be settled within 21 months after the acquisition date, and will be adjusted by the variation of the IPCA + 11% p.a.;

(4) The amount will be settled in 48 fixed and non-adjustable installments of R\$1,562. As of September 30, 2022 there were 43 outstanding installments.

(5) This amount is recorded under Equity Instruments in Shareholders' Equity, and is presented in this note for composition of the total debt for the acquisition of UPI Estre SPEs. See note 20.

(6) Adjustment to the present value recognized on the long-term installments without bearing interest.

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

2022	12,570
2023	12,570
2024	217,324
2025	12,570
<b>Total</b>	<b>255,034</b>

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 20. Shareholders' equity

#### a) Capital stock

As of September 30, 2022 and December 31, 2021, the capital stock of the Company was R\$844,323, represented by 71,500 registered common shares of no par value, subscribed and fully paid up.

The following table sets forth the composition of capital stock as of September 30, 2022:

<b>Shareholder</b>	<b>Number of shares (thousands)</b>	<b>Percentage interest (%)</b>
Inovatec Participações S.A. ("Inovatec")	36,997	51.74%
TPE Gestora de Recursos Ltda. ("Tarpon")	3,708	5.19%
Equitas Gestão 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	<u>71,500</u>	<u>100%</u>

In the second quarter of 2022, Tarpon acquired shares in the market, holding more than 5% of the shares traded by the Company, with Equitas and Truxt acquiring more than 5% of the shares in the 3rd quarter. As an effect, there was a reduction in the interest of Inovatec and Free Float.

The following table sets forth the composition of capital stock as of December 31, 2021:

<b>Shareholder</b>	<b>Number of shares (thousands)</b>	<b>Percentage interest (%)</b>
Inovatec Participações S.A.	37,582	52.56%
Spectra Portinari Fundo de Investimentos em Participações Multiestratégia	7,019	9.82%
Távola Capital Gestora de Recursos Ltda	4,862	6.8%
Free Float	22,037	30.82%
Total	<u>71,500</u>	<u>100%</u>

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 20. Shareholders' equity– Continued

#### a) Capital stock– Continued

On January 25, 2021, the following events took place:

- Conversion of 2<sup>nd</sup> and 3<sup>rd</sup> issue convertible debentures, upon issue of 213 new common shares. The capital increase was recorded against the warrants headline.
- Issue of 81 new shares, as a result of the arrival of Fundo de Liquidação Financeira Fundo de Investimento em Direitos Creditórios – Não Padronizado, represented by its administrator.
- Unanimous approval of the 10-for-1 stock split. Accordingly, the capital stock was divided into 54,163 shares.

These transactions had an impact of R\$2.00 on our Capital Stock, which is now R\$544,323 represented by 54,163 shares.

#### *Going public – Public Offering of Shares*

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

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 20. Shareholders' equity– Continued

#### b) Equity instruments

##### Convertible debentures

Between 2008 and 2012 Orizon Valorização de Resíduos S.A (the “Company”) made three private issues of convertible debentures to Fundo de Investimentos em Participações Multisetorial Plus, managed by Banco Bradesco BBI (the “Debenture holder”). Below we give the par values and number of shares corresponding to each issue:

<u>Shareholder</u>	<u>Value</u>	<u>Shares</u>
1 <sup>st</sup> Issue of debentures:	<b>84,917,474</b>	<b>156,638</b>
2 <sup>nd</sup> Issue of debentures:	<b>50,000,000</b>	<b>112,362</b>
3 <sup>rd</sup> Issue of debentures:	<b>15,919,083</b>	<b>159,159</b>
Total	<b><u>150,836,557</u></b>	<b><u>428,159</u></b>

In 2010 and 2013 the Debenture holder converted all the 1<sup>st</sup> Issue debentures and some of the 2<sup>nd</sup> issue. Below is the balance of par values and number of shares for September 30, 2022:

<u>Shareholder</u>	<u>Value</u>	<u>Shares</u>
2 <sup>nd</sup> Issue of debentures:	<b>14,958,096</b>	<b>53,872</b>
3 <sup>rd</sup> Issue of debentures:	<b>15,919,083</b>	<b>159,159</b>
Total	<b><u>30,877,179</u></b>	<b><u>213,031</u></b>

On July 26, 2019, by means of a document entered into between the parties, Fundo de Investimentos em Participações Multisetorial Plus transferred to Inovatec Participações S.A the debentures not yet converted. Such transaction was carried out upon acquisition of the shares of Fundo de Investimentos em Participações Multisetorial Plus by Inovatec Participações S.A.

In the first quarter of 2021, the debentures were converted into shares and allocated as Capital Reserve.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 20. Shareholders' equity– Continued

#### b) Equity instruments – convertible debentures - Continued

##### Issue of new Shares

In the agreement entered into on April 19, 2022 in the acquisition of UPI Aterros by subsidiary Orizon Meio Ambiente it was established that Orizon Valorização de Resíduos will transfer the total of 3,545,459 shares valued at R\$32.00/share (R\$113,455) on the date of the transaction, which amount will be updated by the weighted average of the shares during the last 60 trading sessions until the closing date. As of September 30, 2022, the shares were valued at R\$34.00 (R\$120,557). The amount is classified as shareholders' equity of Orizon Valorização de Resíduos due to the future commitment to issue new shares to Jive, settling part of the debt of the subsidiary Orizon Meio Ambiente. The movement is shown below:

Number of shares	3,545,459
Market Value as of April 19, 2022	32.00
Balance updated on April 19, 2022	113,455
Mark-to-market for share appreciation as of September 30, 2022 (R\$34.00 – share value)	7,102
Balance updated on September 30, 2022	120,557

As established in the agreement, the new shares should be transferred to Jive until 60 days after the closing of the transaction of April 19. The failure to deliver them immediately would result in a 10-percent fine on the original amount of the debt (R\$113,455).

On June 30, 2022, the Company obtained a waiver document from creditor, postponing such obligation until October 30, 2022, with no fine effects until the new date. On October 30, the Company obtained a new waiver postponing the delivery of shares to January 18, 2023, with no fines until the new date.

#### c) Special premium reserve upon merger

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.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 20. Shareholders' equity– Continued

(d) 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 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.

e) 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 interim financial information 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%).

f) 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.

On March 17, 2021, the subsidiary Foxx URE JP distributed dividends for the period from 2015 to 2020, which totaled R\$8,058.

g) Stock split

On January 25, 2021, the Special Shareholders' Meeting approved the split of common shares in the proportion of 54,163, after the issue and conversion of new shares on the same date, as mentioned above. Accordingly, the quantity of shares rose from 5,122 to 54,163 registered, book-entry common shares without par value.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 20. Shareholders' equity– Continued

#### g) Stock split– Continued

The split has only and exclusively changed the number of shares issued by the Company, as provided for in Article 12 of Law 6.404/76, not resulting in any change in total capital stock, or in the rights granted by the issued shares. The split will not change the shareholders' proportional equity interest in the capital stock, and it will not affect the rights and benefits, whether relating to equity or policies, of the shares.

The composition of the capital stock by class of shares (without par value) and main shareholders, after the effect of the stock split on the date of the public offering of shares is as follows:

Shareholders	Number of Shares	%	Balance
Inovatec Participações S.A.	39,763	73.41%	399,605
Fundo Spectra Portinari	12,074	22.29%	121,342
SH 1000 Participações S.A.	479	0.88%	4,812
SGRP Empreendimentos e Participações S.A.	404	0.75%	4,056
Pro-Ambiente Gerenciamento e Projetos Ltda.	140	0.26%	1,411
FIDC NP	812	1.50%	8,165
Other minority interests (*)	490	0.90%	4,932
<b>Total</b>	<b>54,162</b>	<b>100.00%</b>	<b>544,323</b>

(\*) Shares held by individuals.

#### h) Basic and diluted net earnings (loss) per share

In the three and nine-month periods ended September 30, 2022 and 2021, earnings per share were as follows:

	Parent Company		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Loss for the period	(63,210)	(43,376)	(59,320)	(40,475)
Number of common shares	71,500	71,500	71,500	71,500
Basic loss per share	(0.88)	(0.61)	(0.83)	(0.57)
Number of common shares and debentures convertible into shares (1)	75,045	71,500	75,045	71,500
Diluted loss per share	(0.88)	(0.61)	(0.83)	(0.57)
Number of potential dilutive shares in future periods with profit	3,545	-	3,545	-

### 20. Shareholders' equity– Continued

#### g) Basic and diluted net earnings (loss) per share

Parent Company	Consolidated
----------------	--------------

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2022	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2022
Loss for the period	(31,093)	(2,208)	(29,626)	(1,349)
Number of common shares	71,500	71,500	71,500	71,500
Basic loss per share	(0.43)	(0.03)	(0.41)	(0.02)
Number of common shares and debentures convertible into shares (1)	75,045	71,500	75,045	71,500
Diluted net loss income per share	(0.43)	(0.03)	(0.41)	(0.02)
Quantity of potential dilutive shares for future income for the period	3,545	-	3,545	-

(1) The total shares considers 3,545,459 shares to be transferred by the Company to settle the variable portion of the parent company debt Orizon Meio Ambiente for the acquisition of SPEs UPI Estre.

## 21. Net operating revenues (consolidated)

	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021
Gross operating revenues	508,023	324,383
Deductions from Gross Revenues		
Social Integration Program – PIS	(5,871)	(4,686)
Contribution to Social Security Financing – COFINS	(27,056)	(21,588)
Services tax – ISS	(21,042)	(12,823)
Tax on Circulation of Goods and Services – ICMS	(2,260)	(2,321)
Other <u>taxes</u>	(4,816)	(1,217)
Total taxes accrued	(60,971)	(42,635)
Cancelled sales	(37)	(1,595)
Net operating revenue	447,015	280,153

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 21. Net operating revenue (consolidated)- Continued

	<b>07/01/2022 to 09/30/2022</b>	<b>07/01/2021 to 09/30/2021</b>
Gross operating revenue	<b>223,070</b>	115,253
Deductions from gross revenues		
Social Integration Program – PIS	<b>(2,222)</b>	(1,659)
Contribution for Social Security Financing – COFINS	<b>(10,245)</b>	(7,641)
Municipal Service Tax – ISS	<b>(8,957)</b>	(4,732)
Tax on Circulation of Goods and Services – ICMS	<b>(905)</b>	(822)
Other taxes	<b>(3,564)</b>	(558)
Total taxes levied	<b>(25,893)</b>	(15,412)
Net operating revenues	<b>197,177</b>	99,841

### 22. General and administrative costs and expenses

Costs and expenses by nature	Parent Company					
	01/01/2022 to 09/30/2022			01/01/2021 to 09/30/2021		
	Cost of services provided	General and administrative expenses	Total	Cost of services provided	General and administrative expenses	Total
Personnel (1)	-	(11,019)	(11,019)	-	(49,923)	(49,923)
Third party services	-	(3,072)	(3,072)	-	(1,400)	(1,400)
Others	-	(590)	(590)	-	(409)	(409)
Total	-	(14,681)	(14,681)	-	(51,732)	(51,732)
Costs and expenses by nature	Consolidated					
	07/01/2022 to 09/30/2022			07/01/2021 to 09/30/2021		
	Cost of services provided	General and administrative expenses	Total	Cost of services provided	General and administrative expenses	Total
Personnel	-	(3,790)	(3,790)	-	(5,900)	(5,900)
Third party services	-	(1,127)	(1,127)	-	(877)	(877)
Others	-	(179)	(179)	-	(207)	(207)
Total	-	(5,096)	(5,096)	-	(6,984)	(6,984)

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 22. General and administrative costs and expenses- Continued

Costs and expenses by nature	Consolidated					
	01/01/2022 to 09/30/2022			01/01/2021 to 09/30/2021		
	Cost of services provided	General and administrative expenses	Total	Cost of services provided	General and administrative expenses	Total
Personnel (salaries and wages) (1)	(27)	83)	,310)	(85)	(72)	857)
Materials for production and consumption	(26)		(26)	99)		99)
Depreciation and amortization	(56)	04)	(60)	(52)	(9)	(91)
Third-party services	(29)	(14)	(43)	14)	(2)	(76)
Rent	(22)	1)	(93)	(0)	(1)	1)
Grants	(4)	3)	(7)	(7)	)	(7)
Energy (2)	(76)	)	(63)	(56)	)	(05)
Fuels	(67)	)	(13)	(0)		(0)
Freights	1)	)	3)	6)		(5)
Others	(98)	35)	(33)	1)	(7)	8)
Total	(306)	715)	(021)	950)	(99)	(449)

Costs and expenses by nature	Consolidated					
	07/01/2022 to 09/30/2022			07/01/2021 to 09/30/2021		
	Cost of services provided	General and administrative expenses	Total	Cost of services provided	General and administrative expenses	Total
Personnel (salaries and wages)	,517)	,391)	,908)	,037)	,234)	,271)
Materials for production and consumption	,666)		,666)	,048)		,048)
Depreciation and amortization	,922)	,154)	,076)	,495)	(1,639)	,134)
Third-party services	,267)	(94)	,461)	(84)	(53)	(37)
Rent	(91)	(41)	(32)	(40)	2)	(72)
Grants	(91)	8)	(99)	(78)	(274)	(52)
Energy (2)	(66)	8)	(14)	(49)	)	(36)
Fuels	,260)	)	,333)	(12)	)	(36)
Freights	6)	1)	7)	1)		5)
Others	(09)	(76)	,485)	(68)	(61)	(29)
Total	8,595)	,656)	4,251)	(61,382)	,008)	(82,390)

(1) The amount related to the share-based payment settled in cash was recognized in this heading in the restated amount of R\$41,788 as of September 30, 2021. (R\$2,962 referring to restatement of share values in 2022).

(2) This heading includes the amount related to the acquisition of electricity by the indirect subsidiary Foxx URE-BA during the quarters ended September 30, 2022 and 2021.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 23. Financial income and expenses

	Parent Company		Consolidated	
	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021
Interest income				
Adjustment to present	-	-	21,701	18,034
Mark to market FIDC	3,345	-	35,871	-
Positive foreign exchange variation	-	-	5,374	1,931
Income from financial investments	8,835	3,369	11,947	4,428
Financial discounts obtained	2	-	792	3,246
Other income, interest	24	1,234	5,343	12
Taxes levied	(643)	(311)	(7,838)	(4,399)
<b>Total</b>	<b>11,563</b>	<b>4,292</b>	<b>73,190</b>	<b>23,252</b>
Financial expenses				
Mark-to-market value FIDC	(4,064)	-	(37,512)	(18,090)
Adjustment to present value	(21,648)	(50,337)	(1,969)	
Negative foreign exchange variation	-	-	(10,929)	(1,167)
Interest on borrowings and financing	(78,317)	(32,289)	(67,359)	(29,885)
Corrections to balances payable from acquisition of companies (1)	-	-	(16,855)	-
Fine and interest (2)	(63)	-	(5,702)	(9,909)
Discount granted	-	-	(150)	(909)
Amortization of expenses in fund raising	-	-	-	(4,703)
Other financial expenses	(1,082)	(485)	(7,379)	(5,869)
<b>Total</b>	<b>(105,174)</b>	<b>(83,111)</b>	<b>(147,855)</b>	<b>(70,532)</b>
<b>Net financial income</b>	<b>(93,611)</b>	<b>(78,819)</b>	<b>(74,665)</b>	<b>(47,280)</b>
	Parent Company		Consolidated	
	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021
Interest income				
Adjustment to present value	-	-	1,363	18,034
Mark to market value FIDC	-	(758)	-	(12,003)
Positive foreign exchange variation	-	-	882	390
Income from financial investments	199	1,708	91	2,690
Financial discounts obtained	-	-	716	3,104
Other income, interest	24	1,234	47	(876)
Taxes levied	(93)	(119)	(2,568)	(1,675)
<b>Total</b>	<b>130</b>	<b>2,065</b>	<b>531</b>	<b>9,664</b>
Financial expenses				
Adjustment to present/fair value	-	-	-	(3,796)
Mark-to-market value FIDC	(6,805)	(15,879)	(1,969)	-
Negative foreign exchange variation	-	-	(78)	(659)
Interest on borrowings and financing	(30,297)	(14,973)	(19,791)	(5,973)
Corrections to balances payable from acquisition of companies (1)	-	-	(9,744)	-
Fine and interest (2)	(33)	-	(4,892)	(9,141)
Discount granted	-	-	(150)	(630)
Amortization of expenses in fund raising	-	-	-	(980)
Other financial expenses (1)	(84)	(151)	(843)	(2,719)
<b>Total</b>	<b>(37,219)</b>	<b>(31,003)</b>	<b>(37,467)</b>	<b>(23,898)</b>
<b>Net financial income</b>	<b>(37,089)</b>	<b>(28,938)</b>	<b>(36,936)</b>	<b>(14,234)</b>

(1) Amount referring to the restatement of balances payable for the acquisition of SPEs and CGRs in 2022.

(2) Amount referring to restatement of arbitration balances and biogas advances of indirect subsidiaries CTRNI and CTRA.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 24. Segment reporting

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

	<b>Consolidated</b>				
	<b>09/30/2022</b>				
	<b>Treatment and final disposal</b>	<b>Energy, Biogas and carbon credits</b>	<b>Waste processing /Waste to Energy (WtE)</b>	<b>Environmental engineering</b>	<b>Total</b>
Net operating revenues	56	1	8	9	15
Cost of services provided	171)	6)	60)	53)	650)
Gross profit before depreciation	85	5	1)		65
Depreciation costs					56)
Gross profit					09
Operating revenues (expenses)					
General and administrative expenses					715)
Other revenues (expenses), net					0
Loss before financial result and equity pickup					25)
Financial result					
Financial income					0
Financial expenses					855)
Financial result, net					65)
Equity pickup					
Loss before income and social contribution taxes					50)
Income and social contribution taxes					
Current					68)
Deferred					2)
Loss for the period					20)

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 24. Segment reporting --Continued

	<b>Consolidated</b>				
	<b>09/30/2021</b>				
	<b>Treatment and final disposal</b>	<b>Energy, biogas and carbon credits</b>	<b>Waste processing /WtE</b>	<b>Environmental engineering</b>	<b>Total</b>
Net operating revenues	46	18	2	17	53
Cost of services provided	31)	2)	74)	71)	998)
Gross profit before depreciation	5	16	1		55
Depreciation costs					52)
Gross profit					3
Operating revenues (expenses)					
General and administrative expenses					99)
Other revenues, net					
Income (loss) before financial result and equity pickup					88)
Financial result					
Financial income					2
Financial expenses					32)
Financial result, net					80)
Equity pickup					
Income (loss) before income and social contribution taxes					20)
Income and social contribution taxes					
Current					89)
Deferred					
Net income for the year					75)
Loss for the period					75)

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 25. Commitments (consolidated)

#### Carbon emission reduction certificates and biogas trading

The Company trades carbon credits under short and medium-term contracts

Through its subsidiaries, the Company has exclusive agreements on the supply of biogas generated in its waste processing and allocation operations in its eco-industrial parks, and the gas generated in these operations must be made available.

The information is detailed in note 5.

### 26. Financial instruments

#### a) Risk management objectives and strategies

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

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

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 26. Financial instruments

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

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

	Category	09/30/2022			
		Parent Company		Consolidated	
		Book value	Fair value	Book value	Fair value
Financial assets					
Cash and cash equivalents	Amortized cost	338	338	27,289	27,289
	Fair value through profit or loss	22	22	19,618	19,618
Securities					
Trade accounts receivable	Amortized cost	-	-	298,794	298,794
Receivables from related parties	Amortized cost	369,284	369,284	-	-
Court deposits and surety	Amortized cost	11	11	9,054	9,054
Financial liabilities					
Suppliers	Amortized cost	239	239	71,976	71,976
	Fair value through profit or loss	758,903	758,903	609,725	609,725
Loans and financing					
Leases	Amortized cost	-	-	47,822	47,822
Accounts payable to related parties	Amortized cost	56,726	56,726	-	-
Grants payable	Amortized cost	-	-	12,026	12,026
Advances from customers	Amortized cost	-	-	26,364	26,364

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 26. Financial instruments--Continued

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

		<b>12/31/2021</b>			
		<b>Parent Company</b>		<b>Consolidated</b>	
	<b>Category</b>	<b>Book value</b>	<b>Fair value</b>	<b>Book value</b>	<b>Fair value</b>
<b>Financial assets</b>					
Cash and cash equivalents	Amortized Cost	295	295	2,917	2,917
	Fair value through profit or loss	236,496	236,496	407,499	407,499
Securities	Fair value through other comprehensive income	-	-	178,022	178,022
Debentures	Amortized Cost	27,027	27,027	-	-
Trade accounts receivable	Amortized Cost	11	11	12,336	12,336
Receivables from related parties	Amortized Cost	295	295	6,579	6,579
Court deposits and surety	Amortized Cost				
<b>Financial liabilities</b>					
Suppliers	Amortized Cost	126	126	43,810	43,810
Loans and financing	Amortized Cost	658,938	658,938	556,276	556,276
Leases	Amortized Cost	-	-	20,957	20,957
Accounts payable to related parties	Amortized Cost	60,708	60,708	-	-
Grants payable	Amortized Cost	-	-	12,641	12,641
Advances from customers	Amortized Cost	-	-	20,195	20,195

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.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 26. Financial instruments--Continued

#### b) Fair value hierarchy

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

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

*Level 1* - Inputs are based on prices practiced in an active market for identical assets or liabilities on the measurement date. The Company must also be able to trade in this active market, and must not be able to adjust the price. As of September 30, 2022 and December 31, 2021, the Company was not holding any financial instruments classified as Level 1.

*Level 2* - Inputs are directly or indirectly observable for the asset or liability, but do not qualify as Level 1. Level 2 inputs include prices in an active market for similar assets or liabilities, prices in an inactive market for identical assets or liabilities; or inputs that are observable or that may corroborate the observation of market data by correlation or otherwise, for substantially the whole of the asset or liability. The financial instruments held by the Company as of September 30, 2022 and December 31, 2021 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.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 26. Financial instruments—Continued

#### b) Fair value hierarchy--Continued

As of September 30, 2022 and December 31, 2021, the Company was not holding any financial instruments classified as Level 3.

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

The following table summarizes financial assets recorded at fair value as of September 30, 2022 and December 31, 2021:

	Fair value hierarchy	Parent Company			
		Book value		Prices quoted for identical assets and liabilities (Level 2)	
		09/30/2022	12/31/2021	09/30/2022	12/31/2021
<b>Financial assets</b>					
Cash and cash equivalents	Level 2	338	295	338	295
Securities	Level 2	22	10,536	22	10,536
Debentures	Level 2	-	8,110	-	8,110
Receivable from related parties		369,284	27,027	369,284	27,027
Court deposits and surety		11	11	11	11
<b>Financial liabilities</b>					
Suppliers		239	126	239	126
Loans and financing	Level 2	758,903	658,938	758,903	658,938
Accounts payable to related parties		56,726	60,708	56,726	60,708
<b>Consolidated</b>					
	Fair value hierarchy	Prices quoted for identical assets and liabilities (Level 2)			
		Book value		Prices quoted for identical assets and liabilities (Level 2)	
		09/30/2022	12/31/2021	09/30/2022	12/31/2021
<b>Financial assets</b>					
Cash and cash equivalents	Level 2	27,289	6,044	27,289	6,044
Securities	Level 2	19,618	10,536	19,618	10,536
Debentures	Level 2	-	8,110	-	-
Trade accounts receivable		289,794	121,873	289,794	121,873
Receivable from related parties		-	10,570	-	10,570
Court deposits and surety		9,054	8,498	9,054	8,498
<b>Financial liabilities</b>					
Suppliers		71,976	43,810	71,976	43,810
Loans and financing		609,725	556,276	609,725	556,276
Accounts payable to related parties		47,822	20,957	47,822	20,957
Financial liabilities		12,026	12,641	12,026	12,641
		26,364	20,195	26,364	20,195

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 26. Financial instruments--Continued

#### b) Fair value hierarchy--Continued

##### *Financial instruments measured at fair value*

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

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

#### c) Management of financial risks

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

##### *Liquidity risk*

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

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

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

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 26. Financial instruments--Continued

#### c) Management of financial risks--Continued

##### *Liquidity risk--Continued*

- Advance in negotiations with the São Gonçalo Municipal Government involving balances receivable of the indirect subsidiary CTRA, concerning settlement of past balances, offset of municipal taxes and outstanding grants, in addition to a claim for concession term extension.
- Implementation of new business which the Company expects to be profitable in the coming years. These include (i) trading of biogas from the decomposition of solid waste disposed of in the sanitary landfills in Nova Iguaçu and São Gonçalo, regarding which the indirect subsidiaries have agreements for supply of gas to third parties in force until 2029; (ii) biogas supply agreement executed between CTRBM and Biogera; and (iii) partnership agreement for sharing and use of biogas for electricity generation executed between Ecopesa 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

	<u>Parent Company</u>					
	<u>No maturity date</u>	<u>Up to 1 month</u>	<u>From 1 to 3 months</u>	<u>From 3 months to 1 year</u>	<u>From 1 to 5 years</u>	<u>Total</u>
Cash and cash equivalents	338	-	-	-	-	338
Securities	22	-	-	-	-	22
Related parties	-	-	-	-	369,284	369,284
Total	360	-	-	-	369,284	369,644

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 26. Financial instruments--Continued

#### c) Management of financial risks--Continued

##### *Liquidity risk -- Continued*

##### Financial assets

	Consolidated					Total
	No maturity date	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	
Cash and cash equivalents	27,289	-	-	-	-	27,289
Securities	19,618	-	-	-	-	19,618
Trade accounts receivable	-	262,618	9,296	12,220	14,660	298,794
Total	46,907	262,618	9,296	12,220	14,660	345,701

##### 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	
Suppliers	239	-	-	-	-	239
Loans and financing	-	-	-	758,903	-	758,903
Related parties	-	-	1,376	55,350	-	56,726
Total	239	-	1,376	814,253	-	815,868

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	
Suppliers	67,177	4,572	227	-	-	71,976
Loans and financing	1,375	2,750	30,774	171,295	403,531	609,725
Leases	2,445	4,890	22,005	18,482	-	47,822
Grants payable	12,026	-	-	-	-	12,026
Advances from customers	2,197	4,394	19,773	-	-	26,364
Total	85,220	16,606	72,779	189,777	403,531	767,913

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 26. Financial instruments--Continued

#### c) Management of financial risks--Continued

##### *Credit risk*

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

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

On September 30, 2022 and December 31, 2021, the consolidated balance of the provision for losses on accounts receivable was R\$41,527 and R\$36,412, respectively, to cover credit risk (Note 5).

##### *Price risk*

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

##### *Interest rate risk*

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

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

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 26. Financial instruments--Continued

#### c) Management of financial risks--Continued

##### *Interest rate risk--Continued*

##### Sensitivity analysis on the variation in CDI rates

Market expectations <sup>(\*)</sup> indicated an estimated CDI rate of 2.64%, which was the probable scenario for the period ended September 30, 2022, against the effective rate of 4% ([www.cetip.com.br](http://www.cetip.com.br)) on September 30, 2022.

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, as follows:

Transaction	Balance on 09/30/2022	Assets (Consolidated)		
		Probable scenario	Scenario I Δ 25%	Scenario II Δ 50%
<i>CDI effective annual rate – quarter ended 09/30/2022</i>	8.85%			
Financial investments (Note 4) <i>Estimated annual rate – Period to be ended 12/31/2022</i>	19,618	19,638 8.96%	20,078 11.20%	20,517 13.44%
Positive (negative) effect on income/shareholders' equity – period ended 09/30/2022:		20	460	899
Transaction	Balance on 09/30/2022	Liabilities (Consolidated)		
		Probable scenario	Scenario I Δ 25%	Scenario II Δ 50%
Effective annual CDI rate – quarter ended 09/30/2022	8.85%			
Loans and financing (Note 12) <i>Estimated annual rate – Period to be ended 12/31/2022</i>	609,725	610,361 8.96%	624,015 11.20%	637,668 13.44%
Positive (negative) effect on income/shareholders' equity – period ended 09/30/2022:		636	14,290	27,943

(\*) Source: BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros ([www.cetip.com.br](http://www.cetip.com.br)).

##### *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.

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements  
September 30, 2022  
(In thousands of Brazilian *Reais*)

### 26. Financial instruments--Continued

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

We analyzed the fair values of our main financial instruments as of September 30, 2022, 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, suppliers (third parties) and miscellaneous credits*

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

*Related parties*

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

## Orizon Valorização de Resíduos S.A.

Notes to the individual and consolidated financial statements

September 30, 2022

(In thousands of Brazilian *Reais*)

### 27. Insurance coverage (consolidated)

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

On September 30, 2022, the main insurance coverage in effect for us and our subsidiaries refer to our sanitary landfills and waste processing units, in addition to administrative coverage. The risk assumptions adopted, given their nature, are not part of the scope of the review performed by our independent auditors.

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

Balances payable for acquisition of equity interest, that will not impact the cash of the Company	<b>120,557</b>
Balance paid for acquisition of equity interest through assignment of debentures of FIDC	<b>(8,482)</b>

### 29. Subsequent events

#### Disposal of equity interest:

On November 4, 2022, Orizon Valorização de Resíduos entered into a share purchase agreement, setting forth the sale of twenty percent (20%) of the share capital of Foxx URE-BA Ambiental S.A. ("URE-BA"), its indirect subsidiary, to Companhia de Saneamento Básico do Estado de São Paulo – Sabesp ("Sabesp"), for the amount of R\$40,000. Completion of the transaction is subject to approval by the Administrative Council for Economic Defense (Cade).

#### Issue of new debentures by Orizon Meio Ambiente

The Meeting of the Company's Board of Directors held 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, 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.