PARANAPANEMA

Individual and consolidated financial statements

December 31, 2024 and 2023

(A free translation of the original financial statements in Portuguese, prepared in accordance with the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB))

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MESSAGE FROM THE BOARD

In 2023, the company filed its Under Judicial Recovery Plan (PRJ), where it obtained approval at the General Creditors' Meeting, in accordance with article 45 of Law No. 11,101/05. It then had a homologation decision by the D. Judge of the 1st Regional Court of Business Competence and Arbitration-Related Conflicts of the 1st RAJ of the capital of the State of São Paulo.

In 2024, the Company sought to advance its strategy of ensuring the continuity of operations, amid difficulties in obtaining credit for working capital, and in the stages of the Judicial Recovery process, through meetings with creditors and interested parties.

In accordance with what is defined in our Under Judicial Recovery Plan (PRJ) and in the same way as occurred in previous quarters, when we had the 1st, 2nd and 3rd windows of Conversion Requests into new shares of the Company issued for the purposes of the aforementioned capital increase, enabling the reduction of the Company's debt, the 4th Conversion Request Window began, during which the Company's creditors may express any interest in converting their credits into shares issued by the Company, pursuant to clause 11 of its Under Judicial Recovery Plan (PRJ). Moments in which the Board of Directors approved the increases in the Company's share capital, by private subscription of shares and within the limit of the authorized capital, pursuant to article 5, paragraph 4 of its Bylaws and article 168, paragraph 1, item 'b' of Law No. 6,404/76.

On January 21, 2025, a proposal for a second amendment to the Company's Judicial Recovery Plan currently in force was filed with the court of the 1st Regional Court of Business Jurisdiction and Arbitration-Related Disputes of the 1st RAJ of the city of São Paulo - SP, in the proceedings of process no. 1001409-24.2022.8.26.0260, which will be submitted for deliberation by the General Meeting of Creditors, in first call, on January 27, 2025.

It is important to highlight that our Eluma Unit, in São Paulo, has been operating consistently and in a balanced manner within the available resources, where it achieved a sales volume above 2,100 tons on average per month. In the consolidation with the unit in Bahia, which partially resumed its activities, we reached a total of 33,989 tons in 2024. Volume 1% higher when compared to 2023, a period in which the Caraíba unit, in the first half of the year, had all its operational activities active.

Regarding our fixed costs, the Company has been working on operational efficiency gains, maintaining the Lay-off process at the Dias d'Ávila unit and constantly seeking to renegotiate contracts with our partner suppliers. In 2024, we reduced fixed costs including idleness by 22% compared to the previous year, generating savings of approximately R$92 million.

As a result of our volume growth and its better sales mix and the effective management of our costs, we achieved an EBITDA 47% better when compared to 2023. The Company had a negative EBITDA of R$ 346 million, also due to the partial idleness of the Caraíba unit, Tax and Labor Contingencies and the necessary maintenance of its Administrative and Commercial staff.

In relation to the Global Agreement debt, the Company continues to negotiate with Creditors with the aim of obtaining new, more favorable conditions for resolving its liabilities.

We continue to invest efforts to bring a better operational balance to our units, seeking to maintain our commitments to current partners and searching for new sources of financing, which will allow us to increase our sales volumes.

Finally, we would like to thank our entire group of employees, customers, suppliers, shareholders and other partners for their trust and support.

ECONOMIC PERFORMANCE

Net revenue

In R$ thd, except otherwise stated	4Q23	4Q24	Δ %	2023	2024	Δ %
Primary Copper	**(233)**	**(31)**	**87%**	**378.368**	**(204)**	**-100%**
% of Revenue	-0,3%	0,0%	0,3 p.p.	38,9%	0,0%	-38,9 p.p.
Copper Products	**67.848**	**129.578**	**91%**	**455.764**	**454.970**	**0%**
% of Revenue	92,1%	99,6%	7,5 p.p.	46,8%	98,9%	52,2 p.p.
Rods, Wires and Others	**39**	**19.269**	**49308%**	**221.196**	**32.815**	**-85%**
Bars/Profiles/Rolled/Tubes/Fittings	**67.809**	**110.309**	**63%**	**234.568**	**422.155**	**80%**
Byproducts	**6.067**	**534**	**-91%**	**138.687**	**5.160**	**-96%**
% of Revenue	8,2%	0,4%	-7,8 p.p.	14,3%	1,1%	-13,1 p.p.
Total Net Revenue	**73.682**	**130.081**	**77%**	**972.819**	**459.926**	**-53%**
Domestic Market [%]	41,3%	58,8%	17,6 p.p.	43,4%	57,0%	13,6 p.p.
Export Market [%]	12,5%	2,7%	-9,8 p.p.	43,2%	4,2%	-39,0 p.p.
Toll [%]	46,2%	38,5%	-7,7 p.p.	13,4%	38,8%	25,5 p.p.

Net Revenue in 4Q24 was R$130 million, 77% higher than in the same period of the previous year. In 2024, Net Revenue was R$460 million, 53% lower than in 2023. The result was impacted by cash flow restrictions and the temporary suspension of part of the activities at the Bahia unit.

Gross income

In R$ thd, except otherwise stated	4Q23	4Q24	Δ %	2023	2024	Δ %
Net Revenue	**73.684**	**130.080**	**77%**	**972.820**	**459.926**	**-53%**
Total COGS	**(229.816)**	**(201.423)**	**-12%**	**(1.330.705)**	**(623.528)**	**53%**
(-) Metal Cost	(120.198)	(94.131)	**-22%**	(819.510)	(241.540)	**71%**
(-) Transformation Cost	(109.618)	(107.292)	**-2%**	(511.195)	(381.988)	**25%**
COGS Total/tonnes sold	38,6	20,2	**-48%**	39,4	18,3	**-53%**
Metal Cost/tonnes sold	20,2	9,5	**-53%**	24,3	7,1	**-71%**
Transformation Cost/tonnes sold	18,4	10,8	**-41%**	15,2	11,2	**-26%**
Gross Profit	**(156.132)**	**(71.343)**	**-54%**	**(357.885)**	**(163.602)**	**54%**
% of Revenue	-211,9%	-54,8%	157,0 p.p.	-36,8%	-35,6%	1,2 p.p.
Adjusted Gross Profit (LME and USD Dollar changes on inventories	**(82.100)**	**(17.059)**	**-79%**	**(96.491)**	**37.297**	**139%**
% of Revenue	-111,4%	-13,1%	98,3 p.p.	-9,9%	8,1%	18,0 p.p.
Premiums	(46.514)	35.949	177%	153.310	218.386	42%
Premium/Net Revenue [%]	-63,1%	27,6%	90,8 p.p.	15,8%	47,5%	31,7 p.p.
Premium/tonnes sold	(7,8)	3,6	146%	4,5	6,4	41%

Adjusted Gross Profit in 4Q24 of R$17 million was an improvement on the negative R$82 million achieved in the same period of the previous year. In the annual comparison, we have 2024 with R$37 million against the negative R$96 million achieved in 2023, as a result of a better sales mix at the Eluma unit and the partial resumption of the Caraíba unit. In addition to the operational efficiency in industrial expenses.

Adjusted Gross Profit eliminates the effects of idleness and the effects of hedge accounting used to update the value of inventories to the present value of LME and Dollar and which, as a consequence of not being absorbed by inventory, impact the result.

Fixed Costs (including Idleness)

In R$ thd, except otherwise stated	4Q23	4Q24	Δ %	2023	2024	Δ %
Fixed Costs including idleness	**(104.385)**	**(93.517)**	***-10%***	**(427.441)**	**(335.522)**	**-22%**

The Company incurred R$94 million in fixed costs including idleness in 4Q24, achieving a reduction of approximately R$10 million compared to 4Q23. In 2024, the total realized was R$336 million, against R$427 million in 2023, generating savings of R$92 million. This result is the result of contract renegotiations, reduction of the fixed personnel structure and more balanced consumption of materials for maintenance. In addition to the impacts of the layoff process at the Dias d'Ávila plant in Bahia.

Operating expenses

In R$ thd, except otherwise stated	4Q23	4Q24	Δ %	2023	2024	Δ %
Total Operating Expenses	**33.377**	**(44.070)**	**-232%**	**(399.397)**	**(275.757)**	**-31%**
Sales Expenses	(2.709)	(2.639)	-3%	(10.263)	(9.693)	-6%
G&A Expenses and Management Compensation	(22.542)	(18.365)	-19%	(82.190)	(72.509)	-12%
Other Operating, net	58.628	(23.066)	-139%	(306.944)	(193.555)	-37%

In 4Q24, Operating Expenses were R$23 million, mainly due to Provisions for Labor and Tax Contingencies in the amount of R$8 million and Success Fees in the amount of R$2 million. In 2024 we have a total of R$194 million, mainly due to provisions for Labor and Tax Contingencies of R$99 million. Sales and General and Administrative Expenses were lower by 6% and 12% respectively.

In R$ thd, except otherwise stated	4Q23	4Q24	Δ %	2023	2024	Δ %
***Main items - Other Operating, Net:**						
Provisions for labor and tax contingencies	(22.041)	(8.335)	62%	(39.481)	(99.030)	-151%
Other provisions	(724)	(2.002)	-177%	(2.294)	(7.162)	-212%
Provision assets held for sale*	0	0	n.a	0	0	n.a
Provisão penalidades contratos onerosos*	0	0	n.a	0	0	n.a
Santander/BTG Arbitrage	0	0	n.a	0	0	n.a
Tax amnesty/refinnacing	0	0	n.a	0	0	n.a
Court ordered bonds Sale Result	0	0	n.a	0	0	n.a
Exclusion of ICMS from the COFINS and PIS assessment base	19.663	0	n.a	(1.048)	(3.773)	-260%
Provisão de Multa sobre o Drawback (Suspensão) (175.885)	0	0	n.a	0	0	n.a
Provisão de II sobre o Drawback suspensão (118.747)	0	0	n.a	0	0	n.a
Total Non-recurring Items:	**(3.102)**	**(10.337)**	**-233%**	**(42.823)**	**(109.965)**	**-157%**
Total Recurring Items:	**61.730**	**(12.729)**	**42%**	**(264.121)**	**(83.590)**	**68%**

EBITDA

	4Q23	4Q24	Δ %	2023	2024	Δ %
Net Income	**(215.528)**	**(809.511)**	-276%	**(1.389.934)**	**(2.138.610)**	-54%
(+) Taxes	(506)	(645)	-27%	12.618	(14.614)	-216%
(+) Net Financial Result	93.279	694.743	645%	620.034	1.713.865	176%
EBIT	**(122.755)**	**(115.413)**	**6%**	**(757.282)**	**(439.359)**	**42%**
(+) Depreciation and Amortization	26.063	22.469	-14%	110.407	93.731	-15%
EBITDA	**(96.692)**	**(92.944)**	**4%**	**(646.875)**	**(345.628)**	**47%**
% of Revenue	-131,2%	-71,5%	59,8 p.p.	-66,5%	-75,1%	-8,7 p.p.
ADJUSTED EBITDA	**(170.538)**	**(82.607)**	**52%**	**(416.381)**	**(235.663)**	**43%**
% of Revenue	-231,5%	-63,5%	167,9 p.p.	-42,8%	-51,2%	-8,4 p.p.

Adjusted EBITDA, which excludes the effects of LME and Dollar on inventory, contingencies and other non-recurring effects, closed 4Q24 with a negative R$83 million, 52% better than the same period of the previous year. In 2024, it closed with a negative R$236 million. A result 43% better than the negative R$416 million in 2023. Impacted by the cash constraint and the temporary suspension of part of the activities at the Bahia unit, but reflecting the positive advances at the Eluma Unit.

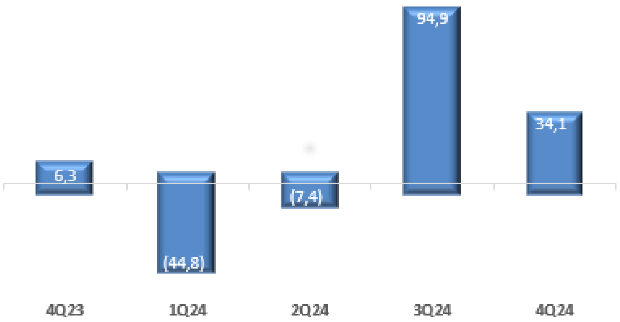
Net Income and Adjusted Net Income

Net Loss in 4Q24 was R$810 million, mainly impacted by financiais charges on loans and financing of R$679 million, Idleness of R$54 million, and Provisions for contingencies and fines for Violation Notices of R$21 million. When the effects of financiais charges and other non-recurring effects are excluded, the Adjusted Net Loss was R$67 million.

Through its Under Judicial Recovery Plan (PRJ), the company expects to obtain greater access to financing lines for working capital and increase its production and sales volume, bringing balance to its results.

Operational Cash Generation

The Company obtained a positive Operating Cash Flow in 2024 of R$ 77 million, impacted by the growth in our revenues as well as the recovery of accumulated tax credits.



Indebtedness

In R$ thd, except otherwise stated	4Q23	1Q24	2Q24	3Q24	4Q24
Loans and Financing Short Term	*3.275.304*	*3.480.933*	*4.031.995*	*4.251.434*	*4.884.263*
Loans and Financing Long Term	*466.305*	*442.268*	*417.192*	*386.831*	*354.311*
Total Bank Loans	**3.741.609**	**3.923.201**	**4.449.187**	**4.638.265**	**5.238.574**
Transaction Costs - reprofilin	*(30.145)*	*(27.710)*	*(25.275)*	*(22.840)*	*(21.496)*
Total Loans	**3.711.464**	**3.895.491**	**4.423.912**	**4.615.425**	**5.217.078**
Forfaiting and letter of credit operations	*10.535*	*10.517*	*10.626*	*10.366*	*21.165*
Derivatives financial instruments	*0*	*0*	*0*	*0*	*0*
Derivatives	*(1.340)*	*(158)*	*(176)*	*(172)*	*(196)*
Gross Debt	**3.720.659**	**3.905.850**	**4.434.362**	**4.625.619**	**5.238.047**
Cash and Cash Equivalents	*85*	*1.251*	*3.109*	*3.693*	*8.524*
Financial Investments	*24.367*	*23.609*	*25.917*	*33.077*	*33.920*
Linked bank account	*11*	*1*	*2*	*0*	*0*
Net Debt	**3.696.196**	**3.880.989**	**4.405.334**	**4.588.849**	**5.195.603**
Short Term (%)	**87%**	**89%**	**91%**	**92%**	**93%**
Long Term (%)	**13%**	**11%**	**9%**	**8%**	**7%**

Due to the non-payment of the debt portion of the Global Agreement, in 4Q22 the debts under renegotiation were reclassified to short-term liabilities in accordance with CPC 26. In the 4Q24 balance sheet position, the reclassified amount is R$ 1,966.6 million, which maintains the debt profile with 93% due in the short term.

The Company continues to negotiate with the Creditors in order to obtain new conditions for the settlement of its liabilities.

In R$ thd, except otherwise stated	4Q23	1Q24	2Q24	3Q24	4Q24
In Foreign Currency	62%	60%	57%	53%	56%
In Local Currency	38%	40%	43%	47%	44%

Debt in local currency represented 44% of debts in 4Q24, due to the increase in contributions from local financial partners to enable operations.

Under Judicial Recovery

General Recovery Items contained in the Plan:

- Increase of operations
- Granting of special terms and conditions for the payment of Credits
- Partial sale of the assets of the Paranapanema
- Obtaining new financing.

Summary of the list of Creditors: As per accounting registers and official report as of December 31st, 2025.

Class of creditors	Valor	Qtde
Class I - Labor Credits	**117.810**	**703**
Class II - Credits with real guarantee	**10.235**	**1**
Class III - Unsecured Credits	**237.987**	**977**
Classe IV - ME e EPP	**4.818**	**121**
Total	**370.850**	

The detailed plan can be found on Paranapanema' s Investor Relations website.

Balance sheet
December 31, 2024 and December 31, 2023
(In thousands of reais)

		Parent company		Consolidated	
ASSETS	Notes	2024	2023	2024	2023
Cash and cash equivalents	05	**6,384**	80	**8,524**	85
Financial investments	05	**33,920**	24,367	**33,920**	24,367
Linked account deposits/guarantees	05	-	11	-	11
Accounts receivable	06	**2,023**	1,746	**1,736**	1,746
Inventory	07	**271,750**	298,085	**271,750**	298,085
Taxes recoverable	08	**58,362**	40,186	**59,264**	41,399
Other current assets	09.1	**12,229**	7,777	**12,229**	7,814
Derivative financial instruments	28	**196**	1,340	**196**	1,340
Prepaid expenses		**10,308**	13,451	**10,308**	13,451
Total current assets		**395,172**	387,043	**397,927**	388,298
Assets held for sale	10	-	22,636	-	22,636
		-	22,636	-	22,636
Accounts receivable	06	**393**	-	**393**	-
Taxes recoverable	08	**7,604**	243,221	**20,196**	255,813
Legal deposits	09.2	**190,762**	34,521	**190,762**	34,521
Other non-current assets	09.1	**52,775**	52,087	**51,604**	52,533
Prepaid expenses		**5,454**	7,559	**5,454**	7,559
Total Long-term		**256,988**	337,388	**268,409**	350,426
Prepaid expenses	15	**6,656**	12,577	**6,656**	12,577
Investments	11	**24,654**	27,887	-	-
Other investments		**25,701**	2,815	**25,701**	2,815
Property, plant and equipment	12	**925,018**	1,002,940	**925,018**	1,002,940
Intangible assets	12	**3,391**	4,565	**3,391**	4,565
		985,420	1,050,784	**960,766**	1,022,897
Total non-current assets		**1,242,408**	1,410,808	**1,229,175**	1,395,959
Total assets		**1,637,580**	1,797,851	**1,627,102**	1,784,257

See the accompanying notes to the financial statements.

Balance sheet
December 31,2024 and December 31, 2023
(In thousands of reais)

LIABILITIES	Notes	Parent company 2024	Parent company 2023	Consolidated 2024	Consolidated 2023
Suppliers	13	**639,105**	407,763	**639,112**	407,770
Forfaiting and letter of credit operations	14	**15,777**	229	**15,777**	229
Leasing	15	**3,770**	8,816	**3,770**	8,816
Loans and financing	16	**4,862,767**	3,245,158	**4,862,767**	3,245,159
Payroll and related charges	17	**77,132**	63,510	**77,132**	63,510
Taxes payable	18	**537,797**	47,366	**537,798**	47,613
Advances from clients	20	**72,724**	64,226	**72,840**	64,341
Other current liabilities	20	**51,817**	29,925	**52,007**	30,107
Total current liabilities		**6,260,889**	3,866,993	**6,261,203**	3,867,545
Suppliers	13	**156,327**	291,399	**156,327**	291,399
Forfaiting and letter of credit operations	14	**5,388**	10,306	**5,388**	10,306
Leasing	15	**2,886**	3,761	**2,886**	3,761
Loans and financing	16	**354,311**	466,305	**354,311**	466,305
Payroll and related charges	17	**12,014**	8,031	**12,014**	8,031
Taxes payable	18	**103,749**	443,187	**103,749**	443,187
Legal deposits	19	**945,654**	857,677	**945,654**	857,677
Deferred income tax and social contribution	26	**55,991**	58,265	**57,305**	59,556
Other non - current liabilities	20	**26,217**	15,437	**14,111**	-
Total non-current liabilities		**1,662,537**	2,154,368	**1,651,745**	2,140,222
Total liabilities		**7,923,426**	6,021,361	**7,912,948**	6,007,767
Paid-in capital	21.a	**2,172,388**	2,069,566	**2,172,388**	2,069,566
Debentures convertible into shares	21.b	**-**	25,787	**-**	25,787
Capitalization costs		**(5,375)**	(5,375)	**(5,375)**	(5,375)
Equity valuation adjustments	21.h	**108,689**	113,864	**108,689**	113,864
Treasury shares		**(741)**	(741)	**(741)**	(741)
Retained earnings		**(8,560,807)**	(6,426,611)	**(8,560,807)**	(6,426,611)
Equity	21	**(6,285,846)**	(4,223,510)	**(6,285,846)**	(4,223,510)
Total shareholders' equity		**(6,285,846)**	(4,223,510)	**(6,285,846)**	(4,223,510)
Total liabilities and equity		**1,637,580**	1,797,851	**1,627,102**	1,784,257

See the accompanying notes to the financial statements.

Income Statement
Years ended December 31, 2024 and 2023
(In thousands of reais, except loss per share)

		Parent company		Consolidated	
	Notes	2024	2023	2024	2023
Net sales	22	**459,926**	972,820	**459,926**	972,820
Cost of goods sold	23	**(623,528)**	(1,330,705)	**(623,528)**	(1,330,705)
Gross Loss		**(163,602)**	(357,885)	**(163,602)**	(357,885)
Commercial	23	**(9,683)**	(10,259)	**(9,693)**	(10,263)
General and administrative	23	**(72,194)**	(81,771)	**(72,509)**	(82,190)
Equity in results of investees	11	**(1,778)**	922	-	-
Other expenses	24	**(203,636)**	(314,035)	**(203,706)**	(314,164)
Other income	24	**10,150**	7,217	**10,151**	7,220
Operating expenses		**(277,141)**	(397,926)	**(275,757)**	(399,397)
(Loss) operating profit before financial results		**(440,743)**	(755,811)	**(439,359)**	(757,282)
Financial expenses	25	**(1,769,970)**	(935,077)	**(1,772,813)**	(935,202)
Financial income	25	**57,468**	313,351	**58,948**	315,168
Net Income(Loss) before income and social contribution taxes		**(2,153,245)**	(1,377,537)	**(2,153,224)**	(1,377,316)
Income and social contribution tax for the current year	26	-	-	-	(222)
Deferred income and social contribution taxes	26	**14,635**	(12,397)	**14,614**	(12,396)
Income and social contribution tax		**14,635**	(12,397)	**14,614**	(12,618)
Net income for the period		**(2,138,610)**	(1,389,934)	**(2,138,610)**	(1,389,934)
Earning (Loss) per common share				**(40.42195)**	(32.02435)
Earning (Loss) per diluted common share				**(40.42195)**	(32.02435)

See the accompanying notes to the financial statements.

Statement of other comprehensive income
Years ended December 31, 2024 and 2023
(In thousands of reais)

		Parent company		Consolidated	
	Notes	**2024**	**2023**	**2024**	**2023**
Net sales	22	**459,926**	972,820	**459,926**	972,820
Cost of goods sold	23	**(623,528)**	(1,330,705)	**(623,528)**	(1,330,705)
Gross Loss		**(163,602)**	(357,885)	**(163,602)**	(357,885)
Commercial	23	**(9,683)**	(10,259)	**(9,693)**	(10,263)
General and administrative	23	**(72,194)**	(81,771)	**(72,509)**	(82,190)
Equity in results of investees	11	**(1,778)**	922	-	-
Other expenses	24	**(203,636)**	(314,035)	**(203,706)**	(314,164)
Other income	24	**10,150**	7,217	**10,151**	7,220
Operating expenses		**(277,141)**	(397,926)	**(275,757)**	(399,397)
(Loss) operating profit before financial results		**(440,743)**	(755,811)	**(439,359)**	(757,282)
Financial expenses	25	**(1,769,970)**	(935,077)	**(1,772,813)**	(935,202)
Financial income	25	**57,468**	313,351	**58,948**	315,168
Net Income(Loss) before income and social contribution taxes		**(2,153,245)**	(1,377,537)	**(2,153,224)**	(1,377,316)
Income and social contribution tax for the current year	26	-	-	-	(222)
Deferred income and social contribution taxes	26	**14,635**	(12,397)	**14,614**	(12,396)
Income and social contribution tax		**14,635**	(12,397)	**14,614**	(12,618)
Net income for the period		**(2,138,610)**	(1,389,934)	**(2,138,610)**	(1,389,934)
Earning (Loss) per common share				**(40.42195)**	(32.02435)
Earning (Loss) per diluted common share				**(40.42195)**	(32.02435)

See the accompanying notes to the financial statements.

Statement of changes in equity
Years ended December 31, 2024 and 2023
(In thousands of reais)

	Notes	Paid-in capital	Convertible debentures	Capitalization costs	Treasury shares	Accumulated deficit	Equity valuation adjustment	Consolidated shareholders' equity
Balance as at december 31, 2022		2,069,566	25,787	(5,375)	(741)	(5,042,338)	135,535	(2,817,566)
Earnings and losses from foreign exchange variations-foreign investment	21.h	-	-	-	-	-	(116)	(116)
Equity evaluation adjustment	21.h	-	-	-	-	8,176	(8,176)	-
Tax on realization of equity evaluation adjustment	21.h	-	-	-	-	(2,515)	(13,379)	(15,894)
Other comprehensive income		-	-	-	-	5,661	(21,671)	(16,010)
Net income (Loss) for the period		-	-	-	-	(1,389,934)	-	(1,389,934)
Balance as at december 31,2023		2,069,566	25,787	(5,375)	(741)	(6,426,611)	113,864	(4,223,510)
Capital increase	01	102,822	-	-	-	-	-	102,822
Convertible debentures in action	21.b	-	(25,787)	-	-	-	-	(25,787)
Capital transactions with partners		102,822	(25,787)	-	-	-	-	77,035
Earnings and losses from foreign exchange variations-foreign investment	21.h	-	-	-	-	-	(761)	(761)
Equity evaluation adjustment	21.h	-	-	-	-	6,687	(6,687)	-
Tax on realization of equity evaluation adjustment	21.h	-	-	-	-	(2,273)	2,273	-
Other comprehensive income		-	-	-	-	4,414	(5,175)	(761)
Net income (Loss) for the period		-	-	-	-	(2,138,610)	-	(2,138,610)
Balance as at december 31,2024		2,172,388	-	(5,375)	(741)	(8,560,807)	108,689	(6,285,846)

See the accompanying notes to the financial statements.

Cash Flow Statements
Years ended December 31, 2024 and 2023
(In thousands of reais)

		Parent company		Consolidated	
		2024	2023	2024	2023
(Loss) before income and social contribution taxes		**(2,153,245)**	(1,377,537)	**(2,153,224)**	(1,377,316)
Adjustments to reconcile net (loss) with resources provided by (used in) operating activities					
Residual value of written-off fixed assets	12	**2,062**	4	**2,062**	4
Depreciation and amortization	12	**86,628**	98,191	**86,628**	98,191
Amortization of right-to-use assets	15	**7,103**	12,216	**7,103**	12,216
Equity in results of investees	11	**1,778**	(922)	-	-
Provision (reversal) for recoverable value of estimated losses		**(3,257)**	2,763	**(3,361)**	2,763
Provision for other estimated losses		**33,801**	6,206	**33,801**	6,206
Provision for losses on lawsuits	19	**99,030**	39,481	**99,030**	39,481
Present value adjustment		**641**	(879)	**641**	(879)
Provision Drawback Tax- suspension	18	-	396,508	-	396,508
Financial charges	32	**1,729,689**	392,191	**1,729,872**	392,076
(Loss) before income and social contribution taxes		**(195,770)**	(431,778)	**(197,448)**	(430,750)
(Increase) decrease in assets					
Accounts receivable	06	**4,908**	37,578	**5,299**	37,447
Inventory	07	**3,594**	5,370	**3,594**	5,370
Taxes recoverable	08	**213,668**	(7,420)	**213,757**	(6,406)
Prepaid expenses		**5,248**	(5,289)	**5,248**	(5,289)
Legal deposits	09.2	**(156,241)**	2,679	**(156,241)**	2,679
Derivative financial instruments	28	**1,212**	85,517	**1,212**	85,517
Other current and non-current liabilities	09.1	**(4,674)**	(1,710)	**(3,021)**	(1,589)
Increase (decrease) in liabilities					
Suppliers	13	**83,353**	122,505	**83,353**	122,505
Forfaiting and letter of credit operations	14	**10,630**	(617)	**10,630**	(617)
Taxes payable	18	**78,066**	89,392	**78,042**	89,395
Legal deposits	19	**1,163**	995	**1,163**	995
Payroll and related charges	17	**19,053**	28,991	**19,053**	28,991
Derivative financial instruments	28	-	(1,054)	-	(1,053)
Advances from clients	20	**3,181**	(21,309)	**3,182**	(21,309)
Other current and non-current liabilities	20	**5,555**	(28,218)	**8,893**	(30,302)
Cash flow generated from operations		**72,946**	(124,368)	**76,716**	(124,416)
Income and social contribution taxes paid		-	-	**1**	-
Net cash provided by (used in) operating activities		**72,946**	(124,368)	**76,717**	(124,416)
Investing activities					
Financial investments made	05	**(1,009)**	(5,829)	**(1,009)**	(5,829)
Redemption of financial investments	05	**1,009**	10,740	**1,009**	10,740
Other investments		**(250)**	(207)	**(250)**	(207)
Variations in the capital of controlled companies		**1,636**	-	-	-
Fixed assets and intangible additions	12	**(16,690)**	(19,332)	**(16,690)**	(19,332)
Net cash used in investing activities		**(15,304)**	(14,628)	**(16,940)**	(14,628)
Financing activities					
Net cost of funding		**1,320**	-	**1,320**	-
Loans and financing	16	**459,092**	865,289	**459,092**	865,289
Amortization of loans and financing	16	**(437,122)**	(631,955)	**(437,122)**	(631,955)
Interest payments on loans	16	**(57,342)**	(77,228)	**(57,342)**	(77,228)
Leasing	15	**(7,744)**	(11,635)	**(7,744)**	(11,635)
Release linked bank account	05	**(9,542)**	(7,842)	**(9,542)**	(7,842)
Net cash used in (provided by) financing activities		**(51,338)**	136,629	**(51,338)**	136,629
Increase (decrease) in cash and cash equivalents		**6,304**	(2,367)	**8,439**	(2,415)
Cash and cash equivalents at the beginning for the period	05	**80**	2,447	**85**	2,500
Cash and cash equivalents at the end for the period	05	**6,384**	80	**8,524**	85
Increase (decrease) in cash and cash equivalents		**6,304**	(2,367)	**8,439**	(2,415)

See the accompanying notes to the financial statements.

Value added statement
Years ended December 31, 2024 and 2023
(In thousands of reais)

	Parent company		Consolidated	
	2024	**2023**	**2024**	**2023**
Income				
Sales of goods and services	**571,588**	1,093,896	**571,588**	1,093,896
Provision for doubtful accounts	**1,569**	(2,763)	**1,569**	(2,763)
Other income	**8,080**	7,061	**8,081**	7,065
Inputs acquired from third parties (Including taxes)				
Cost of goods and services sold	**(303,483)**	(1,191,932)	**(303,483)**	(1,191,932)
Materials, energy, third party services and other	**(462,071)**	(340,981)	**(462,233)**	(341,327)
Gross added value	**(184,317)**	(434,719)	**(184,478)**	(435,061)
Retentions				
Depreciation and amortization	**(86,628)**	(98,191)	**(86,628)**	(98,191)
Amortization of right-to-use assets	**(7,103)**	(12,216)	**(7,103)**	(12,216)
Net added value	**(278,048)**	(545,126)	**(278,209)**	(545,468)
Received from third parties				
Equity in results of investees	**(1,778)**	922	-	-
Financial income	**57,468**	313,351	**58,948**	315,168
Total net added value payable	**(222,358)**	(230,853)	**(219,261)**	(230,300)
Net added value payable	**(222,358)**	(230,853)	**(219,261)**	(230,300)
Personnel and charges	**156,734**	192,202	**156,959**	192,406
Taxes and contributions	**(15,154)**	26,076	**(15,125)**	26,300
Interest and rent	**1,774,672**	940,803	**1,777,515**	940,928
Net income for the period	**(2,138,610)**	(1,389,934)	**(2,138,610)**	(1,389,934)

See the accompanying notes to the financial statements.

01. Operations

Paranapanema S.A. - Under Judicial Recovery (Paranapanema, the “Parent Company” or the “Company”) is a publicly-held corporation headquartered in the city of Dias d’Ávila, in the State of Bahia, at Via do Cobre, n° 3,700, West Industrial Area, Complexo Petroquímico de Camaçari.

Paranapanema’s shares have been listed and traded on B3 S.A. (Brasil, Bolsa, Balcão), the highest level of corporate governance since 1971, and in the "New Market" segment since 2012 under the ticker code PMAM3.

The Company is engaged in industrial activities related to the transformation and processing of ores and their byproducts, and in metallurgical activities related to ferrous and non-ferrous products such as laminates, bars and profiles, tubes, rods, casts, manufactured and semi-manufactured industrial parts and components intended for the domestic and export markets.

Paranapanema’s business model depends substantially on investments and financing, obtained through funding of bank credit facilities, prepayment of receivables, payment terms with its raw material suppliers and financing in general.

In 2021, the Company concluded the negotiations that were being carried out since the first quarter of 2020 with its main financial creditors (essentially the same ones that participated in the renegotiation process in 2017) and entered into the Fourth Addendum to the Global Restructuring Agreement Private Instrument and Other Covenants (“Global Agreement”), renegotiating the payment schedule of financial debts until the end of 2028, according to the payment schedule disclosed in Note 16.

In addition to the guarantees provided by the Company in the debt restructuring carried out in 2017, already established in the Global Agreement, the Company provided other guarantees involving operating and non-operating assets, and has committed to endeavor its best efforts to carry out the sale of non-operating assets, with the purpose of accelerating the amortization of the amounts subject to the new negotiation. Thus, the sale of assets is subject to a governance process defined with the creditors.

If, on the one hand, the negotiation generated the potential and desired readjustment of the Company’s cash, so as to remain healthy, it depended on maintaining credit with trading-company suppliers, and on the sale of non-operating assets and receivables within a certain period of time. However, such assumptions did not materialize. Suppliers reduced the volume of operations with the Company, and the sale of assets did not occur on the expected schedule.

With the scenario of recent political and economic instability, the Company has not yet been able to access satisfactory credit lines that were being negotiated. This situation may indicate the existence of a material uncertainty that raises significant doubt as to the Company’s ability to continue as a going concern and which makes Management express its concern in view of the facts presented.

In light of the difficulties in financing its working capital, the Company did not pay the twice-yearly installments of the Global Agreement since December 2022 and did not meet the covenant indicators described in Note 16. The Company is negotiating with the creditors of the global agreement to obtain new conditions, more favorable for the settlement of its liabilities.

Consequently, in compliance with CPC 26 – Presentation of Financial Statements, the Company has reclassified debts under renegotiation from non-current liabilities to current liabilities, with accrued charges, of R$ 1,966,619, due to non-compliance with the covenants clauses. As at December 31, 2024, this reclassification contributed to the individual negative net working capital of R$ 5,865,717 and R$ R$ 5,863,276 negative net working capital in the consolidated.

The Company incurred losses for the period in the amount of R$ 2,138,610, mainly impacted by exchange rate change and charges on debt, pursuant to Note 16, due to idleness and significant reduction in sales volume, accumulating losses of R$ 8,560,807, thereby leaving the Company's shareholders' equity negative at a total of R$ 6,285,846.

These events and conditions indicate that a significant uncertainty exists and may raise doubts on the Company's ability as a going concern. If the Company is unable to continue as a going concern, then there might be impacts i) on the realization of its assets, and ii) on the fulfillment of certain obligations for the amounts recognized in its financial statements.

The individual and consolidated financial statements were prepared on a going concern basis, thus assuming that the Company will be able to fulfill its obligations upon the recovery of financial health according to the Under Judicial Recovery plan.

Under Judicial Recovery

Paranapanema S.A. – Under Under Judicial Recovery, released a material fact on November 30, 2022, informing that it filed, along with CDPC – Centro de Distribuição de Produtos de Cobre Ltda., Under Judicial Recovery, and Paraibuna Agropecuária Ltda., also Under Judicial Recovery, all of which are subsidiaries of the Company ("Companies Under Reorganization" or "Paranapanema Group"), a request for Under Judicial Recovery filed with the 1st RAJ of the city of São Paulo, state of São Paulo, pursuant to Law 11101/05, on an urgent basis, as approved by its Board of Directors on the present date and submitted for referendum at the Extraordinary General Meeting of Shareholders.

On December 13, 2022, the request was granted by the Judges of the 1st Regional Court of Business Competence and Conflicts Related to Arbitration of the 1st RAJ of the city of São Paulo, state of São Paulo, in the records of proceeding 1001409- 24.2022.8.26.0260 ("Proceeding"), approved the processing of the Under Judicial Recovery.

On February 16, 2023, the Company filed its Under Judicial Recovery Plan ("Plan") for discussion with creditors, in which the terms and conditions for restructuring the Company's debt were established, as well as the main measures that may be adopted and the General Creditors' Meeting was assigned to be held on May 19, 2023, in a 1st Summon, and May 26, 2023, 2nd Summon under the terms of art. 56 of Law 11101/05.

On May 26, 2023, creation of the Creditors' Committee was approved, as well as the adjournment of the deliberation of "approval, rejection, or modification of the Under Judicial Recovery Plan presented by Paranapanema Group," to be continued on July 10, 2023.

On July 10, 2023, at the resumption of the General Meeting of Creditors, and by resolution of the creditors present, it was decided to adjourn the meeting until August 24, 2023.

On August 24, 2023, the Annual Creditors' Meeting was resumed, where they approved the Under Judicial Recovery Plan of the Company and its subsidiaries (i) CDPC - Centro de Distribuição de Produtos de Cobre Ltda. – in Under Judicial Recovery, and (ii) Paraibuna Agropecuária Ltda. – in Under Judicial Recovery, according to Article 45 of Law 11101/05.

Thus, the Under Judicial Recovery Plan went on to be approved by the Judicial Recovery Court, in accordance with the law, with the approval decision being issued on November 16, 2023, by the Honorable Judges of the 1st Regional Court of Business Jurisdiction and Conflicts Related to Arbitration of the 1st RAJ of the capital of the State of São Paulo and published on November 22, 2023.

The Company recognized the accounting effects of the Under Judicial Recovery Plan on the date on which the decision approving said Plan was published.

To recover the Company's financial health, the plan provides for the following:

a) Restructuring its liabilities, deleveraging its debt, resuming its growth in a sustained manner, preserving the maintenance of direct and indirect jobs, and meeting the interests of Creditors, thus resuming the operations and sources of funds of Debtors under Reorganization and establishing feasible forms to pay their creditors.

b) Resumption of Operations through the signing of new contracts with its suppliers for the development of its core activities. For this reason, it is necessary to grant beneficial treatment to suppliers who, in return, provide and maintain the business bases previously existing with the Paranapanema Group, under the terms of this Plan, in addition to any other measures provided for in Art. 50 of the Business Recovery Law that may be approved by the Creditors' Meeting.

c) Granting of special terms and conditions for the payment of Credits Subject to the Plan.

d) Partial Sale of the Company's assets under the terms of the Plan.

e) Raise funds from third parties by obtaining New Financing, provided that the Company will make its best efforts to obtain more favorable business conditions to increase its net assets in relation to rates, terms and other contractual obligations, following the restrictions provided for in the Plan for the concession of guarantees for such New Financing.

f) Take measures to reorganize the corporate structure aiming to enable the adequate implementation of operational and financial provisions provided for in the Plan, among which the following are authorized:

   (i) capitalization of loans made between Debtors (intercompany);
   (ii) carrying out corporate reorganization operations, including spin-off, acquisition, merger, incorporation of wholly-owned subsidiaries of Debtors and, subsequently, drop down of assets or any other corporate reorganization operation involving Debtors, provided that
   (a) in compliance with all applicable legal provisions;
   (b) such operations do not imply any violations of rights and prerogatives, either contractual or legal, for the Creditors, including the guarantees established on behalf of the Creditors; and
   (iii) increase the capital of Debtors Under Judicial Recovery, including through the conversion of credits into capital.

On September 30, 2024, the Company's creditors, meeting at a Creditors' General Meeting duly convened on second call, pursuant to Article 45 of Law 11101/05, approved the 1st amendment to the Under Judicial Recovery Plan, filed on September 26, 2024, ("Amendment to the Under Judicial Recovery Plan"), of the Company and its subsidiaries, where item 6.1.(A) of the Plan is currently valid with the following wording:

"(A) Initial payment. Payment of up to fifteen thousand reais (R$ 15,000.00) in full to each Unsecured Creditor, limited to the amount of the respective Unsecured Credit, in one (1) installment, made within twenty-one (21) months from the Judicial Approval of the Plan.

On December 10, 2024, a new version (initial version registered on October 18, 2024) of the proposal of the Second Addendum to the Company's Under Judicial Recovery Plan currently effective was registered by the Judges of the 1st Regional Court of Business Competence and Conflicts Related to Arbitration of the 1st RAJ of the city of São Paulo, state of São Paulo, in the records of proceeding 1001409-24.2022.8.26.0260. The Company states that the proposed amendment to the Under Judicial Recovery Plan will be subject to subsequent resolution by the Creditors' General Meeting, under the terms of the applicable legislation.

The table below shows the balance sheet positions that were affected by the Under Judicial Recovery.

LIABILITIES	31/12/24	Bankruptcy credit	Not Bankruptcy credit
Suppliers	639,112	109,871	529,241
Forfaiting and letter of credit operations	15,777	5,334	10,443
Leasing	3,770	-	3,770
Loans and financing	4,862,767	658	4,862,109
Payroll and related charges	77,132	8,858	68,274
Taxes payable	537,798	-	537,798
Advances from clients	72,840	-	72,840
Other current liabilities	52,007	13,008	38,999
Total current liabilities	6,261,203	137,729	6,123,474
Suppliers	156,327	98,577	57,750
Forfaiting and letter of credit operations	5,388	5,049	339
Leasing	2,886	-	2,886
Loans and financing	354,311	573	353,738
Payroll and related charges	12,014	120	11,894
Taxes payable	103,749	-	103,749
Legal deposits	945,654	114,691	830,963
Deferred income tax and social contribution	57,305	-	57,305
Other non - current liabilities	14,111	14,111	-
Total non-current liabilities	1,651,745	233,121	1,418,624
Total liabilities	7,912,948	370,850	7,542,098
Paid-in capital	2,172,388	-	2,172,388
Capitalization costs	(5,375)	-	(5,375)
Equity valuation adjustments	108,689	-	108,689
Treasury shares	(741)	-	(741)
Retained earnings	(8,560,807)	-	(8,560,807)
Equity	(6,285,846)	-	(6,285,846)
Total shareholders' equity	(6,285,846)		(6,285,846)
Total liabilities and equity	1,627,102	370,850	1,256,252

The Company's liabilities negotiated within the scope of the Under Judicial Recovery are segregated into four classes.

Class of Creditors - Initial	Balance approved in the Judicial Recovery plan
Class I - Labor credits	117,810
Class II - Credits with real guarantee	10,235
Class III - Unsecured Credits	237,987
Class IV - ME and EPP	4,818
Total	370,850

Class I – Labor credits

Includes labor creditors whose amount of each credit will be monetarily adjusted by the IPCA and will pass to incur interest at a total rate of 0.5% pa. Payments will occur as follows:

a) Undisputed labor credits of a strictly salary nature up to a limit of 5 minimum wages with a payment period of 30 days after the plan approval.

b) Undisputed Labor Credits up to 150 Minimum Wages will be paid within a period of up to one year from the Under Judicial Recovery Plan approval or on the date on which they become Uncontroversial Labor Credits.

c) The difference between the total value of the undisputed labor credit and the limit of 150 Minimum Wages will suffer a 50% discount and will be paid in 48 monthly installments starting from the 25th month counting as of the judicial approval of the Plan, in accordance with the amortization percentages below:

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Year 3	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%
Year 4	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%
Year 5	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	3.33%	3.33%	3.33%	3.33%	3.33%	3.33%
Year 6	3.33%	3.33%	3.33%	3.33%	3.33%	3.33%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%

Class II - Credits with real guarantee

This class includes the creditor with real guarantee. In this class, creditors will be remunerated by the equivalent of 100% of the IPCA (Broad National Consumer Price Index) for credits with a real guarantee in reais and 100% of the rate equivalent to the CPI (Consumer Price Index) for credits with real guarantees in foreign currency.

Interest and inflation adjustment will be capitalized annually as of the judicial approval of the Plan and will be paid monthly from the 25th month counting as of the judicial approval of the Plan, according to the amortization percentages below:

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Year 3	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%
Year 4	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%
Year 5	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%
Year 6	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	2.08%	2.08%	2.08%	2.08%	2.08%	2.08%
Year 7	2.08%	2.08%	2.08%	2.08%	2.08%	2.08%	2.08%	2.08%	2.08%	2.08%	2.08%	2.08%
Year 8	2.08%	2.08%	2.08%	2.08%	2.08%	2.08%	2.08%	2.08%	2.08%	2.08%	2.08%	2.08%

Class III – Unsecured Credits

This Class is made up of unsecured creditors who will be paid as follows:

Payment of up to R$ 15 in full to each unsecured creditor, limited to the value of the respective unsecured revenue, up to 21 months from the judicial approval of the Plan.

The remaining balance will suffer a 50% discount and will be paid in 48 monthly installments starting as of the 25th month from the judicial approval of the Plan, according to the amortization percentages below:

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Year 3	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%
Year 4	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%
Year 5	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	3.33%	3.33%	3.33%	3.33%	3.33%	3.33%
Year 6	3.33%	3.33%	3.33%	3.33%	3.33%	3.33%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%

Class IV - ME and EPP

Class IV is made up of microenterprise (ME) and small business (EPP) creditors who will be paid as follows:

Payment of up to R$ 11 in full to each ME and EPP Creditor, limited to the value of the respective ME and EPP Credit, within 12 months from the Approval Date. The remaining balance will be paid in 12 equal and successive installments starting as of the 25th month, counting from the judicial approval of the Plan.

After judicial approval of the Plan, the value of the credits will be subject to interest and inflation adjustment at the total rate of 100% of the IPCA, with monthly payments starting from the 13th month. Interest and inflation adjustment will be capitalized annually and paid in 12 equal and successive installments starting as of the 25th month, counting from the judicial approval of the Plan.

Conversion of Credit into Capital

Any creditors who have credits subject to the plan may choose to convert their credit into capital. The Creditors who choose to convert their respective credits will not suffer a discount. Credit-to-capital conversions will occur in six (6) opportunities, following each of the option windows described in the plan.

The reference price for converting credit into capital for each of the conversion events will be equivalent to the weighted average of the average value of the share for the volume of shares traded in the respective trading session, considering all sessions held at B3 in which PMAM3 shares are traded (VWAP) verified in the 30 days prior to the date of definition of the conversion price of the respective conversion event, divided by 0.9.

Subscription of shares during the preemptive period

1st Window

On February 22, 2024, the Company's Board of Directors approved the Company's Capital Increase in the amount of R$ 62,585,989.97 (sixty-two million, five hundred and eighty-five thousand, nine hundred and eighty-nine reais and ninety-seven centavos), through the issuance of 13,203,850 (thirteen million, two hundred and three thousand, eight hundred and fifty) new common shares. On September 23, 2024, the Company's Board of Directors approved the re-ratification of the approval of the Company's capital increase to correct a material error regarding the total number of shares issued and ratified by the Company, where there was the cancellation of seven hundred and eighty-five thousand, seven hundred and forty-nine (785,749) common shares, issued on the occasion of the capital increase ratified in accordance with the Minutes of RECA of the 1st Capital Increase, in the total amount of three million, seven hundred and twenty-four thousand, four hundred and fifty reais and twenty-six cents) (R$ 3,724,450.26). Therefore, the Company's Capital Increase was concluded with the amount of fifty-eight million, eight hundred and sixty-one thousand, five hundred and thirty-nine reais and seventy-one cents (R$ 58,861,539.71), through the issue of twelve million, four hundred and eighteen thousand, one hundred and one (12,418,101) new ordinary shares.

Total	Quantity	Share Capital
Before the 1st Conversion Window	43,403,849	2,069,566,247.56
Subscription by Creditors	12,282,475	58,218,672.47
Subscription by Shareholders	135,626	642,867.24
After the 1st Conversion Window	55,821,950	2,128,427,787.27

2nd Window

On June 21, 2024, the Company's Board of Directors approved the ratification of Company's Capital Increase totaling R$ 26,063,162.34 (twenty-six million, sixty-three thousand, one hundred and thirty-four centavos), through the issuance of 6,435,369 (six million, four hundred thirty-five and three hundred sixty-nine) new common shares.

Total	Quantity	Share Capital
Before the 2st Conversion Window	55,821,950	2,128,427,787.27
Subscription by Creditors	6,302,717	25,525,921.74
Subscription by Shareholders	132,652	537,240.60
After the 2st Conversion Window	62,257,319	2,154,490,949.61

3rd Window

On September 23, 2024, the Company's Board of Directors approved the homologation of Capital Increase totaling R$ 17,897,570.56 (seventeen million, eight hundred ninety-seven thousand, five hundred seventy reais and fifty-six centavos) through the issuance of 7,305,153 (seven million, three hundred and five thousand, one hundred and fifty-three) new common shares.

Total	Quantity	Share Capital
Before the 3st Conversion Window	62,257,319	2,154,490,949.61
Subscription by Creditors	7,248,115	17,757,827.51
Subscription by Shareholders	57,038	139,743.05
After the 2st Conversion Window	69,562,472	2,172,388,520.17

The Company's capital is currently R$ 2,172,388,520.17 (two billion, one hundred seventy-two million, three hundred eighty-eight five hundred and twenty, and seventeen centavos), divided into 69,562,472 (sixty-nine million, five hundred and sixty-two thousand, four hundred seventy-two) common, book-entry shares with no par value.

4th Window

According to a material fact disclosed to the market on December 16, 2025, the Board of Directors approved the increase in the Company's capital, by private subscription of shares and within the limit of the authorized capital, referring to the 4th conversion window that began on December 17, 2024.

This Conversion Request Window remained open until January 15, 2025, inclusive. As of this date, the Company's shareholders were granted a period of thirty (30) days to exercise their respective preemptive rights to subscribe new shares, beginning on January 24, 2025 and ending on February 24, 2025. After the expiry of the period for exercising the preemptive right, an additional period of five (5) business days will be granted for the subscription of surplus shares by shareholders, scheduled to start on February 28, 2025 and end on March 11, 2025, with the due conversion scheduled to take place on March 18, 2025.

The full text of the approved Under Judicial Recovery Plan, the minutes of the Annual Creditors' Meeting, as well as all information regarding the Company's Under Judicial Recovery process are available on the Company's website at www.paranapanema.com.br/ri and of the Brazilian Securities and Exchange Commission – CVM at www.cvm.gov.br. The information summarized above must be read in conjunction with the Under Judicial Recovery Plans themselves and according to the conceptualization of the defined terms.

Group entities – "Subsidiaries"

The Company held the following equity in its direct subsidiaries as at the respective dates:

Subsidiaries	12/31/2024	12/31/2023
CDPC-Centro de Distribuição de Produtos de Cobre Ltda. – Under Judicial Recovery Company headquartered in the city of Santo André, state of São Paulo, Brazil, mainly engaged in the trading and distribution of copper, its leftovers and other ores, its alloys and the products and by-products resulting therefrom.	100.00%	100.00%
Paraibuna Agropecuária Ltda. – Under Judicial Recovery: Inactive company Business purpose: Agricultural, pastoral and reforestation activities.	99.98%	99.98%
Caraíba Incorporated Ltd. Company closed on 10/29/2024.	-	100.00%
Paranapanema Netherland B.V. Company closed on 10/18/2024.	-	100.00%

The Company closed the companies Caraíba Incorporated Ltd, located in the Cayman Islands, and since 2021 the company no longer had any operations or financial transactions of any kind, and Paranapanema Netherland B.V., located in the Netherlands, and since 2019 the company no longer had any operations or financial transactions of any kind. The closure was carried out using the simplest method, since the companies have no mapped obligations to third parties, whether with clients, suppliers, taxes or labor that could generate any kind of claim in the future.

02. Preparation basis

A) Statement of conformity

The individual and consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and accounting practices adopted in Brazil (BR GAAP), including the pronouncements issued by the Accounting Pronouncement Committee (CPC) and include all information relevant to the financial statements, and only such information, which is consistent with that used by management in the course of its duties.

The presentation of the individual and consolidated Statement of Value Added (DVA) is required by the Brazilian Corporate Law, and by the accounting practices adopted in Brazil applicable to publicly-held companies. The Statement of Added Value was prepared in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". IFRS does not require the presentation of this statement. Thus, for IFRS purposes, this statement is presented as supplementary information, and not as part of the required set of Financial Statements.

The issuance of the individual and consolidated financial statements was authorized by the Company's Board of Directors at a meeting held on March 13, 2025.

All relevant information specific to the financial statements, and only such information, is being evidenced, and corresponds to the information used by company Management.

B) Measurement basis

The individual and consolidated financial statements were prepared on a historical costs basis, except for the following material items recognized in the balance sheets:

- Derivative financial instruments measured at fair value;

C) Functional and presentation currency

Individual and consolidated financial statements are being presented in Brazilian Reais (R$), the functional currency of the Company. All balances have been rounded to the nearest value, except otherwise indicated.

D) Use of estimates and judgments

The preparation of individual and consolidated financial statements, according to the IFRS and CPC standards, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported values of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

- Note 1 – Going concern: whether there are material uncertainties that may raise significant doubts about the Entity's ability to continue as a going concern.

Estimates and underlying assumptions are reviewed on an ongoing basis. Reviews of estimates are recognized on a prospective basis.

E) Uncertainty regarding accounting and critical assumptions and estimates

Information regarding the uncertainty arising from the use of assumptions and accounting estimates that carry a significant risk of material adjustments to critical accounts for the year ended December 31, 2024 is included in the following notes:

- Note 8 - Recoverable taxes and contributions: actions taken by the Company to realize ICMS credits and approval of part of PIS and COFINS credits;
- Note 12 - Property, plant and equipment and intangible assets: key assumptions regarding the recoverable values of assets and an analysis of their useful lives;
- Note 19 - Provision for lawsuits: main assumptions regarding the probability and amounts of cash disbursements;

03. Fair value measurement

A number of the Company's accounting policies and disclosures require the determination of the fair value, for financial assets and liabilities. The fair values have been determined for measurement and/or disclosure purposes based on the methods outlined below.

Where applicable, additional information regarding the assumptions made to determine the fair value is disclosed in the notes specific to that asset or liability.

Financial assets and liabilities recorded at fair value are classified and disclosed according to the fair value hierarchy (Note 28.4).

Other non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value upon initial recognition, and at each annual reporting date for disclosure purposes. The fair value is calculated based on the present value of the principal and future cash flow, discounted using the market interest rate as at the measurement date. For convertible debt securities, the market interest rate is determined with reference to similar liabilities that do not have a conversion option. For financial leases, the interest rate is calculated with reference to similar lease agreements.

04. Material accounting policies

The Company has applied accounting policies described below consistently to all years presented in these individual and consolidated financial statements:

A) Consolidation basis

i. Subsidiaries

The Company controls an entity when it is exposed to, or has rights to the variable returns arising from its involvement with the entity and has the ability to affect those returns by exerting its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which they start to be controlled by the Company until the date such control ceases. The accounting policies of the subsidiaries are aligned with the policies adopted by the Company.

In the individual financial statements of the parent company, the financial information of subsidiaries is recognized under the equity method.

ii. Investments in entities are accounted for based on the equity method.

The Company's investments in entities accounted for based on the equity method include interests in subsidiaries.

iii. Transactions eliminated in the consolidation

Intragroup balances and transactions, and any unrealized revenues or expenses derived from intragroup transactions, are eliminated during the preparation of the consolidated financial statements. Unrealized gains originating from transactions with investees recorded using the equity method are eliminated through offsetting against the investment proportionally to the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only where there is no evidence of losses due to impairment.

B) Foreign currency

i. Foreign currency transactions

Transactions in foreign currency are translated into Reais, the functional currency of the Company, using the exchange rates as at the dates of the transactions.

Monetary assets and liabilities denominated and calculated in foreign currencies on the balance sheet date are reconverted into the functional currency at the exchange rate determined on that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the foreign exchange rate as at the date on which the fair value was determined. Non-monetary items that are measured based on the historical cost in foreign currency are translated using the rate as at the transaction date.

Foreign currencies differences arising from reconversion are usually recognized in income (loss). However, foreign exchange differences resulting from retranslation of items listed below are recognized in other comprehensive income:

- Financial liabilities designated as (hedges) of a net investment in a foreign transaction, where the hedge is effective, or where the hedge is effective, which are recognized in other comprehensive income (OCI); or
- A qualifying cash flow hedge recognized in other comprehensive income (OCI).

ii. Transactions abroad

Assets and liabilities arising from foreign transactions are translated into Brazilian Reais (functional currency) at the exchange rate prevailing as at the balance sheet date. Foreign transactions' revenues and expenses are translated into Reais at exchange rates prevailing on transaction dates.

The differences in foreign currencies generated from translation into the presentation currency are recognized in other comprehensive income and accumulated in equity valuation adjustments in the shareholders' equity account.

C) <u>Financial instruments</u>

C.1) Non-derivative financial assets

The Company initially recognizes financial assets at amortized on the date that they were originated. All other financial assets (including assets designated at fair value through profit or loss) are initially recognized on the date of the negotiation as a result of which the Company becomes a party to the contractual provisions of the instrument.

The Company fails to recognize a financial asset when the contractual rights to the cash flow of the asset expire, or when the Company transfers the rights to receive the contractual cash flow on a financial asset as part of a transaction where essentially all the risks and benefits of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets are offset and the net amount is reported in the balance sheet only when there is a legally enforceable right to offset these, and there is intention to settle them on a net basis, or to realize the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into the following categories: (i) at amortized cost; (ii) at fair value through other comprehensive income; and (iii) at fair value through profit or loss.

i.Financial assets measured at amortized cost:

These are financial assets held by the Company for the purpose of receiving its contractual cash flows and not for sale with profit or loss realization, whose contractual terms give rise, on specified dates, to cash flows that represent exclusively payments of principal and interest on the outstanding principal.

The balance is comprised by cash and cash equivalents, trade accounts receivable and other assets.

ii.Financial assets measured at fair value through profit or loss:

A financial asset is classified as measured at fair value through profit or loss if it is held for trading, or if it is designated as such upon initial recognition. The transaction costs are recognized as a surplus (deficit) as incurred. They are measured at fair value, with any changes in the fair value, including gains from interest and dividends, are recognized in the income for the year.

It comprises the balance of derivative financial instruments items, including embedded derivatives.

C.1.2) Interest-earning bank deposits and receivables

Interest-earning bank deposits and receivables include cash and cash equivalents, trade accounts receivable and other receivables.

i. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and interest earning bank deposits that have immediate liquidity or mature in up to 90 days, and carry no significant fluctuations in the risk arising from the interest rates used by the Company and its Subsidiaries for the management of short-term obligations.

ii.Interest earning bank deposits

Interest-earning bank deposits and receivables are financial assets with fixed or determinable payments, but not quoted on any active market. Such assets are initially recognized at fair value, plus any attributable transaction costs. After the initial recognition, interest-earning bank deposits are measured at amortized cost.

iii. Accounts receivable and estimated losses on allowances for doubtful accounts (PECLD)

The balance of foreign market clients is converted into Reais based on the foreign exchange rates as at the dates of the financial statements. The sales policy of the Company and its subsidiaries complies with the credit standards set by Management, which are aimed at reducing the potential risks of default by their clients. Moreover, financial and commercial experts assess and monitor clients' risk according to their payment capacity, debt ratio and balance sheet. The Company also recorded an estimated losses on allowances for doubtful accounts (PECLD), as shown in Note 6, in accordance with the IFRS 9 (CPC 48) standard, the measurement of expected credit losses for financial and contractual assets.

C.2) Non-derivative financial liabilities

The Company and its subsidiaries recognize debt securities issued and subordinated liabilities as at the dates on which they originated. All other financial liabilities (including liabilities designated as at fair value through profit or loss) are recognized initially on the negotiation date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. The Company and its subsidiaries fail to recognize a financial liability when its contractual obligations are discharged, are canceled or expire.

The Company and its subsidiaries classify non-derivative financial liabilities in the category of other financial liabilities. Such financial liabilities are initially recognized at fair value less any transaction costs directly attributable. After their initial recognition, these financial liabilities are measured at amortized cost using the effective interest rate method.

The following non-derivative financial liabilities include loans and financing, unsecured bank balances, suppliers and other accounts payable.

Overdraft bank balances that have to be paid when required and that are part of the cash management of the Company and its subsidiaries are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

C.3) Capital

C.3.1) Common shares

Common shares are classified as shareholders' equity. Additional costs directly attributable to the issue of shares and share options are recognized as a deduction from shareholders' equity, net of any tax effects.

The mandatory minimum dividends, as established in the bylaws, are recognized as liabilities, and the interest on own capital will be able to be reimbursed when the Company does not have accumulated losses.

C.3.2) Debentures into shares

Debentures that, as established in the deed of issue, are mandatorily convertible into shares of the Company, representing the loan portion assumed by the issuer from the investor, and backed by the assets of the company, used for investment or for working capital financing. The issue must be authorized by the Board of Directors and decided at an Extraordinary General Meeting (“EGM”).

D) <u>Assets held-for-sale</u>

Non-current assets or groups held for sale are classified as held-for-sale if it is highly probable that they will be primarily recovered through sale instead of through continuing use.

Assets or groups of assets held-for-sale are stated at the lower of their book value and fair value, net of sales expenses. Impairment losses were determined upon initial classification as held for sale or distribution, and the subsequently calculated gains and losses are recognized in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated.

E) <u>Employee benefits</u>

i. Short-term employee benefits

Obligations for short-term employee benefits are recognized as personnel expenses as the related service is provided. The liability is recognized at the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

ii. Defined contribution plans

Obligations to make contributions to defined contribution pension plans are recognized as personnel expenses when the services are rendered by the employees. Prepaid contributions are recognized as assets to the extent that a cash refund or a reduction in the future payments is available.

iii. Other long-term benefits to employees

The Group's net obligation in relation to other long-term employee benefits is the amount of the future benefit that employees will earn in return for their service in the current and prior years. That benefit is discounted to their present value. The effects of remeasurement are recognized in the income (loss) for the period.

iv. Post-employment benefits

Benefits from the termination of employment are recognized as an expense when the Company can no longer withdraw the offer of these benefits and when the Company has recognized the costs of restructuring. If payments are settled later than 12 months after the balance sheet date, then they are discounted to present value.

F) Property, plant and equipment

Recognition and measurement

Property, plant and equipment items are stated at the historical acquisition or construction cost, net of accumulated depreciation and any impairment losses.

The cost includes expenditure directly attributable to the acquisition of assets. The cost of assets constructed by the Company itself include:

- The cost of materials and direct labor;
- Any other costs directly attributable to bringing the assets to the location and condition required for them to operate in the manner intended by the Company;
- The costs for the dismantling and restoration of the site where these assets are located;
- Loan costs on qualifiable assets.

Purchased software that is integral to the functionality of a piece of equipment is capitalized as part of that equipment.

When components of a property, plant and equipment item have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on the disposal of a property, plant and equipment item (determined by comparing the net funds from disposal with the book value of the item) are recognized in Other operating revenues /expenses in profit or loss.

G) Subsequent costs

Subsequent costs are capitalized in accordance with the probability that associated economic future benefits may be earned by the Company. Maintenance expenditure and recurring repairs are recognized in income as they are incurred.

H) Depreciation and amortization

Fixed and intangible asset items are respectively depreciated and amortized from the date on which they are available for use or, in the case of assets constructed by the Company, as at the date on which construction is completed and the asset is available for use.

Depreciation or amortization is calculated on the cost of fixed and intangible assets, net of their estimated residual values, using the straight-line method based on the estimated useful lives of the items. Depreciation or amortization is generally recognized in income (loss), unless the amount is included in the book value of another asset. Land is not depreciated.

The estimated average useful lives of significant fixed and intangible asset items for the current and comparative years are as follow:

• Buildings	25–50 years
• Machinery and equipment	03−30 years
• Vehicles	5 years
• Furniture and fixtures	05−10 years
• Software	5 years

I) Intangible assets

i. Research and development

Expenditures with research activities are recognized in income (loss) as incurred.

Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends and has sufficient resources to complete the development and to use or sell the asset. Other development expenditures are recognized in the income (loss) as incurred. After the initial recognition, capitalized development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

ii. Other intangible assets

Other intangible assets acquired by the Company and with finite useful lives are carried at cost, net of accumulated amortization and any accumulated impairment losses.

iii. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the economic benefits embodied in the respective asset. All other expenditure is recognized in profit or loss as incurred.

iv. Amortization

Intangible assets are amortized based on the straight-line method, and the amortization is recognized in income based on the estimated useful lives of the assets as at the date on which they are available for use.

The amortization methods, useful lives and residual values are reviewed at each reporting date, and adjusted if appropriate.

J) Inventory

Inventories are initially measured based on lower value between acquisition cost and net realizable value. The cost of inventory is valued based on the average cost of recoverable taxes when applicable, and includes expenditure incurred on acquiring the inventory, production or conversion costs, as well as other costs incurred in bringing the items to their existing location and condition. In the case of manufactured inventory and work in progress, the cost includes an appropriate share of overheads based on normal operating capacity.

Idleness

The cost of the installed capacity is fully transferred to the produced units whenever the production facilities are being used under normal conditions. When idleness exceeds the normal thresholds, the cost of this excess idleness is recorded directly in the profit or loss for the idleness period, and cannot be transferred to inventory, thus avoiding the risk of its overestimation and the possibility of its recovery.

K) Impairment

K.1) Non-derivative financial assets (including receivables)

Financial assets not classified as financial assets at fair value through profit or loss, including investments calculated under the equity method are evaluated at each balance sheet date to determine if there are objective impairment loss evidence.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, the restructuring of the amount due to the Company and its subsidiary on terms that the Company would not otherwise consider, indications that the debtor or issuer will file for bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity instrument, a significant or prolonged decrease in the fair value of the asset, below its cost, is objective evidence of impairment.

K.2) Financial assets measured by the amortized cost

An impairment of a financial asset measured at amortized cost is calculated as the difference between the asset's book value and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The losses are recognized in income (loss) and reflected in a provision account. When a subsequent event causes the amount of the impairment loss to decrease, the impairment loss is reversed and this reversal is recorded in profit or loss.

When assessing impairment on an aggregate basis, the Company makes use of historical trends for the probability of default, the recovery term and the amounts of losses incurred, adjusted to reflect management's judgment as to whether the current economic and credit conditions are such that the actual losses will probably be higher or lower than those suggested by historical trends.

K.3) Non-financial assets

The book values of the Company's non-financial assets, except for inventories are reviewed at each balance sheet date for indication of impairment. If such indication exists, the asset's recoverable value is estimated.

Evidence of impairment loss is recognized when the book value of an asset exceeds its recoverable value.

The recoverable value of an asset or cash generating unit (CGU) is the greater of its value in use and fair value less costs to sell. The value in use is based on the estimated future cash flow discounted to present value using a discount rate before taxes that reflects a market evaluation of the time value of money and the risks specific to the assets or to the CGU.

Impairment losses are recognized in profit or loss.

Impairment losses are reversed only on the condition that the book value of the asset does not exceed the book value that would have been calculated, net of depreciation or amortization, if the value loss had not been recognized.

L) Right-of-use of assets and lease liabilities

The rights to use lease assets and liabilities correspond to contracts for the leasing of machinery, equipment and buildings, over 12 months, of substantial value and exclusive use. The recognition is carried out at the future value of the considerations assumed in the contract, brought to net present value. The right-of-use assets are amortized on a straight-line basis over the term of the contract in the income (loss) for the year in the line of its nature (“Cost of products sold/General and Administrative expenses”/ “Commercial expenses), as well as interest expenses, corresponding to the amortization of the adjustment to the net present value of the contracts, which are allocated to “Financial Result”.

M) Provisions

A provision is set up when the Company has a legal or constructive obligation as a result of a past event, the amount of this obligation can be reliably estimated, and it is probable that an outflow of funds will be required to settle it. Provisions are determined by discounting the estimated future cash flow at a pre-tax rate which reflects the current market evaluation of the time value of money and the risks specific to the liability. Effects arising from reversal of the recognition of a discount for the passage of time are recognized in income (loss) as financial expenses.

N) Operating revenue

Operating revenue from the sale of goods in the normal course of business is measured at the fair value of the consideration received or receivable, net of returns, commercial discounts and bonuses. The operating revenue is recognized based on the five-step model of the standard IFRS 15: (i) identification of contracts with clients; (ii) identification of performance obligations under contracts; (iii) determine transaction price; (iv) allocation of performance obligation transaction price provided for in contracts; and (v) recognition of revenue when the performance obligation is complied with.

The sales performance obligations and the delivery freight for products promised to customers are fulfilled simultaneously, not characterizing distinct deliveries, and the customer cannot benefit from the goods or services alone.

In the event that it is probable that discounts will be granted and their amounts can be reliably measured, the discounts are recognized as deductions from operating revenue as the related sales are recognized.

The right moment to transfer the control varies depending on the individual conditions of the sales agreement.

O) Government grant and assistance

Government grants are initially recognized as revenue at fair value when there is a reasonable assurance that they will be received and that the Company will comply with the conditions related to the grant, and are recognized in income (loss) as “net sales” on a systematic basis over the asset’s useful life.
Grants to offset the Company’s incurred expenses are recognized in income (loss) as “net sales” on a systematic basis in the periods during which expenses are recorded.

The industrial headquarters located in Dias D’Ávila, in the State of Bahia, was granted an ICMS tax incentive, within the scope of the Industrial Development and Economic Integration Program of the State of Bahia (DESENVOLVE). Established by Law 7980, as of December 12, 2001, regulated by the Decree 8205/2002 up to 2032. The long term objective of this incentive is to complement and diversify the State’s industrial and agroindustrial matrix. This benefit applies only to domestic sales and the Company did not use this benefit in 2023 and 2024.

P) Financial revenue (expenses)

Financial revenue (expenses): Represent interest on loans and interest-earning bank deposits, inflation adjustments and foreign exchange gains and losses linked to loans covered by swap instruments, income (loss) arising from exchange rate changes net of gains and losses on derivative financial instruments (contracted swaps) and sundry discounts that are recognized in income for the year on an accruals basis.

Exchange-rate change: A foreign currency transaction should be recognized initially in the functional currency, using the exchange rate between the functional currency and the foreign currency on the date of the transaction. At the end of each reporting period, monetary items in foreign currency must be translated using the closing foreign exchange rate. Exchange-rate changes deriving from the settlement of monetary items or from the translation of monetary items at rates other than those used to translate them upon initial measurement, during the period or in prior financial statements, must be recognized in the statement of income for the period during which they arise.

Q) Income tax and social contribution

The income tax and social contribution, both current and deferred, are calculated based on the rates of 15% plus a surcharge of 10% on taxable income in excess of R$ 240, and consider the offsetting of tax losses, limited to 30% of the taxable income for the year.

The expense and/or credit from income tax and social contribution is comprised by current and deferred taxes. Current taxes and deferred taxes are recognized in profit or loss, unless they are related to the business combination, or items directly recognized in shareholders’ equity or in other comprehensive income (OCI).
i. Current tax

Current taxes are the taxes payable or receivable on the taxable income or loss for the year, and any adjustments to taxes payable for prior years. It is measured based on the tax rates decreed up to the balance sheet date.

The amount of current taxes payable or receivable is recognized in the balance sheet as an asset or tax liability based on the best estimate of the expected amount of taxes to be paid or received reflecting the uncertainties related to its calculation, if any. It is measured based on the tax rates decreed up to the balance sheet date.

ii. Deferred tax

Deferred tax assets and liabilities are recognized for temporary differences between the book values of assets and liabilities for the financial statements, and are used for taxation purposes. The changes in deferred tax assets and liabilities for the year are recognized as deferred income tax and social contribution expense. The tax rate currently defined for calculating deferred tax credits is 34% (25% for income tax and 9% for social contribution).

Deferred taxes are not recognized for the following temporary differences:

- The initial recognition of assets and liabilities arising from a transaction that is not a business combination, and does not affect the accounting nor the taxable profit or loss;
- Differences related to investments in subsidiaries, branches and associated companies and interest in joint ventures when they are not likely to change direction in the foreseeable future; and
- Deferred taxes are measured at the tax rates expected to be applied to temporary differences when they are reversed, based on the laws enacted or substantively decreed up to the reporting date of financial statements.

A deferred tax asset is recognized for unused tax losses, tax credits and unused deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred tax assets are reviewed on each date of statement of financial position and reduced when their realization is no longer probable.

Deferred tax assets and liabilities are measured at the tax rates expected to be applied to temporary differences when they are reversed, based on the rates enacted or substantively decreed up to the balance sheet date.

Measurement of deferred tax assets and liabilities reflects tax consequences deriving from the way in which the Group expects to recover or settle its assets and liabilities.

R) Earnings or loss per share

The Company determines the earnings or loss per share based on the allocation of the income (loss) for the year to the shares issued by the Company, weighting the quantities outstanding during the year.

S) New standards and interpretations

Several new accounting standards will become effective for the years started after January 1, 2024. The Company did not adopt the following accounting standards in the preparation of these financial statements.

a) IFRS 18 Presentation and Disclosure of Financial Statements

IFRS 18 will replace CPC 26/IAS 1 Presentation of Financial Statements and applies to annual reporting periods beginning on or after January 1, 2027. The new standard introduces the following main new requirements.

• Entities are required to classify all revenues and expenses into five categories in the statement of operations and loss: operating, investing, financing, discontinued operations and income tax.

Entities are also required to present a newly defined operating income subtotal. The net income of the entities will not change.

All entities are required to use the subtotal of operating income as the starting point for the statement of cash flows when presenting operating cash flows using the indirect method.

The Company is still in the process of assessing the impact of the new standard, particularly regarding the structure of the statement of income and losses and statement of cash flows and the additional disclosures required.

b) Other accounting standards

New and amended standards are not expected to have a significant impact on the Group's consolidated financial statements:

- Lack of convertibility (amendments to CPC 02/IAS 21).
- Classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7)

There are no other standards or interpretations issued and not yet adopted that might, in management's opinion, have a significant impact on the income for the year or shareholders' equity disclosed by the Company.

05. Cash and cash equivalents, interest earning bank deposits

		Parent company		Consolidated	
	Notes	2024	2023	2024	2023
Cash and banks		**6,384**	80	**6,386**	85
Interest-earning bank deposits	(a)	-	-	**2,138**	-
Cash and cash equivalents		**6,384**	80	**8,524**	85
Interest-earning bank deposits- Escrow	(b)	**33,920**	24,367	**33,920**	24,367
Interest-earning bank deposits		**33,920**	24,367	**33,920**	24,367
Current assets		**33,920**	24,367	**33,920**	24,367
Bank linked account	(c)	-	11	-	11
		-	11	-	11

The Company, in line with its investment policies, keeps its investments in cash surplus in low-risk savings accounts held by first-line financial institutions (based on ratings from the main credit agencies).

a) Interest-earning bank deposits classified as cash and cash equivalents

Refer to fixed income bank deposit certificates and repurchase and resale agreements backed by debentures and reflecting normal market conditions as at the balance sheet dates. They are highly liquid and have low interest fluctuation risk.

b) Interest earning bank deposits

Refer to bank deposit certificates and repurchase and resale agreements backed by debentures and reflecting normal market conditions as at the financial statement closing dates.

The amount of R$ 33,920 on December 31, 2024 (R$ 24,367 as at December 31, 2023), refers to the values invested with Banco Itaú S.A., exclusively linked to the Global Agreement and will be fully allocated to the payment or advance of the installments defined in the debt amortization schedule.

The average return on investments is 95.5% of the CDI rate as of December 31, 2023 and 2024, measured at amortized cost.

c) Bank restricted account

This is the secured account opened with Banco Itaú S.A., exclusively linked to the Global Agreement, with the sole purpose of ensuring that the buyers of the Company's non-operating assets deposit the value of the sale and purchase transaction, thus making such funds unavailable for the Company, as they will be fully allocated to the payment or prepayment of the installments defined in the debt amortization schedule.

06. Trade accounts receivable

		Parent company		Consolidated	
	Notes	2024	2023	2024	2023
Domestic clients:					
Third parties		**84,705**	74,558	**85,712**	75,669
Related parties	11.2	**287**	-	-	-
Estimated loss on recoverable value		**(52,449)**	(54,448)	**(53,456)**	(55,559)
		32,543	20,110	**32,256**	20,110
Foreign clients:					
Third parties		**2,392**	13,451	**2,392**	13,451
Price adjustment		-	(708)	-	(708)
Estimated loss on recoverable value		**(156)**	(1,415)	**(156)**	(1,415)
		2,236	11,328	**2,236**	11,328
Anticipation of Assignment of Credit		**(32,363)**	(29,692)	**(32,363)**	(29,692)
		2,416	1,746	**2,129**	1,746
Current assets		**2,023**	**1,746**	**1,736**	**1,746**
Non-current assets		393	-	393	-

The aging of accounts receivable, net of any impairment losses, was as follows:

		Parent company		Consolidated	
		2024	2023	2024	2023
Due in more than 120 days		**505**	57	**505**	57
Due in 91 to 120 days		**11**	378	**11**	378
Due in 61 to 90 days		**451**	37	**451**	37
Due in 31 to 60 days		**10,136**	2,612	**10,136**	2,612
Due in 30 days		**20,801**	27,367	**20,514**	27,367
Total Due		**31,904**	30,451	**31,617**	30,451
Overdue up to 30 days		**2,766**	855	**2,766**	855
Overdue from 31 to 60 days		**33**	3	**33**	3
Overdue from 61 to 90 days		-	582	-	582
Overdue for more than 90 days		**76**	255	**76**	255
Total due		**2,875**	1,695	**2,875**	1,695
		34,779	32,146	**34,492**	32,146
Price adjustment	(a)	-	(708)	-	(708)
Anticipation of Assignment of Credit	(b)	**(32,363)**	(29,692)	**(32,363)**	(29,692)
		2,416	1,746	**2,129**	1,746

a) The Price adjustment refers to embedded derivative financial instruments contracted in the sale of anodic and reversal sludge (material recovered in the metallurgical process that are reprocessed), to protect its exposures to the risks of changes in foreign currency and commodity prices.

b) Amount referring to the credit assignment of accounts receivable with right of return, which the Company carried out with a Credit Rights Investment Fund.

The Company is exposed to credit risk due to defaults on sales of products (accounts receivable). The Company mitigates this risk by applying policies and standards for credit monitoring and the collection of trade notes.

In accordance with IFRS 9, the expected losses on financial assets form the basis for determining the losses to be recognized in profit or loss as a result of the impairment of financial assets.

The recording of the PECLD balance as at December 31, 2024 considers the sum of the expected loss, and applied a loss percentage according to the customer's score (punctuality x restrictions), plus all notes overdue for more than 90 days.

Changes in the provision for estimated doubtful accounts are shown below:

	Parent company		Consolidated	
	2024	2023	2024	2023
Opening balance	(55,863)	(53,101)	(56,974)	(54,212)
Reversals for the year	1,570	272	1,570	272
Write off	1,688	-	1,792	-
Final balance	(52,605)	(52,829)	(53,612)	(53,940)

07. Inventory

	Parent company	
	2024	2023
Raw materials	**110,963**	154,255
Work in progress	**71,366**	56,267
Finished products	**55,726**	20,934
Imports in transit	**847**	1
Advances to suppliers for purchases of raw materials	**267**	72
Maintenance materials and others	**68,522**	70,271
Resale materials	**132**	135
Estimated loss on recoverable value	**(36,073)**	(3,850)
Current assets	**271,750**	298,085

Inventories are measured based on lower value between cost and net realizable value.

The balance of estimated losses in the amount of R$ 36,073 as at December 31, 2024 (R$ 3,850 as at December 31, 2023) was established based on the assessment of materials and products with no turnover for more than two years on the base date or low turnover. The change for the year was due to the estimated write-off of the Iron Silicate inventory during the next financial year and was recognized in the cost of goods sold.

The Company offered the equivalent of R$ 271,750 (R$ 298,085 as at December 31, 2023) as collateral for the credit assignment of accounts receivable and lawsuits, which R$ 159,534 were from the rotating stock of Utinga and Bahia plant (R$ 189,816 as at December 31, 2023), R$ 38,558 from byproducts (R$ 41,775 as at December 31, 2023) and R$ 73,658 from warehouse items (R$ 66,494 as at December 31, 2023). In the case of an unfavorable decision, the full amount will be paid in cash.

08. Recoverable taxes and contributions

Parent company

	Notes	2024 Current assets	2024 Non-current	2023 Current assets	2023 Non-current
Exclusion of ICMS from the COFINS assessment base	(a)	**31,545**	**340,786**	-	497,847
Exclusion of ICMS from the PIS assessment base	(a)	-	**73,987**	-	108,085
Estimated loss on recoverable value	(a)	-	**(427,364)**	-	(423,592)
Value-added tax on sales and services–ICMS	(b)	**20,350**	-	35,955	40,000
Estimated loss on recoverable value	(b)	-	-	(2,450)	-
Taxes on fixed assets recoverable		**1,937**	**1,179**	2,897	1,964
Income and social contribution taxes to be refunded	(c)	**177**	**10,277**	-	10,277
Estimated loss on recoverable value	(c)	-	**(10,277)**	-	(10,277)
Special Tax Reintegration Regime for Exporting Companies (Reintegra)	(d)	**1,101**	**19,016**	1,518	18,917
Contribution for social security funding–COFINS	(e)	-	-	126	-
Social integration program - PIS	(e)	-	-	50	-
Withholding income tax–IRRF		**649**	-	160	-
Excise tax–IPI		**428**	-	346	-
Other		**2,175**	-	1,584	-
		58,362	**7,604**	40,186	243,221

Consolidated

	Notes	2024 Current assets	2024 Non-current	2023 Current assets	2023 Non-current
Exclusion of ICMS from the COFINS assessment base	(a)	**31,545**	**387,132**	-	544,193
Exclusion of ICMS from the PIS assessment base	(a)	-	**84,048**	-	118,147
Estimated loss on recoverable value	(a)	-	**(471,180)**	-	(467,408)
Value-added tax on sales and services–ICMS	(b)	**20,350**	-	35,955	40,000
Estimated loss on recoverable value	(b)	-	-	(2,450)	-
Taxes on fixed assets recoverable		**1,937**	**1,180**	2,897	1,964
Income and social contribution taxes to be refunded	(c)	**866**	**10,277**	948	10,277
Estimated loss on recoverable value	(c)	-	**(10,277)**	-	(10,277)
Special Tax Reintegration Regime for Exporting Companies (Reintegra)	(d)	**1,101**	**19,016**	1,518	18,917
Contribution for social security funding–COFINS	(e)	-	-	126	-
Social integration program - PIS	(e)	-	-	50	-
Withholding income tax–IRRF		**655**	-	160	-
Excise tax–IPI		**428**	-	346	-
Prepaid income and social contribution taxes		**143**	-	200	-
Other		**2,239**	-	1,649	-
		59,264	**20,196**	41,399	255,813

Management projects that the future taxable income of the Company and its subsidiaries will be adequate to realize the tax credits.

These estimates are reviewed annually to ensure that any eventual change in the collection prospects is reflected in the Company's financial information.

a) This arises from amounts from favorable decisions obtained in favor of the merged company and the Company in lawsuits challenging the exclusion of ICMS in the PIS and COFINS calculation basis, and final and unappealable decisions in these lawsuits occurred on February 28, 2019, April 25, 2019 and December 17, 2019.

In accordance with CPC 00 (R1), which addresses the "Conceptual Framework for Financial Reporting" (recognition of the elements of the financial statements), an item must be recognized if it is probable that any future economic benefits will occur, which must have a value that can be reliably measured, i.e. in a complete, neutral and error-free manner.

In 2019, the Company engaged a specialized consulting firm to help analyze and quantify the amounts involved. This analysis led the Company to determine a total amount of R$ 724,493.

On May 13, 2021, the Brazilian Federal Supreme Court (STF) decided on the exclusion of the State VAT (ICMS) indicated in the invoice from the Social Integration Program (PIS) and Contribution to Social Security Financing (COFINS) calculation basis and modulated the effects from March 15, 2017, the date on which the general repercussion thesis was established in the judgment of Extraordinary Appeal (EA) 574706, subject to judicial and administrative claims filed until the date of the session in which the judgment was rendered. With this decision, subsidiary CDPC – Centro de Distribuição de Produtos de Cobre Ltda recognized the amount of R$ 56,408 in the second quarter of 2021.

The Company's Board of Directors approved the sale of part of the credit rights arising from the lawsuits relating to the right to exclude ICMS from the PIS and COFINS calculation base to Fundo de Investimento em Direitos Creditórios Não-Padronizados Alternative Assets III ("FIDC Assets III") represented as its regulations by its administrator BTG Pactual Serviços Financeiros S.A Distribuidora de Títulos e Valores Mobiliários, subject to compliance with certain conditions precedent, including (among others) the authorization of the Under Judicial Recovery Court and the approval by the creditors holding the fiduciary assignment of such credits.

On March 12, 2024, the Under Judicial Recovery Court issued a decision approving the sale of credit rights. Therefore, FIDIC Assets III made the judicial deposit on April 2, 2024 of the amount agreed for the purchase of the credit right totaling R$ 158,434 (presented in Note 9.2), pursuant to the decision and awaits the final outcome in the Under Judicial Recovery Records, so that the sale operation can be concluded upon signing of the Assignment Term.

The balance of the provision for loss on the sale of credit with discount on December 31, 2024 is R$ 427,364 in the parent company and R$ 471,180 in the consolidated.

The remaining outstanding balance on December 31, 2024 of R$ 31,545 refers to outstanding credits, already approved and not negotiated, available for use.

b) Refers substantially to the credit balance of ICMS tax arising from its operations, shown at realizable value.

   In the unit of Santo André – SP, the Company's operations lead to a substantial decrease in credit and the credit balance on December 31, 2024 totaled R$ 13,431. (R$ 48,747 as at December 31, 2023).

   In the unit of Dias D'Ávila – BA, as at December 31, 2024, the credit balance was R$ 5,383 (R$ 25,665 as at December 31, 2023). The reduction is due to the sale of R$ 30,000 of its credit in October 2023, which was transferred to the buyer in 10 fixed monthly installments of R$ 3,000. The sale was carried out with a discount of R$ 3,500 on the total amount, recognized in the other operating expenses line in the 2023 result.

c) Refers to income tax (IT) and social contribution (CSLL) credits to be recovered from previous fiscal years. For the amounts classified as non-current assets, the Company has already applied for a refund through judicial proceedings and is awaiting a decision to compensate or receive the amount. The amount of R$ 10,277, classified in non-current assets, is subject to provision as a loss, since realization is not certain. The Company's legal advisors classified the possibility of loss as remote for the purposes of obtaining a favorable outcome in the lawsuits.

d) Special Tax Reintegration Regime for Exporting Companies. The amounts were calculated in accordance with the parameters defined in Law 12546/2011, with amendments to Law 13043/2014, regulated by the Decree 8415/2015, amended by Decree 9393/2018. The balance of R$ 19,016 in the long term refers to the reopening of credits from the calculation period of the 2nd and 3rd quarter of 2018.

e) Refers mainly to federal tax credits based on Law 10637/02 (PIS) and 10866/03 (COFINS) related to the non-cumulative calculation regime.

09. Other current and non-current assets

09.1 - Other current and non-current assets

Parent company

	Note	2024 Current assets	2024 Non-current	2023 Current assets	2023 Non-current assets
Municipal writs of payment	(a)	-	**43,872**	-	44,026
Federal writs of payment	(a)	-	**4,741**	-	5,829
Collective Plan Brasilprev Recovery	(b)	-	-	1,228	-
Advances to suppliers	(c)	**10,873**	-	5,829	-
Accounts receivable – related parties	11.2	-	**1,769**	-	151
Advances to employees		**1,167**	-	583	-
Amount receivable - Disposal of Cibrafértil		-	**1,001**	-	1,001
Amounts receivable from suppliers		-	**931**	-	931
Other		**189**	**461**	137	149
		12,229	**52,775**	7,777	52,087

Consolidated

	Note	2024 Current assets	2024 Non-current	2023 Current assets	2023 Non-current assets
Municipal writs of payment	(a)	-	**43,872**	-	44,026
Federal writs of payment	(a)	-	**4,741**	-	5,829
Collective Plan Brasilprev Recovery	(b)	-	-	1,265	-
Advances to suppliers	(c)	**10,873**	-	5,829	-
Advances to employees		**1,167**	-	583	-
Amount receivable - Disposal of Cibrafértil		-	**1,001**	-	1,001
Amounts receivable from suppliers		-	**931**	-	931
Other		**189**	**1,059**	137	746
		12,229	**51,604**	7,814	52,533

a) Refers to court-ordered debt payment from the Cities of Santo André, as well as the court-ordered debt payment of the Federal Government.

The Company offered a guarantee on a tax lawsuit, the municipal court-ordered debt payments which, on December 31, 2024 and December 31, 2023 totaled R$ 43,666. If there is an unfavorable decision, the amount will be paid in cash.

b) Refers to the collective account of the private pension plan managed by BrasilPrev, the sum total of which was made up of the amounts not released by the Company according to the criteria described in Note 30. With the end of the contract, the amount accrued in the collective reserve was used to improve the benefits.

c) Refers to advances to sundry suppliers to be used to settle invoices.

09.2 Deposits for judicial claims

	Parent company/Consolidated	
	2024	2023
Labor	**4,877**	7,487
Tax	**17,085**	24,735
Social Security	**828**	861
Civil	**827**	827
Other	**167,145**	611
Non-current assets	**190,762**	34,521

Judicial deposits made for judicial guarantees in labor, tax, social security and civil proceedings, which will remain in the account at the disposal of the court. If there is any decision to withdraw the deposits, for example due to the replacement of the guarantee, the values can be obtained before the end of the lawsuits. The judicial deposits related to probable risks are reported as reductions in the contingencies provisioned according to Note 19.1.

The significant increase in "other judicial deposits" line is related to the judicial deposit made on April 02, 2024 by FIDIC Assets III is related to the purchase of part of the credit rights arising from legal proceedings related to the right to exclude ICMS from the PIS and COFINS calculation basis, and is awaiting the final outcome in the Under Judicial Recovery Records, so that the sale transaction is concluded with the signing of the Assignment Term, as described in Note 08.a.

10. Assets held-for-sale

These are represented by properties available for sale in the amount of R$ 22,636, measured at the acquisition cost less accumulated depreciation and provision for losses, which is lower than the expected realization value.

This group of assets includes real estate no longer used in the Company's operations, and real estate legally confiscated from clients.

As described in the Note 1, the Company provided guarantees involving non-operating assets, and has committed to endeavor its best efforts to carry out the sale of non-operating assets, with the purpose of accelerating the amortization of the amounts subject to the new negotiation. Thus, the sale of assets is subject to a governance process defined with the creditors of Global Agreement.

Although the Company is making its best efforts to sell these assets, there are conditions, mainly related to the guarantees offered, which mean that these assets are not available for immediate sale and/or depend on creditor approvals to be traded. As a result, the amount of R$ 22,636 as of December 31, 2024 was reclassified to "Investment property", which is presented in the balance sheet under other investments.

Guarantees:

The Company offered non-operating properties as guarantee for lawsuits with financial institutions and judicial pledges, as shown in the table below:

Guarantees	Property	Book Value
CSLL	Guarujá real estate	9,860
CSLL	Camaçari real estate	7,460
Global Agreement	Serra da Cantareira real estate	266
Global Agreement	Sanra Cruz de Cabralia real estate	1,617
Global Agreement	Camaçari real estate	2,897
Total Guarantees		**22,100**

If the real estate is sold, the Company will replace the assets pledged as collateral, and in the event of an unfavorable decision on the operations, the amounts will be paid in domestic currency.

11. Investments, related parties and others

11.1 Summary information and investment movements as at December 31, 2024

	CDPC - Centro de Distrib.Prods. Cobre Ltda.	Paranapanema Netherland B.V.	CINC - Caraiba International	Paraibuna Agropec. Ltda.	Total
Summarized financial information of subsidiaries					
Current assets	3,042	-	-	-	**3,042**
Non-current assets	24,698	-	-	598	**25,296**
Total assets	**27,740**	-	-	**598**	**28,338**
Current liabilities	601	-	-	-	**601**
Non-current liabilities	3,083	-	-	-	**3,083**
Equity	24,056	-	-	598	**24,654**
Total liabilities and equity	**27,740**	-	-	**598**	**28,338**
Operating expenses or income	(373)	(4)	(14)	-	**(391)**
Loss before financial income (loss) and taxes	**(373)**	**(4)**	**(14)**	-	**(391)**
Financial income (loss)	(1,383)	2	17	-	**(1,364)**
Loss before income tax	**(1,756)**	**(2)**	**3**	-	**(1,755)**
Income and social contribution taxes	(23)	-	-	-	**(23)**
Net Income (loss) for the period	**(1,779)**	**(2)**	**3**	-	**(1,778)**
Summarized financial information of subsidiaries					
Balance as at december 31, 2022	24,797	598	1,088	598	27,082
Non-current assets	24,797	598	1,088	598	27,081
Foreign exchange variations on foreign investment	-	(38)	(78)	-	(116)
Equity in net income of subsidiaries	1,038	(130)	14	-	922
Balance as at december 31,2023	25,835	430	1,024	598	27,887
Non-current assets	25,835	430	1,024	598	27,887
Balance as at december 31,2023	**25,835**	**430**	**1,024**	**598**	**27,887**
Non-current assets	**25,835**	**430**	**1,024**	**598**	**27,887**
Foreign exchange variations on foreign investment	-	**90**	**(851)**	-	**(761)**
Equity in net income of subsidiaries	**(1,779)**	**(2)**	**3**	-	**(1,778)**
Discontinued operation	-	**(518)**	**(176)**	-	**(694)**
Balance as at december 31,2024	**24,056**	-	-	**598**	**24,654**
Non-current assets	**24,056**	-	-	**598**	**24,654**

11.2 Transactions with subsidiaries, related parties and other

The Executive Board or the Board of Directors, within the scope of the respective authority levels, in compliance with the Company's Policy for Related Party Transactions and Conflicts of Interest, authorized transactions that are agreed at arm's length market conditions, based on the amounts, terms and the usual fees applied to transactions with non-related parties.

a) Caixa Econômica Federal

As at December 31, 2024, the Company had loans related to the anticipation of foreign currency contracts (ACC), with Caixa Econômica Federal totaling R$ 64,301 (US$ 10,384 thousand at the rate of 6.1923), R$ 241,656 as at December 31, 2023 (US$ 49,916 thousand at the rate of 4.8413) and has R$ 331,967 related to nationalized debts.

Caixa Econômica Federal holds 10.09% of the Company's total shares.

b) CDPC – Centro de Distribuição de Produtos de Cobre Ltda.

CDPC operations have been suspended since the second semester of 2020 as part of the business strategy, but the Parent Company keeps the Company and its infrastructure active.

The Company signed a cost sharing agreement on January 2, 2015 with its subsidiary CDPC, which provides for the charging of expenses, costs, related labor contributions and taxes related to shared resources. Given the not-for-profit nature of this contract, neither party will charge any premium for shared services and costs.

The Parent Company and the subsidiary have agreements to manage cash resources.

Below is a statement of the balances of the parent company with the subsidiaries

	Notes	2024	2023
CDPC - Centro de Distrib.Prods. Cobre Ltda.		287	-
Current assets	06	**287**	-
CDPC - Centro de Distrib.Prods. Cobre Ltda.		1,769	-
Paranapanema Netherland B.V.		-	130
Caraíba Incorporated Ltd.		-	21
Non-current assets	09.1	**1,769**	**151**
CDPC - Centro de Distrib.Prods. Cobre Ltda.		12,106	13,832
Paranapanema Netherland B.V.		-	560
Caraíba Incorporated Ltd.		-	1,045
Non-current liabilities	20	**12,106**	**15,437**

12. Property, plant and equipment and intangible assets

Changes in property, plant and equipment for the period are as follows:

Parent company/Consolidated

	Average depreciation rate	2023	Additions	Write-offs	Transfers	Provision for losses	Depreciation Amortization	2024
PROPERTY, PLANT AND EQUIPMENT								
Land		119,685	-	-	-	-	-	119,685
Improvements	5%	1,005	-	-	-	-	(154)	851
Buildings	3%	176,551	-	(484)	16,601	-	(11,201)	181,467
Installations	16%	24,128	-	(793)	-	-	(3,118)	20,217
Machines and Equipment	9%	441,943	-	(783)	6,860	-	(73,072)	374,948
Furniture and fixtures	8%	43,966	-	(2)	48	-	(7,351)	36,661
Vehicles	20%	8	-	-	-	-	(7)	1
Property, plant and equipment in progress		192,313	16,849	-	(23,096)	-	-	186,066
Provision for impairment losses		(5,129)	-	-	-	2,185	-	(2,944)
Spare parts		8,470	-	-	(413)	9	-	8,066
Total assets		**1,002,940**	**16,849**	**(2,062)**	**-**	**2,194**	**(94,903)**	**925,018**
INTANGIBLES								
ERP/Software	20%	4,565	-	-	-	-	(1,174)	3,391
Intangible assests		**4,565**	**-**	**-**	**-**	**-**	**(1,174)**	**3,391**

The amount of R$ 94,903 in property, plant and equipment related to depreciation and R$ 1,174 in intangible assets related to amortization, totaling R$ 96,077, refers to:

Parent company/Consolidated

	2024	2023
Cost of goods sold	**94,098**	106,915
Commercial expenses	**687**	1,360
General and administrative expenses	**1,292**	1,544
Total depreciation and amortization expenses	**96,077**	109,819

12.1. Property, plant and equipment in progress

As at December 31, 2024, the balance of the account Property, plant and equipment in progress presented in the Consolidated was R$ 186,066 (R$ 192,213 as at December 31, 2023), and was substantially represented by expenditures in projects under execution.

The main projects are aimed at the scheduled shutdown program for maintaining and improving operational activities, technological updating and corporate safety.

The deadlines for completing ongoing projects are mainly impacted by the difficulty of generating cash, since they depend directly on investments for their completion, and by the lay-off applied at the Dias D'ávila plant. As they are fundamental for the resumption of operations, the Company expects them to be completed in the medium and long term.

12.2. Losses from the impairment of property, plant and equipment and intangible assets

In compliance with the requirements of IAS 36/CPC 01 (R1) - Impairment of Assets, the Company tested the recoverable value of its property, plant and equipment at the end of 2023 and 2024 and did not detect the need to recognize a provision for impairment.

The Company constituted a provision for losses of R$ 2,194 to adjust the inventory of items not located.

12.3. Property, plant and equipment in guarantee

The Company offered the amount of R$ 8,066 in spare parts (R$ 8,470 as of December 31, 2023) as a guarantee for the assignment of accounts receivable credit. In the case of an unfavorable decision, the full amount will be paid in cash.

The Company also offered its assets as guarantees for fiscal lawsuits, the financing of expansion projects and production line technological updates, and loans under the debt re-profiling process. As at December 31, 2024, its book values were R$ 697,355.

Guarantees for lawsuits	Book Value
Judicial Lien and Fiduciary Alienation under Suspensive Condition - Labor Process	5,266
Judicial Lien and Fiduciary Alienation under Suspensive Condition - Tax Process	16,409
Judicial Lien and Fiduciary Alienation under Suspensive Condition - CSLL Process	37,295
Fiduciary Alienation	395
Total Process Guarantees	**59,365**

Loan Guarantees	Book Value
Fiduciary Alienation under Suspensive Condition - BNB	188,459
Sub-total (previous to restructuring)	**188,459**
Fiduciary Alienation and Judicial Lien	117,971
Fiduciary Alienation - Dias D'ávila	119,070
Fiduciary Alienation - Utinga	78,520
Fiduciary Alienation - Serra	17,673
Fiduciary Alienation - ING	116,297
Subtotal (Mortgaged/Pledged refinancing)	**449,531**
Total Loan Guarantees	**637,990**
Total Guarantees	**697,355**

13. Suppliers

	Parent company		Consolidated	
	2024	2023	2024	2023
Goods	**157,317**	145,208	**157,317**	145,208
Freight and transportation	**12,624**	7,895	**12,624**	7,895
Services	**120,261**	115,636	**120,268**	115,643
Electric power/Water and sewage/Gas	**2,993**	5,332	**2,993**	5,332
Insurance	**1,043**	2,014	**1,043**	2,014
Others	**193**	189	**193**	189
Domestic	**294,431**	276,274	**294,438**	276,281
Goods	**292,553**	194,317	**292,553**	194,317
Foreign	**292,553**	194,317	**292,553**	194,317
Judicial Recovery Suppliers	**208,448**	228,571	**208,448**	228,571
Foreign	**795,432**	699,162	**795,439**	699,169
Current liabilities	**639,105**	407,763	**639,112**	407,770
Non-current liabilities	**156,327**	291,399	**156,327**	291,399

As of December 31, 2024, the balance payable to suppliers on the list of creditors of the Under Judicial Recovery plan totals R$ 208,448, of which R$ 109,906 is classified as current liabilities and R$ 98,542 as non-current liabilities, distributed among the classes as follows:

Class of Creditors - Initial	2024	2023
Class I - Labor credits	**7,771**	6,875
Class II - Credits with real guarantee	**10,235**	9,953
Class III - Unsecured Credits	**185,624**	206,894
Class IV - ME and EPP	**4,818**	4,849
Total	**208,448**	228,571

14. Forfaiting and letter of credit operations

These operations relate to signed copper concentrate purchase contracts with suppliers that use banking operations called “forfaiting” and letters of credit. As part of such transactions, suppliers transfer their securities receiving rights to the banks which, in turn, become the creditors under the respective transactions. This type of transaction does not significantly alter the prices and other conditions set by the Company's suppliers. However, the use of financial institutions allows suppliers to extend the payment terms to clients and, at the same time, anticipate the receipt of payments for forward sales, contributing to the improvement in operating cash flow.

Considering the characteristics of such transactions and an awareness of how the Company's suppliers are funding their operations, the amounts related to these transactions are presented within a specific line item, adjusted at present value and charges allocated in the line of financial expenses.

The amount of “Forfaiting - Domestic suppliers – RJ” is part of the list of creditors in the Under Judicial Recovery, included in Class III - Unsecured Credits.

		Parent company/Consolidated			
		2024		2023	
	Deadline	Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
Forfaiting - Domestic suppliers	up to 120 days	10,782	-	-	
Forfaiting - Domestic suppliers -Judicial Recovery		4,995	5,388	229	10,306
		15,777	**5,388**	**229**	**10,306**

15. Lease liabilities

Leases are recognized as a right of use asset and a corresponding liability on the date the leased asset becomes available for use by the Company.

Each lease payment is allocated between the liability and the financial expenses. Financial expenses are recognized in income during the period of the lease. The right to use an asset is depreciated over the useful life of the asset or lease term by the straight-line method, whichever is lower.

The table below shows the changes in lease agreements for the period:

Consolidated

			Non-current assets				Liabilities			
Contract	**Months should be**	**Interest rate**	**2023**	**Additions**	**Amortization**	**2024**	**2023**	**Additions**	**Payments**	**2024**
Print OutSourcing Leasing - Corp	2025/05	1.03%	31	74	(74)	31	33	79	(79)	33
Equipment Rental for Internal Handling	2024/11	1.03%	5,044	(533)	(4,510)	1	5,388	(655)	(4,733)	-
Rental of Forklifts-ES	2025/08	0.47%	54	3	(33)	24	62	1	(37)	26
Operating Vehicle Rental - BA	2025/04	0.65%	61	(13)	(37)	11	64	(11)	(42)	11
Rental communication radio - BA	2025/01	0.47%	311	-	-	311	332	-	-	332
Rental compressed Air Dryer	2025/01	1.03%	172	-	(66)	106	206	-	(79)	127
Plotter Rental	2024/07	1.03%	19	(19)	-	-	20	(20)	-	-
Rental of cranes	2027/04	1.03%	2,691	-	-	2,691	3379	-	-	3,379
Rent of equipment monitoring - BA	2025/08	1.03%	1,483	-	(890)	593	1724	-	(1,034)	690
Plotter Rental	2026/03	1.03%	2,109	-	(937)	1,172	2,476	-	(1,100)	1,376
Rental Truck	2025/02	1.03%	190	(190)	-	-	216	(216)	-	-
Equipment rental scrap Handling	2024/05	1.03%	149	-	(149)	-	159	-	(159)	-
Rental of Professional Uniforms	2027/01	1.03%	-	998	(218)	780	-	1,179	(259)	920
Equipment rental scrap Handling	2027/01	1.03%	-	862	(189)	673	-	1,016	(222)	794
Rental of Electronic Security Equipment - BA	2025/07	0.94%	263	-	-	263	329	-	-	329
			12,577	**1,182**	**(7,103)**	**6,656**	14,388	**1,373**	**(7,744)**	**8,017**
					Adjustment to present value		(1,811)	**450**	-	**(1,361)**
					Lease Balance		12,577	**1,823**	**(7,744)**	**6,656**
					Current liabilities		8,816			**3,770**
					Non-current liabilities		3,761			**2,886**

The nominal interest rate used is the incremental loan rate calculated on the weighted average cost of capital that the Company would have to pay on a loan to get the funds needed to purchase an asset of similar amount, in a similar economic environment, and with equivalent terms and conditions.

The table below shows the maturity of installments:

	Consolidated
	2024
2025	4,440
2026	2,263
2027	1,136
2028	178
	8,017

In compliance with Circular Letter/CVM/SNC/SEP No. 02/2019, the Company presents the comparative balances of lease liabilities, right of use, financial expense and amortization expense, considering the effect of projected future inflation in the flows of lease agreements:

Total	2025	2026	2027	2028
Lease Liabilities	8,017	3,577	1,314	178
Inflation Projected Flow	8,417	3,721	1,365	185
Right of Use	6,656	2,908	1,049	141
Inflation Projected Flow	6,988	3,025	1,090	146
Financial Expense	692	402	228	36
Inflation Projected Flow	727	418	237	37
Depreciation Expense	3,748	1,859	908	141
Inflation Projected Flow	3,935	1,934	943	146
Future IPCA	4.99%	4.03%	3.90%	3.90%

(*) https://www.bcb.gov.br/publicacoes/focus

The exemption amount proposed by the regulation for lease agreements regulations with 12-month contract termination and lease agreements whose purpose are small amounts or which are contracted on demand total R$ 4,701 in the consolidated (R$ 5,726 in 2023), classified as rents as per Note 23.

16. Loans and financing

Since March 2020, the Company negotiated with its principal financial creditors (primarily the participants in the Global Agreement signed in 2017) to align the profile of the Company's indebtedness with its projected cash generation. In this context, the Company engaged the specialized consulting firm Moelis & Company Assessoria Financeira Ltda. to advise it in this process.

As at December 29, 2021, the Company entered into the Fourth Amendment to the Private Instrument for the Global Restructuring Agreement and Other Covenants ("Global Agreement") with its main creditors, renegotiated for the first time in 2017, thus renegotiating the payment of financial debts until the end of 2028 in the principal amount of US$ 479,151, equivalent to R$ 2,673,895 as at December 31, 2021.

In this agreement, the interest rates were amended from Libor 12M + 1.75% pa to Libor 06M + 1% pa, in the ACC modality, and from Libor 12M + 3.25% pa to Libor 06M + 4% pa in the PPE/CCB modality. Moreover, the Term SOFR will replace Libor in the event of its extinction, duly adjusted by the inflation updating index published by the Alternative Reference Rates Committee - ARRC.

The Company, following the guidelines established in IFRS 9 (CPC 48) "Financial Instruments" to determine whether there were substantial changes in the debt renegotiation, analyzed the qualitative and quantitative testing and identified that there was no change in the contracted instruments and currencies. Moreover, the net present value of cash flows under the new terms was within the parameters established by the standard; consequently, there was no exchange of the debt instrument but an adjustment of the book value was necessary.

In order to adjust the value, the Company calculated the net present value of the cash flows of the new contracts, with the new interest rates and payment dates, discounted at the effective interest rate of the debt before the renegotiation. This amount is compared to the previous remaining book value,

and the difference is recognized in the financial result. Adjustment amount as at December 31, 2021 was R$ 96,574 (US$ 17,307 at the rate of R$ 5.5805). As at December 31, 2024, the adjustment balance is R$ 51,321 (US$ 8,288 at a rate of 6.1923. As of December 31, 2023, the balance was R$ 53,806 (USD11,114 at a rate of 4.8413).

The conditions for the renegotiated debt payment terms are as follows:

	ACC	PPE/CCB
Principal payment	In 2022 25% In 2023 25% In 2024 25% In 2025 25%	In 2022 03.5% In 2023 03.0% In 2024 03.0% In 2025 03.0% In 2026 06.0% In 2027 06,6% In 2028 53.0%
Remunerative interest open on the date of signature of the agreement	In 1Q22 Payment of 100%	In 1Q22 Payment of 5% and 95% Renegotiated
Subsequent remuneration interest	Paid semiannually	Until Dec/22, 50% will be renegotiated and 50% paid semi-annually, from Jan/23 Paid semi-annually

As described in Note 1, the Company did not comply with the payment schedule set for December 2022, and did not comply with the indicators of the covenants, but it continues negotiating with its creditors for the amortization of the installment with the sale of tax credits arising from the lawsuits related to the right to exclude ICMS from the PIS and COFINS calculation base, as described in Note 08.a. The Company is also negotiating – with the creditors of the Global Agreement aiming at obtaining new conditions, more favorable for the settlement of its liabilities.

<u>Asset Monetization Governance</u>.

During the negotiations, creditors identified that the Company is or will be the holder of PIS, COFINS and ICMS credit rights; court-ordered debt payments issued that are free of liens and encumbrances; credits arising from lawsuits already filed that are free of liens and encumbrances; other credit rights arising from administrative, arbitration and judicial tax proceedings; non-operating equipment and non-operating properties held by the Company, including those that are subject to Collateral Agreements.

To monetize these assets, the parties decided to create an Asset Monetization Governance, which came into force with the implementation of the new restructuring and regulates the terms and conditions applicable to the disposal of assets, such as the asset valuation system, advisors who assist the sale process and the full destination of funds for the New Restructuring, carried out based on defined percentages.

<u>Transaction costs</u>

Transaction costs directly attributable to the process of debt re-profiling, mainly involving the contracting of legal and financial advisors, external audit services, costs for the preparation of prospectuses and reports, as well as fees, commission and registries are calculated in a reduction account of liabilities.

Loan balances, net of transaction costs, at the end of each period are also shown below:

Consolidated

		2024		2023	
		Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
Contracted in USD					
Foreign Trade Financing - ACC/ACE		**387,127**	-	644,471	-
Export Prepayment - PPE		**2,337,040**	-	1,561,113	-
Bank Credit Note		**183,782**	-	121,227	-
		2,907,949	-	2,326,811	-
Contracted in BRL					
Credit Assignment Anticipation	(a)	**287,447**	-	227,682	-
Credit Assignment Anticipation - Judicial Recovery	(b)	**598**	**633**	5	1,166
Debt Acknowledgment		**1,688,269**	**353,678**	720,806	465,139
		1,976,314	**354,311**	948,493	466,305
Transaction Costs - reprofiling		**(21,496)**	-	(30,145)	-
		4,862,767	**354,311**	3,245,159	466,305

The increase in the Debt confession line is mainly due to the nationalization of the ACCs of Banco Scotiabank Brasil S.A., Caixa Econômica Federal and Banco BNP Paribas Brasil S.A., with the recognition of all charges related to the nationalization.

a) Amount related to advanced credit assignment received by the Company in accordance with the "agreement of commitment of transmission and acquisition of credit rights and other covenants", whereby the Company will be required to deliver domestic market receivables in the average period of 90 days.

b) The amount is part of the list of creditors in the Under Judicial Recovery, included in Class III - Unsecured Credits.

Long-term installments have the following maturities:

	Parent company/Consolidated	
	2024	2023
2025	-	111,461
2026	**169,881**	169,881
2027	**153,167**	153,167
2028	**21,131**	21,131
2029	**10,132**	10,665
	354,311	466,305

Summary of changes in loans in the year

Parent company/Consolidated

	2023	Entry		Nacionalization of ACCs		Entry	Payment Principal	Payment Interest	Payment Interest	Exchange rate variation	2024
Loans in foreign currency	1,561,113	-	0	-	0	-	-	-	332,361	443,566	2,337,040
Foreign trade loans	644,471	-		(434,964)		-	-	-	92,488	85,132	387,127
Credit Assignment Anticipation	227,682	459,092	0	-	0	-	(433,464)	(31,841)	65,978	-	287,447
Credit Assignment Anticipation - Judicial Recovery	1,171	-	0	-	0	-	-	-	60	-	1,231
Bank Credit Note	121,227	-	0	-	0	-	-	-	33,226	29,329	183,782
Debt Acknowledgment	1,185,945	-		434,964		21,178	(3,658)	(25,501)	429,019	-	2,041,947
Transaction costs - reprofiling	(30,145)	-	0	-	0	-	-	-	8,649	-	(21,496)
Loans and financing	**3,711,464**	**459,092**		-		**21,178**	**(437,122)**	**(57,342)**	**961,781**	**558,027**	**5,217,078**

Amount of "Change in Debt Instrument" is referring to ACCs written-off by the banks since the Company did not comply with the terms and conditions of the exchange contracts, as well as the terms of the global agreement. The nationalized amounts are updated by the CDI rate plus 2% p.a.

Debt breakdown by financial institution.

					2024 - BRL			2024 - USD	
					Current liabilities		Non-Current liabilities	Current liabilities	
Modality	Bank	Payment	Maturities	Tax	Principal	Interest	Principal	Principal	Interest
Contracted in BRL									
Anticipation credit assignment	F.I.D.C. Multissetorial Fundo BS NP	Monthly	2024	2,5% p.m.	206,709	75,134	-	-	-
Anticipation credit assignment	Credit Partners F.I.D.C. não Padronizados	Monthly	2024	2,5% p.m.	5,000	96	-		
Anticipation credit assignment	Libra FIDC Multissetorial - Banpar	Monthly	2024	2,5% p.m.	500	8	-		
Anticipation credit assignment	Fundo Inv. Direitos Cred. Sifra	Monthly	2024 to 2029	IPCA	598	-	633	-	-
Debt confession	Banco Bradesco S.A.	Half-Yearly	2022 to 2028	CDI+4,92%a.a.	373,542	257,717	-	-	-
Debt confession	Caixa Economica Federal	Half-Yearly	2022 to 2028	CDI+2%a.a.	263,693	68,274	-	-	-
Debt confession	Scotiabank Brasil S.A.	Half-Yearly	2022 to 2028	CDI+2%a.a.	150,141	41,839	-	-	-
Debt confession	Banco BNP Paribas Brasil S.A.	Half-Yearly	2022 to 2028	CDI+2%a.a.	122,186	23,427	-	-	-
Debt confession	F.I.D.C. Multissetorial Fundo BS NP	Monthly	2024 to 2028	2,13% p.m.	166,763	207,711	315,683	-	-
Debt confession	Banco do Est do Rio Grance do Sul - Banrisul	Monthly	2024 to 2029	1% p.m. + TR	5,418	7,558	37,995	-	-
				Total contracted in Currency BRL	**1,294,550**	**681,764**	**354,311**	**-**	**-**
Contracted in USD									
ACC	Banco BNP Paribas Brasil S.A.	Half-Yearly	2022 to 2025	Sofr 06M + 1%a.a.	24,274	6,613	-	3,920	1,068
ACC	Banco do Brasil S.A.	Half-Yearly	2022 to 2025	Sofr 06M + 1%a.a.	170,667	52,615	-	27,561	8,497
ACC	Caixa Economica Federal	Half-Yearly	2022 to 2025	Sofr 06M + 1%a.a.	50,533	13,768	-	8,161	2,223
ACC	China Construction Bank	Half-Yearly	2022 to 2025	Sofr 06M + 1%a.a.	52,385	16,272	-	8,460	2,628
PPE	Banco Sumitomo Mitsui BR. S.A.	Half-Yearly	2022 to 2028	Sofr 06M + 4%a.a.	236,092	86,675	-	38,127	13,997
PPE	Scotiabank	Half-Yearly	2022 to 2028	Sofr 06M + 4%a.a.	23,922	8,782	-	3,863	1,418
PPE	Ing Bank N.V.	Half-Yearly	2022 to 2028	Sofr 06M + 4%a.a.	58,110	21,334	-	9,384	3,445
PPE	Ing Bank N.V.	Half-Yearly	2022 to 2025	Sofr 06M + 1%a.a.	101,058	38,642	-	16,320	6,240
PPE	China Construction Bank	Half-Yearly	2022 to 2028	Sofr 06M + 4%a.a.	76,586	28,117	-	12,368	4,541
PPE	Cargill Incorporated	Half-Yearly	2022 to 2028	Sofr 06M + 4%a.a.	925,332	339,715	-	149,433	54,861
PPE	Banco do Brasil S.A.	Half-Yearly	2022 to 2028	Sofr 06M + 4%a.a.	81,735	30,007	-	13,199	4,846
PPE	Zion Capital S/A	Half-Yearly	2022 to 2028	Sofr 06M + 4%a.a.	12,385	4,547	-	2,000	734
PPE	BPS Capital	Half-Yearly	2022 to 2028	Sofr 06M + 4%a.a.	155,567	57,113	-	25,123	9,223
CCB	Wilbury NPL Fundo de Invest.	Half-Yearly	2022 to 2028	Sofr 06M + 4%a.a.	134,430	49,352	-	21,709	7,970
				Present value of contractual cash flows	-	51,321	-	-	8,288
				Total contracted in Currency US$	**2,103,076**	**804,873**	**-**	**339,628**	**129,979**
Transaction Costs - reprofiling					**(21,496)**	-	-	-	-
				Total	3,376,130	1,486,637	354,311	339,628	129,979

As at December 31, 2024, the total balance of renegotiated debts was all classified in current liabilities, due to non-compliance with covenants clauses. The amount reclassified to current liabilities totaled R$1,966,619.

Guarantees:

As at December 31, 2024, loans and financing were guaranteed by property, plant and equipment items with a book value of R$ 637,990 (R$ 696,713 as at December 31, 2023), as described in Note 12.3.

Covenants:

In relation to financial covenants, as the Fourth Addendum to the Debt Re-profiling Global Agreement, the Company must comply with the following ratios:

a) Indebtedness/Gross Financing / divided by Adjusted EBITDA:

- ≤ 26× on December 31, 2021;
- ≤ 12.3× on December 31, 2022:
- ≤ 9.1× on December 31, 2023;
- ≤ 6.9× on December 31, 2024;
- ≤ 5.8× on December 31, 2025;
- ≤ 5.5× on December 31, 2026;
- ≤ 5.2× on December 31, 2027; and
- ≤ 4.9× on December 31, 2028.

b) Current liquidity

The Company must also present a current liquidity ratio based on the division of current assets by current liabilities equal to or higher than 1.0x (one), as measured as of 2022, as at December 31 of each year, in accordance with the accounting principles generally accepted in Brazil, based on the financial statements published by the Company after the first publication of financial statements reviewed after the execution hereof.

c) Minimum limits on inventory and receivables

Deliver to the creditors a detailed calculation of the Minimum Limit on Inventory and Receivables for the corresponding fiscal period, based on the financial information disclosed on a quarterly basis by the Company, under the terms of the Brazilian Securities Exchange Commission (CVM), i.e. the Quarterly Financial Information (ITR) for the quarters ended in March, June and September, and the annual financial statements for the quarter ended in December;

The Company did not comply with the Debt/Gross Financing/Adjusted EBITDA and Current Liquidity covenants in recent periods, and is negotiating with the creditors of the Global Agreement with the aim of obtaining new, more favorable conditions for resolving its liabilities.

17. Salaries and payroll charges

		Parent company			
		2024		2023	
		Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
Provision for vacations		**23,446**	-	20,568	-
Profit sharing and Results		**23,315**	-	21,772	-
Social security and Contributions	(b)	**6,381**	**3,227**	4,617	1,811
Contribution to the Severance Indemnity Fund	(a)	**10,861**	**8,787**	6,720	6,220
Private Pension		**77**	-	352	-
Judicial Recovery		**8,978**	-	7,339	-
Other		**4,074**	-	2,142	-
		77,132	**12,014**	63,510	8,031

a) The Company entered into an installment plan with Caixa Econômica Federal for the payment of debts related to the federal Severance Fund (FGTS) for the months from January 2023 to February 2024 and is in installment payment process for the period from March to December 2024. The installment period for companies undergoing Under Judicial Recovery is 100 months.

b) The Company signed a certificate of indebtedness and installment agreement with the Brazilian Service for Industrial Learning - Senai and with the Industrial Social Service - Sesi to pay the debts relating to the Cooperation Agreement, with an installment term of 60 months.

18. Taxes and contributions payable

Parent company

	Notes	2024 Current liabilities	2024 Non-current liabilities	2023 Current liabilities	2023 Non-current liabilities
Contribution for social security funding–COFINS		743	-	-	-
Employees' Profit Participation Program-PIS		162	-	-	-
Value-added tax on sales and services-ICMS	(a)	15,078	21,036	16,972	8,582
Municipal Real Estate Tax-IPTU		26,053	-	12,806	-
Excise Tax-IPI		508	-	1,503	-
Withholding income tax–IRRF		2,067	-	2,177	-
Withheld PIS, COFINS, income tax and social		1,380	-	6,856	-
Service Tax - ISS		4,188	-	2,200	-
Withholding tax - installments	(b)	13,977	82,713	4,665	38,097
Provision Drawback Tax- suspension	(c)	473,481	-	-	396,508
Other		160	-	187	-
		537,797	103,749	47,366	443,187

Consolidated

	Notes	2024 Current liabilities	2024 Non-current liabilities	2023 Current liabilities	2023 Non-current liabilities
Contribution for social security funding–COFINS		744	-	6	-
Employees' Profit Participation Program-PIS		162	-	1	-
Value-added tax on sales and services-ICMS	(a)	15,078	21,036	16,972	8,582
Municipal Real Estate Tax-IPTU		26,053	-	12,806	-
Excise Tax-IPI		508	-	1,503	-
Withholding income tax–IRRF		2,067	-	2,177	-
Income tax and social contribution	26.2	-	-	222	-
Withheld PIS, COFINS, income tax and social		1,380	-	6,856	-
Service Tax - ISS		4,188	-	2,200	-
Withholding tax - installments	(b)	13,977	82,713	4,665	38,097
Provision Drawback Tax- suspension	(c)	473,481	-	-	396,508
Other		160	-	205	-
		537,798	103,749	47,613	443,187

a) The Company requested the State Treasury Secretariats of São Paulo and Bahia to make installment payments of debts referring to Sales Tax (ICMS), with a period from 24 to 60 months.

b) The Company requested the Brazilian Federal Revenue Service to pay its tax debts in installments in the simplified and companies Under Judicial Recovery modalities, as well as to pay its tax debts in installments to the Attorney General's Office of the National Treasury - PGFN.

c) The Company has concession acts of the Drawback regime, overdue, which includes the suspension of Import Tax, PIS (Social Inclusion Program) and COFINS (Social Security Financing). In view of the current scenario, the Company did not fulfill the exports and will perform the nationalization of goods and payment of all suspended taxes in the future, with the due legal additions of fine and interest. The total amount of liabilities recognized in the balance sheet is R$ 473,481 (net of PIS and COFINS tax credits in the amount of R$ 707,461) comprises the following: i) fine in the total amount of R$ 149,621; ii) Import tax in the amount of R$ 40,647 and iii) Selic interest of R$ 283,213. The Selic interest recognized for the year was R$ 77,169.

19. Provision for judicial claims

19.1. Accrued risks

The Company makes provisions for tax, labor and civil lawsuits and administrative proceedings against the Company and its subsidiaries in cases where the likelihood of loss is deemed probable by its Legal Advisors.

The balances of the provision for contingencies, with a statement of the net balance of judicial deposits related to the respective claims, are given below. Judicial deposits are provided as guarantees and surveyed by the adverse parties upon settlement of the claim, in the event of an unfavorable final decision.

Parent company/Consolidated

				2024			2023
		Provision	Judicial Claims	Provision	Provision	Judicial Claims	Provision
Labor	(a)	**90,891**	**724**	**91,615**	41,526	(378)	41,148
Labor- Judicial Recovery	(a)	**110,371**	**(7,135)**	**103,236**	192,887	(6,181)	186,706
Civil	(b)	**102,570**	**-**	**102,570**	19,132	-	19,132
Civil - Judicial Recovery	(b)	**11,455**	**-**	**11,455**	10,892	-	10,892
Tax	(c)	**601,784**	**(1,649)**	**600,135**	566,771	(1,798)	564,973
Social Security		**36,643**	**-**	**36,643**	34,826	-	34,826
		953,714	**(8,060)**	**945,654**	866,034	(8,357)	857,677

a) The provision for labor contingencies refers to lawsuits in progress before the Labor Court which, individually, are not material to the Company's business. Of the total value of labor contingencies, R$ 103,236 is part of the list of creditors for Under Judicial Recovery, included in Class I - Labor Credits.

b) The provision for civil lawsuits consists mainly of indemnity suits related to contractual disputes. The change observed in 2024 was mainly due to the provisioning for the amount claimed in Ordinary Lawsuit 0003221-59.2000.805.0039 in progress in the 1st Court for Consumer, Civil and Commercial Relations in the District of Camaçari/BA. Of the total value of civil contingencies, R$ 11,455 is part of the list of creditors for Under Judicial Recovery, included in Class III - Unsecured Credits.

c) The provision for lawsuits of a tax nature consists mainly of lawsuits dealing with the collection of Social Contribution on Net Income (CSLL), due to the position taken by Brazil's Federal Supreme Court (STF) in the context of Extraordinary Appeals 955227 and 949297, affected under the procedural rules of "general repercussion", which deal with the cessation of the effects of *res judicata* in tax matters when a subsequent decision is issued by the Supreme Court in diffuse or concentrated control.

The changes in the provisions were as shown below:

Parent company/Consolidated

	Labor	Tax	Civil	Social Security	Total
Balance as at december 31, 2022	182,245	535,509	16,019	32,613	766,386
Provision (Reversal)	27,268	316	11,899	-	39,483
Interest Acruals	17,195	29,277	2,128	2,213	50,813
Deposits in court	459	(129)	-	-	330
Write-offs	687	-	(22)	-	665
Balance as at december 31,2023	227,854	564,973	30,024	34,826	857,677
Provision (Reversal)	18,600	10,482	69,947	-	99,029
Interest Acruals	14,425	24,650	14,694	1,817	55,586
Deposits in court	147	149	-	-	296
Write-offs	(66,175)	(119)	(640)	-	(66,934)
Balance as at december 31,2024	**194,851**	**600,135**	**114,025**	**36,643**	**945,654**

19.2. Risks assessed as possible

In addition to the abovementioned lawsuits, there are other lawsuits in progress with a likelihood of loss deemed possible by the Legal Advisors. Therefore, in accordance with the accounting practices of the Company, no provision was recorded.

	Parent company		Consolidated	
	2024	2023	2024	2023
Labor	**4,531**	9,834	**4,531**	9,834
Tax	**737,486**	715,272	**737,856**	716,090
Social security	**10,775**	10,637	**10,775**	10,637
Civil	**637,906**	647,022	**637,906**	647,022
	1,390,698	1,382,765	**1,391,068**	1,383,583

The most relevant lawsuits of civil and tax nature, the risk of which is assessed as "possible", is commented on below:

Isolated IPI and IRPJ fine

The Brazilian Federal Internal Revenue Service filed an infraction notice to collect a one-off fine related to the incorrect payment of IPI and IRPJ debits between 2004 and 2006 by Caraíba Metais S.A. This payment was made by the Company before the final Court ruling confirming the validity of the use of the credits.

On August 24, 2010, the merged company Caraíba Metais S.A. was partially successful in a decision in the Appeals Court, confirming the lack of a legal basis for the enforcement of a "one-off/non-cumulative" fine before the enactment of Law 11196/2005.

The Company, supported by the opinion of its legal advisors, believes that this collection is not due, in accordance with the decision issued by the Supreme Court of Justice in special appeal 1.164.452/MG, which states that the requisite final ruling can only be applied to lawsuits filed after Complementary Law 104/2001 was published on January 11, 2001. The lawsuit which allowed the use of the credit was published on August 17, 1998.

On August 24, 2021, a favorable decision was handed down in the records of the Motions to Tax Foreclosure, recognizing the illegitimacy of the assessment under the terms mentioned above and currently, the appeal awaits a trial of the Federal Government.

On December 31, 2024, the Company estimates an adjusted amount of R$ 133,607 (R$ 127,908 on December 31, 2023), which was considered possible by the legal counsel, hence, no provision was set up.

Foreclosure Lawsuit – Banco Santos S/A

The lawsuit is being processed before the 12th Civil Court of the Central Court of the District of São Paulo/SP, recorded under number 0204579-57.2007.8.26.0100 and aims to collect a Bank Credit Certificate (CCB) issued by Mamoré, Mineração e Metalurgia Ltda. with the Company as guarantor.

On August 10, 2009, Motions to Stay Execution were filed by the defendants (case 0184280-88.2009.8.26.0100), and given the existing connection with Declaratory Action 0012921-12.2005.8.26.0100, filed by Mamoré, Mineração e Metalurgia Ltda., the Stays of Execution were suspended on December 19, 2012.

On December 31, 2024, the Company estimates an adjusted amount of R$ 120,792 (R$ 110,346 on December 31, 2023), which was considered possible by the legal counsel, hence, no provision was set up.

Indemnity Lawsuit - Bafertil - Bahia Fertilizers Ltda.

The lawsuit is being processed before the 1st Civil Court of Camaçari/BA, recorded under number 0000900-17.2001.8.05.0039 and aims to condemn Cibrafértil – Companhia Brasileira de Fertilizantes and the Company to pay compensation to Bafértil, for material and moral damages, allegedly caused by Cibrafértil's refusal to supply raw materials to the author, despite cash and advance payments for the product.

On December 9, 2002, a conciliation hearing was held in which (i) Caraíba's preliminary ruling of passive illegitimacy was accepted; and (ii) expert evidence was granted. However, in view of the decision that accepted Caraíba's preliminary illegitimacy, an Interlocutory Appeal was filed, and its suspensive effect was granted.

On April 8, 2003, the expert presented an expert report, and on May 9, 2006, a new hearing was held. On October 10, 2024, a decision was handed down dismissing the claims and ordering the plaintiff to pay court costs and attorney's fees set at 5% of the value of the case.

On December 31, 2024, the Company estimates an adjusted amount of R$ 263,982 (R$ 242,664 on December 31, 2023), which was considered possible by the legal counsel, hence, no provision was set up.

20. Other current liabilities

		Parent company		Consolidated	
	Notes	2024	2023	2024	2023
Provision for environmental expenses	(a)	**171**	239	**171**	239
Customer credits	(b)	**1,032**	3,441	**1,059**	3,468
Advances from clients	(c)	**72,724**	64,226	**72,840**	64,341
Attorneys' fees and services	(d)	**13,445**	7,601	**13,445**	7,601
Related Parties	11.2	**12,106**	15,437	-	-
Various provisions	(e)	**16,330**	10,567	**16,337**	10,572
Sales commission		**6,511**	6,203	**6,668**	6,353
Cargil	(f)	**27,119**	-	**27,119**	
Others		**1,320**	1,874	**1,319**	1,874
Current liabilities		**150,758**	109,588	**138,958**	94,448
Advances from clients		**72,724**	64,226	**72,840**	64,341
Other current liabilities		**51,817**	29,925	**52,007**	30,107
Other current liabilities		**26,217**	15,437	**14,111**	-
		150,758	109,588	**138,958**	94,448

a) Refers to the expenditure forecast to be required to fulfill the obligations under the conduct adjustment agreement (TAC) signed on December 4, 2015 between the Public Ministry of Bahia, Paranapanema and other companies. The objective of the agreement is to implement mitigation, reparation and compensation measures related to environmental impacts within the Ilha da Maré area.

b) Client credits refer to adjustments between price parameters, volumes and/or metal content yields charged temporarily upon invoicing, and final transaction parameters.

c) Amount related to advances made by clients for future material delivery.

d) It refers to the provision for attorneys' fees on the success of lawsuits filed against the Company.

e) Refers to provision of sundry expenses for the period, pending legal documentation to settle the obligation.

f) Refers to 2nd Series debentures, as Note 21.b, that would mature on September 1, 2023. However, as a result of the Company's entry into Under Judicial Recovery on November 30, 2022, there was an early maturity of the 2nd Series debentures, so that they now make up the list of Class III credits of the Under Judicial Recovery Creditors List, subject to the payment terms and conditions that will be approved in the Under Judicial Recovery Plan, and are now classified as other current liabilities.

21. Shareholders' equity

a) Capital

The subscribed and paid-up capital as at December 31, 2024 corresponds to R$ 2,172,388,520.17 (two billion, one hundred seventy-two million, three hundred eighty-eight five hundred and twenty, and seventeen centavos) divided into 69,562,472 (sixty-nine million, five hundred and sixty-two thousand, four hundred seventy-two) common, registered, book-entry shares and with no par value and as at December 31, 2023 was R$ 2,069,566,247.56 (two billion, sixty-nine million, five hundred and sixty-six thousand, two hundred and forty-seven reais and fifty-six centavos) divided into 43,403,849 (forty-three million, four hundred and three thousand, eight hundred and forty-nine) common, registered, book-entry shares, and with no par value.

The capital increase took place on three dates when the Company's Board of Directors approved the Company's Capital Increase.

- On February 22, 2024, due to the closure of the 1st share conversion period, and with the re-ratification on September 23, 2024 to correct an error regarding the total number of shares issued and ratified by the Company, in the 1st window the amount of fifty-eight million, eight hundred and sixty-one thousand, five hundred and thirty-nine reais (R$ 58,861,539.71) was subscribed through the issue of twelve million, four hundred and eighteen thousand, one hundred and one (12,418,101) new ordinary shares.

- On June 21, 2024, due to the end of the 2nd conversion period of shares, where the amount of R$ 26,063,162.34 (twenty-six million, sixty-three thousand, one hundred and sixty-two reais and thirty-four centavos) was subscribed, through the issuance of 6,435,369 (six million, four hundred and thirty-five thousand, three hundred and sixty-nine) new common shares.

- On November 18, 2024, due to the end of the 3rd conversion period of shares where the amount of R$ 17,897,570.56 (seventeen million, eight hundred ninety-seven million, five hundred and seventy reais and fifty-six centavos) was subscribed, through the issuance of 7,305,153 (seven million, three hundred and five thousand, one hundred and fifty-three) new common shares.

Total	Quantity	Share Capital
Balance as at december 31,2023	**43,403,849**	**2,069,566,247.56**
1ª Janela de Conversão		
Subscription by Creditors	12,282,475	58,218,672.47
Subscription by Shareholders	135,626	642,867.24
2ª Janela de Conversão		
Subscription by Creditors	6,302,717	25,525,921.74
Subscription by Shareholders	132,652	537,240.60
3 Janela de Conversão		
Subscription by Creditors	7,248,115	17,757,827.51
Subscription by Shareholders	57,038	139,743.05
Balance as at decemberr 31, 2024	**69,562,472**	**2,172,388,520.17**

The ownership structure of the Company is as follows:

	%	2024
Neofase Investimentos Ltda	17.345	**12,065,486**
Caixa Econômica Federal	10.095	**7,022,106**
Serenity BR B Fudos de Investimentos	6.159	**4,284,300**
Mineração Buritirama S.A.	5.389	**3,749,000**
Hartree Partners LP -Citibank DTVM	4.519	**3,143,430**
Silvio Tini de Araujo	4.427	**3,079,500**
Luiz Barsi Filho	3.925	**2,730,000**
Treasury shares	0.002	**1,441**
Market	48.140	**33,487,209**
Total shares outstanding		**69,562,472**

	%	2023
Caixa Econômica Federal	16.179	**7,022,106**
Mineração Buritirama S.A.	8.637	**3,749,000**
Cargill Financial Services I	7.923	**3,438,867**
EWZ Investments LLC - S(	6.497	**2,820,000**
Glencore International Inve	5.734	**2,488,687**
Bonsucex Holding S.A.	5.707	**2,477,074**
Luiz Barsi Filho	5.373	**2,332,000**
Treasury shares	0.003	**1,441**
Market	43.947	**19,074,674**
Total shares outstanding		**43,403,849**

The main shareholder as of December 31, 2024, YAP Investimentos Ltda (formerly Neofase Investimentos Ltda), acts as the commercial commissioner within the scope of the Company's Under Judicial Recovery process, and represents the creditors who have converted their claims into Company shares.

According to a material fact disclosed to the market on January 16, 2025, the Board of Directors approved the increase in the Company's capital, by private subscription of shares and within the limit of the authorized capital, in accordance with Article 5, paragraph 4 of its Bylaws, and Article 168 of Law 6404/76.

The Capital Increase will be up to R$ 1,000,000,000.00 (one billion reais) ("Maximum Amount"), making the Company's capital R$ 3,172,388,520.17 (three billion, one hundred seven-two million, three hundred and eighty-eight thousand, three hundred and eighty-eight reais and seventeen centavos) if approved at its Maximum Amount. Partial approval of the capital increase will be permitted if the subscribed amount is equal to or greater than R$ 1,000,000.00 (one million reais) ("Minimum Amount"), so that, at the end of the process, if there is partial approval of the Capital Increase, the Company's capital will necessarily be equal to or greater than R$ 2,173,388,520.17 (two billion, one hundred and seventy-three million, three hundred and eighty-eight thousand, five hundred and twenty reais and seventeen centavos).

The Capital Increase was approved to comply with the 4th Conversion Window, as established in Clause 11 of the Under Judicial Recovery Plan, which enables Creditors to convert the Credits into equity interest in the Company, following, in any case, the shareholders' right of preference in subscription of new shares, in accordance with Article 171 of the Brazilian Corporation Law. The Capital Increase, in this way, will enable compliance with the Plan and will have the effect of reducing debt and reinforcing the Company's capital structure, strengthening its economic and financial situation with a view to overcoming the current moment of crisis.

b) Debentures into shares

On August 29, 2017, the Board of Directors approved the launch of the public offering of debentures, mandatorily convertible into the Company's shares. With the release of a debenture public offering with restricted placement efforts, these debentures are mandatorily convertible into shares in the Company, and are issued in two series, unsecured, without any additional guarantees, for public distribution and with restricted placement efforts under the terms of CVM Instruction 476. Banco Modal S.A. is the fiduciary agent, together with Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários and Banco Bradesco S.A. is the underwriter agent. Unit value is R$ 1.00.

The subscription amount was R$ 360,004 of debentures, convertible into 207,694,550 shares. As at September 22, 2017, the investors converted their debts into debentures. 334,216,991 Series 1 debentures and 25,786,827 Series 2 debentures were issued. The 1st Series debentures matured on September 01, 2019. The 2nd series debentures, which would mature on September 1, 2021, had their maturity date extended to September 1, 2023 on August 20, 2021.

The Series 1 debentures were fully converted into shares upon maturity, as maturity term, in the amounts of R$ 249,402 in 2017, R$ 5,956 in 2018 and R$ 78,858 in 2019. As a result of the Company's entry into Under Judicial Recovery on November 30, 2022, there was an early maturity of the 2nd Series debentures, so that they now make up the list of Class III credits of the Under Judicial Recovery Creditors List, subject to the payment terms and conditions that will be approved in the Under Judicial Recovery Plan, and are now classified as other current liabilities.

c) Authorized capital

The Company's management is authorized to increase its capital without a decision of a Shareholders' Meeting, up to the limit of R$ 3,500,000 through a resolution of the Board of Directors, which will also establish issuance and placement conditions for the said securities, among the assumptions permitted by law.

d) Rights of shares

Each year, the shareholders will receive minimum mandatory dividends of 25% of net income calculated pursuant to the terms of Brazilian Corporate Law, to be paid within 60 days after the date on which they are declared by the General Shareholders' Meeting. The shareholders are also entitled to voting rights on all of the shares that comprise the capital, which are fully subscribed and paid-in.

In accordance with the regulations of B3 S.A. - Brasil, Bolsa, Balcão New Market segment, owners of common shares have the right to sell their shares at the same prices as the shares negotiated through a controlling group/shareholder (tag-along rights of 100%).

e) Legal reserve

Brazilian Public Corporate Law requires corporations to allocate 5% of their net income for the year to the legal reserve, before profit sharing, limiting this reserve to 20% of the paid-in capital.

f) Treasury shares

As at December 31, 2024 and December 31, 2023, the Company had 1,441 treasury shares. The market value of total treasury shares, calculated based on latest stock exchange quotation, was R$ 1 and R$ 6, respectively.

g) Tax incentive reserve

Paranapanema is a beneficiary of tax incentives through to 2027. It enjoys a 75% fixed reduction in the income tax rate and deductions from operating profit. This tax benefit under the Regulation of Tax Incentives of the Northeast Development Superintendence (SUDENE), was established by the Minister of National Integration (MIN) 283, on July 4, 2013 (the Regulation). This profit is calculated based on the net income for the period, excluding the tax benefits of: (i) financial result; and (ii) capital gains.

According to Article 11: “The amount of tax not paid because of tax benefits described in this Regulation may not be distributed to partners or shareholders, and constitutes the tax incentive reserve, which can only be used to offset losses or increase capital.” Thus, it is an obligation of the Company to allocate to the tax incentive reserve account the amount arising from the tax benefit (the tax amount not paid) which, by definition, does not form part of the net income, because it does not arise from the delivery of goods or services by the Company.

h) Equity valuation adjustments

The reserve for equity valuation adjustments includes:

- Accumulated translation adjustments, including all foreign currency differences deriving from the translation of the financial statements of subsidiaries with foreign operations.

- The balance of the deemed cost reserve refers to values recognized prior to the coming into effect of Law 11638/07, and will be maintained up to its effective realization. The realization of the reserve is reflected in the account retained earnings or losses. The same treatment is given with reference to the reversal of the deferred income tax that was recorded when accounting for the attributed cost and the deferred social contribution recognized in the current period, due to the position taken by Brazil’s Supreme Court (STF) in the context of Extraordinary Appeals 955227 and 949297.

Changes in equity valuation adjustments were as follows:

	Revaluation reserve	Exchange variations on	Total
Balance as at december 31, 2022	134,658	877	135,535
Other comprehensive income	(21,555)	(116)	(21,671)
Balance as at december 31,2023	113,103	761	113,864
Other comprehensive income	(4,414)	(761)	(5,175)
Balance as at december 31,2024	**108,689**	-	**108,689**

i) Market value of the Company’s shares.

The market value of the Company’s shares, in accordance with the latest average quotation of shares traded on B3 S.A. - Brasil, Bolsa, Balcão, corresponded as at December 31, 2024 to R$ 70,258 (R$ 190,977 as at December 31, 2023). As at December 31, 2024, the Company had a negative shareholders' equity of R$ 6,285,846 (R$ 4,223,510 negative as at December 31, 2023), and the shares’ book value was R$ -90.36 (R$-97.31 as at December 31, 2023).

j) Earnings (loss) per share

The basic calculation of earnings (losses) per share is made by dividing the (loss) for the year attributable to the common shareholders of Paranapanema., by the weighted average number of common shares outstanding during the year.

The diluted earnings (losses) per share are calculated by dividing the profit (loss) attributable to the common shareholders of the Company by the weighted average number of common shares outstanding during the year, plus the weighted average number of common shares that would be issued in the event of the conversion of all common shares with dilutive potential into common shares.

The following table shows the results and share data used for the calculation of the basic earnings (losses) per share:

	2024	2023
Profit (Loss) per common share		
Income (Loss) for the period	(2,138,610)	(1,389,934)
Weighted average of shares outstanding(*)	52,907,148	43,402,408
Profit (Loss) per common share	(40.42195)	(32.02435)
Profit (Loss) per diluted common share		
Income (Loss) for the period	(2,138,610)	(1,389,934)
Weighted average of shares outstanding(*)	52,907,148	43,402,408
Profit (Loss) per diluted common share	(40.42195)	(32.02435)

(*) The weighted average quantity of shares considers the effect of changes in the weighted average quantity of shares during the year (except treasury shares).

There were other transactions involving common shares or potential common shares between the balance sheet date and the date of completion of these Financial Statements.

k) Profit allocation

The Company's bylaws provide for a mandatory minimum dividend of 25% of adjusted net income after appropriations to the legal and contingency reserve, in compliance with the corporate law.

22. Net sales

a) Breakdown of net revenue

	Parent company	
	2024	2023
Gross revenue	**578,280**	1,235,485
Domestic market	**554,382**	682,504
Foreign market	**23,898**	552,981
Taxes and sales deductions	**(118,354)**	(262,665)
Excise Tax - IPI	**(9,400)**	(3,418)
Value-added tax on revenue and services - ICMS	**(55,265)**	(57,658)
Social Integration Program–PIS	**(7,620)**	(7,995)
Contribution for social security funding–COFINS	**(35,097)**	(36,828)
Other taxes and revenue deductions	**(10,972)**	(156,766)
Net revenue from sales	**459,926**	972,820
Net revenue DM	**441,318**	551,833
Net revenue FM	**18,608**	420,987
	459,926	972,820

b) Geographical information – gross revenue from clients abroad

	Parent company	
	2024	2023
America	**20,424**	22,751
Europe	**2,772**	518,122
Asia	**702**	12,108
	23,898	552,981

Exports to Europe and Asia mainly represent sales to trading companies, with the main destination being China.

23. Expenses per type

		Parent company		Consolidated	
		2024	2023	2024	2023
Metal cost		**(241,541)**	(819,510)	**(241,541)**	(819,510)
Personnel and benefits		**(168,154)**	(206,517)	**(168,378)**	(206,721)
Depreciation		**(86,628)**	(98,191)	**(86,628)**	(98,191)
Amortization of asset usage rights		**(7,103)**	(12,216)	**(7,103)**	(12,216)
Electricity/water/gas/fuel and lube oil		**(51,075)**	(115,825)	**(51,075)**	(115,825)
Services rendered by third parties and others		**(53,643)**	(76,122)	**(53,725)**	(76,326)
Maintenance		**(20,440)**	(23,071)	**(20,440)**	(23,071)
Petrochemicals stock used/absorbed		**(17,153)**	(6,947)	**(17,153)**	(6,947)
Rent		**(4,701)**	(5,726)	**(4,701)**	(5,726)
Institutional and legal issues		**(26,401)**	(22,203)	**(26,413)**	(22,214)
Informatics/telecommunications		**(6,025)**	(5,421)	**(6,025)**	(5,421)
Other expenses		**(9,050)**	(10,035)	**(9,050)**	(10,033)
Travel expenses		**(369)**	(403)	**(369)**	(403)
Sales and marketing		**(386)**	(368)	**(393)**	(374)
Results Sharing		**(5,189)**	(13,439)	**(5,189)**	(13,439)
Administrative remuneration	(a)	**(7,547)**	(6,741)	**(7,547)**	(6,741)
		(705,405)	(1,422,735)	**(705,730)**	(1,423,158)
Cost of products sold		**(623,528)**	(1,330,705)	**(623,528)**	(1,330,705)
Sales expenses		**(9,683)**	(10,259)	**(9,693)**	(10,263)
General and Administrative expenses		**(72,194)**	(81,771)	**(72,509)**	(82,190)
		(705,405)	(1,422,735)	**(705,730)**	(1,423,158)

The Company recorded idleness totaling R$ 200,900 in 2024 (R$ 295,237 in 2023) and is classified within the Cost of products sold line.

Brazilian corporate law requires the presentation of the statement of operations by function and, therefore, must disclose expenses by nature in a note. In this case, idleness costs are not identified, as they are presented within the value of their corresponding nature.

a) Fees of Directors and Fiscal Council

The Company considered as "key management personnel", as intended by CVM Resolution 642/2010 and IAS 24/CPC 05 (R1), the members of its Executive Board, the Board of Directors and Fiscal Council. The Company has no controlling shareholder and no shareholders' agreement.

					2024				2023
	Note	Statutory Board	Administrative Council	Supervisory Board	Total	Statutory Board	Administrative Council	Supervisory Board	Total
Remuneration of Executives from Management		**2,625**	**3,011**	**481**	**6,117**	2,289	2,691	449	5,429
Labor benefits		**207**	-	-	**207**	225	-	-	225
Social burden		**525**	**602**	**96**	**1,223**	459	538	90	1,087
Fixed remuneration		**3,357**	**3,613**	**577**	**7,547**	2,973	3,229	539	6,741
		3,357	**3,613**	**577**	**7,547**	2,973	3,229	539	6,741
Bonus (ICP)	32	**1,102**	-	-	**1,102**	3,828	-	-	3,828
Social Burdens		**220**	-	-	**220**	766	-	-	766
Variable remuneration	32	**1,322**	-	-	**1,322**	4,594	-	-	4,594
Total remuneration		**4,679**	**3,613**	**577**	**8,869**	7,567	3,229	539	11,335

The members of the Fiscal Council and the Board of Directors are not parties to contracts for additional business benefits, such as post-employment benefits, other long-term benefits or remuneration based on shares.

24. Other revenues (expenses)

	Notes	Parent company 2024	Parent company 2023	Consolidated 2024	Consolidated 2023
Tax recoveries		**6,446**	1,578	**6,446**	1,578
Energy sales revenue		**355**	1,354	**355**	1,354
Reversal of other estimated loss		-	1	-	1
Sundry recoveries		**765**	814	**765**	814
Sundry sales		**205**	1,272	**205**	1,272
Receipt of Contractual Penalty		**854**	-	**854**	-
Leasing of property and equipment		**164**	191	**164**	191
Profits and dividends		**83**	-	**83**	-
Sales of scrap		**294**	161	**294**	161
Other income		**984**	1,846	**985**	1,849
Total of other income		**10,150**	7,217	**10,151**	7,220
			-		-
Provision for judicial claims	19	**(99,029)**	(39,483)	**(99,029)**	(39,483)
Severance pay		**(1,990)**	(4,329)	**(1,990)**	(4,329)
PIS and COFINS on other income		**(409)**	(1,054)	**(409)**	(1,055)
Energy sales revenue		**(3,032)**	(6,489)	**(3,032)**	(6,489)
Provision for judicial claims		**(7,163)**	(2,295)	**(7,163)**	(2,295)
Write-off of property, plant and equipment		**(2,062)**	(4)	**(2,062)**	(4)
Fines for Notice of Infraction		**(14,438)**	(18,135)	**(14,466)**	(18,185)
Penalties for Late Payment of Debt Installments		**(69,739)**	(11,820)	**(69,739)**	(11,820)
Penalties for Drawback Suspension	18.c	-	(149,818)	-	(149,818)
Import Tax Drawback Suspension	18.c	-	(40,647)	-	(40,647)
Sundry sales costs		**(8)**	(151)	**(8)**	(151)
Provision for losses Property, plant and equipment	12	**1,961**	(5,129)	**1,961**	(5,129)
Provision for Inventory Adjustments		-	(27,374)	-	(27,374)
Other estimated losses		**(46)**	(1,049)	**(46)**	(1,049)
Provision for ICMS Loss – PIS/COFINS Calculation Basis	08.a	**(3,773)**	(3,500)	**(3,773)**	(3,500)
Write-off of Brasilprev Credit	09.1.b	**(1,352)**	-	**(1,352)**	-
Other expenses		**(2,556)**	(2,758)	**(2,598)**	(2,836)
Total other expenses		**(203,636)**	(314,035)	**(203,706)**	(314,164)
Total other income (expenses), net		**(193,486)**	(306,818)	**(193,555)**	(306,944)

25. Financial revenues (expenses)

	Note	Parent company 2024	Parent company 2023	Consolidated 2024	Consolidated 2023
Liability foreign exchange fluctuations	a)	**(646,311)**	(92,723)	**(646,311)**	(92,723)
Derivative financial instruments		-	(10,648)	-	(10,648)
Interest expenses		**(1,030,865)**	(756,254)	**(1,033,637)**	(756,281)
Adjustment to present value		**(643)**	(743)	**(643)**	(743)
Bank expenses/IOF		**(4,519)**	(5,272)	**(4,526)**	(5,283)
Liability monetary variation	b)	**(72,428)**	(53,596)	**(72,428)**	(53,597)
Other financial expenses		**(15,204)**	(15,841)	**(15,268)**	(15,927)
Total financial expenses		**(1,769,970)**	(935,077)	**(1,772,813)**	(935,202)
Asset foreign exchange fluctuations	a)	**25,276**	268,327	**25,276**	268,327
Interest income		**20,639**	42,068	**22,004**	43,883
Monetary variation – assets	b)	**11,266**	2,802	**11,381**	2,802
Other financial income		**287**	154	**287**	156
Total financial income		**57,468**	313,351	**58,948**	315,168
Total financial result		**(1,712,502)**	(621,726)	**(1,713,865)**	(620,034)

a) Exchange-rate change: Refers to the restatement of assets and liabilities exposed in foreign currency, mainly in US$, the appreciation of which against the R$ during the period generated considerable Exchange-rate change, on both the asset and liability sides.

b) Refers to the monetary updating of suppliers contracted in the domestic market, indexed by changes in the US Dollar rate.

26. Current and deferred income tax and social contribution

26.1 Deferred income tax and social contribution

Deferred income tax and social contribution have the following sources:

	Note	2024 Parent company	2024 Parent company	2024 Consolidated	2023 Parent company	2023 Parent company	2023 Consolidated
Rate		34%	34%		34%	34%	
Credits on tax losses		7,262,990	33,735	7,296,725	5,416,766	31,840	5,448,606
Income tax on fiscal loss		2,469,417	11,470	2,480,887	1,841,700	10,826	1,852,526
Provision for write-off of credits on tax losses		(2,469,417)	(11,470)	(2,480,887)	(1,841,700)	(10,273)	(1,851,973)
Income tax on fiscal loss	a)	-	-	-	-	553	553
Net exchange variations		484,667	-	484,667	(88,734)	-	(88,734)
Estimated losses (reversals) on allowance for doubtful assets		52,605	1,007	53,612	55,863	1,111	56,974
Provision for lawsuits		953,713	(50,506)	903,207	1,262,541	(50,506)	1,212,035
Estimated loss (reversal) on recoverable inventory sums		36,897	-	36,897	5,391	-	5,391
Estimated loss Taxes to Recover		437,641	43,816	481,457	436,318	43,816	480,134
Estimated sundry losses (reversals)		544	-	544	544	-	544
Provision (Reversals) for financial instruments and others		49,956	165	50,121	35,902	156	36,058
Provision for adjustment to present value		(1,361)	-	(1,361)	(1,811)	-	(1,811)
Total temporary differences		2,014,662	(5,518)	2,009,144	1,706,014	(5,423)	1,700,591
Income tax on temporary differences		684,985	(1,876)	683,109	580,045	(1,844)	578,201
Credits on tax losses	b)	(684,985)	562	(684,423)	(580,045)	553	(580,045)
Income tax on temporary differences	b)	-	(1,314)	(1,314)	-	(1,291)	(1,844)
Deferred income tax and social contribution		-	(1,314)	(1,314)	-	(1,291)	(1,291)

a) The Company has, in consolidated, tax losses generated in Brazil, in the amount of R$ 7,296,725 (R$ 5,448,606 as at December 31, 2023), which generates an amount of R$ 2,480,887 of deferred income tax and social contribution, which can be offset against future taxable income. Based on technical analyses related to future taxable income, the Company did not recognize the total amount of deferred tax assets from tax loss.

   Management will maintain the timely monitoring of credits and, at any time based on estimates of realization of taxable income, the amounts provisioned for losses will be reversed in favor of the Company. In Brazil, the offsetting of tax losses has no statute of limitations, being limited to the offsetting of 30% of the annual taxable income.

b) As at December 31, 2024, the Company had recorded under the account “Deferred income tax and social contribution” amounts calculated on temporarily non-deductible expenses arising from the calculation of the taxable income for income tax and social contribution purposes, which are available for future offsetting against the said tax. The Company considers a provision for loss of R$ 684,423 on deferred tax assets of temporary differences.

c) The realization of the deferred income tax and social contribution on equity valuation adjustments is proportional to the revaluation reserve realization.

The projected realization of deferred taxes has been prepared based on management's best estimates and on the projections of profit or loss approved by the Company's corporate governance bodies. However, since they involve several assumptions that are not under the Company’s control, such as inflation rates, exchange rate volatility, international market prices and other economic uncertainties in Brazil, future results may differ materially from those considered in the preparation of the said projection.

The Company has a 75% exemption on income tax and non-refundable additional taxes on earnings from the exploration and production of copper and its byproducts, up to the base period of 2027. This exemption is applied to the balance of income tax payable after offsetting tax losses, as described in item a.

The income tax benefits enjoyed by the Company depend on the recognition of a capital reserve at an amount equivalent to the tax not paid. Recognized tax incentive reserves may only be used to increase capital or to absorb losses.

26.2 Reconciliation of income tax and social contribution expenses

The reconciliation between the tax expense calculated at the combined nominal rates and the income and social contribution tax expense in the Parent Company and income tax and social contribution in Consolidated, charged to income is presented below:

	Parent company		Consolidated	
	2024	2023	2024	2023
Net Income(Loss) before income and social contribution taxes	**(2,153,245)**	(1,377,537)	**(2,153,224)**	(1,377,316)
Nominal combined statutory rates	**34%**	34%	**34%**	34%
Income tax	**(732,103)**	(468,363)	**(732,096)**	(468,287)
Permanent additions	**(3,910)**	(11,880)	**(3,927)**	(11,958)
Realization of revaluation reserve (depreciation/write-off)	**3,356**	3,925	**3,356**	3,925
Provisions for doubtful credit	**(1,108)**	939	**(1,143)**	939
Provisions for litigation	**(105,001)**	165,739	**(105,001)**	165,739
Estimated Losses Recoverable Taxes	**450**	1,190	**450**	1,190
Other deductible provision	**15,644**	1,602	**15,647**	1,603
Net exchange variation (cash basis)	**194,956**	(69,126)	**194,956**	(69,126)
Tax Loss Carryforward of previous years	-	-	-	106
Deferred income tax and social contribution on tax losses				
Tax loss and negative basis of social contribution	**12,362**	-	**12,362**	-
Deferred income tax on revaluation reserve	**2,273**	2,515	**2,273**	2,515
Provision for credit write-offs with temporary differences	**627,716**	361,062	**627,737**	360,736
Other				
Current Income tax credits	**14,635**	(12,397)	**14,614**	(12,618)
Income tax for the current year	-	-	-	(157)
Social contribution for the current year	-	-	-	(65)
Current taxes	-	-	-	(222)
Deferred income tax and social contribution	**12,362**	(14,912)	**12,341**	(14,911)
Deferred income tax on revaluation reserve	**2,273**	2,515	**2,273**	2,515
Deferred taxes	**14,635**	(12,397)	**14,614**	(12,396)
Credit from income and social contribution taxes	**14,635**	(12,397)	**14,614**	(12,618)
Total effective rate	**-0.68%**	0.90%	**-0.68%**	0.92%
Current effective rate	**0.00%**	0.00%	**0.00%**	0.02%

27. Operating segments

The Company only operates in the copper segment, which includes the production and sale of electrolytically refined copper, its byproducts and related services, as well as semi-finished copper and its alloys.

28. Financial instruments

28.1 Market Risk Management Policy

The Company recognizes that certain financial risks, such as changes in commodities prices, foreign exchange (FX) rates and interest rates, are inherent to its business. However, the

Company’s policy is to avoid unnecessary risks and to guarantee that the business risk exposure has been identified and measured, and can be controlled and minimized using the most effective and efficient methods to eliminate, reduce or transfer such exposure.

The Company's Risk Committee monitors market risk management policies and ensures that appropriate procedures are in place so that all risk exposures incurred by the Company are identified and evaluated. Furthermore, said Committee monitors these exposures so that they are within the established limits. The identified business risks are as follow:

- Interest rate risk inherent in the Company’s debts.
- Foreign exchange risk and commodities price risk deriving from raw materials and sold products, forecast transactions and firm commitments.
- Foreign exchange risk arising from assets and liabilities such as: investments abroad and loans, inventory linked to commodities whose prices are denominated in foreign currency, among others.
- Basis risk arising from differences in timing, volume or indexation that could occur between the contracting and settlement of hedging instruments and objects.

The Market Risk Management policy permits the Company to use approved derivative financial instruments to minimize its exposure to market risks, such as: FX, commodities and interest rates.

Derivative instruments are only used for hedging purposes, as they limit the financial exposure associated with the risks identified for some of the Company’s assets and liabilities. The use of derivatives is not automatic, nor is it necessarily the only way of managing business risk. Their use is permitted only after verifying that the chosen derivative can minimize risks to within certain tolerance levels, as established by this policy.

The Company carries out hedging transactions using derivative or non-derivative financial instruments, and makes such transactions fit the hedge accounting rules, as defined by CVM Resolution 763 (CPC 48). Not all hedge transactions with derivatives are accounted for by applying the hedge accounting rules.

28.2 Fair value methodologies

Derivative financial instruments are measured at fair value and recognized in the respective Statement of Financial Position accounts. The methodology for determining the fair value involves verifiable parameters extracted from B3 S.A. - Brasil, Bolsa, Balcão (Foreign Exchange Coupon and Fixed Coupon), LME (copper, zinc, tin and lead) and LBMA (gold and silver), British Bankers’ Association (LIBOR), Reuters and Bloomberg (US$ Spot).

The Company measures the fair value of its FX derivatives by calculating the present value of the future price discounted based on the market curve (Pre- and FX Coupon), with all values published by Bloomberg and B3 S.A. - Brasil, Bolsa, Balcão. Adjustments to embedded derivatives are carried out at average future prices, based on the curves disclosed in the LME and LBMA.

28.3 Classification of financial instruments

The following table shows the book and fair values of financial assets and liabilities, including their fair value classifications. It does not include information on the fair value of financial assets and liabilities not measured at fair value if the book value is a reasonable approximation of fair value.

Balance as at december 31,2024						Consolidated
		Book value			Fair value	
	Notes	At fair value through profit or loss	Amortized cost method	Total	Level 2	Total
Financial assets						
Cash and cash equivalents	05	-	8,524	8,524	-	-
Interest-earning bank deposits	05	-	33,920	33,920	-	-
Linked bank account unless	05	-	-	-	-	-
Trade accounts receivable	06	-	2,129	2,129	-	-
Derivative financial instruments	28	196	-	196	196	196
Total assets		196	44,573	44,769	196	196
Financial liabilities						
Suppliers	13	-	795,439	795,439	-	-
Securitization of accounts payable	14	-	21,165	21,165	-	-
Advances from clients	20	-	72,840	72,840	-	-
Customer credit	20	-	1,059	1,059	-	-
Loans and financing	16	-	5,217,078	5,217,078	-	-
Derivative financial instruments	28	-	-	-	-	-
Total liabilities		-	6,107,581	6,107,581	-	-

Balance as at december 31,2023						Consolidated
		Book value			Fair value	
	Notes	At fair value through profit or loss	Amortized cost method	Total	Level 2	Total
Financial assets						
Cash and cash equivalents	05	-	85	85	-	-
Interest-earning bank deposits	05	-	24,367	24,367	-	-
Linked bank account unless	05	-	11	11	-	-
Trade accounts receivable	06	-	1,746	1,746	-	-
Derivative financial instruments	28	1,340	-	1,340	1,340	1,340
Total assets		1,340	26,209	27,549	1,340	1,340
Financial liabilities						
Suppliers	13	-	699,169	699,169	-	-
Securitization of accounts payable	14	-	10,535	10,535	-	-
Advances from clients	20	-	64,341	64,341	-	-
Customer credit	20	-	3,468	3,468	-	-
Loans and financing	16	-	3,711,464	3,711,464	-	-
Derivative financial instruments	28	-	-	-	-	-
Total liabilities		-	4,501,554	4,501,554	-	-

Loans and financing are recorded at their contractual amounts adjusted by discounted cash flows. The Company considers that all financial instruments that are recognized in its financial statements are substantially similar to those that would be obtained if they were traded on the market, measured at amortized cost, and their book values approximate their fair values.

<u>Book value / fair value</u>

The Management considers that the fair value is equivalent to the book value in short-term transactions, since the book value is a reasonable approximation to the fair value in these transactions (CPC-40/Item 29).

Fair value hierarchy

The Company discloses its assets and liabilities at fair value, based on the relevant accounting pronouncements that define the fair value, and the structure for determining the fair value, which refers to the evaluation criteria and practices, and requires certain disclosures regarding the fair value.

Financial assets and liabilities recorded at fair value are classified and disclosed with reference to the following hierarchies:

Level 1 – prices quoted (not adjusted) in active markets for identical assets and liabilities as at the measurement date. A price that is quoted in an active market provides more reliable evidence of the fair value, and should be used whenever available.

Level 2 – quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in non-active markets (i.e. markets where few transactions occur involving those assets or liabilities), data other than observable quoted prices for an asset or liability, and data derived from or corroborated mostly by data observable in the market through correlation or other means.

Level 3 –unobservable inputs for an asset or liability. Unobservable inputs should be used to measure the fair value only when observable inputs are not available, and should reflect the business unit's expectations of what other market players would use as assumptions for pricing an asset or a liability, including risk assumptions. No financial instrument held has Level 3 category characteristics.

Summary of consolidated derivative financial instruments

							Consolidated	
			Reference Value				Fair value	
Instrument	Position	Index	2024		2023		2024	2023
Not designated for hedge accounting								
Risk of commodity prices								
Embedded derivative	Purchased	Copper/Gold;Silver	-	tonnes	-	tonnes	196	1,340
Total other derivatives							**196**	**1,340**
Current Assets							**196**	**1,340**

28.4 Market risks

28.4.1 Foreign exchange risk

The Company maintains operations denominated in foreign currencies (mainly in US$) that are exposed to the risk of changes in the respective quotations. Any change in foreign exchange rate may increase or reduce said balances. The breakdown of this exposure is as follows:

		Parent company / Consolidated	
		2024	2023
Cash and cash equivalents	US$	172	159
Accounts receivable	US$	401	2,795
Suppliers	US$	(53,640)	(51,003)
Loans and financing	US$	(469,607)	(480,617)
Derivative financial instruments	US$	32	277
Advances from clients	US$	(1,242)	(3,610)
Total net exposure	US$	**(523,884)**	**(531,999)**

The Policy establishes that risk management has as its objective hedging against the exchange risk of the forecast cash flow denominated in foreign currency using over-the-counter operations (NDFs), stock exchange futures, zero cost collars and non-derivative financial instruments (liabilities indexed in US Dollars). Currently, the Company does not have derivative instruments contracted to hedge foreign exchange exposure in cash flow.

28.4.2 Interest rate risk

The Company has loans indexed to the Libor and CDI change, and interest earning bank deposits indexed to the CDI change, exposing these assets and liabilities to fluctuations in interest rates. The Company has not agreed to enter into derivative contracts to form a hedge/swap against the exposure of these market risks. The Company considers that the high cost associated with contracting fixed rates signaled by the Brazilian macroeconomic scenario justifies its option for floating rates.

Exposure to interest rates is shown in the table below:

		Parent company/Consolidated	
		2024	2023
Investments	CDI	36,058	24,367
Loans and financing	Sofr 6M	(2,856,628)	(2,273,005)
Loans and financing	TR	(50,971)	(48,608)
Loans and financing	CDI	(631,259)	(505,845)
Total net exposure		**(3,502,800)**	**(2,803,091)**

28.4.3 Commodities risk

Paranapanema’s business activities include acquiring raw materials and products for sale, both benchmarked against the amounts of metals contained therein, and the prices of these metals on the LME and LBMA international exchanges.

Commodity risk arises from mismatches between the selling and buying prices of the metals contained in the products and raw materials.

The Company’s Market Risk Policy establishes that the exposure to commodities risk of each metal is derived from the mismatch between the volumes of this metal already priced for purchase and the amounts of this metal already priced for sale, and sets risk exposure limits.

To manage this exposure, the Company has a strategy of keeping all inventory metal costs in US$ fluctuating (mark-to market), and only fixing the metal prices when they are sold and the price can be known for certain.

Currently, the Company does not have instruments contracted to hedge commodities’ risk exposure.

28.4.4 Sensitivity analysis

The Company presents below the sensitivity table for risks of exchange-rate changes and interest rates to which it is exposed considering that eventual temporary effects would affect the future results based on the exposures presented on December 31, 2024. The Company conducted a sensitivity analysis using the probable scenario, which is decrease and increase of 25% and 50%.

					Parent company/Consolidated			
	Notional	Unit	Taxa	Probable scenario	Falling scenario 25%	Falling scenario 50%	Rising scenario 25%	Rising scenario 50%
					Impact on profit or loss			
Foreign exchange rate risk								
Cash and cash equivalents	172	US$	6.1923	1,065	(266)	(532)	266	533
Accounts receivable	401	US$	6.1923	2,483	(621)	(1,241)	621	1,242
Suppliers	(53,640)	US$	6.1923	(332,155)	83,039	166,078	(83,039)	(166,077)
Loans and financing	(469,607)	US$	6.1923	(2,907,947)	726,986	1,453,973	(726,987)	(1,453,974)
Derivative financial instruments	32	US$	6.1923	198	(49)	(99)	50	99
Advances from clients	(1,242)	US$	6.1923	(7,691)	1,923	3,846	(1,923)	(3,845)
Total	**(523,884)**			**(3,244,047)**	**811,012**	**1,622,024**	**(811,012)**	**(1,622,023)**
Interest rate risk								
Investments	36,058	CDI	12.15%	4,381	(1,095)	(2,191)	1,095	2,191
Loans and financing	(2,856,628)	Sofr 6M	5.09%	(145,402)	36,351	72,701	(36,351)	(72,701)
Loans and financing	(631,259)	CDI	12.15%	(76,698)	19,174	38,349	(19,174)	(38,349)
Total	**(3,451,829)**			**(217,719)**	**54,430**	**108,860**	**(54,430)**	**(108,860)**

28.5 Credit risk

The Company's sales policy varies depending on the level of credit risk that it is willing to accept.

Credit is an important instrument for promoting business between the Company and its clients. This is due to the fact that clients leverage their purchasing power to obtain favorable credit terms.

Risk is inherent to credit transactions, and the Company must perform a careful analysis. This work involves quantitative and qualitative evaluations of the clients, as well as considering the industry in which they operate. This analysis takes into consideration the client's past performance, a forecast of its economic-financial robustness, the client's risk management policy, and its future prospects.

The diversification of the receivables portfolio, the selection of clients and the monitoring of terms and credit limits per individual client are among the procedures adopted to minimize delays and defaults on accounts receivable. In addition to performing credit limit checking procedures, individual client balances are limited to 10% of the Company's total revenues. Thus, the Company spreads the credit risk among several clients.

As regards the credit risk associated with interest-earning bank deposits, the Company always invests with low-risk institutions, as evaluated by independent ratings agencies.

		Parent company		Consolidated	
	Notes	2024	2023	2024	2023
Assets					
Cash and cash equivalents	05	**6,384**	80	**8,524**	85
Interest-earning bank deposits	05	**33,920**	24,367	**33,920**	24,367
Linked bank account	05	**-**	11	**-**	11
Trade accounts receivable	06	**2,416**	1,746	**2,129**	1,746
Other assets	09.1	**65,004**	59,864	**63,833**	60,347
Derivative financial instruments	28	**196**	1,340	**196**	1,340
		107,920	87,408	**108,602**	87,896

28.6 Liquidity risk

a) The risk management policy requires the maintenance of a safe level of cash and cash equivalents and access to sufficient lines of credit.

b) Liquidity risk represents a shortage of funds intended to pay debts and interest (see Note 1).

The amounts presented include principal and interest calculated at the interest rates of the contracts in force.

					Consolidated
	Notes	Amount	Up to 1 year	1 – 2 years	2 – 4 years
Liabilities					
Loans and financing	16	(5,217,078)	(4,862,767)	(421,914)	(43,313)
Advances from clients	20	(72,840)	(72,840)	-	-
Leasing	15	(6,656)	(4,441)	(3,397)	(178)
Customer credit	20	(1,059)	(1,059)	-	-
Suppliers	13	(795,439)	(639,112)	(156,327)	-
Forfait and credit card operations	14	(21,165)	(15,777)	(1,330)	(4,058)
		(6,114,237)	(5,595,996)	(582,968)	(47,549)

28.7 Capital management

The main purpose of the capital management of Paranapanema and its subsidiaries is to ensure strong credit ratings for institutions and an adequate capital ratio to support the Company's business and to maximize shareholder value.

The Company includes in its net debt structure: loans, financing, derivative financial instruments payable, net of cash, cash equivalents, interest-earning bank deposits and derivative financial instruments receivable.

		Parent company		Consolidated	
	Notes	2024	2023	2024	2023
Loans and financing	16	5,217,078	3,711,463	5,217,078	3,711,464
Forfaiting and letter of credit operations	14	21,165	10,535	21,165	10,535
Derivatives financial instruments payable	28	(196)	(1,340)	(196)	(1,340)
(-) Cash and cash equivalents	05	(6,384)	(80)	(8,524)	(85)
(-) Interest-earning bank deposits	05	(33,920)	(24,367)	(33,920)	(24,367)
(-) Linked bank account	05	-	(11)	-	(11)
(=) Net debt on embedded derivative		**5,197,743**	**3,696,200**	**5,195,603**	**3,696,196**
Equity	21	(6,285,846)	(4,223,510)	(6,285,846)	(4,223,510)
Equity valuation adjustments	21.h	108,689	113,864	108,689	113,864
Total equity		**(6,394,535)**	**(4,337,374)**	**(6,394,535)**	**(4,337,374)**
Leverage ratio		-434.31%	-576.47%	-433.35%	-576.47%

29. Assumed commitments

The Company has a contractual commitment with a supplier for the coming years regarding the outsourcing of the management, operations and maintenance of an oxygen gas facility located in the industrial plant of Dias D'Ávila. The commitment does not subject the Company to any restrictions.

The renewal and adjustment clauses are described in the contract and are in line with market practices.

	Parent company/Consolidated	
	2024	2023
Up to one year	11,761	11,201
From two to four years	25,316	24,111
Over four years	31,664	44,630
	68,741	79,942

30. Private pension

The private pension plans offered by the Company and its subsidiaries include a pension plan deductible for income tax purposes (PGBL) and a private pension plan non-deductible for income tax purposes (VGBL) respectively, both of which are administered by BrasilPrev based on joint contributions made by the Company, its subsidiaries and the employees.

PGBL/VGBL: After meeting the cumulative requirement to make contributions for 120 months, and after reaching 60 years of age, the beneficiaries will be entitled to redeem 100% of the savings accumulated from them, the Company and its subsidiaries, provided that they are not employed by the Company at the redemption date. In the case of termination by the Company before becoming eligible, the beneficiary shall be entitled to withdraw up to 80% of the amount deposited by the Company, respecting a policy which provides for a rate of 1% per month of contributions.

Therefore, plans exclude the risk benefits, and thus do not generate actuarial liabilities. If the participant opts for a life income benefit, BrasilPrev is responsible for maintaining reserves under the contract.

The value of the contributions made to the plans by the Company and subsidiaries in the period was R$ 191 (R$ 1,526 in the same period of 2023).

As of March 2024, contributions are suspended due to the termination of the plan's current contract with the operator BrasilPrev. The Company is searching for and competing in the market for new operators.

31. Variable remuneration plan

31.1 - General terms and conditions

a) Beneficiaries:

Some Company executives, as hired, are eligible for the Variable Compensation Program. Consisting of short-term (ICP) and long-term (ILP) incentives. The ICP and ILP incentives are linked to specified team and individual goals, the percentage achievement of which is evaluated at the end of each year.

The Variable Remuneration Program conditions and rules can be changed at any moment by the Company, with such changes to be expressly communicated to the eligible executives.

b) Exercising conditions:

The private contract determines eligibility rights for and payments based on variable remuneration made to all employees who meet the annual goals under the terms of the contract.

An eligible employee has the right to receive the ILP only if their labor contract is active, otherwise:

I. In the case of labor contract suspension due to disability, there will be no payments while the labor contract remains suspended.

II. In the case of decease of an employee, their heirs and/or legal beneficiaries will receive 50% of the amount due as at the date of decease.

c) Criteria for fixing the exercise term:

Except for the ineligibility conditions mentioned above, the vesting will be deferred in two installments, with annual payments, or 50% of salary multiples per year, being the first payment due for the year following the acquisition of the ILP. The amount to be granted will be based on the salary multiple as at December 31 for the year prior to payment.

d) Settlement form:

Settlement will be through a payroll process when all of the established conditions are met.

32. Additional information regarding cash flow

a) Transactions related to operating, investment and financing activities not involving cash were as follows:

	2024	2023
Adjustments to reconcile net income(loss)		
Operational activities	**311,901**	**460,979**
Withdrawal Inventory Depreciation	**(9,449)**	(11,628)
Provision (reversal) estimated loss of recoverable value	**(3,361)**	2,763
Estimated loss provision - Stock	**32,222**	(12)
Estimated loss provision - Taxes recoverable	**3,773**	1,049
Provision for legal claims losses	**99,030**	39,481
Adjustment to present value - customers and suppliers	**641**	(879)
Provision Drawback Tax- suspension	-	396,508
Financial charges - Clients	**(2,321)**	3,376
Financial charges - Inventory	**(32)**	(1)
Financial charges - Other Assets	**(465)**	26
Financial charges - Financial Instruments	**(68)**	983
Financial charges - Other Taxes and Contributions Payable	**76,972**	-
Financial charges - Suppliers	**53,484**	(15,180)
Financial charges - Advances from customers	**5,317**	(6,203)
Financial charges - Contingency	**55,586**	50,813
Financial charges -Other accounts payable	**1,333**	-
Financial charges -Investment in Net Equity	**(761)**	(117)
Investing activities	**95,786**	115,089
Residual value of written-off fixed assets	**2,062**	4
Depreciation and amortization	**86,628**	98,191
Withdrawal Inventory Depreciation	**9,449**	11,628
Financial charges	**(159)**	97
Provision for impairment losses	**(2,194)**	5,169
Financing activities	**1,548,089**	370,498
Amortization of right-to-use assets	**7,103**	12,216
Financial charges	**1,540,986**	358,282

33. Subsequent events

Under Judicial Recovery Plan - 2nd Addendum

According to a material fact disclosed on December 10, 2024, a new version of the proposal of the Second Addendum to the Company's Under Judicial Recovery Plan currently effective was registered by the Judges of the 1st Regional Court of Business Competence and Conflicts Related to Arbitration of the 1st RAJ of the city of São Paulo, state of São Paulo, in the records of proceeding 1001409-24.2022.8.26.0260. The Company states that the proposed amendment to the Under

Judicial Recovery Plan will be subject to subsequent resolution by the Creditors' General Meeting, to be held on March 17, 2025, under the terms of the applicable legislation.

4th Conversion Window

According to a material fact disclosed to the market on December 16, 2025, the Board of Directors approved the increase in the Company's capital, by private subscription of shares and within the limit of the authorized capital, referring to the 4th conversion window that began on December 17, 2024.

This Conversion Request Window remained open until January 15, 2025, inclusive. As of this date, the Company's shareholders were granted a period of thirty (30) days to exercise their respective preemptive rights to subscribe new shares, beginning on January 24, 2025 and ending on February 24, 2025. After the expiry of the period for exercising the preemptive right, an additional period of five (5) business days will be granted for the subscription of surplus shares by shareholders, scheduled to start on February 28, 2025 and end on March 11, 2025, with the due conversion scheduled to take place on March 18, 2025.

Payment of portion of Under Judicial Recovery Plan - Class IV

On January 3, 2025, the Company complied with its obligation to pay creditors holding credits classified as micro or small businesses (Class IV), in strict compliance with the provisions of Clauses 7.1. and 7.2. of its Under Judicial Recovery Plan.

Partial payment of Under Judicial Recovery Plan - Class I

On January 13, 2025, the Company, with the authorization of the Court of the 1st Regional Court of Business Jurisdiction and Arbitration-Related Conflicts of the District of the Capital City of the State of São Paulo, within the scope of the proceeding 1001409-24.2022.8.26.0260 ("Under Judicial Recovery Proceeding"), made partial payment to the Labor Creditors with funds from appeal deposits.

Change in the Executive Board

As announced to the market on January 22, 2025, the Board of Directors decided to remove Mr. João Pinheiro Nogueira Batista as the Company's Chief Executive Officer and Chief Investor Relations Officer. It also deliberated on the election of Mr. Marcelo Vaz Bonini to the position of Chief Investor Relations Officer, in such a way that he will accumulate the functions of Chief Financial Officer and Chief Investor Relations Officer.

Independent auditors' report on the parent Company's and consolidated financial statements

To the board of Directors and counselors of

Paranapanema S.A. – under judicial recovery

Dias d'Ávila - Bahia

Opinion

We have audited the parent Company's and consolidated financial statements of Paranapanema S.A. – under judicial recovery (Company), identified as parent and consolidated financial statements, respectively, which comprise the balance sheet as at December 31, 2024, the income statement and statement of other comprehensive income, statement of changes in equity and cash flows statements for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the parent Company's and consolidated financial position of Paranapanema S.A. – under judicial recovery as at December 31, 2024, and parent Company's and consolidated financial performance and cash flows for the year then ended, in accordance with accounting policies adopted in Brazil and international accounting standards (IFRS Accounting Standards) issued by the *International Accounting Standards Board* (IASB).

Basis for opinion

We conducted our audit in accordance with International and Brazilian Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of parent Company's and Consolidated Financial Statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements that are relevant to our audit of the financial statements and are set forth on the Professional Code of Ethics for Accountants and on the professional standards issued by the Conselho Federal de Contabilidade (Federal Account Council), and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Relevant uncertainty related to going concern

We call attention to Explanatory Note 1 to the parent Company's and consolidated financial statements, which indicates that the Company filed the request for judicial recovery together with subsidiaries CDPC – Centro de Distribuição de Produtos de Cobre Ltda. and Paraibuna Agropecuária Ltda. on November 30, 2022, approved by the creditors' meeting on August 24, 2023 and approved by the court-supervised reorganization judge on November 16, 2023. During the year ended December 31, 2024, the Company and its subsidiaries incurred consolidated losses of R$2,138,610 thousand and, on that date, individual current liabilities exceeded individual current assets by R$5,865,717 thousand, while consolidated current liabilities exceeded consolidated current assets by R$5,863,276 thousand. These conditions, together with the default on the global agreement's debt and relevant cash restriction, indicate the existence of significant uncertainties that may raise significant doubts regarding the Company's ability to going concern. The reversal of this situation depends not only on compliance with the reorganization plan approved by the Courts, but also on the renegotiated financial debts related to the global agreement that are not subject to such plan, as well as cash generation strategies and obtaining resources from third parties that are not controlable by the Company's management. The Company's management plans about this matter are described in the same explanatory note. Our opinion is not qualified on this matter.

Key audit matters

Except for the matter described in the Relevant uncertainty related to going concern section, there are no other key audit matters to be disclosed in our report.

Other matters - Statements of value added

The parent Company's and consolidated statements of value added (DVA) for the year ended December 31, 2024, prepared under the responsibility of the Company's management, and disclosed as supplementary information for IFRS purposes, were subject to audit procedures performed in conjunction with the audit of the Company's financial statements. For the purposes of forming our opinion, we assess whether these statements are reconciled to the Company's financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set forth in Technical Pronouncement CPC 09 – Demonstração do Valor Adicionado (Statements of added value). In our opinion, these statements of value added have been properly prepared, in all material respects, according to the criteria set forth in this Technical Pronouncement and are consistent with the parent Company's and consolidated financial statements taken as a whole.

Other information accompanying the parent Company's and consolidated financial statements and the independent auditors' report

The Company's Management is responsible for the other information. The other information comprises the Management Report.

Our opinion on the parent Company's and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Management and Those Charged with Governance's responsibility for the parent Company's and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these parent Company's and consolidated financial statements in accordance with accounting policies adopted in Brazil and with International Accounting Standards (IFRS Accounting Standards) issued by *the International Accounting Standards Board* (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement. whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the parent Company's and Consolidated Financial Statements

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

As part of an audit in accordance with Brazilian and international standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition:

Identify and assess the risks of material misstatement of the parent Company's and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the collusion, misrepresentation of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the parent Company’s and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the parent Company’s and consolidated financial statements represent the corresponding transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the parent Company’s and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit, and therefore for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical and independence requirements and communicate with them all relationships or issues that could substantially affect our independence, including, when applicable, the actions taken to eliminate the threats or safeguards applied by the Company.

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

São Paulo, March 14, 2025

KPMG Auditores Independentes Ltda.

Member of the CRC under No. 2SP-014428/O-6

Original report in Portuguese signed by

Hildebrando Oliveira de Abreu Filho

Accountant CRC BA-029520/O-7

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FISCAL COUNCIL OPINION

The Company's Fiscal Council, in performing its legal and statutory duties, examined the Annual Management's Report and Financial Statements for the year ended December 31, 2024. Based on the examinations performed and considering the Independent Auditors' report on the financial statements referred to above, prepared by KPMG Auditores Independentes, with no qualifications, the Fiscal Council considers that such documents comply with the norms in effect and are able to be submitted for consideration by the General Shareholders' Meeting.

Santo André (SP), March 10, 2025.

Marcos Reinaldo Severino Peters
President of the Tax Council

Francisco Eduardo de Queiroz Ferreira

Jailton Zanon da Silveira

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SUMMARY REPORT OF THE NON-STATUTORY AUDIT COMMITTEE

I. INTRODUCTION

The propose of the non-statutory Audit Committee of Paranapanema S.A. - Under Judicial Recovery (“Company” or “Paranapanema”), established by the Board of Directors on July 14, 2010, is to advise the Board of Directors on strategic issues, with a focus on management and control, quality and integrity of financial reports, internal controls, risk management, and compliance, monitor the activities of internal and independent auditors, and continuously encourage the adoption of the best practices of Corporate Governance.

Currently, it is formed by two (3) members of the Board of Directors, one (1) of which designated as coordinator.

The Internal Audit, Internal Control, Risk and Compliance Manager, as well as the Company’s Chief Legal Officer, participate in the Audit Committee as permanent guests.

The main powers and duties of the Audit Committee, performed by its members, are described below and are detailed in its Internal Regulation, notwithstanding other functions and analyze specific topics when requested by the Board of Directors:

(i) Supervision of the quality and integrity of the Company’s financial reports.

(ii) Examination of the Company’s compliance with legal, statutory and regulatory standards.

(iii) Examination of the adequacy of processes related to risk management and internal controls.

(iv) Supervision of the activities of the independent auditors of the financial statements and the internal auditors.

The Internal Regulation of the Audit Committee was approved at a meeting of the Board of Directors held on June 26, 2014, and its last review was carried out on February 22, 2024.

II. MEETINGS, ACTIVITIES, AND RECOMMENDATIONS OF THE AUDIT COMMITTEE IN 2024

The Audit Committee holds ordinary meetings at least once every quarter, and whenever necessary, upon prior call by its coordinator or when the Board of Directors deems it necessary.

In fiscal year 2024, nine (9) regular meetings were held, and the main scope was to:

(i) Analyze the proposal of the annual work plan of the Internal Audit area;

(ii) Monitor the progress of the work of the Internal Audit area, according to the schedule provided for in the annual plan approved by the Board of Directors;

(iii) Monitor the activities of the Internal Controls, Risks, and Compliance areas;

(iv) Examine the work and audit plans, risk and non-compliance management, as well as the monitoring and general indicators, of the areas that act as the 2nd Line of Defense in Corporate Governance, namely:

(a) Integrated Management System of Quality

(b) Health, safety and environment

(c) Information Security

(d) Property Security

(v) Analyze the complaints, and the respective investigation and treatment processes, received in the Company's complaints channel, referred to as "Ethics Hotline";

(vi) Analyze, recommend and issue an opinion, as the case may be, on the Company's periodic quarterly and annual financial information;

(vii) Analyze, on a quarterly basis, the Company's contingencies;

(viii) Analyze the work plan of the independent auditors of the financial statements for the fiscal year 2024;

(ix) Consider the granting of the waiver relating to the Company's risk map obligations (General Risk Assessment) until June 30, 2025;

(x) Examine the Internal Controls Letter, issued by the independent auditors in the financial statements for the fiscal year 2023;

(xi) Evaluate the Reference Form and Corporate Governance Report for 2024;

(xii) Monitor the processes adopted by the Company in relation to compliance with the General Data Protection Law, in particular, the activities of the Data Protection Commission;

(xiii) Follow up the Under Judicial Recovery Plan;

(xiv) Evaluate the implementation and review of the Company's internal regulations.

The Audit Committee coordinator reports monthly at the Board of Directors' meetings the main topics analyzed and discussed.

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In the deliberative matters of the meetings of the Board of Directors, which are subject to prior examination by the Audit Committee, there is a report of the position and discussions held by the committee, as well as its recommendation to the Board of Directors.

Throughout fiscal year 2024, the Audit Committee examined the following matters, recommending their respective positioning to the Board of Directors:

(i) Approval of Company's financial statements for the fiscal year ended December 31, 2023;

(ii) Approval of the Quarterly Financial Information for the year 2024;

(iii) Approval of Internal Audit Plan for the year 2024;

(iv) Approval of the waiver of General Risk Assessment obligations until June 30, 2025;

(v) Approval of the SGI Policy;

(vi) Expression in favor of the Reference Form and Corporate Governance Report 2024;

(vii) Approval of the updating of the Internal Regulations of the Audit Committee;

(viii) Review of the Earnings Disclosure Policy;

(ix) Review of Appointment Policy;

(x) Review of the Related-Party Transactions and Conflict of Interest Policy;

(xi) Review of the Information Disclosure Policy;

(xii) Review of Risk Management Policy;

(xiii) Review of Information Security Policy;

(xiv) Review of Result Allocation Policy;

(xv) Review of analysis Market Risk Management Policy;

(xvi) Review of Securities Trading Policy; and

(xvii) Approval of the 2024 Calendar of Corporate Events.

Additionally, the Audit Committee issues a quarterly report to the Board of Directors, whose report is carried out on a specific agenda for monitoring activities and addressing the committee's general recommendations.

III. NON-STATUTORY AUDIT COMMITTEE'S OPINION ON FINANCIAL STATEMENT OF THE COMPANY FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024

The Company's Audit Committee, in the performance of its activities of reviewing, monitoring and evaluating the internal controls and financial reports, especially the financial statements for the fiscal year ended December 31, 2024 and monitoring of audit engagements of financial statements from KPMG Auditores Independentes and internal audit, considering the provisions set forth in article 9, sole paragraph, item III of CVM Resolution 81/2022, hereby issues the following opinion:

Considering the work carried out by the Audit Committee for the fiscal year ended December 31, 2024, the meetings held, attended by several members of the Executive Board, the Internal audit team and the independent auditors, having been substantiated by examining the documents and the respective minutes, which are on file at the company's head offices, in addition to an analysis of the information disclosed to the Board of Directors and to the shareholders, as well as an examination of the Management Report and the Financial Statements and the respective explanatory notes for the fiscal year ended December 31, 2024, supported by the unqualified report issued by KPMG Auditores Independentes, not having detected any occurrence capable of compromising the quality and integrity of the information to be disclosed, the Audit Committee hereby recommends that the Board of Directors approve and disclose the Financial Statements for the fiscal year 2024.

Santo André (SP), March 10, 2025.

Rafael de Oliveira Morais
Member of the Board of Directors
Audit committee manager

Marcelo Munhoz Auricchio
Member of the Board of Directors
Member of the Audit Committee

Ricardo Vieira Coutinho
Member of the Board of Directors
Member of the Audit Committee

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Statement of the Executive Officers on the Financial Statements

In compliance with article 27, paragraph 1, item VI, of CVM Resolution 80/2022, the Statutory Executive Board, represented by the undersigned, states that it has reviewed, discussed and agreed with the financial statements, Parent Company and consolidated, for the fiscal year ended December 31, 2024.

Dias D'Ávila, March 13, 2025

Chief Financial Director and Director of Investor Relations

Marcelo Vaz Bonini

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Statement of the Executive Officers on the Independent auditors' report

In compliance with Article 27, §1, item V of CVM Resolution 80/2022, the Statutory Executive Board, represented by the undersigned, states that it has reviewed, discussed and agreed with the opinions expressed in the report issued on March 14, 2025 by KPMG Auditores Independentes of the Company and its Subsidiaries in relation to the Company's Quarterly Information (Parent Company and Consolidated) for the fiscal year ended December 31, 2024.

Dias D'Ávila, March 14, 2025

Chief Financial Director and Director of Investor Relations

Marcelo Vaz Bonini