



Individual and consolidated

financial statements

December 31, 2025 and 2024

(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

This quarter, the Company focused efforts on increasing sales at the Eluma unit, which was impacted throughout the year by the market contraction in its main product lines. Period also in which we evaluate the difficulties encountered with the operation of our Caraíba unit in the production process using Copper Scrap. Where we decided to put the plant into hibernation and stabilize spending levels within an acceptable range for our cash flow. The Company remains attentive to market opportunities and expects to have resumed regular production very soon.

In alignment with the restructuring processes of our debts and in compliance with our Court-Ordered Reorganization Plan, we have opened the 7th Conversion Request Window, allowing creditors interested in converting their credits into shares of the Company to do so. We also had the 8th issuance of Debentures Convertible into Shares. All events approved at meetings of the Company's Board of Directors.

Our unit in Santo André-SP remained affected by the market downturn throughout the entire year. Showing signs of recovery in the last quarter, reaching a sales volume of 5,933 tons. By consolidating with the Bahia unit, we reached a total of 36,457 tons for the year. Volume 7% higher compared to 2024.

Still impacted by idle installments, due to the profile of our costs, which are mostly represented by fixed costs, we work on effective management to achieve better application and control of these expenses. This resulted in a 6% reduction in our fixed costs compared to the previous year.

Our Operating Cash Flow has been positive in the last few quarters. Reflexes of commercial, operational and financial strategies which have contributed to sustaining the business at this challenging time in terms of obtaining Working Capital and the market downturn.

As per the debt of the Global Agreement, the Company continues negotiating with the creditors with the aim of finding solutions for the settlement of its liabilities.

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

Finally, we would like to thank all our employees, clients, suppliers, shareholders and other partners for their trust and support.

ECONOMIC PERFORMANCE

Net revenue

In R\$ thd, except otherwise stated	4Q24	4Q25	Δ %	2024	2025	Δ %
Primary Copper	(31)	0	n.a	(204)	28.974	14303%
% of Revenue	0,0%	0,0%	0,0 p.p.	0,0%	5,2%	5,2 p.p.
Copper Products	129.578	106.543	-18%	454.970	503.483	11%
% of Revenue	99,6%	91,9%	-7,8 p.p.	98,9%	89,5%	-9,3 p.p.
Rods, Wires and Others	19.269	9.279	-52%	32.815	79.990	144%
Bars/Profiles/Rolled/Tubes/Fittings	110.309	97.264	-12%	422.155	423.494	0%
Byproducts	534	9.440	1668%	5.160	29.977	481%
% of Revenue	0,4%	8,1%	7,7 p.p.	1,1%	5,3%	4,2 p.p.
Total Net Revenue	130.081	115.983	-11%	459.926	562.434	22%
Domestic Market [%]	58,8%	47,9%	-11,0 p.p.	57,0%	55,3%	-1,7 p.p.
Export Market [%]	2,7%	16,4%	13,7 p.p.	4,2%	11,9%	7,7 p.p.
Toll [%]	38,5%	35,8%	-2,7 p.p.	38,8%	32,8%	-6,0 p.p.

Net Revenue for 4Q25 totaled R\$ 116 million, accounting for an increase of 11% compared to the same period of the previous year. Reflection of the temporary hibernation of the Dias d'Ávila unit in Bahia. In 2025, we achieved a Net Revenue of R\$ 562 million, a level 22% above the figures obtained in 2024. Result of the sales growth at the Caraíba unit and the increase in sales in the Integral modality at the Eluma unit.

Gross income

In R\$ thd, except otherwise stated	4Q24	4Q25	Δ %	2024	2025	Δ %
Net Revenue	130.080	115.985	-11%	459.926	562.435	22%
Total COGS	(201.423)	(244.715)	21%	(623.528)	(795.622)	-28%
(-) Metal Cost	(94.131)	(190.929)	103%	(241.540)	(445.811)	-85%
(-) Transformation Cost	(107.292)	(53.786)	-50%	(381.988)	(349.811)	8%
COGS Total/tonnes sold	20,2	38,8	92%	18,3	22,0	20%
Metal Cost/tonnes sold	9,5	30,3	220%	7,1	12,3	73%
Transformation Cost/tonnes sold	10,8	8,5	-21%	11,2	9,7	-14%
Gross Profit	(71.343)	(128.730)	80%	(163.602)	(233.187)	-43%
% of Revenue	-54,8%	-111,0%	-56,1 p.p.	-35,6%	-41,5%	-5,9 p.p.
Adjusted Gross Profit (LME and USD Dollar changes on inventories)	(17.059)	(91.457)	436%	37.297	(40.839)	-209%
% of Revenue	-13,1%	-78,9%	-65,7 p.p.	8,1%	-7,3%	-15,4 p.p.
Premiums	35.949	(74.944)	-308%	218.386	116.624	-47%
Premium/Net Revenue [%]	27,6%	-64,6%	-92,3 p.p.	47,5%	20,7%	-26,7 p.p.
Premium/tonnes sold	3,6	(11,9)	-429%	6,4	3,2	-50%

The Adjusted Gross Profit in 4Q25 was negative R\$ 91 million, due to the provision for impairment of work-in-process inventory at the Caraiba unit's Foundry. Effect that impacted the annual result, resulting in a negative Adjusted Gross Profit of R\$ 41 million in 2025.

Adjusted Gross Income eliminates the effects of idleness that impacted the income (loss).

Fixed Costs (including Idleness)

In R\$ thd, except otherwise stated	4Q24	4Q25	Δ %	2024	2025	Δ %
Fixed Costs including idleness	(93.517)	(62.868)	-33%	(335.522)	(316.387)	-6%

The Company realized R\$ 63 million in fixed costs including idleness in 4Q25, accounting for a decrease of 33% compared to the same period of last year. Reduction due to cost adjustments for the hibernation of the Caraíba unit. In 2025 it was R\$ 316 million, 6% below the costs incurred in the previous year. Result of the cost reduction strategies and projects that were implemented by the company with the involvement of its employees.

Operating expenses

In R\$ thd, except otherwise stated	4Q24	4Q25	Δ %	2024	2025	Δ %
Total Operating Expenses	(44.070)	(16.792)	-62%	(275.757)	(366.166)	33%
Sales Expenses	(2.639)	(2.174)	-18%	(9.693)	(8.632)	-11%
G&A Expenses and Management Compensation	(18.365)	(23.613)	29%	(72.509)	(82.884)	14%
Other Operating, net	(23.066)	8.995	-139%	(193.555)	(274.650)	42%

In 4Q25, Operating Expenses were positively R\$ 9 million. Impact of the reversals of legal claims that shifted from probable to remote and from the recovery of untimely taxes. In 2025, we have a total of R\$ 275 million, mainly due to provisions for Labor and Tax Contingencies amounting to R\$ 22 million. Selling, General, and Administrative Expenses were 11% higher due to the application of the collective bargaining agreement and expenses related to the Court-Ordered Reorganization.

In R\$ thd, except otherwise stated	4Q24	4Q25	Δ %	2024	2025	Δ %
*Main items - Other Operating, Net:						
Provisions for labor and tax contingencies	(8.335)	759	109%	(99.030)	(22.180)	78%
Other provisions	(2.002)	(489)	76%	(7.162)	(2.968)	59%
Exclusion of ICMS from the COFINS and PIS assessment base	0	0	n.a	(3.773)	0	n.a
Total Non-recurring Items:	(10.337)	270	103%	(109.965)	(25.148)	77%
Total Recurring Items:	(12.729)	8.725	42%	(83.590)	(249.502)	-198%

EBITDA

	4Q24	4Q25	Δ %	2024	2025	Δ %
Net Income	(809.511)	(570.521)	30%	(2.138.610)	(1.331.490)	38%
(+) Taxes	(645)	10.592	1742%	(14.614)	9.245	163%
(+) Net Financial Result	694.743	414.407	-40%	1.713.865	722.892	-58%
EBIT	(115.413)	(145.522)	-26%	(439.359)	(599.353)	-36%
(+) Depreciation and Amortization	22.469	15.307	-32%	93.731	85.352	-9%
EBITDA	(92.944)	(130.215)	-40%	(345.628)	(514.001)	-49%
% of Revenue	-71,5%	-112,3%	-40,8 p.p.	-75,1%	-91,4%	-16,2 p.p.
ADJUSTED EBITDA	(82.607)	(130.485)	-58%	(235.663)	(488.853)	-107%
% of Revenue	-63,5%	-112,5%	-49,0 p.p.	-51,2%	-86,9%	-35,7 p.p.

Adjusted EBITDA, which excludes the effects of the LME and Dollar on inventory, contingencies, and other non-recurring effects, ended 4Q25 negative at R\$ 130 million, being 40% better than the same period of the prior year. Reflection of the hibernation of our unit in Dias d'Ávila-BA and the atypical market movement that affected the Santo André-SP unit. In 2025, it closed at a negative R\$ 514 million. Result 49% below the negative R\$ 346 million of 2024. This was impacted by cash restrictions and the temporary suspension of activities at the Bahia unit.

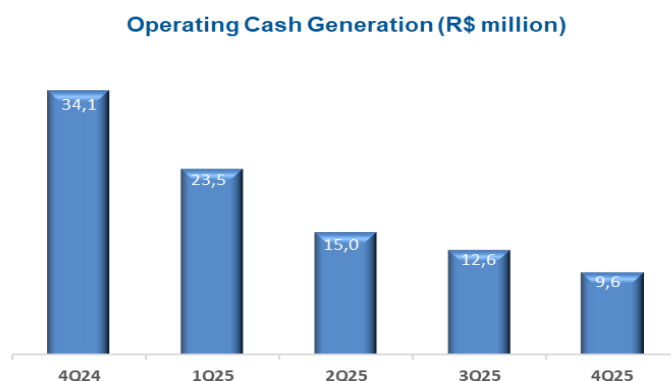
Net Income and Adjusted Net Income

The Net Loss in 4Q25 was R\$ 571 million, mainly impacted by the foreign exchange and interest rate adjustments on our debts. When the effects of financial charges and other non-recurring effects are excluded, there is an Adjusted Net Loss of R\$ 102 million. In 2025, the Net Loss was R\$ 1,331 million, mainly driven by the financial charges on loans and financing of R\$ 733 million and the recognition of impairment losses on assets of R\$ 194 million, as well as Idleness amounts of R\$ 198 million.

Through its Court-Ordered Reorganization Plan ("CORP"), the company hopes to gain greater access to financing facilities for working capital and to increase its production and sales volume, balancing its results.

Operating Cash Generation

The Company recorded a positive operating cash flow of R\$ 10 million in the 4Q25. The result of the best sales mix, effective cost control and negotiations and dealings with suppliers and tax commitments. Strategies that resulted in positive operational cash flow generations throughout 2025.



Indebtedness

<i>In R\$ thd, except otherwise stated</i>	4Q24	1Q25	2Q25	3Q25	4Q25
<i>Loans and Financing Short Term</i>	4.884.263	4.734.521	4.843.750	4.786.123	5.670.892
<i>Loans and Financing Long Term</i>	354.311	487.963	455.182	536.321	44.203
Total Bank Loans	5.238.574	5.222.484	5.298.932	5.322.444	5.715.095
<i>Transaction Costs - reprofilin</i>	(21.496)	(20.154)	(18.809)	(17.466)	(16.123)
Total Loans	5.217.078	5.202.330	5.280.123	5.304.978	5.698.972
<i>Forfaiting and letter of credit operations</i>	21.165	30.109	25.492	14.875	14.805
<i>Derivatives financial instruments</i>	0	0	0	0	0
<i>Derivatives</i>	(196)	0	0	0	0
Gross Debt	5.238.047	5.232.439	5.305.615	5.319.853	5.713.777
<i>Cash and Cash Equivalents</i>	8.524	1.408	1.451	2.140	2.166
<i>Financial Investments</i>	33.920	34.886	35.788	37.983	39.287
<i>Linked bank account</i>	0	0	0	0	0
Net Debt	5.195.603	5.196.145	5.268.376	5.279.730	5.672.324
<i>Short Term (%)</i>	93%	91%	91%	90%	99%
<i>Long Term (%)</i>	7%	9%	9%	10%	1%

Due to the non-payment of the debt portion of the Global Agreement, the debts under renegotiation in 4Q22 were reclassified to short-term liabilities, pursuant to CPC 26. In the 4Q25 balance sheet position, the reclassified amount is R\$ 2,140.5 million, which maintains the debt profile with 99% maturing in the short term.

The Company continues negotiating with the creditors to obtain new conditions for the settlement of its liabilities.

<i>In R\$ thd, except otherwise stated</i>	4Q24	1Q25	2Q25	3Q25	4Q25
<i>In Foreign Currency</i>	55%	54%	52%	53%	52%
<i>In Local Currency</i>	45%	46%	48%	47%	48%

Debt in local currency represented 53% of debt in 4Q25, due to the increase in contributions from local financial partners to make operations viable.

Court-Ordered Reorganization

General Recovery Measures contained in the Plan:

- Resumption of Operations
- Granting of special terms and conditions for the payment of Credits
- Partial sale of the assets of the Paranapanema Group
- Obtaining New Financing

Summary of the list of Creditors according to the accounting position as of December 31, 2025 and the report of the Judicial Administrator (JA):

Class of creditors	Valor	Qtde
Class I - Labor Credits	114,869	466
Class II - Credits with real guarantee	10,494	1
Class III - Unsecured Credits	173,974	977
Class IV - ME e EPP	4,315	61
Total	303,652	1,505

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

Balance sheet

December 31, 2025 and December 31, 2024

(In thousands of reais)

ASSETS	Notes	Parent company		Consolidated	
		2025	2024	2025	2024
Cash and cash equivalents	05	362	6,384	2,166	8,524
Financial investments	05	39,287	33,920	39,287	33,920
Accounts receivable	06	9,104	2,023	9,104	1,736
Inventory	07	89,905	271,750	89,905	271,750
Taxes recoverable	08	11,165	58,362	13,098	59,264
Other current assets	09.1	29,731	12,229	29,730	12,229
Derivative financial instruments	28	-	196	-	196
Prepaid expenses		16,748	10,308	16,748	10,308
Total current assets		196,302	395,172	200,038	397,927
Accounts receivable	06	1,171	393	1,171	393
Taxes recoverable	08	34,652	7,604	34,652	20,196
Deferred income tax and social contribution	26	-	-	278	-
Legal deposits	09.2	206,556	190,762	206,556	190,762
Other non-current assets	09.1	78,650	52,775	78,135	51,604
Prepaid expenses		38,407	5,454	38,407	5,454
Total Long-term		359,436	256,988	359,199	268,409
Prepaid expenses	15	4,331	6,656	4,331	6,656
Investments	10	20,777	24,654	-	-
Other investments	11	25,463	25,701	25,463	25,701
Property, plant and equipment	12	615,442	925,018	615,442	925,018
Intangible assets	12	2,689	3,391	2,689	3,391
		668,702	985,420	647,925	960,766
Total non-current assets		1,028,138	1,242,408	1,007,124	1,229,175
Total assets		1,224,440	1,637,580	1,207,162	1,627,102

See the accompanying notes to the financial statements.

Balance sheet

December 31, 2025 and December 31, 2024

(In thousands of reais)

LIABILITIES	Notes	Parent company		Consolidated	
		2025	2024	2025	2024
Suppliers	13	651.356	639.105	651.363	639.112
Forfeiting and letter of credit operations	14	9.021	15.777	9.021	15.777
Leasing	15	2.613	3.770	2.613	3.770
Loans and financing	16	5.654.769	4.862.767	5.654.769	4.862.767
Payroll and related charges	17	242.810	77.132	242.810	77.132
Taxes payable	18	718.905	537.797	720.930	537.798
Advances from clients	20	74.733	72.724	74.733	72.840
Other current liabilities	20	31.170	51.817	31.334	52.007
Total current liabilities		7.385.377	6.260.889	7.387.573	6.261.203
Suppliers	13	181.142	156.327	181.142	156.327
Forfeiting and letter of credit operations	14	5.784	5.388	5.784	5.388
Leasing	15	1.718	2.886	1.718	2.886
Loans and financing	16	44.203	354.311	44.203	354.311
Payroll and related charges	17	10.182	12.014	10.182	12.014
Taxes payable	18	35.774	103.749	35.774	103.749
Legal deposits	19	1.015.344	945.654	1.015.344	945.654
Deferred income tax and social contribution	26	54.119	55.991	54.119	57.305
Other non - current liabilities	20	34.883	26.217	15.409	14.111
Total non-current liabilities		1.383.149	1.662.537	1.363.675	1.651.745
Total liabilities		8.768.526	7.923.426	8.751.248	7.912.948
Paid-in capital	21.a	2.245.638	2.172.388	2.245.638	2.172.388
Capitalization costs		(5.375)	(5.375)	(5.375)	(5.375)
Equity valuation adjustments	21.h	105.054	108.689	105.054	108.689
Treasury shares		(741)	(741)	(741)	(741)
Retained earnings		(9.888.662)	(8.560.807)	(9.888.662)	(8.560.807)
Equity	21	(7.544.086)	(6.285.846)	(7.544.086)	(6.285.846)
Total shareholders' equity		(7.544.086)	(6.285.846)	(7.544.086)	(6.285.846)
Total liabilities and equity		1.224.440	1.637.580	1.207.162	1.627.102
Shareholders' deficit					

See the accompanying notes to the financial statements.

Income Statement

Years ended December 31, 2025 and 2024

(In thousands of reais, except loss per share)

	Notes	Parent company		Consolidated	
		2025	2024	2025	2024
Net sales	22	562.435	459.926	562.435	459.926
Cost of goods sold	23	(795.622)	(623.528)	(795.622)	(623.528)
Gross Loss		(233.187)	(163.602)	(233.187)	(163.602)
Commercial	23	(8.625)	(9.683)	(8.632)	(9.693)
General and administrative	23	(82.673)	(72.194)	(82.884)	(72.509)
Equity in results of investees	10	(3.877)	(1.778)	-	-
Other expenses	24	(339.687)	(203.636)	(339.694)	(203.706)
Other income	24	64.980	10.150	65.044	10.151
Operating expenses		(369.882)	(277.141)	(366.166)	(275.757)
(Loss) operating profit before financial results		(603.069)	(440.743)	(599.353)	(439.359)
Financial expenses	25	(1.318.662)	(1.769.970)	(1.324.441)	(1.772.813)
Financial income	25	600.731	57.468	601.549	58.948
Net Income(Loss) before income and social contribution taxes		(1.321.000)	(2.153.245)	(1.322.245)	(2.153.224)
Income and social contribution tax for the current year	26	-	-	(344)	-
Deferred income and social contribution taxes	26	(10.490)	14.635	(8.901)	14.614
Income and social contribution tax		(10.490)	14.635	(9.245)	14.614
Net income for the period		(1.331.490)	(2.138.610)	(1.331.490)	(2.138.610)
Earning (Loss) per common share				(13,57056)	(40,42195)
Earning (Loss) per diluted common share				(13,57056)	(40,42195)

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	
	2025	2024
Net income for the period	<u>(1.331.490)</u>	<u>(2.138.610)</u>
Other income components, net of tax effects		
Items to be subsequently reclassified to the result	-	(761)
Earnings from Foreign exchange variations	-	(761)
Comprehensive income(loss) for the period	<u>(1.331.490)</u>	<u>(2.139.371)</u>
Allocated to:		
Controlling Shareholders	(1.331.490)	(2.139.371)

See the accompanying notes to the financial statements.

Statement of changes in equity
Years ended December 31, 2025 and 2024
(In thousands of reais)

	Notes	Paid-in capital	Convertible debentures	Capitalization costs	Treasury shares	Accumulated deficit	Equity valuation adjustment	Consolidated shareholder s' equity
Balance as at december 31, 2023		2.069.566	25.787	(5.375)	(741)	(6.426.611)	113.864	(4.223.510)
Capital increase	21.b	102.822	-	-	-	-	-	102.822
Capital transactions with partners		102.822	(25.787)	-	-	-	-	77.035
Earnings and losses from foreign exchange variations-foreign investment	21.g	-	-	-	-	-	(761)	(761)
Equity evaluation adjustment	21.g	-	-	-	-	6.687	(6.687)	-
Tax on realization of equity evaluation adjustment	21.g	-	-	-	-	(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)
Balance as at december 31,2024		2.172.388	-	(5.375)	(741)	(8.560.807)	108.689	(6.285.846)
Capital increase	01	73.250	-	-	-	-	-	73.250
Capital transactions with partners		73.250	-	-	-	-	-	73.250
Equity evaluation adjustment	21.g	-	-	-	-	5.507	(5.507)	-
Tax on realization of equity evaluation adjustment	21.g	-	-	-	-	(1.872)	1.872	-
Equity valuation adjustment		-	-	-	-	3.635	(3.635)	-
Net income (Loss) for the period		-	-	-	-	(1.331.490)	-	(1.331.490)
Balance as at december 31,2025		2.245.638	-	(5.375)	(741)	(9.888.662)	105.054	(7.544.086)

See the accompanying notes to the financial statements.

Cash Flow Statements

Years ended December 31, 2025 and 2024

(In thousands of reais)

		Parent company		Consolidated	
		2025	2024	2025	2024
(Loss) before income and social contribution taxes		(1.321.000)	(2.153.245)	(1.322.245)	(2.153.224)
Adjustments to reconcile net (loss) with resources provided by operating activities					
Residual value of written-off fixed assets	12	-	2.062	-	2.062
Depreciation and amortization	12	79.759	86.628	79.759	86.628
Amortization of right-to-use assets	15	5.593	7.103	5.593	7.103
Equity in results of investees	10	3.877	1.778	-	-
Losses due to impairment of fixed assets	12	246.980	-	246.980	-
Provision (reversal) for recoverable value of estimated losses	06	(919)	(3.257)	(919)	(3.361)
Provision for other	07	124.102	32.222	124.102	32.222
Provision for other		14.167	1.579	14.167	1.579
Provision for losses on lawsuits	19	(969)	99.030	(969)	99.030
Present value adjustment		(7.386)	641	(7.386)	641
Provision	17	(206)	-	(206)	-
Financial charges		574.172	1.729.689	579.919	1.729.872
(Loss) before income and social contribution taxes (Increase) decrease in assets		(281.830)	(195.770)	(281.205)	(197.448)
Accounts receivable	06	(7.085)	4.908	(7.372)	5.299
Inventory	07	57.714	3.594	57.714	3.594
Taxes recoverable	08	20.149	213.668	31.710	213.757
Prepaid expenses		(39.393)	5.248	(39.393)	5.248
Legal deposits	09.2	(15.794)	(156.241)	(15.794)	(156.241)
Derivative financial instruments	28	177	1.212	177	1.212
Assets held for sale		544	-	544	-
Other current and non-current liabilities	09.1	(10.834)	(4.674)	(11.494)	(3.021)
Increase (decrease) in liabilities					
Suppliers	13	160.871	83.353	160.871	83.353
Forfeiting and letter of credit operations	14	(2.358)	10.630	(2.358)	10.630
Taxes payable	18	2.169	78.066	3.805	78.042
Legal deposits	19	(3.052)	1.163	(3.052)	1.163
Payroll and related charges	17	164.178	19.053	164.178	19.053
Advances from clients	20	8.937	3.181	8.822	3.182
Other current and non-current liabilities	20	6.649	5.555	(6.492)	8.893
Cash flow generated from operations		61.042	72.946	60.661	76.716
Income and social contribution taxes paid		-	-	45	1
Net cash provided by operating activities		61.042	72.946	60.706	76.717
Investing activities					
Financial investments made	05	-	(1.009)	-	(1.009)
Redemption of financial investments	05	-	1.009	-	1.009
Other investments		238	(250)	238	(250)
Variations in the capital of controlled companies		-	1.636	-	-
Fixed assets and intangible additions	12	(16.477)	(16.690)	(16.477)	(16.690)
Net cash used in investing activities		(16.239)	(15.304)	(16.239)	(16.940)
Financing activities					
Net cost of funding		3.618	1.320	3.618	1.320
Loans and financing	16	427.194	459.092	427.194	459.092
Amortization of loans and financing	16	(408.498)	(437.122)	(408.498)	(437.122)
Interest payments on loans	16	(61.610)	(57.342)	(61.610)	(57.342)
Leasing	15	(6.162)	(7.744)	(6.162)	(7.744)
Release linked bank account	05	(5.367)	(9.542)	(5.367)	(9.542)
Net cash used in financing activities		(50.825)	(51.338)	(50.825)	(51.338)
(Reduction) increase in cash and cash equivalents		(6.022)	6.304	(6.358)	8.439
Cash and cash equivalents at the beginning for the period	05	6.384	80	8.524	85
Cash and cash equivalents at the end for the period	05	362	6.384	2.166	8.524
(Reduction) increase in cash and cash equivalents		(6.022)	6.304	(6.358)	8.439

See the accompanying notes to the financial statements.

Value added statement

Years ended December 31, 2025 and 2024

(In thousands of reais)

	Parent company		Consolidated	
	2025	2024	2025	2024
Income				
Sales of goods and services	686.922	571.588	686.922	571.588
Provision for doubtful accounts	919	1.569	919	1.569
Other income	38.566	8.080	38.630	8.081
Inputs acquired from third parties (Including taxes)				
Cost of goods and services sold	(523.708)	(303.483)	(523.708)	(303.483)
Materials, energy, third party services and other	(556.413)	(462.071)	(556.417)	(462.233)
Gross added value	(353.714)	(184.317)	(353.654)	(184.478)
Retentions				
Depreciation and amortization	(79.759)	(86.628)	(79.759)	(86.628)
Amortization of right-to-use assets	(5.593)	(7.103)	(5.593)	(7.103)
Net added value	(439.066)	(278.048)	(439.006)	(278.209)
Received from third parties				
Equity in results of investees	(3.877)	(1.778)	-	-
Financial income	600.731	57.468	601.549	58.948
Total net added value payable	157.788	(222.358)	162.543	(219.261)
Net added value payable	157.788	(222.358)	162.543	(219.261)
Personnel and charges	172.030	156.734	172.250	156.959
Taxes and contributions	(5.761)	(15.154)	(7.005)	(15.125)
Interest and rent	1.323.009	1.774.672	1.328.788	1.777.515
Net income for the period	(1.331.490)	(2.138.610)	(1.331.490)	(2.138.610)

See the accompanying notes to the financial statements.

01. Operations

Paranapanema S.A. - Under Court-Ordered Reorganization (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, nº 3,700, West Industrial Area, Complexo Petroquímico de Camaçari – COPEC.

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 from non-current liabilities to current liabilities, in the restated amount of R\$2,168,430 (R\$ 1,966,619 on December 31, 2024), due to non-compliance with the covenants

clauses. With this reclassification, as of December 31, 2025, the Company presents an individual negative net working capital of R\$ 7,189,075 (R\$ 5,865,717 as of December 31, 2024) and a consolidated negative net working capital of R\$ 7,187,535 (R\$ 5,863,276 as of December 31, 2024).

The Company incurred losses in the period in the amount of R\$ 1,331,490 (R\$ 2,138,610 as of December 31, 2024), accumulating individual and consolidated losses of R\$ 9,888,662 (R\$ 8,560,807 as of December 31, 2024), thereby leaving the Company's individual and consolidated shareholders' equity negative by R\$ 7,544,086 (R\$ 6,285,846 as of December 31, 2024).

Since September 2022, the Company has been maintaining partial operation of the Eluma plant, a manufacturing unit located in Santo André - SP, with substantial sales under the "Tolling" modality.

In addition to the aforementioned facts, in September 2025, the Company's Management decided to halt ("hibernate") the operations of the Caraíba plant, a manufacturing unit located in Dias D'Ávila-BA, as detailed in Note 12.2, resulting in the dismissal of approximately 300 employees from this unit. This decision reflects the assessment that the operation of the aforementioned unit has not generated positive cash flows, indicating that the Company has not reached the financial breakeven point. Such measure aims to mitigate the negative financial impacts and allow for a strategic reassessment of the Company's industrial activities in that location.

Furthermore, as mentioned in Note 28.6, the Company ceased to settle the initial installments of the commitment made with F.I.D.C. Multissetorial Fundo BS NP, and as a result of this default, the outstanding balance of the renegotiated debt became immediately and prematurely due from the maturity date, as provided in the contractual clauses.

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 court-ordered reorganization plan.

Court-Ordered Reorganization

Paranapanema S.A. – Under Court-Ordered Reorganization, released a material fact on November 30, 2022, informing that it filed, along with CDPC – Centro de Distribuição de Produtos de Cobre Ltda., under Court-Ordered Reorganization, and Paraibuna Agropecuária Ltda., also under Court-Ordered Reorganization, all of which are subsidiaries of the Company ("Companies Under Court-Ordered Reorganization" or "Paranapanema Group"), a request for court-ordered reorganization 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 ("Judges of Court-Ordered Reorganization"), in the records of proceeding 1001409- 24.2022.8.26.0260, approved the processing of the Court-Ordered Reorganization.

On February 16, 2023, the Company filed its Court-Ordered Reorganization Plan (“Court-Ordered Reorganization 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 Court-Ordered Reorganization 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 Court-Ordered Reorganization Plan of the Paranapanema Group, according to Article 45 of Law 11101/05.

Thus, the Court-Ordered Reorganization Plan went on to be approved by the Court-Ordered Reorganization Court, in accordance with the law, with the approval decision being issued on November 16, 2023, by the Honorable Judges of the Court-Ordered Reorganization, as published on November 22, 2023.

The Company recognized the accounting effects of the Court-Ordered Reorganization 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 Recovery 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 Court-Ordered Reorganization, including through the conversion of credits into capital.

As at 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 Court-Ordered Reorganization Plan of Paranapanema Group, filed on September 26, 2024, (“First Amendment to the Court-Ordered Reorganization Plan”), 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 Court-Ordered Reorganization Plan was registered by the Judges of the Court-Ordered Reorganization, in the records of proceeding 1001409-24.2022.8.26.0260.

On March 17, 2025, the Company’s creditors, meeting at a Creditors’ General Meeting duly convened pursuant to Article 45 of Law 11101/05, approved the 2nd amendment to the Court-Ordered Reorganization Plan filed on March 17, 2025, (“2nd Amendment to the Court-Ordered Reorganization Plan”).

On April 23, 2025, the 2nd Addendum to the Court-Ordered Reorganization Plan (“2nd Addendum to the Court-Ordered Reorganization Plan”) was approved by the Judges of Court-Ordered Reorganization, that changes the conditions of Undisputed Labor Credits up to 150 Minimum Wages, with the payment period being up to three years from the Court-Ordered Reorganization Plan approval or on the date on which they become Undisputed Labor Credits, and an advance payment of the amounts that make up the Minimum Wage Guarantee, up to the limit of one hundred and fifty (150) minimum wages, according to the following schedule, observing the limit of each credit.

	Mês 3	Mês 4	Mês 5	Mês 6	Mês 7	Mês 8	Mês 9	Mês 10	Mês 11	Mês 12
2025	1.000,00	1.000,00	2.000,00	3.500,00	4.500,00	6.500,00	10.500,00	13.500,00	18.500,00	Saldo remanescente

The Company complied with the schedule and made its payments in installments from March to November 2025 and expects to pay the final installment in the first quarter of 2026.

On October 23, 2025, a new version (initial version filed on July 14, 2025) of the proposed 3rd amendment to the Company’s Court-Ordered Reorganization Plan (“3rd Amendment to the Court-Ordered Reorganization Plan”) was filed with the 1st Regional Court of Corporate Jurisdiction and Arbitration-Related Disputes of the 1st RAJ in the city of São Paulo, state of São Paulo, in the case file 1001409-24.2022.8.26.0260, a new version (the initial version having been filed on July 14, 2025) of the proposal for the 3rd amendment to the Company’s Court-Ordered Reorganization Plan (“3rd Amendment to the Court-Ordered Reorganization Plan”), which was submitted to and approved by the General Creditors’ Meeting held on October 24, 2025, and on December 4, 2025, ratified by the Court-Ordered Reorganization Court.

The third amendment provides for the payment of up to R\$ 15 in full to each unsecured creditor, limited to the amount of the respective unsecured claim unsecured creditor, in a single installment,

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to be paid within 45 (forty-five) months from the Judicial Approval of the Court-Ordered Reorganization Plan, and the remaining balance will be subject to a 50% discount and paid in 48 monthly installments starting from the 49th (forty-ninth) month following the judicial approval of the Court-Ordered Reorganization Plan; and for secured creditors, payment of their claims will be made in 72 (seventy-two) monthly installments beginning in the 49th (forty-ninth) month following the judicial approval of the Plan.

The table below shows the balance sheet positions that were affected by the Court-Ordered Reorganization.

Consolidated

PASSIVO	2025	Concursal	Não Concursal
Fornecedores	651.363	2.425	648.938
Operações com forfaiting e cartas de crédito	9.021	-	9.021
Passivo de Arrendamento	2.613	-	2.613
Empréstimos e financiamentos	5.654.769	-	5.654.769
Salários e encargos sociais	242.810	2.365	240.445
Impostos e contribuições a recolher	720.930	-	720.930
Passivos relacionados a contratos de clientes	74.733	-	74.733
Outros passivos circulantes	31.334	-	31.334
Total do passivo circulante	7.387.573	4.790	7.382.783
Fornecedores	181.142	157.790	23.352
Operações com forfaiting e cartas de crédito	5.784	5.784	-
Passivo de Arrendamento	1.718	-	1.718
Empréstimos e financiamentos	44.203	707	43.496
Salários e encargos sociais	10.182	904	9.278
Impostos e contribuições a recolher	35.774	-	35.774
Provisão para demandas judiciais	1.015.344	118.268	897.076
Imposto de renda e contribuição social diferidos	54.119	-	54.119
Outros passivos não circulantes	15.409	15.409	-
Total do passivo não circulante	1.363.675	298.862	1.064.813
Total do passivo	8.751.248	303.652	8.447.596
Capital social	2.245.638	-	2.245.638
Custo de Capitalização	(5.375)	-	(5.375)
Ajuste de avaliação patrimonial	105.054	-	105.054
Ações em tesouraria	(741)	-	(741)
Prejuízos acumulados	(9.888.662)	-	(9.888.662)
Patrimônio líquido	(7.544.086)	-	(7.544.086)
Total do patrimônio líquido (passivo a descoberto)	(7.544.086)	-	(7.544.086)
Total do passivo e do patrimônio líquido (passivo a descoberto)	1.207.162	303.652	903.510

The Company's liabilities negotiated within the scope of the court-ordered reorganization are segregated into four classes.

Classe de credores	Saldo aprovado no plano de recuperação judicial
Classe I - Créditos Trabalhista	114.869
Classe II - Créditos com garantia real	10.494
Classe III - Créditos Quirografário	173.974
Classe IV - ME e EPP	4.315
Total	303.652

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 Court-Ordered Reorganization 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 49th 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 45 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 49th 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 37th 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 37th 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 creditor who chooses to convert their respective credits will not suffer a discount. Credit-to-capital conversions will occur in 10 (ten) opportunities, following each of the conversion windows described in the plan and in the 3rd amendment.

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.

Capital Increase and Conversion Processes

1st Conversion Window

On February 22, 2024, the Company's Board of Directors approved the Company's 1st 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 common shares, book-entry and with no par value.

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 Conversion Window

On June 21, 2024, the Company's Board of Directors approved the ratification of Company's 2nd 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, book-entry and with no par value.

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 Conversion Window

On September 23, 2024, the Company's Board of Directors approved the homologation of 3rd 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, book-entry and with no par value.

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 3st Conversion Window	69.562.472	2.172.388.520,17

4th Conversion Window

On March 20, 2025, the Company's Board of Directors approved the ratification of the Company's 4th Capital Increase totaling six million, five hundred sixty-five thousand, two hundred eighty-three reais and sixty cents (R\$6,565,283.60), through the issuance of five million, eight hundred sixty-one thousand, eight hundred sixty-one (5,861,861) new nominative common shares with no par value.

Total	Quantity	Share Capital
Before the 4st Conversion Window	69.562.472	2.172.388.520,17
Subscription by Creditors	3.575.256	4.004.286,00
Subscription by Shareholders	2.286.605	2.560.997,60
After the 4st Conversion Window	75.424.333	2.178.953.803,77

5th Conversion Window

On June 23, 2025, the Company's Board of Directors approved the ratification of the 5th Capital Increase of the Company, totaling ten million, five hundred forty-five thousand, nine hundred twenty-eight reais and twenty-three centavos (R\$ 10,545,928.23), through the issuance of four million, nine hundred five thousand, eighty-nine (4,905,089) new nominative common shares with no par value.

Total	Quantity	Share Capital
Before the 5st Conversion Window	75.424.333	2.178.953.803,77
Subscription by Creditors	4.621.330	9.935.846,38
Subscription by Shareholders	283.759	610.081,85
After the 5st Conversion Window	80.329.422	2.189.499.732,00

6th Conversion Window

On August 18, 2025, the Company's Board of Directors approved the ratification of the 6th Capital Increase of the Company, totaling two million, five hundred sixty thousand, four hundred seventeen reais and forty-five centavos (R\$ 2,560,417.45), through the issuance of one million, one hundred three thousand, six hundred thirty-one (1,103,631) new nominative common shares, book-entry and with no par value.

Total	Quantity	Share Capital
Before the 6st Conversion Window	80.329.422	2.189.499.732,00
Subscription by Creditors	1.055.114	2.447.858,01
Subscription by Shareholders	48.517	112.559,44
After the 6st Conversion Window	81.433.053	2.192.060.149,45

Capital increase by private subscription of shares

As disclosed in the material fact on September 17, 2025, the Company made available to creditors the option to capitalize credits of an extrajudicial nature ("Credits Not Subject to Court-Ordered Reorganization"), whose triggering event occurred after November 30, 2022, the date of the court-ordered reorganization request.

On October 28, 2025, the Company's Board of Directors partially ratified the capital increase, through a private subscription of shares, totaling fifty-three million, five hundred seventy-eight thousand, five hundred thirty-one reais and eighty-one centavos (R\$ 53,578,531.81), through the issuance of thirty-nine million, one hundred eight thousand, five hundred forty-three (39,108,543) new nominative common shares with no par value.

Total	Quantity	Share Capital
Before the Capitalization of Claims Not Subject to Judicial Reorganization	81.433.053	2.192.060.149,45
Subscription by Creditors	38.864.742	53.244.524,44
Subscription by Shareholders	243.801	334.007,37
After the Capitalization of Claims Not Subject to Judicial Reorganization	120.541.596	2.245.638.681,26

The Company's capital is now two billion, two hundred and forty-five million, six hundred and thirty-eight thousand, six hundred and eighty-one reais and twenty-six centavos (R\$ 2,245,638,681.26), broken down into one hundred and twenty million, five hundred and forty-one thousand, five hundred and ninety-six (120,541,596) common, registered, book-entry shares with no par value.

The full text of the approved Court-Ordered Reorganization Plan, the minutes of the Annual Creditors' Meeting, subsequent amendments, as well as all information regarding the Company's court-ordered reorganization 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 Court-Ordered Reorganization 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	12/31/2025	12/31/2024
CDPC-Centro de Distribuição de Produtos de Cobre Ltda. – Under Court-Ordered Reorganization	100.00%	100.00%

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.		
Paraibuna Agropecuária Ltda. – Under Court-Ordered Reorganization: Inactive company Business purpose: Agricultural, pastoral and reforestation activities.	99.98%	99.98%

02. Preparation basis

A) Statement of conformity

The individual and consolidated financial statements were prepared in accordance with the International Financial Reporting System (IFRS) issued by the International Accounting Standards Board (IASB) and in accordance with the accounting practices adopted in Brazil (BR GAAP), and standards by the Brazilian Securities and Exchange Commission (CVM).

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 Value Added 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 30, 2026.

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

B) Measurement basis

The Individual and Consolidated Financial Statements were prepared based on the historical cost.

C) Functional and presentation currency

Individual and consolidated financial statements are being presented in Brazilian Reais (R\$), the functional currency of the Company. All financial information presented in Brazilian Reais has been rounded to the nearest thousand, except where 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, 2025 is included in the following notes:

- Note 8 - Recoverable taxes and contributions: actions taken by the Company to realize 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 28.3).

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 up to the point where there is no evidence of loss 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.

Exchange differences arising from the reconversion are charged to income (loss).

C) Financial instruments

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.1.1) 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. Financial investments

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 allowance for doubtful accounts, 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) Debentures convertible into shares

Debentures that, as established in the deed of issue, are mandatorily convertible into shares 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”).

C.4) Capital

C.4.1) Common shares

Common shares are classified in 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.

D) Assets held-for-sale

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) Employee benefits

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.

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	05 years
• Furniture and fixtures	05–10 years
• Software	05 years

J) 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

Non-derivative financial assets

The Company recognizes provisions for expected credit losses on financial assets measured at amortized cost ("trade accounts receivable and other receivables").

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 the income (loss) and reflected in a provision account, deducting the gross book value of the assets. 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.

The gross book value of a financial asset is written off when the Company has no reasonable expectation of recovering the financial asset in full or in part.

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. Value in use is based on estimated future cash flows discounted to present value using a discount rate before taxes that reflects current market evaluation of times value of money and the specific risks of the assets or CGU.

Impairment losses are recognized in the income (loss).

Impairment losses are reversed (except for negative goodwill) 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, 2024 and 2025.

P) Financial revenues (expenses)

Financial revenues (expenses): Represent interest on loans and interest-earning bank deposits, inflation adjustments and foreign exchange gains and losses linked to loans, and sundry discounts that are recognized in income for the year on an accrual 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 operations 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. The calculation of diluted earnings per share is based on net income attributed to common shareholders and the weighted average of common shares outstanding after adjustments for all potential dilutive common shares.

S) New standards and interpretations

Several new accounting standards will become effective for the years started after January 1, 2025. The Company did not adopt the following accounting standards in the preparation of these financial statements.

a) IFRS 18 Presentation and Disclosure in 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.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.

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 operations 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

	Notes	Parent company		Consolidated	
		2025	2024	2025	2024
Cash and banks		362	6.384	364	6.386
Interest-earning bank deposits	(a)	-	-	1.802	2.138
Cash and cash equivalents		362	6.384	2.166	8.524
Interest-earning bank deposits- Escrow	(b)	39.287	33.920	39.287	33.920
Interest-earning bank deposits		39.287	33.920	39.287	33.920
Current assets		39.287	33.920	39.287	33.920

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) Financial investments

Refer to bank deposit certificates and repurchase and resale agreements backed by debentures and reflecting normal market conditions on the balance sheet dates.

The amount of R\$ 39,287 on December 31, 2025 (R\$ 33,920 as at December 31, 2024), 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 95.7% of the CDI rate as at December 31, 2025 and 95.5% as at December 31, 2024, measured at amortized cost.

06. Trade accounts receivable

	Notes	Parent company		Consolidated	
		2025	2024	2025	2024
Domestic clients:					
Third parties		66.176	84.705	67.183	85.712
Related parties	10.2	-	287	-	-
Estimated loss on recoverable value		(40.464)	(52.449)	(41.471)	(53.456)
		<u>25.712</u>	<u>32.543</u>	<u>25.712</u>	<u>32.256</u>
Foreign clients:					
Third parties		2.335	2.392	2.335	2.392
Estimated loss on recoverable value		(44)	(156)	(44)	(156)
		<u>2.291</u>	<u>2.236</u>	<u>2.291</u>	<u>2.236</u>
Anticipation of Assignment of Credit		<u>(17.728)</u>	<u>(32.363)</u>	<u>(17.728)</u>	<u>(32.363)</u>
		<u>10.275</u>	<u>2.416</u>	<u>10.275</u>	<u>2.129</u>
Current assets		9.104	2.023	9.104	1.736
Non-current assets		1.171	393	1.171	393

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

		Parent company		Consolidated	
		2025	2024	2025	2024
Due in more than 120 days		1.658	505	1.658	505
Due in 91 to 120 days		137	11	137	11
Due in 61 to 90 days		2.304	451	2.304	451
Due in 31 to 60 days		7.029	10.136	7.029	10.136
Due in 30 days		14.476	20.801	14.476	20.514
Total Due		<u>25.604</u>	<u>31.904</u>	<u>25.604</u>	<u>31.617</u>
Overdue up to 30 days		10	2.766	10	2.766
Overdue from 31 to 60 days		-	33	-	33
Overdue for more than 90 days		2.389	76	2.389	76
Total due		<u>2.399</u>	<u>2.875</u>	<u>2.399</u>	<u>2.875</u>
		<u>28.003</u>	<u>34.779</u>	<u>28.003</u>	<u>34.492</u>
Anticipation of Assignment of Credit	(a)	(17.728)	(32.363)	(17.728)	(32.363)
		<u>10.275</u>	<u>2.416</u>	<u>10.275</u>	<u>2.129</u>

- a) Amount referring to the credit assignment of accounts receivable with right of recourse (the credit risk of the accounts receivable remains with the Company), which the Company carried out with Credit Rights Investment Funds.

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 CPC 48/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 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	
	2025	2024	2025	2024
Opening balance	(52.605)	(55.863)	(53.612)	(56.974)
Reversals for the year	919	1.570	919	1.570
Write off	11.178	1.688	11.178	1.792
Final balance	(40.508)	(52.605)	(41.515)	(53.612)

07. Inventories

	Parent company	
	2025	2024
Raw materials	120.056	110.963
Work in progress	46.283	71.366
Finished products	16.561	55.726
Imports in transit	28	847
Advances to suppliers for purchases of raw materials	173	267
Maintenance materials and others	66.847	68.522
Resale materials	132	132
Estimated loss on recoverable value	(160.175)	(36.073)
Current assets	89.905	271.750

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

In 2025, a provision for losses was established for part of the inventory at the Dias D'Avila unit in the amount of R\$ 124,230, related to raw material encrusted in the furnaces, without immediate liquidity. The remaining balance of R\$ 35,945 as at December 31, 2025 (R\$ 36,073 as at December 31, 2024) 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 Company offered all its inventory as collateral for the assignment of accounts receivable credit and tax lawsuits. In the case of an unfavorable decision, the full amount will be paid in cash.

08. Recoverable taxes and contributions

	Notes	Parent company			
		2025		2024	
		Current assets	Non-current	Current assets	Non-current
Exclusion of ICMS from the COFINS assessment base	(a)	553	-	31.545	340.786
Exclusion of ICMS from the PIS assessment base	(a)	-	-	-	73.987
Estimated loss on recoverable value	(a)	-	-	-	(427.364)
Value-added tax on sales and services-ICMS	(b)	1.904	-	20.350	-
Taxes on fixed assets recoverable		1.755	1.141	1.937	1.179
Income and social contribution taxes to be refunded	(c)	736	10.277	177	10.277
Estimated loss on recoverable value	(c)	-	(10.277)	-	(10.277)
Special Tax Reintegration Regime for Exporting Companies (Reintegra)	(d)	1.189	33.511	1.101	19.016
Contribution for social security funding-COFINS	(e)	1.948	-	-	-
Social integration program - PIS	(e)	450	-	-	-
Withholding income tax-IRRF		234	-	649	-
Excise tax-IPÍ		567	-	428	-
Other		1.829	-	2.175	-
		11.165	34.652	58.362	7.604

	Notes	2025		Consolidated 2024	
		Current assets	Non-current	Current assets	Non-current
Exclusion of ICMS from the COFINS assessment base	(a)	553	-	31.545	387.132
Exclusion of ICMS from the PIS assessment base	(a)	-	-	-	84.048
Estimated loss on recoverable value	(a)	-	-	-	(471.180)
Value-added tax on sales and services–ICMS	(b)	1.904	-	20.350	-
Taxes on fixed assets recoverable		1.755	1.141	1.937	1.180
Income and social contribution taxes to be refunded	(c)	894	10.277	866	10.277
Estimated loss on recoverable value	(c)	-	(10.277)	-	(10.277)
Special Tax Reintegration Regime for Exporting Companies (Reintegra)	(d)	1.189	33.511	1.101	19.016
Contribution for social security funding–COFINS	(e)	1.948	-	-	-
Social integration program - PIS	(e)	450	-	-	-
Withholding income tax–IRRF		263	-	655	-
Excise tax–IPI		567	-	428	-
Prepaid income and social contribution taxes		1.680	-	143	-
Other		1.895	-	2.239	-
		13.098	34.652	59.264	20.196

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 judges of Court-Ordered Reorganization and the approval by the creditors holding the fiduciary assignment of such credits.

On March 12, 2024, the Court-Ordered Reorganization 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 Court-Ordered Reorganization Records, so that the sale operation can be concluded upon signing of the Assignment Term. According to our legal advisors, the assignment has full effectiveness and is perfect and complete.

The remaining outstanding balance on December 31, 2025 of R\$ 553 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.

As of December 31, 2025, the ICMS credit balance was R\$ 1,904, with R\$ 773 related to the unit in Santo André - SP, and R\$ 1,170 related to the unit in Dias D'Ávila - BA (R\$ 14,431 and R\$ 5,383 as of December 31, 2024).

- 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 increase in the period occurred due to the recognition of amounts related to the active lawsuits MS 0001029-93.2015.4.03.6126, MS 006848-11.2015.4.03.6126, and MS 5001929-83.2018.4.03.6126, which address the Reintegra rates for the periods from March 2015 to August 2018, for which the legal advisors assessed as "virtually certain," according to the definitions of CPC 25 Provisions, Contingent Liabilities, and Contingent Assets.

- 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

	Note	Parent company			
		2025		2024	
		Current assets	Non-current	Current assets	Non-current assets
Municipal writs of payment	(a)	-	43.872	-	43.872
Federal writs of payment	(a)	-	16.271	-	4.741
Debentures	(c)	16.650	15.000	-	-
Advances to suppliers	(b)	11.471	-	10.873	-
Accounts receivable – related parties	10.2	-	1.113	-	1.769
Advances to employees		1.269	-	1.167	-
Amount receivable - Disposal of Cibrafertil		-	1.001	-	1.001
Amounts receivable from suppliers		-	1.243	-	1.243
Other		341	150	189	149
		29.731	78.650	12.229	52.775

	Note	Consolidated			
		2025		2024	
		Current assets	Non-current	Current assets	Non-current assets
Municipal writs of payment	(a)	-	43.872	-	43.872
Federal writs of payment	(a)	-	16.271	-	4.741
Debentures	(c)	16.650	15.000	-	-
Advances to suppliers	(b)	11.471	-	10.873	-
Advances to employees		1.269	-	1.167	-
Amount receivable - Disposal of Cibrafertil		-	1.001	-	1.001
Amounts receivable from suppliers		-	1.243	-	1.243
Other		340	748	189	747
		29.730	78.135	12.229	51.604

- 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, 2025 and December 31, 2024 totaled R\$ 43,666. In the case of an unfavorable decision, the full amount will be required in cash.

- b) Refers to advances to sundry suppliers to be used to settle invoices.
- c) Regarding the issuance of 437 unsecured convertible debentures into shares, for private placement and in a single series, at a unit price of R\$ 75, totaling R\$ 32,775, fully subscribed. In December 2025, 15 debentures were fully paid in the amount of R\$ 1,125, generating a balance of R\$ 31,650 receivable in 16 installments. Note 19.d.

09.2 Deposits for judicial claims

	Parent company/Consolidated	
	2025	2024
Labor	5.401	4.877
Tax	17.772	17.085
Social Security	848	828
Civil	827	827
Other	181.708	167.145
Non-current assets	206.556	190.762

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 “other judicial deposits” line is related to the judicial deposit made on April 2, 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 Court-Ordered Reorganization Records, fully allocated to the payment of Global Agreement.

10. Investments, related parties and others

10.1 Summary information and investment movements as at December 31, 2025.

	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	3.736	-	-	-	3.736
Non-current assets	19.753	-	-	598	20.351
Total assets	23.489	-	-	598	24.087
Current liabilities	2.197	-	-	-	2.197
Non-current liabilities	1.113	-	-	-	1.113
Equity	20.179	-	-	598	20.777
Total liabilities and equity	23.489	-	-	598	24.087
Operating expenses or income	(164)	-	-	-	(164)
Loss before financial income (loss) and taxes	(164)	-	-	-	(164)
Financial income (loss)	4.959	-	-	-	4.959
Loss before income tax	4.795	-	-	-	4.795
Income and social contribution taxes	(1.246)	-	-	-	(1.246)
Net Income (loss) for the period	3.549	-	-	-	3.549
Summarized financial information of subsidiaries					
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)
Operação encerradas - Liquidação	-	(518)	(176)	-	(694)
Balance as at december 31, 2024	24.056	-	-	598	24.654
Non-current assets	24.056	-	-	598	24.654
Equity in net income of subsidiaries	(3.877)	-	-	-	(3.877)
Balance as at december 31, 2025	20.179	-	-	598	20.777
Non-current assets	20.179	-	-	598	20.777

10.2 Business with subsidiaries, related parties and others

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, 2025, the Company has loans related to the anticipation of foreign currency contracts (ACC), with Caixa Econômica Federal totaling R\$ 61,049 (US\$ 11,095 thousand at the rate of 5.5024), R\$ 64,301 as at December 31, 2024 (US\$10,384 thousand at the rate of 6.192) and has R\$ 331,862 related to nationalized debts (R\$ 331,967 as at December 31, 2024).

Caixa Econômica Federal holds 5.83% 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 Parent Company and the subsidiary CDPC have a cost sharing agreement 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 subsidiary

	Notes	2025	2024
CDPC - Centro de Distrib.Prods. Cobre Ltda.			
Current Assets - Accounts Receivable	06	-	287
Non-Current Assets - Current Account	09.1	1.113	1.769
Non-Current Liabilities - Current Account	20	19.474	12.106

11. Other investments

This group of assets includes properties that are no longer used in the Company's operations and properties acquired through judicial rulings due to financial liabilities of its clients, totaling R\$ 22,636, valued at acquisition cost, net of accumulated depreciation and provision for losses, of which R\$ 22,100 were offered as guarantees. Additionally, the Company holds equity interests in other companies valued at R\$ 2,827.

Non-operational properties offered as guarantees

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.

Guarantees	Terrenos	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.

12. Property, plant and equipment and intangible assets

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

	Average depreciation rate	2024	Additions	Transfers	Provision for losses	Depreciation Amortization	2025
Parent company/Consolidated							
PROPERTY, PLANT AND EQUIPMENT							
Land		119.685	-	-	-	-	119.685
Improvements	5%	851	-	-	-	(155)	696
Buildings	3%	181.467	-	427	-	(11.646)	170.248
Installations	16%	20.217	-	65	-	(3.018)	17.264
Machines and Equipment	9%	374.948	-	21.495	-	(57.136)	339.307
Furniture and fixtures	8%	36.661	-	188	-	(7.101)	29.748
Vehicles	20%	1	-	-	-	(1)	-
Property, plant and equipment in progress		186.066	16.469	(21.993)	(52.050)	-	128.492
Provision for impairment losses		(2.944)	-	-	(194.930)	-	(197.874)
Spare parts		8.066	-	(182)	(8)	-	7.876
Total assets		925.018	16.469	-	(246.988)	(79.057)	615.442
INTANGIBLES							
ERP/Software	20%	3.391	-	-	-	(702)	2.689
Intangible assets		3.391	-	-	-	(702)	2.689

The amount of R\$ 79,057 in property, plant and equipment related to depreciation and R\$ 702 in intangible assets related to amortization, totaling R\$ 79,759, refers to:

	Parent company/Consolidated	
	2025	2024
Cost of goods sold	78.579	94.098
Commercial expenses	129	687
General and administrative expenses	1.051	1.292
Total depreciation and amortization expenses	79.759	96.077

12.1. Construction in progress

As at December 31, 2025, the balance of the account Property, plant and equipment in progress presented in the Consolidated was R\$ 128,492 (R\$ 186,066 as at December 31, 2024), 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

The Company periodically assesses the recoverability of its long-term assets, or whenever there are indications of impairment, in accordance with CPC 01 (R1) – Impairment of Assets.

In the third quarter of 2025, the Company's Management decided to halt ("hibernate") the operations of the Caraíba plant, a manufacturing unit located in Dias D'Ávila-BA. In light of the challenging scenario and recent events, the Company conducted the recoverability test of the Cash Generating Units (CGUs) at the units in Dias d'Ávila – BA and Santo André - SP, using discounted cash flow projections based on the business plan approved by Management. Based on the analyses conducted, the Company identified that there is a need to recognize an impairment loss, since the estimated recoverable amount of the CGU was below the book value of its net assets.

As determined by CPC 01 / IAS 36 Impairment of Assets, the Company, through specialized consulting firm, prepared a report on the fair value less costs to sell of individual assets, which confirmed the need to recognize an impairment loss on certain assets, resulting in the recognition of an impairment loss amounting to R\$ 194,930, recorded in the period's income under other operating expenses.

Furthermore, the Company conducted an analysis and recognized a provision for impairment in the amount of R\$ 52,050, related to items of property, plant, and equipment in progress that became obsolete. The loss is related to the discontinuity of projects due to cash constraints and the hibernation of the plant located in Dias D'Ávila – BA.

The Company constituted a provision for losses of R\$2,944 to adjust the inventory of items not located.

Management will continue to monitor the recoverability indicators of these assets and will review the assumptions used whenever there are significant changes in operational or economic conditions.

12.3. Property, plant and equipment in guarantee

The Company offered the amount of R\$7,876 in spare parts (R\$8,066 as at December 31, 2024) 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, 2025, its book values were R\$ 469,271.

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Guarantees for lawsuits	Book Value
Judicial Lien and Fiduciary Alienation under Suspensive Condition - Labor Process	821
Judicial Lien and Fiduciary Alienation under Suspensive Condition - Tax Process	1.732
Judicial Lien and Fiduciary Alienation under Suspensive Condition - CSLL Process	19.798
Fiduciary Alienation	222
Total Process Guarantees	22.573

Loan Guarantees	Book Value
Fiduciary Alienation under Suspensive Condition - BNB	179.812
Sub-total (previous to restructuring)	179.812
Fiduciary Alienation and Judicial Lien	88.204
Fiduciary Alienation - Dias D'ávila	46.011
Fiduciary Alienation - Utinga	84.202
Fiduciary Alienation - Serra	14.363
Fiduciary Alienation - ING	34.106
Subtotal (Mortgaged/Pledged refinancing)	266.886
Total Loan Guarantees	446.698

Total Guarantees	469.271
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13. Suppliers

	Parent company		Consolidated	
	2025	2024	2025	2024
Goods	180.052	157.317	180.052	157.317
Freight and transportation	12.200	12.624	12.200	12.624
Services	153.729	120.261	153.736	120.268
Electric power/Water and sewage/Gas	2.553	2.993	2.553	2.993
Insurance	874	1.043	874	1.043
Others	7.276	193	7.276	193
Domestic	356.684	294.431	356.691	294.438
Goods	315.599	292.553	315.599	292.553
Foreign	315.599	292.553	315.599	292.553
Judicial Recovery Suppliers	160.215	208.448	160.215	208.448
Foreign	832.498	795.432	832.505	795.439
Current liabilities	651.356	639.105	651.363	639.112
Non-current liabilities	181.142	156.327	181.142	156.327

As of December 31, 2025, the balance payable to suppliers on the list of creditors of the court-ordered reorganization plan totals R\$ 160,215, of which R\$ 2,425 is classified as current liabilities and R\$ 157,790 as non-current liabilities, distributed among the classes as follows:

Class of Creditors - Initial	2025	2024
Class I - Labor credits	7.683	7.771
Class II - Credits with real guarantee	10.494	10.235
Class III - Unsecured Credits	137.723	185.624
Class IV - ME and EPP	4.315	4.818
Total	160.215	208.448

14. Forfeiting and letter of credit operations

These operations relate to signed copper concentrate purchase contracts with suppliers that use banking operations called “forfeiting” 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 “Forfeiting - Domestic suppliers – RJ” is part of the list of creditors in the court-ordered reorganization, included in Class III - Unsecured Credits.

	Deadline	Parent company/Consolidated			
		2025		2024	
		Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
Forfeiting - Domestic suppliers	up to 120 days	9.021	-	10.782	-
Forfeiting - Domestic suppliers - Judicial Recovery		-	5.784	4.995	5.388
		9.021	5.784	15.777	5.388

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:

Contract	Months should be	Interest rate	Non-current assets				Liabilities				Consolidated
			2024	Additions	Amortization	2025	2024	Additions	Payments	2025	
Print Outsourcing Leasing - Corp	2025/06	1,03%	31	55	(63)	23	33	58	(67)	24	
Equipment Rental for Internal Handling	2025/09	1,03%	1	2.235	(2.236)	-	-	2.352	(2.352)	-	
Rental of Forklifts-ES	2027/07	1,03%	24	71	(39)	56	26	81	(43)	64	
Operating Vehicle Rental - BA	2025/04	0,65%	11	-	(11)	-	11	-	(11)	-	
Rental communication radio - BA	2025/03	1,03%	311	(311)	-	-	332	(332)	-	-	
Rental compressed Air Dryer	2025/03	1,03%	106	(93)	(13)	-	127	(127)	-	-	
Rental of cranes	2025/03	1,03%	2.691	(2.691)	-	-	3379	(3.379)	-	-	
Rent of equipment monitoring - BA	2028/07	1,03%	593	2.579	(808)	2.364	690	3.102	(948)	2.844	
Rent of equipment monitoring - SP	2026/03	1,03%	1.172	-	(937)	235	1.376	-	(1.101)	275	
Rental of Professional Uniforms	2027/01	1,03%	780	-	(374)	406	920	-	(442)	478	
Equipment rental scrap Handling	2027/01	1,03%	673	(221)	(391)	61	794	(289)	(443)	62	
Rental of Electronic Security Equipment - BA	2025/03	0,94%	263	(263)	-	-	329	(329)	-	-	
Rental of Laptops	2028/06	1,03%	-	104	(15)	89	-	123	(18)	105	
Rent of equipment monitoring - ES	2028/07	1,03%	-	204	(28)	176	-	246	(34)	212	
Rental of Forklifts	2026/06	1,03%	-	1.599	(678)	921	-	1.688	(703)	985	
			6.656	3.268	(5.593)	4.331	8.017	3.194	(6.162)	5.049	
								(1.361)	643	-	(718)
								6.656	3.837	(6.162)	4.331
								Current liabilities			2.613
								Non-current liabilities			1.718

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
	2025
2026.....	2.986
2027.....	1.218
2028.....	845
	5.049

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	2026	2027	2028
Lease Liabilities	5.049	2.063	845
Inflation Projected Flow	5.253	2.141	875
Right of Use	4.331	1.719	703
Inflation Projected Flow	4.506	1.784	728
Financial Expense	507	400	167
Inflation Projected Flow	528	415	173
Depreciation Expense	2.612	1.016	703
Inflation Projected Flow	2.718	1.055	728
Future IPCA	4,05%	3,80%	3,50%

(*) <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 was R\$ 4,347 in the consolidated during the period (R\$ 4,701 in the same period of 2024), 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% p.a. to Libor 06M + 1% p.a., 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 replaced Libor upon 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, 2025, the adjustment balance is R\$ 31,148 (US\$ 5,661 at a rate of 5.5024). As at December 31, 2024, the balance was R\$ 51,321 (USD8,288 at a rate of 6.1923).

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.

Asset Monetization Governance.

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.

Transaction costs

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:

	2025		Consolidated 2024	
	Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
Contracted in USD				
Foreign Trade Financing - ACC/ACE	396.443	-	387.127	-
Export Prepayment - PPE	2.417.055	-	2.337.040	-
Bank Credit Note	191.871	-	183.782	-
	3.005.369	-	2.907.949	-
Contracted in BRL				
Credit Assignment Anticipation (a)	155.095	-	287.447	-
Credit Assignment Anticipation - Judicial Recovery (b)	-	707	598	633
DIP (c)	312.701	-	-	-
Debt Acknowledgment (d)	2.179.952	28.496	1.688.269	353.678
Working capital (e)	17.775	15.000	-	-
	2.665.523	44.203	1.976.314	354.311
Transaction Costs - reprofiling	(16.123)	-	(21.496)	-
	5.654.769	44.203	4.862.767	354.311

- 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.
- The amount is part of the list of creditors in the court-ordered reorganization, included in Class III - Unsecured Credits.
- The Company entered into the Assignment, Promise of Transfer and Acquisition of Credit Rights Agreement and Other Covenants, in the DIP modality, as allowed by Articles 66, 67, and 69-A of the Bankruptcy and Court-Ordered Reorganization Plan Law and as previously authorized in Clauses 2.5, 13.1, and 13.2 of the Court-Ordered Reorganization Plan.

In compliance with legal procedures, the DIP was authorized by 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 (“Recovery Court”), within the scope of the court-ordered reorganization proceeding 1001409-24.2022.8.26.0260, in the decision on page 29965, duly published on January 21, 2025;

- Amount referring to debt confession includes amounts related 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., and contracts signed with the F.I.D.C. Multissetorial Fundo BS NP regarding the renegotiation of the contracts for the prepayment of credit assignment received by the Company.

In August 2025, the Company signed a renegotiation agreement with the F.I.D.C. Multissetorial Fundo BS NP, a renegotiation with additional collateral for the private debt

acknowledgment agreement and the establishment of a fiduciary sale of the brand as collateral, along with other covenants, in which it requested an extension of the outstanding installment payments; the original final maturity date was January 2028 and was extended to January 2030, without any adjustments or other penalties regarding interest or late fees, which was accepted by the creditor on the condition of additional collateral for said debt.

The contract entered into with the F.I.D.C. Multissetorial Fundo BS NP states that the non-payment of any installment will result in the immediate and early maturity of the outstanding balance, which will then be adjusted for inflation according to the index of the São Paulo State Court of Justice, and a late payment penalty of 2% (two percent), interest of 1%, and attorney's fees of 10% (ten percent) on the debt will be applied in the case of amicable or judicial collection. The agreement further provides that, in the event of non-payment of three installments or if the aforementioned Debt Restructuring is terminated early, the creditor may take appropriate extrajudicial and/or judicial measures, and shall serve the Company with a summons, through the officer of the Registry of Deeds and Documents, to pay the outstanding debt plus interest and other legal and contractual charges, within fifteen (15) days. If the debt remains unpaid after this period, the Creditor may proceed with the extrajudicial sale of the Eluma Brand.

- e) The Board of Directors approved on November 6, 2025, as well as the terms and conditions, of the 8th Issuance of Unsecured Convertible Debentures into Shares, for Private Placement and in a Single Series, pursuant to its deed of issuance ("Deed of Issuance"), article 59 of the Brazilian Corporate Law, article 19, item "xv," of the Company's Bylaws, and other applicable legal and regulatory provisions.

The Debentures will be offered through a private placement, without the intermediation of institutions that are part of the securities distribution system or any placement effort before unspecified investors, and therefore are not subject to the issuance registration with the CVM as provided in Article 19 of Law 6385/1976 and with the Association of Financial and Capital Market Entities – ANBIMA.

The Debentures will be subscribed at an issue price corresponding to their unit nominal value of R\$ 75, and are not subject to interest or monetary adjustment. The total amount of the issuance will be up to 800 debentures totaling R\$ 60,000 on the issuance date, with the possibility of partial placement and a minimum amount of R\$ 30,000. The Debentures will be mandatorily convertible into the Company's common shares.

The Current Shareholders may exercise their preemptive right to subscribe to the Debentures in proportion to the number of shares issued by the Company that they hold, as provided in article 57, para. 1, and article 171, para. 3, of the Brazilian Public Corporate Law, and in the Bylaws. The Preemptive Right may be exercised within a period of thirty (30) days to be indicated in the notice to shareholders informing them of the exercise period of the Preemptive Right, without prejudice to the regulations of B3 and the Brazilian Securities and Exchange Commission (CVM) on the matter.

At the end of the period for exercising the preemptive right, the quantity of leftovers will be determined and proportionally allocated among the subscribers of Debentures who have expressed their intention to subscribe to the leftovers. In this case, a new notice to shareholders must be published by the Company to inform (i) the total number of Debentures subscribed during the exercise period of the preemptive right, (ii) the start of the 5 (five) business day period for the subscription of the remaining shares, and (iii) the subscription percentage for the exercise of the remaining shares.

The Company's 8th Debenture Issuance reached the total amount of R\$ 32,775, with a total of 437 (four hundred thirty-seven) Debentures issued, within the authorized capital limit of the

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Company, and on December 23, 2025, the Board of Directors approved and ratified the partial placement of the Company's 8th Debenture Issuance.

The maturity period of the Debentures will be 24 (twenty-four) months from the issuance date, thus maturing on November 11, 2027.

Long-term installments have the following maturities:

	Parent company/Consolidated	
	2025	2024
2026.....	-	169.881
2027.....	43.518	153.167
2028.....	69	21.131
2029.....	81	10.132
From 2030 onwards.....	535	-
	44.203	354.311

Summary of changes in loans during the period

	2024	Entry	Nacionalizati on of ACCs	Debêntures Emitidas	Payment Principal	Payment Interest	Parent company/Consolidated		2025		
							Payment Interest	Exchange rate variation			
Loans in foreign currency	2.337.040	-	-	-	-	-	315.008	(234.993)	2.417.055		
Foreign trade loans	387.127	-	-	-	-	-	47.670	(38.354)	396.443		
Credit Assignment Anticipation	287.447	427.194	(142.589)	-	(398.653)	(38.119)	19.815	-	155.095		
Credit Assignment Anticipation - Judicial Recovery	1.231	-	-	-	(578)	-	54	-	707		
DJP	-	-	276.608	-	(1.052)	(3.845)	40.990	-	312.701		
Bank Credit Note	183.782	-	-	-	-	-	21.914	(13.825)	191.871		
Debêntures	-	-	-	32.775	-	-	-	-	32.775		
Debt Acknowledgment	2.041.947	-	(134.019)	-	(8.793)	(19.646)	(153.499)	482.458	2.208.448		
Transaction costs - reprofiling	(21.496)	-	-	-	-	-	5.373	-	(16.123)		
Loans and financing	5.217.078	427.194	-	32.775	(578)	(408.498)	(61.610)	(153.499)	933.282	(287.172)	5.698.972

Debt breakdown by financial institution.

Modality	Bank	Payment	Maturities Principal	Tax	2025 - BRL			2025 - USD	
					Current liabilities		Non-Current liabilities	Current liabilities	
					Principal	Interest	Principal/Juros	Principal	Interest
Contracted in BRL									
Anticipation credit assignment	F.I.D.C. Multissetorial Fundo BS NP	Monthly	2026	2,6% p.m.	141.400	10.288	-	-	-
Anticipation credit assignment	Credit Partners F.I.D.C. não Padronizados	Monthly	2026	2,6% p.m.	2.907	-	-	-	-
Anticipation credit assignment	Libra FIDC Multissetorial - Banpar	Monthly	2026	2,7% p.m.	500	-	-	-	-
Anticipation credit assignment	Fundo Inv. Direitos Cred. Sifra	Monthly	2027 to 2031	IPCA	-	-	707	-	-
Debentures			2027	n/a	17.775	-	15.000	-	-
Debt confession	Banco do Est do Rio Grance do Sul - Banrisul	Monthly	2024 to 2029	1% p.m. + TR	10.339	13.181	28.496	-	-
Debt confession	F.I.D.C. Multissetorial Fundo BS NP	Monthly	2024 to 2030	2,13% p.m.	390.517	73.457	-	-	-
Debt confession	F.I.D.C. Multissetorial Fundo BS NP	Monthly	2025 to 2040	CDH+2%a.a.	275.555	37.146	-	-	-
Debt confession	Banco Bradesco S.A.	Half-Yearly	2022 to 2028	CDI+4,92%a.a.	373.543	461.498	-	-	-
Debt confession	Caixa Economica Federal	Half-Yearly	2022 to 2028	CDH+2%a.a.	263.694	161.280	-	-	-
Debt confession	Scotiabank Brasil S.A.	Half-Yearly	2022 to 2028	CDH+2%a.a.	150.141	95.298	-	-	-
Debt confession	Banco BNP Paribas Brasil S.A.	Half-Yearly	2022 to 2028	CDH+2%a.a.	122.186	64.818	-	-	-
Total contracted in Currency BRL					1.748.557	916.966	44.203	-	-
Contracted in USD									
ACC	Banco BNP Paribas Brasil S.A.	Half-Yearly	2022 to 2025	Sofr 06M + 1%a.a.	21.569	10.153	-	3.920	1.860
ACC	Banco do Brasil S.A.	Half-Yearly	2022 to 2025	Sofr 06M + 1%a.a.	151.653	76.799	-	27.561	14.080
ACC	Caixa Economica Federal	Half-Yearly	2022 to 2025	Sofr 06M + 1%a.a.	44.903	21.137	-	8.161	3.873
ACC	China Construction Bank	Half-Yearly	2022 to 2025	Sofr 06M + 1%a.a.	46.549	23.680	-	8.460	4.342
PPE	Banco Sumitomo Mitsui BR. S.A.	Half-Yearly	2022 to 2028	Sofr 06M + 4%a.a.	209.788	127.191	-	38.127	23.332
PPE	Scotiabank	Half-Yearly	2022 to 2028	Sofr 06M + 4%a.a.	21.257	12.888	-	3.863	2.364
PPE	Ing Bank N.V.	Half-Yearly	2022 to 2028	Sofr 06M + 4%a.a.	51.636	31.306	-	9.384	5.743
PPE	Ing Bank N.V.	Half-Yearly	2022 to 2025	Sofr 06M + 1%a.a.	89.799	55.593	-	16.320	10.206
PPE	China Construction Bank	Half-Yearly	2022 to 2028	Sofr 06M + 4%a.a.	68.053	41.260	-	12.368	7.569
PPE	Cargill Incorporated	Half-Yearly	2022 to 2028	Sofr 06M + 4%a.a.	822.238	498.513	-	149.433	91.446
PPE	Banco do Brasil S.A.	Half-Yearly	2022 to 2028	Sofr 06M + 4%a.a.	72.629	44.034	-	13.200	8.077
PPE	Zion Capital S/A	Half-Yearly	2022 to 2028	Sofr 06M + 4%a.a.	11.005	6.672	-	2.000	1.224
PPE	BPS Capital	Half-Yearly	2022 to 2028	Sofr 06M + 4%a.a.	138.235	83.810	-	25.123	15.374
CCB	Wilbury NPL Fundo de Invest.	Half-Yearly	2022 to 2028	Sofr 06M + 4%a.a.	119.452	72.419	-	21.709	13.285
Present value of contractual cash flows					-	31.148	-	-	5.661
Total contracted in Currency US\$					1.868.766	1.136.603	-	339.629	208.436
Transaction Costs - reprofiling					(16.123)	-	-	-	-
Total					3.601.200	2.053.569	44.203	339.629	208.436

As at December 31, 2025, the total balance of renegotiated debts was all classified in current liabilities, due to non-compliance with covenants clauses of the global agreement. The Company is also overdue on installments of the contracts with the F.I.D.C. Multissetorial Fundo BS NP and due to this default, the outstanding debt balance has become immediately and prematurely payable from the due date, as provided in the contractual clauses. Consequently, the amount reclassified to current liabilities totaled R\$ 2,168,430.

Guarantees:

As at December 31, 2025, loans and financing were guaranteed by property, plant and equipment items with a book value of R\$ 446,698 (R\$ 637,990 as at December 31, 2024), 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/Consolidated			
	2025		2024	
	Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
Provision for vacations	20.825	-	23.446	-
Profit sharing and Results	23.109	-	23.315	-
Provision for 13th month's salary	-	-	-	-
Social security and Contributions	(b) 152.514	2.768	6.381	3.227
Contribution to the Severance Indemnity Fund	(a) 22.175	7.414	10.861	8.787
Rescisões	(c) 14.703	-	-	-
Private Pension	77	-	77	-
Judicial Recovery	3.269	-	8.978	-
Other	6.138	-	4.074	-
	242.810	10.182	77.132	12.014

- 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 2024 to December 2025. The installment period for companies undergoing court-ordered reorganization 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.

The significant increase in current assets was driven by the cancellation of installment payments made to the INSS, previously recognized under the group "Taxes and contributions payable," and the overdue amounts from the fiscal year. The recognized amounts are updated with interest and late payment penalties, as well as the provision for fees.

- c) The Company has signed an agreement with the Metalworkers' Union of Dias D'Ávila and Region (STIM) to cut jobs at the Dias d'Ávila plant. The agreement was preceded by discussions between the parties and their legal representatives, during which they reached a common and mutually beneficial understanding.

18. Taxes and contributions payable

	Notes	Parent company			
		2025		2024	
		Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
Contribution for social security funding–COFINS		5.182	-	743	-
Employees' Profit Participation Program-PIS		1.044	-	162	-
Value-added tax on sales and services-ICMS	(a)	43.284	21.493	15.078	21.036
Municipal Real Estate Tax-IPTU	(d)	34.187	-	26.053	-
Excise Tax-IPI		9.231	-	508	-
Withholding income tax–IRRF		2.128	-	2.067	-
Withheld PIS, COFINS, income tax and social contribution	(e)	33.692	-	1.380	-
Service Tax - ISS		8.690	-	4.188	-
Withholding tax - installments	(b)	6.933	14.281	13.977	82.713
Provision Drawback Tax- suspension	(c)	572.081	-	473.481	-
Other		2.453	-	160	-
		718.905	35.774	537.797	103.749

	Notes	Consolidated			
		2025		2024	
		Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
Contribution for social security funding–COFINS		5.184	-	744	-
Employees' Profit Participation Program-PIS		1.045	-	162	-
Value-added tax on sales and services-ICMS	(a)	43.284	21.493	15.078	21.036
Municipal Real Estate Tax-IPTU	(d)	34.187	-	26.053	-
Excise Tax-IPI		9.231	-	508	-
Withholding income tax–IRRF		2.128	-	2.067	-
Income tax and social contribution	26.2	1.982	-	-	-
Withheld PIS, COFINS, income tax and social contribution	(e)	33.692	-	1.380	-
Service Tax - ISS		8.690	-	4.188	-
Withholding tax - installments	(b)	6.976	14.281	13.977	82.713
Provision Drawback Tax- suspension	(c)	572.081	-	473.481	-
Other		2.450	-	160	-
		720.930	35.774	537.798	103.749

- a) The Company signed an agreement with the São Paulo State Attorney General's Office, which allowed it to pay its ICMS debts in 145 installments, with a reduction in fines and interest, and signed a REFIS agreement with the Bahia SEFAZ, which allowed it to pay its ICMS debts in 120 installments, with a reduction in fines and interest.

The Company also has ICMS arrears totaling R\$ 24,730, for which installment plans will be requested in various states.

- b) The Company requested the Brazilian Federal Revenue Service to pay its tax debts in installments in the simplified and companies under court-ordered reorganization modalities, as well as to pay its tax debts in installments to the Attorney General's Office of the National Treasury - PGFN. The reduction in the installment amount is due to the cancellation of some installments because of non-payment.

- 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\$ 572,081 (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\$ 381,813. The Selic interest recognized for the year was R\$ 98,601.
- d) The Company is asking the Municipal Governments of Santo André, Guarujá, and Dias D'Avila to open an installment payment plan for the years 2023, 2024, and 2025. The amounts are already updated with the recognition of fines and late payment interest.
- e) The increase occurred due to the cancellation of installment plans because of missed payments on the last installments, thereby reinstating the tax obligation.

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					
		2025			2024		
		Provision	Judicial Claims	Provision	Provision	Judicial Claims	Provision
Labor	(a)	120.360	(487)	119.873	90.891	724	91.615
Labor- Judicial Recovery	(a)	103.917	(4.560)	99.357	110.371	(7.135)	103.236
Civil	(b)	134.095	-	134.095	102.570	-	102.570
Civil - Judicial Recovery	(b)	14.351	-	14.351	11.455	-	11.455
Tax	(c)	608.961	-	608.961	601.784	(1.649)	600.135
Social Security		38.707	-	38.707	36.643	-	36.643
		1.020.391	(5.047)	1.015.344	953.714	(8.060)	945.654

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\$ 103,917 is part of the list of creditors for court-ordered reorganization, included in Class I - Labor Credits.

b) The provision for civil lawsuits consists mainly of indemnity suits related to contractual disputes. Of the total value of civil contingencies, R\$ 14,351 is part of the list of creditors for court-ordered reorganization, 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) totaling R\$ 527,612 as at December 31, 2025 (R\$ 524,293 as at December 31, 2024), 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, 2023	227.854	564.973	30.024	34.826	857.677
Provision (Reversal)	18.600	10.482	69.947	-	99.029
Interest Accruals	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
Provision (Reversal)	12.406	(22.962)	9.587	-	(969)
Interest Accruals	15.726	31.473	24.448	2.064	73.711
Deposits in court	1.365	1.648	-	-	3.013
Write-offs	(5.118)	(1.333)	386	-	(6.065)
Balance as at december 31, 2025	219.230	608.961	148.446	38.707	1.015.344

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	
	2025	2024	2025	2024
Labor	1.105	4.531	1.105	4.531
Tax	774.962	737.486	775.425	737.856
Social security	10.229	10.775	10.229	10.775
Civil	1.889.685	637.906	1.889.685	637.906
	2.675.981	1.390.698	2.676.445	1.391.068

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 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.

As at December 31, 2025, the Company estimates an adjusted amount of R\$ 140,873 (R\$ 133,607 as at December 31, 2024), 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.

As at December 31, 2025, the Company estimates an adjusted amount of R\$ 131,155 (R\$ 120,792 as at December 31, 2024), which was considered possible loss risk by the legal counsel, hence, no provision was set up.

Indemnity Lawsuit - Bafertil - Bahia Fertilizantes 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 Cibrafertil – Companhia Brasileira de Fertilizantes and the Company to pay compensation to Bafertil, for material and moral damages, allegedly caused by Cibrafertil'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.

As at December 31, 2025, the Company estimates an adjusted amount of R\$ 284,981 (R\$ 263,982 as at December 31, 2024), which was considered possible by the legal counsel, hence, no provision was set up.

Cargill Incorporated

The Company clarifies that the increase observed in the 4th quarter of 2025 was mainly due to the recording of a new contingency related to Execution Action 4039242-15.2025.8.26.0100, pending before the 8th Civil Court of the District of São Paulo/SP, filed by Cargill Incorporated against Paranapanema. It is emphasized that the underlying obligation was already reflected in the Company's liabilities under the Global Agreement. However, the filing of the aforementioned lawsuit led to the registration of a specific procedural contingency, classified, up to the present moment, as a contingent liability.

On December 31, 2025, the Company estimates a restated amount of R\$ 1,193,832, which was considered possible by the legal counsel, hence, no provision was set up.

Active cases with probable likelihood of success

The Company is party in ongoing lawsuits for which, based on the opinion of its legal advisors and in accordance with the accounting practices adopted by the Company, were considered as having a probable likelihood of a favorable outcome, in the amount of R\$ 44,856. Since these are active processes, these amounts are not recorded.

20. Other current liabilities

	Notes	Parent company		Consolidated	
		2025	2024	2025	2024
Provision for environmental expenses	(a)	-	171	-	171
Customer credits	(b)	1.710	1.032	1.710	1.059
Advances from clients	(c)	74.733	72.724	74.733	72.840
Attorneys' fees and services	(d)	13.316	13.445	13.316	13.445
Related Parties	10.2	19.474	12.106	-	-
Various provisions	(e)	7.869	16.330	7.869	16.337
Sales commission		6.886	6.511	7.049	6.668
Cargil	(f)	15.409	27.119	15.409	27.119
Others		1.389	1.320	1.390	1.319
		140.786	150.758	121.476	138.958
Advances from clients		74.733	72.724	74.733	72.840
Other current liabilities		31.170	51.817	31.334	52.007
Other current liabilities		34.883	26.217	15.409	14.111
		140.786	150.758	121.476	138.958

- 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 Series 2 debentures, issued on September 22, 2017, that would mature on September 01, 2023. However, as a result of the Company's entry into Court-Ordered Reorganization 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 Court-Ordered Reorganization Creditors List, subject to the payment terms and conditions approved in the Court-Ordered Reorganization Plan, and are now classified as other current liabilities.

21. Shareholders' equity

d) Capital

The subscribed and paid-in capital as of December 31, 2025, is two billion, two hundred forty-five million, six hundred thirty-eight thousand, six hundred eighty-one reais and twenty-six centavos (R\$ 2,245,638,681.26), divided into one hundred twenty million, five hundred forty-one thousand, five hundred ninety-six (120,541,596) common, registered, book-entry shares with no par value, and as of December 31, 2024, it was two billion, one hundred seventy-two million, three hundred eighty-eight thousand, five hundred twenty reais and seventeen centavos (R\$ 2,172,388,520.17), divided by sixty-nine million, five hundred sixty-two thousand, four hundred seventy-two (69,562,472) common, book-entry shares with no par value.

The capital increase took place in accordance with the conversion periods provided for in the Court-Ordered Reorganization plan and in increase in capital by private subscription of shares 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 common 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 thousand, 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.
- On March 20, 2025, due to the end of the 4th conversion period of shares, where the amount of six million, five hundred sixty-five thousand, two hundred eighty-three reais and sixty cents (R\$6,565,283.60) was subscribed, through the issuance of five million, eight hundred sixty-one thousand, eight hundred sixty-one (5,861,861) new common book-entry shares with no par value.
- On June 23, 2025, due to the end of the 5th conversion period of shares, where the amount of ten million, five hundred forty-five thousand, nine hundred twenty-eight reais and twenty-three centavos (R\$ 10,545,928.23) was subscribed, through the issuance of four million, nine hundred five thousand eighty-nine (4,905,089) new common book-entry shares with no par value.
- On August 18, 2025, due to the end of the 6th conversion period of shares, where the amount of two million, five hundred sixty thousand, four hundred seventeen reais and forty-five centavos (R\$ 2,560,417.45) was subscribed, through the issuance of one million, one hundred three thousand six hundred thirty-one (1,103,631) new common book-entry shares with no par value.

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- On October 28, 2025, due to the increase of capital by private subscription of shares, the amount was fifty-three million, five hundred seventy-eight thousand, five hundred thirty-one reais and eighty-one centavos (R\$ 53,578,531.81), through the issuance of thirty-nine million, one hundred eight thousand, five hundred forty-three (39,108,543) new common book-entry shares with no par value.

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
3ª 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
4ª Janela de Conversão		
Subscription by Creditors	3.575.256	4.004.286,00
Subscription by Shareholders	2.286.605	2.560.997,60
5ª Janela de Conversão		
Subscription by Creditors	4.621.330	9.935.846,38
Subscription by Shareholders	283.759	610.081,85
6ª Janela de Conversão		
Subscription by Creditors	1.055.114	2.447.858,01
Subscription by Shareholders	48.517	112.559,44
Before the Capitalization of Claims Not Subject to Judicial Reorganization		
Subscription by Creditors	38.864.742	53.244.524,44
Subscription by Shareholders	243.801	334.007,37
Balance as at december 31, 2025	120.541.596	2.245.638.681,26

The ownership structure of the Company is as follows:

	%	2025	%	2024
YAP Investimentos Ltda	9,373	11.298.193	17,345	12.065.486
LEXPAY Investimentos Ltda	8,477	10.218.409	10,095	7.022.106
Caixa Econômica Federal	5,825	7.022.106	6,159	4.284.300
Daycoval Seguros S.A.	3,633	4.379.563	5,389	3.749.000
Serenity BR B Fudos de Investimentos	3,554	4.284.300	4,519	3.143.430
Luiz Barsi Filho	3,513	4.235.000	4,427	3.079.500
Mineração Buritirama S.A.	3,110	3.749.000	3,925	2.730.000
Treasury shares	0,001	1.441	0,002	1.441
Market	62,513	75.353.584	48,140	33.487.209
Total shares outstanding		120.541.596		69.562.472

The main shareholder, YAP Investimentos Ltda, acts as the commercial commissioner within the scope of the Company's Court-Ordered Reorganization process, and represents the creditors who have converted their claims into Company shares.

e) 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.

f) 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 common 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%).

g) 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.

In the fiscal years in which the Company reports a net loss or has accumulated losses, no legal reserve is established, since corporate law stipulates that the allocation of profits can only occur after the full absorption of accumulated losses, as provided in Article 189 of the aforementioned law.

h) Treasury shares

As at December 31, 2025 and December 31, 2024, the Company had 1,441 treasury shares. The market value of total treasury shares, calculated based on latest stock exchange quotation was R\$ 1 in the end of the years.

i) 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.

j) Equity valuation adjustments

The reserve for equity valuation adjustments includes: the balance of the deemed cost reserve that 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.

k) 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., in the unit value of R\$ 0.70, corresponded on December 31, 2025 to R\$ 84,379 (unit value of R\$ 1.01, totaling R\$ 70,258 as at December 31, 2024). As at December 31, 2025, the Company had a negative shareholders' equity of R\$7,544,086 (R\$6,285,846 negative as at December 31, 2024), and the shares' book value was R\$-60.63 (R\$-90.36 as at December 31, 2024).

l) 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:

	2025	2024
Profit (Loss) per common share		
Income (Loss) for the period	(1.331.490)	(2.138.610)
Weighted average of shares outstanding(*)	98.116.039	52.907.148
Profit (Loss) per common share	(13,57056)	(40,42195)
Profit (Loss) per diluted common share		
Income (Loss) for the period	(1.331.490)	(2.138.610)
Weighted average of shares outstanding(*)	98.116.039	52.907.148
Profit (Loss) per diluted common share	(13,57056)	(40,42195)

(*) 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.

m) 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/Consolidated	
	2025	2024
Gross revenue	693.167	578.280
Domestic market	628.791	554.382
Foreign market	64.376	23.898
Taxes and sales deductions	(130.732)	(118.354)
Excise Tax - IPI	(8.766)	(9.400)
Value-added tax on revenue and services - ICMS	(62.838)	(55.265)
Social Integration Program–PIS	(8.491)	(7.620)
Contribution for social security funding–COFINS	(39.108)	(35.097)
Other taxes and revenue deductions	(12.150)	(10.972)
Net revenue from sales	562.435	459.926
Net revenue DM	499.500	441.318
Net revenue FM	62.935	18.608
	562.435	459.926

b) Geographical information – gross revenue from clients abroad

	Parent company/Consolidated	
	2025	2024
America	63.839	20.424
Europe	537	2.772
	64.376	23.898

23. Expenses per nature

	Parent company		Consolidated	
	2025	2024	2025	2024
Metal cost	(445.811)	(241.541)	(445.811)	(241.541)
Personnel and benefits	(182.681)	(168.154)	(182.901)	(168.378)
Depreciation	(79.759)	(86.628)	(79.759)	(86.628)
Amortization of asset usage rights	(5.593)	(7.103)	(5.593)	(7.103)
Electricity/water/gas/fuel and lube oil	(57.726)	(51.075)	(57.726)	(51.075)
Services rendered by third parties and others	(36.296)	(53.643)	(36.296)	(53.725)
Maintenance	(7.164)	(20.440)	(7.164)	(20.440)
Rent	(4.347)	(4.701)	(4.347)	(4.701)
Institutional and legal issues	(25.782)	(26.401)	(25.774)	(26.413)
Informatics/telecommunications	(7.036)	(6.025)	(7.036)	(6.025)
Other expenses	(17.031)	(26.203)	(17.031)	(26.203)
Travel expenses	(459)	(369)	(459)	(369)
Sales and marketing	(532)	(386)	(539)	(393)
Profit Sharing	(9.665)	(5.189)	(9.665)	(5.189)
Administrative remuneration (a)	(7.038)	(7.547)	(7.038)	(7.547)
	(886.920)	(705.405)	(887.139)	(705.730)
Cost of products sold	(795.622)	(623.528)	(795.622)	(623.528)
Sales expenses	(8.625)	(9.683)	(8.632)	(9.693)
General and Administrative expenses	(82.673)	(72.194)	(82.884)	(72.509)
	(886.920)	(705.405)	(887.138)	(705.730)

The Company recorded idleness totaling R\$ 192,347 in 2025 (R\$ 200,900 in 2024) 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.

	2025				2024			
	Statutory Board	Administrative Council	Supervisory Board	Total	Statutory Board	Administrative Council	Supervisory Board	Total
Remuneration of Executives from Management	2.075	3.134	497	5.706	2.625	3.011	481	6.117
Labor benefits	188	-	-	188	207	-	-	207
Social burden	418	627	99	1.144	525	602	96	1.223
Fixed remuneration	2.681	3.761	596	7.038	3.357	3.613	577	7.547
	2.681	3.761	596	7.038	3.357	3.613	577	7.547
Bonus (ICP/ILP)	3.890	-	-	3.890	1.102	-	-	1.102
Social Burdens	2.503	-	-	2.503	220	-	-	220
Variable remuneration	6.393	-	-	6.393	1.322	-	-	1.322
	6.393	-	-	6.393	1.322	-	-	1.322
Total remuneration	9.074	3.761	596	13.431	4.679	3.613	577	8.869
	9.074	3.761	596	13.431	4.679	3.613	577	8.869

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		Consolidated	
		2025	2024	2025	2024
Tax recoveries		34.376	6.446	34.376	6.446
Energy sales revenue		212	355	212	355
Reversal of other estimated loss		3.232	-	3.232	-
Sundry recoveries		1.499	765	1.500	765
Sundry sales		483	205	483	205
		-	854	-	854
Leasing of property and equipment		172	164	172	164
Profits and dividends		110	83	110	83
Sales of scrap		356	294	356	294
Reversal provision for judicial claims	19	23.149	-	23.149	-
Other income		1.391	984	1.454	985
Total of other income		64.980	10.150	65.044	10.151
Provision for judicial claims	19	(22.181)	(99.029)	(22.181)	(99.029)
Severance pay		(27.246)	(1.990)	(27.246)	(1.990)
PIS and COFINS on other income		(2.369)	(409)	(2.370)	(409)
Energy sales revenue		(2.552)	(3.032)	(2.552)	(3.032)
Contingency Fee Provision		(2.967)	(7.163)	(2.967)	(7.163)
Write-off of property, plant and equipment		-	(2.062)	-	(2.062)
Fines from infraction notices		(33.358)	(14.438)	(33.367)	(14.466)
Fines from debt arrears		(1.666)	(69.739)	(1.666)	(69.739)
Sundry sales costs		(34)	(8)	(34)	(8)
Provision for losses Property, plant and equipment	12	(246.980)	1.961	(246.980)	1.961
Other estimated losses		(18)	(46)	(18)	(46)
Exclusion of ICMS from the PIS/COFINS assessment base	08.a 09.1.b	-	(3.773)	-	(3.773)
		-	(1.352)	-	(1.352)
Other expenses		(316)	(2.556)	(313)	(2.598)
Total other expenses		(339.687)	(203.636)	(339.694)	(203.706)
Total other income (expenses), net		(274.707)	(193.486)	(274.650)	(193.555)

25. Financial revenues (expenses)

	Note	Parent company		Consolidated	
		2025	2024	2025	2024
Liability foreign exchange fluctuations	(a)	(32.031)	(646.311)	(32.031)	(646.311)
Interest expenses		(1.177.726)	(1.030.865)	(1.177.731)	(1.033.637)
Adjustment to present value		(588)	(643)	(588)	(643)
Bank expenses/IOF		(1.746)	(4.519)	(1.753)	(4.526)
Liability monetary variation		(86.848)	(72.428)	(86.848)	(72.428)
Other financial expenses		(19.723)	(15.204)	(25.490)	(15.268)
Total financial expenses		(1.318.662)	(1.769.970)	(1.324.441)	(1.772.813)
Asset foreign exchange fluctuations	(a)	349.223	25.276	349.223	25.276
Adjustment to present value	(b)	153.499	-	153.499	-
Interest income		7.190	20.639	7.340	22.004
Monetary variation – assets		16.607	11.266	17.132	11.381
Other financial income	(c)	74.212	287	74.355	287
Total financial income		600.731	57.468	601.549	58.948
Total financial result		(717.931)	(1.712.502)	(722.892)	(1.713.865)

- 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) The Company, in accordance with the guidelines set forth in CPC 48 (IFRS 9) “Financial Instruments” to determine whether there were material changes in the debt renegotiation with

the F.I.D.C. Multissetorial Fundo BS NP (see Note 16.d), conducted qualitative and quantitative tests and determined that there was no change in the instruments or currencies involved, but the present value of cash flows discounted from the original liability differs by 10% or more (calculated using the original effective interest rate), and since the modification was considered substantial, the Company derecognized the original liability and recognized a new financial liability at its fair value on the date of the modification, with no direct impact on cash. The gain resulting from derecognition (the difference between the book value of the original liability and the fair value of the new liability) was recognized in the financial result for the period, this gain being of a non-recurring nature.

- c) Most of the balance, amounting to R\$ 65,245 as of December 31, 2025, refers to the discount obtained from creditors within the scope of the Company's Court-Ordered Reorganization process. The mentioned discount was recognized in the income for the year, after the closing of the 6th conversion window, under the item other financial revenue, as a gain resulting from the renegotiation of financial liabilities, in accordance with applicable accounting practices.

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	2025			2024		
		Parent company	Parent company	Consolidated	Parent company	Parent company	Consolidated
Rate		34%	34%		34%	34%	
Credits on tax losses		8,912,193	33,269	8,945,462	7,262,990	33,735	7,296,725
Income tax on fiscal loss		3,030,146	11,312	3,041,458	2,469,417	11,470	2,480,887
Provision for write-off of credits on tax losses		(3,030,146)	(11,312)	(3,041,458)	(2,469,417)	(11,470)	(2,480,887)
Income tax on fiscal loss	a)	-	-	-	-	-	-
Net exchange variations		165,059	-	165,059	484,667	-	484,667
Estimated losses (reversals) on allowance for doubtful assets		40,508	1,007	41,515	52,605	1,007	53,612
Shareholders' deficit		249,923	-	249,923	-	-	-
Provision for lawsuits		1,020,391	-	1,020,391	953,713	(50,506)	903,207
Estimated loss (reversal) on recoverable inventory sums		161,007	-	161,007	36,897	-	36,897
Estimated loss Taxes to Recover		10,277	-	10,277	437,641	43,816	481,457
Estimated sundry losses (reversals)		-	-	-	544	-	544
Provision (Reversals) for financial instruments and others		38,330	162	38,492	49,956	165	50,121
Provision for adjustment to present value		(8,165)	-	(8,165)	(1,361)	-	(1,361)
Total temporary differences		1,677,330	1,169	1,678,499	2,014,662	(5,518)	2,009,144
Income tax on temporary differences		570,292	397	570,689	684,985	(1,876)	683,109
Credits on tax losses	b)	(570,292)	(119)	(570,411)	(684,985)	562	(684,423)
Income tax on temporary differences	b)	-	278	278	-	(1,314)	(1,314)
Deferred income tax and social contribution		-	278	278	-	(1,314)	(1,314)
Tax on revaluation reserve	c)	(54,119)	-	(54,119)	(55,991)	-	(55,991)
		(54,119)	278	(53,841)	(55,991)	(1,314)	(57,305)
Non-current assets		-	278	278	-	-	-
Non-current liabilities		54,119	-	54,119	55,991	1,314	57,305

- a) The Company has, in consolidated, tax losses generated in Brazil, in the amount of R\$ 8,945,462 (R\$7,296,725 as at December 31, 2024), which generates an amount of R\$ 3,041,458 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 30% of the annual taxable income, except for the gain obtained from the reduction of the debt

by the legal entity within the scope of a court-ordered reorganization process, which shall not be subject to the percentage limit.

- b) As at December 31, 2025, 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\$570,411 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	
	2025	2024	2025	2024
Net Income(Loss) before income and social contribution taxes	(1,321,000)	(2,153,245)	(1,322,245)	(2,153,224)
Nominal combined statutory rates	34%	34%	34%	34%
Income tax	(449,140)	(732,103)	(447,398)	(732,096)
Permanent additions	2,287	(3,910)	2,283	(3,927)
Realization of revaluation reserve (depreciation/write-off)	3,068	3,356	3,068	3,356
Provisions for doubtful credit	(4,113)	(1,108)	(4,113)	(1,143)
Provisions for doubtful credit	81,722	-	81,722	-
Provisions for litigation	22,670	(105,001)	39,842	(105,001)
Estimated Losses Recoverable Taxes	(145,304)	450	(160,201)	450
Other deductible provision	36,747	15,644	36,747	15,647
Net exchange variation (cash basis)	(108,667)	194,956	(108,667)	194,956
Tax Loss Carryforward of previous years	-	-	156	-
Deferred income tax and social contribution on tax losses				
Tax loss and negative basis of social contribution	(12,362)	12,362	(12,362)	12,362
Deferred income tax on revaluation reserve	1,873	2,273	1,873	2,273
Provision for credit write-offs with temporary differences	560,729	627,716	557,805	627,737
Other				
Current Income tax credits	(10,490)	14,635	(9,245)	14,614
Income tax for the current year	-	-	(246)	-
Social contribution for the current year	-	-	(98)	-
Current taxes	-	-	(344)	-
Deferred income tax and social contribution	(12,362)	12,362	(10,773)	12,341
Deferred income tax on revaluation reserve	1,872	2,273	1,872	2,273
Deferred taxes	(10,490)	14,635	(8,901)	14,614
Credit from income and social contribution taxes	(10,490)	14,635	(9,245)	14,614
Total effective rate	0.79%	-0.68%	0.70%	-0.68%
Current effective rate	0.00%	0.00%	0.03%	0.00%

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 31,2025		Consolidated				
		Notes	Book value		Fair value	
	Amortized cost method		Total	Level 2	Total	
Financial assets						
Cash and cash equivalents	05	2,166	2,166	-	-	-
Interest-earning bank deposits	05	39,287	39,287	-	-	-
Trade accounts receivable	06	10,275	10,275	-	-	-
Total assets		51,728	51,728	-	-	-
Financial liabilities						
Suppliers	13	832,505	832,505	-	-	-
Securitization of accounts payable	14	14,805	14,805	-	-	-
Advances from clients	20	74,733	74,733	-	-	-
Customer credit	20	1,710	1,710	-	-	-
Loans and financing	16	5,698,972	5,698,972	-	-	-
Total liabilities		6,622,725	6,622,725	-	-	-

Balance as at december 31,2024		Consolidated				
		Notes	Book value		Fair value	
	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	-	-	-
Trade accounts receivable	06	2,129	2,129	-	-	-
Derivative financial instruments	28	-	196	196	196	196
Total assets		44,573	44,769	196	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	-	-	-
Total liabilities		6,107,581	6,107,581	-	-	-

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.

Book value / fair value

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.

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	
		2025	2024
Cash and cash equivalents	US\$	16	172
Accounts receivable	US\$	426	401
Suppliers	US\$	(61,344)	(53,640)
Loans and financing	US\$	(548,065)	(469,607)
Derivative financial instruments	US\$	-	32
Advances from clients	US\$	(1,367)	(1,242)
Total net exposure	US\$	(610,334)	(523,884)

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	
		2025	2024
Investments	CDI	41,089	36,058
Loans and financing	Sofr 6M	(2,974,221)	(2,856,628)
Loans and financing	TR	(52,016)	(50,971)
Loans and financing	CDI	(2,005,159)	(1,300,819)
Total net exposure		(4,990,307)	(4,172,360)

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, 2025. The Company conducted a sensitivity analysis using the probable scenario, which is decrease and increase of 25% and 50%.

					Parent company/Consolidated			
					Falling scenario		Rising scenario	
					25%	50%	25%	50%
					Impact on profit or loss			
Foreign exchange rate risk								
	Notional	Unit	Taxa	Probable scenario				
Cash and cash equivalents	16	US\$	5.5024	88	(22)	(44)	22	44
Accounts receivable	426	US\$	5.5024	2,344	(586)	(1,172)	586	1,172
Suppliers	(61,344)	US\$	5.5024	(337,539)	84,385	168,769	(84,385)	(168,770)
Loans and financing	(548,065)	US\$	5.5024	(3,015,673)	753,918	1,507,837	(753,918)	(1,507,836)
Advances from clients	(1,367)	US\$	5.5024	(7,522)	1,881	3,761	(1,880)	(3,761)
Total	(610,334)			(3,358,302)	839,576	1,679,151	(839,575)	(1,679,151)
Interest rate risk								
Investments	41,089	CDI	14.9%	6,122	(1,531)	(3,061)	1,531	3,061
Loans and financing	(2,974,221)	Sofr 6M	5.40%	(160,608)	40,152	80,304	(40,152)	(80,304)
Loans and financing	(52,016)	TR	0.17%	(88)	22	44	(22)	(44)
Loans and financing	(2,005,159)	CDI	14.9%	(298,769)	74,692	149,384	(74,692)	(149,384)
Total	(4,990,307)			(453,343)	113,336	226,671	(113,336)	(226,671)

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.

	Notes	Parent company		Consolidated	
		2025	2024	2025	2024
Assets					
Cash and cash equivalents	05	362	6,384	2,166	8,524
Interest-earning bank deposits	05	39,287	33,920	39,287	33,920
Trade accounts receivable	06	10,275	2,416	10,275	2,129
Other assets	09.1	108,381	65,004	107,865	63,833
Derivative financial instruments	28	-	196	-	196
		<u>158,305</u>	<u>107,920</u>	<u>159,593</u>	<u>108,602</u>

28.6 Liquidity risk

- The risk management policy requires the maintenance of a safe level of cash and cash equivalents and access to sufficient lines of credit.
- Liquidity risk represents a shortage in funds intended to pay debts.

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

	Notes	Amount	Consolidated		
			Up to 1 year	1 – 2 years	2 – 4 years
liabilities					
Loans and financing	16	(5,698,972)	(5,654,769)	-	-
Advances from clients	20	(74,733)	(74,733)	-	-
Leasing	15	(4,331)	(2,986)	(1,218)	(845)
Customer credit	20	(1,710)	(1,710)	-	-
Suppliers	13	(832,505)	(651,363)	(181,142)	-
Forfait and credit card operations	14	(14,805)	(9,021)	(1,392)	(3,872)
		<u>(6,627,056)</u>	<u>(6,394,582)</u>	<u>(183,752)</u>	<u>(4,717)</u>

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.

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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.

	Notes	Parent company		Consolidated	
		2025	2024	2025	2024
Loans and financing	16	5,698,972	5,217,078	5,698,972	5,217,078
Forfeiting and letter of credit operations	14	14,805	21,165	14,805	21,165
Derivatives financial instruments payable	28	-	(196)	-	(196)
(-) Cash and cash equivalents	05	(362)	(6,384)	(2,166)	(8,524)
(-) Interest-earning bank deposits	05	(39,287)	(33,920)	(39,287)	(33,920)
(=) Net debt on embedded derivative		5,674,128	5,197,743	5,672,324	5,195,603
Equity	21	(7,544,086)	(6,285,846)	(7,544,086)	(6,285,846)
Equity valuation adjustments	21.h	105,054	108,689	105,054	108,689
Total equity		(7,649,140)	(6,394,535)	(7,649,140)	(6,394,535)
Leverage ratio		-287.30%	-434.31%	-286.94%	-433.35%

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	
	2025	2024
Up to one year	12,349	11,761
From two to four years	26,581	25,316
Over four years	18,048	31,664
	<u>56,978</u>	<u>68,741</u>

30. Variable remuneration plan

30.1 - 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.

- 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.

31. Additional information regarding cash flow

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

	2025	2024
Operational activities	69,633	87,469
Suppliers	49,680	24,410
Legal deposits	-	61,744
Payroll and related charges	14,829	1,315
Advances from clients	5,124	-
Investing activities	(69,633)	(87,469)
Net cost of funding	(69,633)	(87,469)
Financing activities	-	-

32. Subsequent events

Reclassification of the share price

On January 8, 2026, the Company made a market announcement regarding the non-compliance with the minimum trading price of its common shares (PMAM3), which have been traded on the organized over-the-counter market below one real (R\$ 1.00) since November 13, 2025. In this regard, B3 requested that the Company disclose the procedures and schedule to be adopted for the reclassification of the quotation price of its shares, which must occur by July 2, 2026.

In response to such communication, the Company informed that it is evaluating the appropriate alternatives in a joint effort of its governance bodies and will take the necessary measures to

promote such reclassification within the determined deadline, considering the progress of the execution of its current business strategy.

Capital increase

On January 9, 2026, the Company's Board of Directors approved an increase in capital in the amount of one million, six hundred and fifty thousand reais (R\$ 1,650,000.00), through the issuance of three million, five hundred eighty-six thousand, nine hundred fifty-seven (3,586,957) new common shares, book-entry shares with no par value, within the limits of the authorized capital, pursuant to Article 5, §4 of the Bylaws. The approval of the aforementioned capital increase was formalized on January 14, 2026.

Additionally, on February 6, 2026, the Board of Directors approved a new increase in the Company's capital in the amount of seven million and fifty thousand reais (R\$ 7,050,000.00), through the issuance of fifteen million, three hundred twenty-six thousand, eighty-nine (15,326,089) new common shares, book-entry shares with no par value, also within the limits of the authorized capital and in accordance with the provisions of Article 5, §4 of the Bylaws.

The aforementioned capital increases result from the conversion of a portion of the debentures issued by the Company under its 8th issuance of debentures convertible into shares, unsecured, in a single series, for private placement, according to the Private Instrument of Issuance Deed executed on November 11, 2025 ("8th Issuance Debentures" and "Issuance Deed"). The conversions were carried out in response to the conversion request notifications received by the Company, under the terms and conditions set forth in the respective deed.

8th Conversion Window

As announced to the market on February 4, 2026, the Company started the 8th Conversion Request Window, during which the Company's creditors may express any interest in converting their credits into shares issued by the Company, at a price of ninety-four centavos (R\$ 0.94) per share, under the terms of Clause 11 of its Court-Ordered Reorganization Plan. The 8th Conversion Request Window, included in the 3rd amendment to the Court-Ordered Reorganization Plan approved on 12/04/2025, will remain open for receiving creditors' statements until 02/13/2026, inclusive.

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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 - BA

Opinion

We have audited the parent Company's and consolidated financial statements of Paranapanema S.A. – under judicial recovery ("Company"), and its subsidiaries, which comprise the parent company's and consolidated balance sheet as of December 31, 2025 and the parent company's and consolidated income statements, comprehensive income, changes in equity and cash flows statements for the year then ended, and related notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying parent company's and consolidated financial statements present fairly, in all material respects, the parent company's and consolidated financial position of Paranapanema S.A. – under judicial recovery and its subsidiaries as of December 31, 2025, and its parent company's and consolidated financial performance and cash flows for the year then ended, in accordance with Brazilian accounting policies and with International Financial Reporting 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) applicable to the audit of the financial statements of public-interest entities in Brazil. We also comply with other ethical responsibilities in accordance with these standards. 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 note one to the parent company’s and consolidated financial statements, which shows 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 and amended September 30, 2024, March 17, 2025 and October 24, 2025. During the year ended December 31, 2025, the Company and its subsidiaries incurred consolidated losses of R\$ 1,331,490 thousand, and as of that date parent Company’s current liabilities exceeded parent Company’s current assets by R\$ 7,189,075 thousand, while consolidated current liabilities exceeded consolidated current assets by R\$7,187,535 thousand. These conditions, together with the default on the Global Accord’s debt and the 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

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent Company’s and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the parent Company’s and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to the Company’s ability to continue as a going concern section, we decided that the matters described below are key audit matters to be described in our report.

Impairment of property, plant and equipment

See Notes 4.K and 12.2 to the parent Company’s and consolidated financial statements

Key audit matter	How the audit addressed the issue
<p>The Company and its subsidiaries have balances of property, plant and equipment in the amount of R\$615,442 thousand in the consolidated balance sheet as of December 31, 2025.</p> <p>Considering the current operational scenario of the Company and its subsidiaries, characterized by difficulties in obtaining finance to support their operations and in generating profit and cash flows, management evaluated the existence of signs of impairment of its cash generating units ("CGUs").</p> <p>The Company assessed the recoverability of the book value of its assets according to "fair value net of costs to sell" method, basically considering market quotations to replace similar assets. These estimates involve significant judgment by management, including obtaining price quotations for the acquisition of new, the same or similar assets, estimating the applicable selling expenses, and considering the assets' operating age, estimated</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> • Evaluating the reasonableness of the main assumptions used to calculate value in use, including cash flow projections, operating assumptions and discount rates, considering the plan for reorganization under bankruptcy proceedings; • Evaluating the methodology used for estimating the fair value less costs to sell of individual assets, including the consistency of market assumptions and estimated costs of disposal; • Getting our valuation specialists involved to help with the analysis of the models and assumptions used; • Testing the mathematical integrity of calculations and conducting sensitivity analyses of the most relevant assumptions; <p>And</p>

<p>economic useful lives and their residual values, which are adjusted using mathematical depreciation curves or functions.</p> <p>Due to the uncertainties inherent in this process and the impact on the estimate of recoverable value, we considered this to be a key audit matter.</p>	<ul style="list-style-type: none"> ● Evaluating the adequacy of the disclosures included in the financial statements, particularly with respect to the criteria used to determine the recoverable amount and the main sources of uncertainty. <p>During our audit we identified adjustments that affected the measurement and disclosure of the recoverable value of property, plant and equipment, which were recognized and disclosed by management.</p> <p>According to the evidence obtained by applying the procedures summarized above, we considered that the judgments and assumptions used by management to measure the recoverable value of property, plant and equipment are reasonable and disclosures are consistent with data and information obtained in the context of the parent Company's and consolidated financial statements for the year ended December 31, 2025.</p>
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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

The Company's Management is responsible for the other information. The other information comprises the information included in 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 misstated. If, based on the work that we have performed, we conclude that there is material misstatement of the Management Report, then we are required to report that fact. We have nothing to report in 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 *IFRS Accounting Standards*, issued by the *International Accounting Standards Board (IASB)*, and for such internal control as IASB 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 continue as a 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 have no realistic alternative to avoid shutting down operations.

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 it 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 parent Company's and consolidated 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. We also:

- 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 a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- 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 auditors' 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 underlying transactions and events in a manner that achieves fair presentation.

- We have planned and performed the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for directing, supervising and reviewing the audit work performed for the purposes of the group audit. We remain solely responsible 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 independence requirements and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and including, when applicable, actions taken to eliminate threats or safeguards applied.

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 about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so may reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, March 30, 2026.

KPMG Auditores Independentes Ltda.

CRC 2SP-014428/O-6

Original report in Portuguese signed by
Hildebrando Oliveira de Abreu Filho

Accountant CRC BA-029520/O-7

PARANAPANEMA S.A. – Under Court-Ordered Reorganization
CNPJ [EIN] 60.398.369/0004-79
NIRE 29.300.030.155
PUBLICLY-HELD COMPANY

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, 2025. 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 30, 2026.

Marcos Reinaldo Severino Peters
President of the Fiscal Council

Jailton Zanon da Silveira

Willian de Mello Magalhães Junior

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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 Court-Ordered Reorganization (“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 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 2025

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

In fiscal year 2025, nine (9) regular meetings were held, and the main scope was:

- (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 2025;
- (ix) Examine the Internal Controls Letter, issued by the independent auditors in the financial statements for the fiscal year 2024;
- (x) Evaluate the Reference Form and Corporate Governance Report for the 2025 financial year;

- (xi) 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;
- (xii) Follow up the Court-Ordered Reorganization Plan;
- (xiii) 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.

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 2025, 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, 2024;
- (ii) Approval of the Quarterly Financial Information for the year 2025;
- (iii) Approval of Internal Audit Plan for the year 2025;
- (iv) Expression in favor of the Reference Form and Corporate Governance Report 2025;
- (v) Approval of the results of the General Risk Analysis update for 2025;
- (vi) Approval of the 2026 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. OPINION OF THE NON-STATUTORY AUDIT COMMITTEE ON COMPANY'S FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

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, 2025 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, 2025, 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, 2025, 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 2025.

Santo André (SP), March 30, 2026.

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

PARANAPANEMA S.A. – Under Court-Ordered Reorganization
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PUBLICLY-HELD COMPANY

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, 2025.

Dias D'Ávila, March 30, 2026

CEO

Vitor Eduardo de Almeida Saback

Financial and Investor Relations Officer

Marcelo Vaz Bonini

Chief Legal Officer

Álvaro André Vieira Cunha

PARANAPANEMA S.A. – Under Court-Ordered Reorganization
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PUBLICLY-HELD COMPANY

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 30, 2026 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, 2025.

Dias d'Ávila, March 30, 2026

CEO

Vitor Eduardo de Almeida Saback

Financial and Investor Relations Officer

Marcelo Vaz Bonini

Chief Legal Officer

Álvaro André Vieira Cunha