Financial Statements Individual and Consolidated

Porto Sudeste do Brasil S.A.

December 31, 2024
with Independent Auditor's Review Report

Management Report

1. Message from Management

Management of Porto Sudeste do Brasil S.A. - (“Porto Sudeste” or Company), in compliance with the legal requirements and in accordance with the prevailing corporate legislation, hereby submits for your appreciation the individual and consolidated Financial Statements accompanied by the respective explanatory notes and the independent auditor’s report for the year ended December 31, 2024. Should you need any further clarifications, please do not hesitate to contact us. In closing 2024, Management expresses their acknowledgement to suppliers, employees and all other co-workers for their dedication and commitment.

2. Relationship with independent auditors

Pursuant to CVM Rule No. 381/2003, we hereby inform that Ernst & Young Auditores Independentes S/S (“EY”) renders external audit services relating to the audit of the Company’s financial information.

When contracting services not related to independent audit, the Company adopts procedures that are based on applicable law and on principles internationally accepted that preserve the auditor’s independence and objectivity. These principles are as follows: (i) the auditor must not review its own work, and (ii) the auditor must not act as a manager for his/her client neither promote this client’s interest.

EY represented to the Company that there is no relationship or factual situation that represents conflict of interests, preventing the exercise of their activity on an independent basis.

3. Management's explanations with respect to variable-yield securities

Overview of Perpetual Variable-yield securities

In February 2014, IWL Holdings (Luxembourg) S.A.R.L. (“Trafigura”) and EAV Lux 2 S.A.R.L. (“Mubadala”), through PSA Fundo de Investimento e Participações, acquired the control of Porto Sudeste, until then exercised by MMX Mineração e Metálicos S.A. (“MMX”).

The investment agreement that regulated the acquisition of control of Porto Sudeste by Trafigura and Mubadala foresee, among others, that the Company would take over, directly or indirectly, obligations related to the variable-yield securities based on Royalties issued by MMX, traded on B3 S.A. - BRASIL. BOLSA. BALCÃO (“B3”) under the ticker MMXM11 (“MMXM11 securities”). In this context, Porto Sudeste issued, on February 26, 2014, Perpetual Variable-yield Securities (“PVS”), with similar terms to the MMXM11 Securities (“Port11”), which were fully subscribed on the same date by MMX. The investment agreement also provided for MMX's obligation to carry out an exchange offer, aimed at all holders of the MMXM11 Securities, through which MMX would acquire the MMXM11 Securities, and deliver the Port11 Securities, or another security, in return backed by MMXM11 Securities (“Exchange Offer”). To implement such Exchange Offer, two different vehicles were used, in order to reach all holders of MMXM11 Securities:

(i) FIP-IE Porto Sudeste Royalties (“PSR”): An infrastructure equity investment fund, which, at the time of the offer, held in its portfolio exclusively, Port11 Securities - and for each Port11 Security held by PSR would be entitled to a Unit. PSR’s units were offered to the holders of MMXM11 Securities that would fit as qualified investors pursuant to CVM regulation and would not have restrictions to hold PSR units.

(ii) Porto Sudeste V.M S.A. (“Porto VM”): A stock corporation registered with CVM under category ‘B’. Said corporation issued a new royalty-based variable-yield security, mirror of MMXM11 Security (“PSVM11 Securities”), and such security listed for trading on B3 (contrary to Port11 Securities, which are not accepted for trading on the stock exchange). Under the aforementioned Exchange Offer, the PSVM11 Securities were offered to holders of MMXM11 Securities that (i) would not fit as qualified investors, or (ii) would have regulatory restrictions to hold units of a FIP-IE - which happens with some investment funds.

As a way of addressing the situation of MMXM11 holders who eventually did not adhere to the Exchange Offer, MMX remained the holder of Port11 Securities in the same quantity of MMXM11 Securities not exchanged.

Upon completion of the Exchange Offer, Porto Sudeste has an obligation to pay the above vehicles and MMX, which in turn have an obligation to pay the holders of the exchanged shares/securities.

There are 983,407,010 Port11 Securities issued, being 98.61% held by PSR, 0.43% held by Porto V.M. and 0.96% held by MMX.

For more information, the indenture of the Port11 Securities is available on the Porto Sudeste do Brasil website.

Royalties Calculation

*R = [(TMMF x VpTMF) + (TMOC x VpTDC)]*FP*

Where:

R = royalties payable in relation to each quarter of the fiscal year
TMMF = Ton of Iron Ore shipped on Port for the respective quarter
TMOC = Ton of Other Loads shipped on Port for the respective quarter
VpTMF = Value per Ton of Iron Ore (as defined below)
VpTDC = Value per Ton of Other Loads (as defined below)
FP = Proportional Factor

For iron ore loads: the royalties related to iron ore loads shipped on Port in a certain calendar quarter shall be calculated, considering the amount of USD 5.00 per ton of iron ore (“value per ton of iron ore”). This value will be (i) adjusted annually at the variation in US PPI calculated from September 2010; and (ii) converted into reais, based on the exchange rate at the ending of the business day immediately prior to the actual payment date.

For other loads: the royalties related to other loads, other than iron ores (excluding non-dry loads, such as supply activities) conducted at the Port Terminal (“value per ton for other loads”) will be calculated based on the load margin. “Load margin” (a) means the difference between the average cost per ton (excluding all non-cash items) incurred in relation to the services rendered by Porto Sudeste relating to the applicable load and the average value per ton effectively charged by Porto Sudeste for the services rendered in relation to such load; and (b) must be limited under any circumstance to USD 5.00 per shipped ton. The adjusted limit value of USD 5.00 per ton for load margin will be (i) adjusted annually at the variation in US PPI calculated from September 2010; and (ii) converted into reais, based on the exchange rate at the ending of the business day immediately prior to the actual payment date.

During the years 2013 to 2016, the commitment of royalties from Porto Sudeste, related to iron ore, was the minimum between the volume shipped in each period and the take-or-pay volume indicated in the table below:

Tons (million)	2013	2014	2015	2016
TMMF	13.6	31.9	36.8	36.8

From 2017 onwards, the volume of iron ore generating royalties (TMMF, in the formula above) is no longer subject to a take-or-pay, being, therefore, simply the volume shipped. In the table below, you can see the tonnage carried out by Porto Sudeste, with the start of operations in 2016, after commissioning carried out in 2015:

Tons (million)	2016	2017	2018	2019	2020	2021	2022	2023	2024
TMMF	7.1	9.5	10.7	16.4	18.7	17.8	17.4	26.1	21.9
TMOC	-	-	-	-	-	-	0.11	-	-

As the shipped volume of iron ore in 2016 was lower than the take-or-pay volume, the royalty commitment is based on this second parameter.

In the fourth quarter of 2024, Porto Sudeste shipped 5,246 thousand tons of iron ore (TMMF) and zero tons of other cargos (TMOC), which multiplied by the updated value per ton of US$ 6,38 (VpTMF and VpTDC) resulted in royalties of US$ 33,468 thousand, which converted to Reais amounted to R$ 207,244 thousand. The accumulated Royalties until this quarter is US$ 1,474,769 thousand, which converted to Reais amounted to R$ 9,132,212 thousand. No amount has been paid until this quarter.

Porto Sudeste VM, a wholly owned subsidiary of Porto Sudeste do Brasil, has US$ 6,336 thousand in accumulated royalties receivable, which converted to Reais amounted to R$ 39,234 thousand referring to the amount of Port11 Securities it holds (proportion of 0.43% of the total).

Port11 on board volumes / ToP	Opening balance	1st quarter 2024	2nd quarter 2024	3nd quarter 2024	4th quarter 2024	Balance YTD	Balance
Volume TMMF (M/TONS)	235,667,165	5,880,622	5,939,736	4,788,046	5,245,742	21,854,146	257,521,311
Volume TMOC (M/TONS)	106,060	-	-	-	-	-	106,060
Price per Ton (USD)	5.00	5.00	5.00	5.00	5.00	5.00	5.00
PPI accumulated	0.66	1.38	1.38	1.38	1.38	1.38	0.72
Price per TON ($)	5.66	6.38	6.38	6.38	6.38	6.38	5.72
Accumulated balance (USD '000)	**1,335,340**	**37,518**	**37,896**	**30,548**	**33,468**	**139,429**	**1,474.769**
Port11 Payments (USD ‘000)	-	-	-	-	-	-	-
Port11 Balance to pay (USD '000)	**1,335,340**	**37,518**	**37,896**	**30,548**	**33.468**	**139,429**	**1,474,769**

Porto Sudeste VM	Opening balance	1st quarter 2024	2nd quarter 2024	3nd quarter 2024	4th quarter 2024	Balance YTD	Balance
Port11 held in proportion to all Port11	*0.43%*	*0.43%*	*0.43%*	*0,43%*	*0,43%*	*0,43%*	*0,43%*
Accumulated balance (USD '000)	**5,742**	**160**	**161**	**130**	**143**	**594**	**6.336**
Paid for PSVM11 holders PSVM11 (USD ‘000)	-	-	-	-	-	-	-
Balance to pay (USD '000)	**5,742**	**160**	**161**	**130**	**143**	**594**	**6.336**

Royalties Payment

Payment of Royalties in each quarter will be made within 60 days from the end of each calendar quarter and is subject to the existence of cash available for payment of Royalties, calculated after the discount of applicable taxes, cash cost of operations, operating expenses, capital expenditures for maintenance, amounts arising from the reversal of certain cash provisions, as well as respecting the preference of certain creditors of Porto Sudeste, all pursuant to clause 5.2 of the indenture of Port11 Securities ("Cash Available for Royalties").

Royalties will be cumulative, that is, if, in each quarter, the Cash Available for Royalties calculated by Porto Sudeste is not sufficient to allow the payment, in whole or in part, of the Royalties determined until then, such unpaid royalties must be added to the amount of royalties for the next quarter. Royalties shall only be considered due and payable when Porto Sudeste has determined sufficient Cash Available for Royalties for that purpose.

If, in a certain calendar quarter by the payment of current royalties the cash of issuer and Porto Sudeste is jointly higher than US$10 million (“Minimum Cash Reserve”), the issuer will use the values that exceed the minimum cash reserve (“Available Cash”) to pay the effectively accrued and not paid until the last day of such calendar quarter (“Accumulated Royalties”).

There is no obligation on Porto Sudeste to pay Royalties, except if there is Free Cash held by the issuer on the last day of such calendar quarter and up to the limit of such available cash. "Free Cash" means the amount corresponding to the amounts available in the Porto Sudeste box minus the sum of (a) amounts provided by the shareholders of Porto Sudeste by means of a capital increase or shareholder guarantee, to the extent that such amounts were acquired as Porto Sudeste cash on hand, (b) BNDES senior debt service reserve account, and (c) cash amounts provisioned by Porto Sudeste jointly for IRPJ - Income Tax of Legal Entity, CSLL - Social Contribution on Net Income and other obligations for which the independent auditors of Porto Sudeste require provisioning.

In December 31, 2024, Porto Sudeste carried out the financial calculations and identified that there was not enough available cash generation to pay royalties to holders of Port11 Securities.

Cash Available for Royalty Payment BRL '000	1st quarter 2024	2nd quarter 2024	3rd quarter 2024	4th quarter 2024
Collections	402,180	333,367	282,363	267,811
Expenses	(222,839)	(213,893)	(180,517)	(169,645)
Debt Service	(118,131)	(91,592)	(95,570)	(90,271)
Debt Service Reserve Account Constitution (*)	(61,210)	(27,882)	(6,276)	(7,895)
Cash Available for Royalties	-	-	-	-

(*) Amount constituted as a guarantee to senior creditors and blocked for movement. By the end of this quarter, they totaled R$103,262. These amounts are invested in top-tier financial institutions and are substantially remunerated at 96% and 100.54% of the variation of the Interbank Deposit Certificate (CDI). By the end of this quarter, they totaled R$5,240 in remuneration

The existing cash balance at Porto Sudeste (Controlling Company) refers to the balance of contributions from shareholders and balances that must be maintained in accounts to meet any operational obligation, such as the guaranteed account for the purchase of energy and Pis/ Cofins deposited in court. In this quarter, there was no cash balance available for royalty payments.

Royalties accounting policy

Porto Sudeste records Port11 Securities in Liabilities, based on the Present Value of the Projected Cash Flow of the payment of royalties. In other words, the amount shown in the Balance Sheet is different from the amount of royalties accrued until this quarter. Porto Sudeste VM records its right to receive royalties in Assets, corresponding to its portion on the value of Port11 securities, and the respective payment to PSVM11 holders in Liabilities.

Securities are measured in accordance with IAS 37 - Provisions, Contingent Assets and Contingent Liabilities based on projected cash flows from future security related payments discounted at an annual rate of 11.62%. These projections are based on the Porto Sudeste Business Plan, which includes assumptions related to the growth of iron exports in the *Quadrilátero Ferrífero* of Minas Gerais, growth of the market share of Porto Sudeste, volumes of ore originated by mines belonging to its shareholders, operations with other solid and liquid bulk, commodity price expectations, among others.

On December 31, 2024, the present value of discounted future cash flow amounted to US$3,633,849 which converted into Brazilian reais totaled R$22,501,889 thousand (compared to US$3,678,869 thousand, which converted into Brazilian reais totaled R$17,810,507 thousand as of December 31, 2023). Of those totals, the amounts corresponding to PSVM11 securities are represented at the base date of December 31, 2024, at US$15,478, which converted into reais totaled R$95,842 (US$15,669, which converted into Brazilian reais totaled R$75,859 as of December 31, 2023).

Transaction costs

Debt issue costs of variable-yield securities totaling R$16,703 thousand at December 31, 2024 (R$13,059 thousand at December 31, 2023) referring to outside legal counsel fees and commissions of guarantee were recorded as reduction of liabilities.

Itaguaí, March 13, 2025.

Management.

Porto Sudeste do Brasil S.A.

Individual and consolidated financial statements

December 31, 2024

Contents

Independent auditor report on the financial statements 1

Financial statements

Balance sheet 4
Statement of income (loss) 6
Statement of comprehensive income (loss) 7
Statement of changes in equity 8
Cash flow statement 9
Notes to individual and consolidated financial statements 10

Centro Empresarial PB 370
Praia de Botafogo, 370
8º ao 10º andar - Botafogo
22250-040 - Rio de Janeiro - RJ - Brasil
Tel: +55 21 3263-7000
ey.com.br

A free translation from Portuguese into English of Independent Auditor Review Report on Interim Financial Information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB)

Independent auditor report on individual and consolidated financial statements

To the Shareholders and Board of Directors
Porto Sudeste do Brasil S.A.
Itaguaí, RJ

Opinion

We have audited the individual and consolidated financial statements of Porto Sudeste do Brasil S.A. (“Company”), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2024, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of Porto Sudeste do Brasil S.A. as at December 31, 2024, and its individual and consolidated financial performance and its cash flows for the year then ended in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) (currently referred by the IFRS Foundation as “IFRS accounting Standards”).

Basis for opinion

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

Other information accompanying the individual and consolidated financial statements and the auditor’s report

The Board of directors are responsible for such other information, which comprise the Management Report.

Our opinion on the financial statements does not cover the Management Report and we do not express any form of audit conclusion on this report.

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

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

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

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

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

Auditor’s responsibilities for the audit of individual and consolidated financial statements

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

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

- Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Concluded on the appropriateness of the board of directors 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, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion on the statement financial position. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Rio de Janeiro, March 13, 2025.

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

Fernando Alberto S. Magalhães
Contador CRC 1SP-133169/O

Porto Sudeste do Brasil S.A.

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

		Parent Company		Consolidated	
	Note	**2024**	**2023**	**2024**	**2023**
Assets					
Current assets					
Cash and cash equivalents	4	**949**	5,791	**58,642**	182,716
Trade accounts receivable	5	**20,156**	29,873	**20,156**	29,873
Trade Accounts receivable from related parties	16	**-**	592,046	**751,366**	928,188
Inventory	6	**106,920**	74,498	**359,901**	213,332
Taxes recoverable		**18,195**	9,222	**20,729**	11,642
Advances with related parties	16	**-**	-	**136,519**	-
Advances	8	**3,292**	14,242	**3,292**	14,242
Other		**-**	-	**3,150**	3,521
Total current assets		**149,512**	725,672	**1,353,755**	1,383,514
Noncurrent assets					
Restricted deposits	7	**123,514**	13,611	**123,514**	13,611
Trade Accounts receivable from related parties	16	**541,419**	-	**541,419**	-
Taxes recoverable		**-**	2,390	**571**	4,776
Investments	9	**55,693**	44,684	**-**	-
Property, plant and equipment	10	**7,957,035**	6,427,652	**8,009,439**	6,468,793
Intangible assets	11	**13,174,683**	10,414,859	**13,174,683**	10,414,859
Judicial deposits	19	**96,317**	74,447	**96,948**	74,846
Other		**-**	-	**-**	58
Total noncurrent assets		**21,948,661**	16,977,643	**21,946,574**	16,976,943
Total assets		**22,098,173**	17,703,315	**23,300,329**	18,360,457

	Note	Parent Company 2024	Parent Company 2023	Consolidated 2024	Consolidated 2023
Liabilities					
Current liabilities					
Trade accounts payable	12	**77,872**	59,768	**343,340**	499,512
Loans and financing	13	**88,962**	90,162	**1,206,468**	368,192
Taxes and contributions payable	15	**23,779**	59,448	**27,516**	66,236
Related parties	16	**50,256**	4,323	**11,238**	42,503
Customer advances		**75**	534	**96**	2,601
Payroll		**11,802**	27,214	**11,802**	27,214
Total current liabilities		**252,746**	241,449	**1,600,460**	1,006,258
Noncurrent liabilities					
Loans and financing	13	**7,133,048**	5,741,693	**7,133,048**	5,741,693
Variable income securities	14	**22,485,186**	17,797,448	**22,485,186**	17,797,448
Negative equity provision	9	**145,599**	107,682	**-**	-
Provision for contingencies	18	**10,566**	8,177	**10,607**	8,192
Total noncurrent liabilities		**29,774,399**	23,655,000	**29,628,841**	23,547,333
Equity	20				
Capital		**3,148,590**	3,148,590	**3,148,590**	3,148,590
Cumulative translation adjustments (CTA)		**(1,715,371)**	77,705	**(1,715,371)**	77,705
Accumulated losses		**(9,362,191)**	(9,419,429)	**(9,362,191)**	(9,419,429)
Total equity		**(7,928,972)**	(6,193,134)	**(7,928,972)**	(6,193,134)
Total liabilities and equity		**22,098,173**	17,703,315	**23,300,329**	18,360,457

See accompanying notes.

Porto Sudeste do Brasil S.A.

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

		Parent Company		Consolidated	
	Note	2024	2023	2024	2023
Revenue, net of sale of assets	21	**975,585**	1,582,898	**5,753,766**	6,669,856
Costs of sales and services	22	**(679,096)**	(617,396)	**(5,434,136)**	(5,635,200)
Gross profit		**296,489**	965,502	**319,630**	1,034,656
Operating income (expenses)					
General and Administrative	23	**(71,052)**	(80,458)	**(74,049)**	(81,485)
Equity pickup	9	**(18,924)**	(8,381)	**-**	-
Other operating income (expenses)	14	**2,001,940**	(3,153,216)	**2,001,774**	(3,153,213)
		1,911,964	(3,242,055)	**1,927,725**	(3,234,698)
Income before financial income (expense) and taxes		**2,208,453**	(2,276,553)	**2,247,355**	(2,200,042)
Financial income (expenses)	24				
Financial income		**373,308**	595,540	**480,261**	676,359
Financial expenses		**(2,524,523)**	(3,167,721)	**(2,670,378)**	(3,323,072)
		(2,151,215)	(2,572,181)	**(2,190,117)**	(2,646,713)
Income before income taxes		**57,238**	(4,848,734)	**57,238**	(4,846,755)
Income and social contribution taxes	17	**-**	-	**-**	(1,979)
Profit (Loss) for the year		**57,238**	(4,848,734)	**57,238**	(4,848,734)

See accompanying notes.

Porto Sudeste do Brasil S.A.

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

	Parent Company		Consolidated	
	2024	**2023**	**2024**	**2023**
Profit (Loss) for the year	**57,238**	(4,848,734)	**57,238**	(4,848,734)
Exchange differences related to conversion into reporting currency	**(1,793,076)**	77,341	**(1,793,076)**	77,341
Total comprehensive income (loss)	**(1,735,838)**	(4,771,393)	**(1,735,838)**	(4,771,393)

See accompanying notes.

Porto Sudeste do Brasil S.A.

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

	Consolidated				
	Capital	Future capital contribution	Cumulative translation adjustment	Accumulated losses	Total
Balances at December 31, 2022	3,106,990	41,600	364	(4,570,695)	(1,421,741)
Capital increase	41,600	(41,600)	-	-	-
Cumulative translation adjustments (CTA)	-	-	77,341	-	77,341
Loss for the year	-	-	-	(4,848,734)	(4,848,734)
Balances at December 31, 2023	3,148,590	-	77,705	(9,419,429)	(6,193,134)
Cumulative translation adjustments (CTA)	**-**	**-**	**(1,793,076)**	**-**	**(1,793,076)**
Profit for the year	**-**	**-**	**-**	**57,238**	**57,238**
Balances at December 31, 2024	**3,148,590**	**-**	**(1,715,371)**	**(9,362,191)**	**(7,928,972)**

See accompanying notes.

Porto Sudeste do Brasil S.A.

Statement of cash flows
Years ended December 31, 2024, and 2023
(In thousands of reais)

	Controladora		Consolidado	
	2024	**2023**	**2024**	**2023**
Cash flows from operating activities				
Income (loss) before income taxes	**57,238**	(4,848,734)	**57,238**	(4,846,755)
Non-cash P&L items				
Depreciation and amortization	**325,343**	332,554	**325,349**	332,560
Write-off of assets	**15,302**	3,968	**15,474**	3,968
Other amortization	**48,214**	70,044	**48,419**	70,044
Equity pickup	**18,924**	8,381	**-**	-
Royalties adjustment	**(234,526)**	5,110,223	**(234,526)**	5,110,223
Interest related party	**(48,971)**	-	**(35,768)**	36,773
Interest loans	**595,334**	471,339	**661,113**	501,169
Price adjustment	**-**	-	**86,018**	-
Active monetary update	**(14,194)**	(15,072)	**(14,194)**	(15,073)
Monetary variation	**(251,631)**	108,292	**(281,685)**	124,222
Other provisions	**(15,417)**	6,343	**(225,068)**	218,530
Changes in assets and liabilities				
Accounts receivable	**9,775**	36,427	**9,775**	36,427
Accounts receivable with related parties	**78,667**	(457,148)	**(226,031)**	(608,560)
Other advances	**(29,142)**	(42,274)	**(29,347)**	(351,528)
Advances – related party	**-**	-	**(113,935)**	-
Dividends	**-**	1,448	**-**	-
Inventory	**(15,387)**	(14,176)	**(82,270)**	(77,839)
Restricted deposits	**(103,283)**	-	**(103,283)**	-
Judicial deposits	**(14,504)**	(4,707)	**(14,487)**	(4,718)
Tax recoverable	**5,596**	(61,604)	**7,336**	(61,977)
Advances from customers	**(488)**	1,480	**(2,592)**	3,586
Trade accounts payable	**50,281**	20,160	**41,626**	458,365
Tax and contributions payable	**(47,640)**	92,933	**(50,692)**	95,200
Transactions with related parties	**66,352**	(23,651)	**(35,564)**	(17,682)
Interest paid	**(234,640)**	(250,565)	**(291,902)**	(280,428)
Other assets	**106**	4,645	**477**	1,814
Net cash generated (used) in operating activities	**261,309**	550,306	**(488,519)**	728,321
Cash flow from investing activities				
Acquisition of property and equipment	**(73,128)**	(127,582)	**(73,130)**	(127,582)
Advance for future capital increase	**(400)**	(600)	**-**	-
Net cash used in investing activities	**(73,528)**	(128,182)	**(73,130)**	(127,582)
Cash flows from financing activities				
Borrowings	**-**	-	**3,258,547**	1,542,423
Guarantee fee	**(30,339)**	(29,772)	**(30,339)**	(29,772)
Loan repayment	**(160,923)**	(420,596)	**(2,775,218)**	(2,126,900)
Net cash provided by financing activities	**(191,262)**	(450,368)	**452,990**	(614,249)
Exchange differences, net				
Foreign exchange differences	**(1,361)**	(3,813)	**(15,415)**	97,003
Increase /(decrease) in cash and cash equivalents	**(4,842)**	(32,057)	**(124,074)**	83,493
Statement of increase (decrease) in cash and cash equivalents				
At beginning of year	**5,791**	37,848	**182,716**	99,223
At end of year	**949**	5,791	**58,642**	182,716
Increase / (decrease) in cash and cash equivalents	**(4,842)**	(32,057)	**(124,074)**	83,493

See accompanying notes.

1. Operations

Porto Sudeste do Brasil S.A. (“Porto Sudeste” or the “Company”) was established on November 7, 2007, to develop the logistics and integrated operations in the port sector, notably the implementation and operation of a Port Terminal named Porto Sudeste (“Terminal” or “Porto Sudeste”). The Company is headquartered at Rua Félix Lopes Coelho, 222, Ilha da Madeira, Itaguaí, Rio de Janeiro.

The Company is composed of its parent company and its subsidiaries Pedreira Sepetiba Ltda. (“Pedreira”), Terminal de Contêineres Sepetiba Ltda. (“TCS”), Porto Sudeste VM S.A. (“Porto VM”) and Porto Sudeste Exportação e Comércio S.A.

IWL Holdings (Luxembourg) S.A.R.L. (“Trafigura”) and EAV Lux 2 S.A.R.L (“Mubadala”), through investees became joint holders of 99,35% ownership interest in the Company, through PSA Fundo de Investimento e Participações.

In February 2014, the controlling shareholders Trafigura and Mubadala executed the Shareholders’ Agreement, which provides for the rights and obligations of each controlling shareholder.

<u>Company’s financial position</u>

On December 31, 2024, the Company records a consolidated working capital of R$246,705 thousand, a consolidated loss for the year of R$57,238 thousand (impacted by the increase in the valuation of Port11 securities, as per Note 14) and consolidated accumulated loss of R$9,362,191 thousand, thus, the equity on December 31, 2024, is negative amounting R$7,928,972 thousand. The Company closed the quarter with a cash position consolidated of R$58,642 thousand.

The Company began operations in January 2016 and has since been increasing its annual movement volume and expanding its services to other bulk cargoes. Consequently, operating cash flow has been reaching increasingly robust levels, exceeding the needs for debt services.

In the fourth quarter of 2024, the parent company shipped approximately 5,2 million tons of iron ore. The Company also handled other cargoes in this quarter, through the unloading of 67 thousand tons of coal, and 8 ship-to-ship oil transshipment operation, amounts that are still not very representative when compared to iron ore. Year to date, there were approximately 21,9 million tons of iron ore, 0,3 thousand tons of other solid bulk and 16 oil operation.

The good operational performance positively reflected on the financial performance of the Company. All excess cash generation was allocated to the payment of the principal of the senior debt.

1. Operations (Continued)

Company's financial position (Continued)

The net accounting loss was impacted, primarily, by the effect of the Port11 Securities recorded in liability (Note 14), which are marked at fair value, therefore, a better expectation of their payment generates an increase in their present value.

Licenses

On July 15, 2010, the Company obtained from the Brazil's Water Transportation Regulatory Agency (ANTAQ) authorization for construction and implementation of the Maritime Terminal with capacity for shipping 50 million tons per year, located in Ilha da Madeira, Itaguaí, Rio de Janeiro. This concession is valid for 25 years, renewable for another 25 years. In 2014, after completing the first phase of the implementation works of the Terminal and obtaining the respective environmental operation license, the Company received from Agência Nacional de Transporte Aquaviários (ANTAQ) the Operating Release Term (TLO) and the Qualification for International Maritime Traffic (HTMI), whereupon the Company has been fully authorized by this regulatory agency to operate the first phase of the Terminal. In addition to the release from the regulatory agency, the first phase of the terminal is properly bonded and able to receive goods intended for export. Regarding the offshore access, the dredging and submerged rocks blasting of the access channel to the Terminal and the mooring basin were completed in early 2015.

As to the second phase of the terminal (50 million tons per year), the Company completed the assembly of equipment in the mid of 2015 and on November 12, 2015 was granted by Agência Nacional de Transporte Aquaviários (ANTAQ) TLO Number 11/2015, authorizing the Company to move on with the partial operation of the Private Use Terminal, in accordance with Agência Nacional de Transportes Aquaviários (ANTAQ) standards and regulations, considering the adjustments of the New Ports Law.

As regards the Brazilian Tax Authority, the areas of yard 06, tunnel, pier and yard 32 are within an export customs area.

In December 2021, the Company completed the licensing process for the transshipment to countership operation for handling liquid bulk. In 2022, the Company carried out its first commercial operations, serving companies that explore for oil in the pre-salt layer.

Continuing the process of diversifying operations, on December 27, 2022, as published in the Diário Oficial, the company obtained from the National Agency for Waterway Transport - ANTAQ, the Term of Installation License (TLI), which allows the construction and deployment to expand the capacity of the maritime terminal, by an additional 50 million tons per year of liquid bulk, totaling 100 million tons.

2. Basis of preparation and presentation of Individual and consolidated condensed financial statements

a) Individual and consolidated financial statements

The preparation of the individual and consolidated financial statements relied on various basis of evaluation used in the accounting estimates. The accounting estimates involved in the preparation of the financial statements were supported by objective and subjective factors, based on the management judgment to determine the appropriate value to be recorded in the individual and consolidated financial statements.

The settlement of transactions involving these estimates may result in amounts materially different from those recorded in the financial statements due to uncertainties inherent in the estimation process. The Company reviews its estimates at least on an annual basis.

The Company's individual and consolidated financial statements were prepared in accordance with accounting practices adopted in Brazil and in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), implemented in Brazil through the Accounting Pronouncements Committee ("CPC") and its technical interpretations ("ICPC") and guidelines ("OCPC"), approved by the Brazilian Securities Commission ("CVM").

In addition, the Company considered the guidelines issued by Technical Guidance OCPC 07(R1), issued by the CPC in November 2014, in the preparation of its financial statements. Therefore, the relevant information in the financial statements is being disclosed and corresponds to that used by management in its management.

On March 13, 2025 the Company management authorized the conclusion and disclosure of this individual and consolidated interim condensed financial information.

b) Basis of preparation and measurement

The individual and consolidated financial statements were prepared considering the historical cost, except for financial instruments measured at fair value.

(In thousands of reais, unless otherwise stated)

2. Basis of preparation and presentation of Individual and consolidated financial statements (Continued)

c) Functional currency

With the beginning of operations on January 1, 2016, the Company and its subsidiaries began to earn revenues denominated in US dollars. Therefore, the functional currency was changed from Brazilian real to US dollar. Pursuant to Brazilian legislation and Accounting Pronouncement CPC 2 - Effects of changes in exchange rates and translation of financial statements, are presented in Brazilian reais (R$), converting the functional currency (US dollars) to the reporting currency (Brazilian reais). Assets and liabilities are translated to the closing exchange rate in the period; P&L accounts are stated at the average exchange rate on the date of the event; and equity at historical buildup cost. The effect of conversion into reporting currency is stated in equity under “Cumulative translation adjustments”.

d) Consolidation

The consolidated financial information includes the Company and the following subsidiaries:

	Interest - %					
	Capital		Voting capital		Location	
	2024	2023	2024	2023	of headquarters	Main activity
Direct subsidiaries						
Pedreira	**99.98%**	99.98%	**99.98%**	99.98%	Brazil	Extraction and crushing of stones
TCS	**99.98%**	99.98%	**99.98%**	99.98%	Brazil	Logistics
Porto VM	**100%**	100%	**100%**	100%	Brazil	Currently inoperative
Porto Sudeste Exportação	**100%**	100%	**100%**	100%	Brazil	Purchase and sale of ore

Significant consolidation procedures are:

(i) Elimination of asset and liability balances between consolidated companies;

(ii) Elimination of balances of investment accounts and corresponding interests in capital and retained earnings (accumulated losses) of subsidiaries;

(iii) Elimination of balances of revenues and expenses as well as unrealized profits arising from intercompany transactions. Unrealized losses are also eliminated, but only to the extent that there is no evidence of impairment of the related assets;

(iv) Balances of intercompany transactions of shared control are eliminated and interests of other shareholders are disclosed in the statement of financial position and P&L;

(v) Changes in the percentage interest in subsidiaries that do not result in loss and/or gain of control are recorded in equity.

3. Summary of significant accounting practices and estimates

3.1. Financial instruments

a) Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, at fair value through other comprehensive income, and at fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not measured at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or at fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Company's cash and cash equivalents balance are classified as financial assets measured at fair value through profit or loss.

b) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and receivables, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value, plus or less, in the case of a financial liability other than at fair value through profit or loss, transaction costs that are directly attributable to the issue of a financial liability.

The principal Company's financial liabilities include trade payables and loans.

3. Summary of significant accounting practices and estimates (Continued)

3.1. Financial instruments (Continued)

c) Offsetting (net presentation) of financial instruments

Financial assets and liabilities are presented net in the statement of financial position whether there is a currently enforceable legal right to offset the recognized amounts, and there is an intention to offset them or realize the asset and settle the liability simultaneously.

3.2. Cash and cash equivalents

Cash equivalents are held for meeting short-term cash commitments rather than for investment or other purposes. The Company considers that cash equivalents correspond to a financial investment readily convertible into a known cash amount and subject to insignificant risk of change in value. Accordingly, an investment normally qualifies as cash equivalent when it is redeemable in the short term, e.g. three months or less from the investment date.

3.3. Inventory

Inventories are valued at the average acquisition or production cost, reduced by a provision for loss of market value, when applicable. The cost of these items includes expenses incurred on acquisition, transportation and storage of related assets. In the case of finished inventories, the cost includes overall manufacturing expenses based on normal operating capacity.

3.4. Investments

The Company's investments in its subsidiaries are accounted for using the equity method in its individual financial statements. Therefore, these investments are recorded in the Parent Company's statement of financial position at cost, increased by changes after acquisition of ownership interest in the subsidiary or affiliate. Goodwill, if any, is included in the investment's book value, and is not amortized. Goodwill is reclassified in the consolidated financial statements as an intangible asset.

The statement of operations reflects the portion of P&L from operations of the subsidiaries, and changes directly recognized in equity are reflected, when applicable, in the Parent Company's statement of changes in equity.

The Company decides whether it is necessary to recognize any additional impairment losses in investment in its investees. If applicable, the Company calculates the amount of impairment loss as the difference between the investment's recoverable amount and the carrying amount and recognizes this sum in P&L.

3. Summary of significant accounting practices and estimates (Continued)

3.5. Properties, plant and equipment

Property and equipment items are recorded at acquisition, buildup or construction cost, including interest, foreign exchange gains (losses) and other financial charges incurred over project construction or development, less accumulated depreciation and/or accumulated impairment losses, if any.

An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses, if any, arising from derecognition are classified in the statement of operations for the year in which the asset is derecognized.

Property and equipment includes prepayments for the rendering of services or the acquisition of property and equipment items carried out based on contracts in force and are reclassified for the respective group of accounts when the services or installed equipment are ready to be used and provide cash.

Repair and maintenance expenses are recorded directly in the statement of operations when incurred.

Depreciation is calculated over the depreciable value, which is the cost of an asset, or another substitute for the cost, deducted from the residual value. Depreciation of property and equipment items is calculated by the straight-line method for civil construction, facilities and administrative equipment, and by a method for operated unit for operational equipment, taking into consideration the economic useful lives of these assets.

3.6. Impairment of non-financial assets

The carrying amounts of the Company’s nonfinancial assets are reviewed every reporting date in order to determine whether there is any indication of impairment loss. If such indication exists, the asset recoverable amount is determined. In the case of goodwill and intangible assets with indefinite useful life or intangible assets under development that are not yet available for use, the recoverable amount is estimated every year.

The recoverable amount of an asset or a Cash-Generating Unit (CGU) is defined as the higher of value in use and fair value less costs to sell. In evaluating value in use, the estimated future cash flows are discounted to present value through the discount rate before taxes that reflects the conditions prevailing in the market in relation to the capital recoverability period and specific risks of the asset.

3. Summary of significant accounting practices and estimates (Continued)

3.6. Impairment of non-financial assets (Continued)

Impairment loss is recognized in P&L for the year if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses related to CGUs are initially allocated to reduce the carrying amount of any goodwill allocated to the CGUs and then, if there is any remaining loss, to reduce the carrying amount of the other assets.

Impairment loss related to goodwill is not reversed. In relation to other assets, impairment losses recognized in prior years are evaluated every reporting date in relation to any indication that the loss has increased, decreased or no longer exists.

3.7. Other assets and liabilities short term and long term

An asset is recognized in the statement of financial position when its future economic benefits are likely to flow to the Company, and its cost or value can be reliably measured.

A liability is recognized in the statement of financial position when the Company has a legal obligation or obligation resulting from a past event, which will probably require an economic resource to settle it. Provisions are recorded based on the best estimates of the risk involved.

Noncurrent monetary assets and liabilities are adjusted to present value and so are current monetary assets and liabilities whenever the effects are considered significant to the overall financial statements. The present value adjustment is calculated using contractual cash flows and the explicit, and sometimes implicit, interest rates of the respective assets and liabilities.

3.8. Taxes

Taxes on sales and services

Sales and service revenues are subject to the following taxes and contribution taxes, at the following statutory rates:

- Contribution Tax on Gross Revenue for Social Integration Program (PIS) - 0.65% and 1.65%;
- Contribution Tax on Gross Revenue for Social Security Financing (COFINS) - 3.0% and 7.6%;
- Service Tax (ISS) - 5%.

3. Summary of significant accounting practices and estimates (Continued)

3.8. Taxes (Continued)

Taxes on sales and services (Continued)

These charges are presented as sales deductions in the statement of operations.

Income and social contribution taxes

Taxation on income includes income and social contribution taxes, which are calculated on taxable income at the rate of 15%, plus 10% surtax for income exceeding R$240 during a period of 12 months, and 9% for social contribution tax. Therefore, additions to book profit deriving from temporarily nondeductible expenses or exclusions from temporarily non-taxable income to determine current taxable profit generate deferred tax assets or liabilities. Prepaid or recoverable taxes are stated in current or noncurrent assets, based on their estimated realization. Porto Sudeste subsidiaries are taxed through the actual profit method.

Deferred taxes arise from temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their book values and tax loss balances. Deferred tax assets are recognized for all deductible temporary differences, credits and unused tax losses, to the extent that it is probable that taxable profit will be available so that deductible temporary differences may be realized, and credits and tax losses may be used. Deferred tax liabilities are recognized for all taxable temporary differences.

The book value of deferred tax assets is revised at each Balance Sheet date, and the balance is maintained to the extent that its recovery is likely, based on future taxable profits.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled and are shown net when related to the same entity taxed and when subject to the same tax authority.

3.9. Provisions (including contingencies)

Provisions are recognized when the Company has a present obligation (legal or constructive) arising from a past event, the settlement of which is likely to result in an outflow of economic benefits, and for which a reliable estimate can be made. When the Company expects that the amount of a provision will be refunded, whether in full or in part, the refund is recognized as a separate asset, but only when the refund is virtually certain.

3. Summary of significant accounting practices and estimates (Continued)

3.9. Provisions (including contingencies) (Continued)

The Company recognizes provisions for tax, civil and labor contingencies. Assessment of the likelihood of loss includes analysis of available evidence, hierarchy of laws, available case law, recent court decisions and their relevance in the legal system, as well as the opinion of the Company’s external legal advisors. The provisions are reviewed and adjusted to take into consideration changes in circumstances such as applicable statutes of limitation, conclusions of tax audits or additional exposures identified based on new matters or court decisions.

Settlement of transactions involving these estimates may result in amounts materially different from those recorded in the financial statements due to inaccuracies inherent to their determination process. The Company's management reviews its estimates and assumptions on a quarterly basis.

3.10. Revenue from Contracts with Customers

IFRS 15, equivalent to CPC 47 establishes a five-step model for accounting for customer contract revenue and requires revenue to be recognized at a value that reflects the consideration that the entity expects to receive in return for the transfer of goods or services to a customer.

IFRS 15 requires entities to exercise judgment, taking into account all relevant facts and circumstances when applying each step of the model to contracts with their clients. The standard also specifies the accounting for the incremental costs of obtaining a contract and costs directly related to compliance with a contract. The Company considers whether there are other promises in the contract that are distinct performance obligations, to which a portion of the transaction price needs to be allocated. In determining the transaction price for the rendering of services, the Company considers the existence of a variable consideration, significant financing components, non-monetary consideration and the consideration due to the customer (if any).

i) Sale of goods

The Company expects the revenue recognition to occur at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

The revenue from the sale of ore is recognized when the significant risks and benefits of the property are transferred, which for sale in the foreign market occurs when the vessels are loaded for transport.

3. Summary of significant accounting practices and estimates (Continued)

3.10. Revenue from Contracts with Customers (Continued)

i) Sale of goods (Continued)

The Group initially recognizes its revenue at the provisional value determined on the date of shipment. Until the shipments are completed, which may take up to 180 days, the Company makes provisions based on the monthly “SGX” (Singapore Exchange) average, that is, based on the iron ore futures price curve. Final revenue is calculated based on “Platts”, calculating the applicable penalties.

ii) Rendering of services

Revenue from services rendered is recognized based on the fulfillment of the performance obligations specified in the contracts with customers. The Company provides port services and based on the contracts the performance obligation is fulfilled with the completion of loading of vessels.

The Company initially recognizes its revenue at the provisional value determined on the date of Vessels. Until the vessels are completed, which may take up to 180 days, the Company makes provisions based on the iron ore futures price curve. Final billing is based on “Platts”.

3.11. Significant accounting judgments, estimates and assumptions

Preparing the Company’s financial statements requires that management make judgment and estimates and adopt assumptions that affect those figures reported as revenues, expenses, assets and liabilities, as well as contingent liability disclosures, as of the financial statement reporting date. However, uncertainty associated with those estimates and assumptions could lead to results that would require significant adjustment to the book value of assets or liabilities affected in future periods. Significant items subject to judgments and estimates are as follows: measurement of floating rate securities, recognition and analysis of recoverability of tax credits, useful lives of property and equipment and intangible assets, impairment losses and provisions for contingencies.

3.12. Statements of cash flow

The statements of cash flow were prepared and are presented by the indirect method.

3. Summary of significant accounting practices and estimates (Continued)

3.13. Intercompany transactions

Transactions with related parties are contracts for port services were, generally, carried out under conditions and terms similar to those of the market. Certain transactions, due to their unique and/or specific characteristics and conditions, therefore not comparable, were established on fair terms between the parties, in order to adequately remunerate their respective investments and operating costs.

3.14. New or revised pronouncements applicable from January 1, 2024

i) Amendments to IFRS 16: Lease Liability in a Sale and Leaseback Transaction

In September 2022, the IASB issued amendments to IFRS 16 (equivalent to IFRS 06 - Leases) to specify the requirements that a seller-lessee uses in measuring the lease liability arising from a sale and leaseback transaction, in order to ensure that the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use that it retains. Early application is permitted and this fact must be disclosed. The amendments had no impact on the financial statements.

ii) Amendments to IAS 1: Classification of Liabilities as Current or Non-Current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 (equivalent to IFRS 26 (R1) - Presentation of the financial statements) to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by the right to defer settlement.
- That the right to defer must exist at the end of the reporting period.
- That the classification is not affected by the likelihood that the entity will exercise its right to defer.
- That only if a derivative embedded in a convertible liability is itself an equity instrument will the terms of a liability not affect its classification. In addition, a disclosure requirement has been introduced when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and are to be applied retrospectively. The amendments have no impact on the financial statements.

3. Summary of significant accounting practices and estimates (Continued)

3.14. New or revised pronouncements applicable from January 1, 2024 (Continued)

iii) Supplier financing arrangements - Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 (equivalent to Ind AS 03 (R2) - Statement of Cash Flows) and IFRS 7 (equivalent to Ind AS 40 (R1) - Financial Instruments: Disclosures) clarify the characteristics of supplier financing arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier financing arrangements on an entity's liabilities, cash flows and liquidity risk exposure. The amendments had no impact on the financial statements.

3.15. New or revised statements applicable from January 1, 2025

i) IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes.

ii) IFRS 19 Subsidiaries without Public Accountability

Disclosures In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

3. Summary of significant accounting practices and estimates (Continued)

3.15. New or revised statements applicable from January 1, 2025 (Continued)

iii) Changed to IFRS 9 – Disclosure of quantitative information for contractual terms

In May 2024, the IASB issued amendments to IFRS 9 related to financial assets, establishing that entities must disclose quantitative information, such as a range of possible changes in contractual cash flows. This means that entities must provide both qualitative and quantitative information about contractual terms that may impact the value of these cash flows. For example, possible changes in contractual interest rates arising from contingent events associated with ESG (environmental, social and governance) targets must be disclosed. The amendments are effective for annual financial reporting periods beginning on or after January 1, 2026. The Company is assessing the impacts to ensure that all information is in compliance with the standard.

iv) IAS 21 The Effects of Changes in Foreign Exchange Rates

In March 2024, the IASB issued amendments to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. The amendments are not expected to have a material impact on the Company financial statements.

v) CPC 18 (R3) - Investment in Associates, Subsidiaries and Joint Ventures

In September 2024, the Accounting Pronouncements Committee (CPC) amended Technical Pronouncement CPC 18 (R3) to align Brazilian accounting standards with the international standards of the IASB. CPC 18 now allows the equity method (MEP) to measure investments in subsidiaries in the Separate Financial Statements, following changes in international standards. This convergence harmonizes the accounting practices adopted in Brazil with international ones, without generating material impacts, only editorial and normative adjustments. The amendments are effective for financial reporting periods beginning on or after January 1, 2025. The amendments are not expected to have a material impact on the Company's financial statements.

(In thousands of reais, unless otherwise stated)

4. Cash and equivalents and marketable securities

	Parent Company		Consolidated	
	2024	**2023**	**2024**	**2023**
Cash and banks	**918**	877	**1,703**	1,532
Cash equivalents	**31**	4,914	**56,939**	181,184
	949	5,791	**58,642**	182,716

The Company invests in Bank Deposit Certificates (CDB) and carries out with repurchase agreements operations backed by private securities (CDB). The securities are issued by top-tier companies and financial institutions, all subject to floating rates, with an average remuneration pegged to the DI rate (Interbank Deposit Certificate - CDI), without grace period and readily convertible to cash.

The Bank Deposit Certificates (CDBs) are issued by top-tier financial institutions and are mostly remunerated from 75% to 100,5% of the Interbank Deposit Certificate (CDI) variation, respectively.

5. Accounts receivables from customers

	Parent Company		Consolidated	
	2024	**2023**	**2024**	**2023**
Port fee	**20,156**	29,873	**20,156**	29,873
	20,156	29,873	**20,156**	29,873

The balance on December 31, 2024, was substantially received until January 2025. Management understands that there is no need to record a provision for estimated losses on allowance for loan losses.

6. Inventory

	Parent Company		Consolidated	
	2024	**2023**	**2024**	**2023**
Gravel	**-**	-	**1,799**	1,899
Iron ore	**-**	-	**251,182**	136,935
Warehouse	**106,920**	74,498	**106,920**	74,498
	106,920	74,498	**359,901**	213,332

On December 31, 2024, the Company evaluated its inventory by comparing it to the market price and did not identify the need to record any provisions for losses in iron ore inventory, either for reasons of obsolescence or impairment.

(In thousands of reais, unless otherwise stated)

7. Restricted deposits

	Parent Company		Consolidated	
	2024	**2023**	**2024**	**2023**
Trustee ACC Itaú BBA (a)	**15,012**	13,611	**15,012**	13,611
BNDES reserve account (b)	**108,502**	-	**108,502**	-
	123,514	13,611	**123,514**	13,611

(a) Temporary freezing of part of short-term investments (Trustee Account) related to the acquisition of land for Porto Sudeste expansion. This amount will be realized upon execution of the land definitive deed. These deposits are invested in first class financial institutions and substantially remunerate between 96% and 100,54% of the variation of the Interbank Deposit Certificate (CDI).

(b) On December 20, 2024, the Company made a deposit in the total amount of BRL 7,895 for the composition of the Reserve Accounts of the current financing contracts with BNDES and Bradesco - BNDES Pass-through, totaling a balance of BRL 108,052 on december 30, 2024. This exceeds 100% of the obligation expected to be met by December 31, 2024 (once the value of the debt service) and corresponds to 86% of the obligation expected to be met by December 31, 2025 (twice the value of the debt service). The balance of the Reserve Accounts is remunerated between 99,00 and 102.50% of the variation in the Interbank Deposit Certificate (CDI).

8. Advances

	Parent Company		Consolidated	
	2024	**2023**	**2024**	**2023**
Customs clearence	**931**	2,596	**931**	2,596
Fuel	**4**	3,713	**4**	3,713
Professional services	**1,176**	4,760	**1,176**	4,760
Machinery and equipments	**363**	775	**363**	775
Other	**818**	2,398	**818**	2,398
	3,292	14,242	**3,292**	14,242

9. Investments

The Company has the following investments:

Pedreira Sepetiba Ltda.

Incorporated on June 21, 1989, this company is engaged in the exploration and utilization of mineral deposits in Brazil and consequent sale of their by-products; sale of construction materials in general; and the provision of cargo transportation, civil engineering, development and construction services.

(In thousands of reais, unless otherwise stated)

9. Investments (Continued)

TCS - Terminal de Contêineres Sepetiba Ltda.

Incorporated on January 31, 1989, this company is engaged in the rendering of all services related to a container terminal, intended for cargo concentration and distribution and the respective handling of loading, unloading and shipment to their final destinations; rendering of transportation services of containers of ships; the charter or rent of ships, barges and national or foreign equipment; as well as the rendering of services inherent in the customs area to be implemented in the terminal area through concession from tax authorities.

Porto Sudeste V.M S.A.

Incorporated on July 16, 2013, this company is engaged in holding interest in capital of other companies, both in Brazil or abroad, as an owner, shareholder or member, either permanently or temporarily, as a parent company or noncontrolling interest. Porto V.M. was created with the main purpose of receiving part of royalty-based securities as part of the purchase transaction of the Port by its current shareholders, as described in Note 14.

Porto Sudeste Exportação e Comércio S.A.

Is engaged in the export and import of iron ore, iron pellets, pig iron and by-products.

Changes in investments

	2023	Equity pick-up (*)	Capital increase	Effect of conversion into Brazilian reais	2024
Pedreira	17,186	**(902)**	**-**	**4,611**	**20,895**
TCS	27,303	**(368)**	**200**	**7,567**	**34,702**
Porto VM	195	**(327)**	**200**	**28**	**96**
	44,684	**(1,597)**	**400**	**12,206**	**55,693**

	Parent Company			
	2023	Equity pick-up (*)	Effect of conversion into Brazilian reais	2024
Porto Sudeste Exportação	(107,682)	**(17,327)**	**(20,590)**	**(145,599)**
	(107,682)	**(17,327)**	**(20,590)**	**(145,599)**

(*) On December 31, 2024 the Company recognized a result of negative equity, that totalizing R$18,924.

(In thousands of reais, unless otherwise stated)

9. **Investments** (Continued)

Ownership interest and summary of investees

	2024						
	Interest	**Number of shares/ units (thousand)**	**Assets**	**Liabilities**	**Equity**	**Net Revenue**	**P&L for the year**
Pedreira	**99.98%**	**49,001**	**21,181**	**286**	**20,895**	**260**	**(902)**
TCS	**99.98%**	**3,447**	**2,693**	**-**	**2,693**	**-**	**(368)**
Porto VM	**100%**	**-**	**95,950**	**95,854**	**96**	**-**	**(327)**
Porto Sudeste Exportação	**100%**	**-**	**1,240,877**	**1,386,476**	**(145,599)**	**5,192,017**	**(17,327)**

	2023						
	Interest	**Number of shares/ units (thousand)**	**Assets**	**Liabilities**	**Equity**	**Net Revenue**	**P&L for the year**
Pedreira	99.98%	49,001	19,330	2,145	17,185	72	(566)
TCS	99.98%	3,447	2,277	-	2,277	-	(291)
Porto VM	100%	-	76,078	75,883	195	-	(243)
Porto Sudeste Exportação	100%	-	1,518,729	1,626,411	(107,682)	5,933,431	(7,281)

(In thousands of reais, unless otherwise stated)

10. Property, plant and equipment

	Facilities	Machinery and equipment	Land	Construction in progress	Buildings and improvements	Other	Total
Net balance at December 31, 2022	113,734	1,166,914	173,504	270,272	5,313,693	76,310	7,114,427
Additions	533	38,767	-	79,086	602	8,594	127,582
Write-off	-	(3,968)	-	-	-	-	(3,968)
Transfers	89,116	72,014	-	(131,347)	2,983	(32,766)	-
Depreciation for the year	(22,985)	(85,431)	-	-	(94,079)	(2,160)	(204,655)
Effect of conversion into Brazilian reais	(18,913)	(109,233)	(13,330)	(10,600)	(406,463)	(6,054)	(564,593)
Net balance at December 31, 2023	161,485	1,079,063	160,174	207,411	4,816,736	43,924	6,468,793
Additions	**1,000**	**5,884**	**-**	**64,490**	**-**	**1,756**	**73,130**
Write-off	**(62)**	**(14,291)**	**(112)**	**-**	**(114)**	**(895)**	**(15,474)**
Transfers	**89,898**	**68,622**	**-**	**(162,486)**	**3,512**	**454**	**-**
Depreciation for the year	**(49,086)**	**(86,145)**	**-**	**-**	**(94,568)**	**(3,157)**	**(232,956)**
Effect of conversion into Brazilian reais	**65,676**	**276,168**	**58,624**	**17,807**	**1,289,449**	**8,222**	**1,715,946**
Net balance at December 31, 2024	**268,911**	**1,329,301**	**218,686**	**127,222**	**6,015,015**	**50,304**	**8,009,439**
Accumulated balances							
Cost	252,108	1,256,131	126,188	210,115	4,706,645	53,633	6,604,820
Accumulated depreciation	(95,856)	(356,205)	-	-	(826,353)	(9,208)	(1,287,622)
Effect of conversion into Brazilian reais	5,233	179,137	33,986	(2,704)	936,444	(501)	1,151,595
Net balance at December 31, 2023	161,485	1,079,063	160,174	207,411	4,816,736	43,924	6,468,793
Cost	**342,944**	**1,316,346**	**126,076**	**112,119**	**4,710,043**	**54,948**	**6,662,476**
Accumulated depreciation	**(144,942)**	**(442,350)**	**-**	**-**	**(920,921)**	**(12,365)**	**(1,520,578)**
Effect of conversion into Brazilian reais	**70,909**	**455,305**	**92,610**	**15,103**	**2,225,893**	**7,721**	**2,867,541**
Net balance at December 31, 2024	**268,911**	**1,329,301**	**218,686**	**127,222**	**6,015,015**	**50,304**	**8,009,439**

(In thousands of reais, unless otherwise stated)

10. Property, plant and equipment (Continued)

Depreciation and amortization

Depreciation and amortization are recorded for all property, plant and equipment with the exception of land, which is not depreciated. Depreciation and amortization rates are based on the estimated useful lives of the assets or based on production volume, as follows:

- Buildings and improvements - 10 to 50 years
- Facilities - 5 to 50 years
- Machines and equipment - 1 to 30 years
- Others - 1 to 15 years

Impairment test for property and equipment

In 2024, the Company assessed the indications that any asset could be recorded above its recoverable amount, and after the impairment test carried, we did not verify the need to recognize any provision for impairment of its assets.

The discounted cash flow method employed by the Company is based on concepts that consider financial resources which will be generated in the future by the cash-generating unit, discounted to present value, to reflect the time, opportunity cost and associated risks. The discount rate used in the Company's financial models was 6.74%. These projections are based on the Company's Business Plan which includes assumptions related to the growth of iron ore exports from the *quadrilátero ferrifero* of Minas Gerais, market share of Porto Sudeste, volumes of ore originated by mines belonging to its shareholders, operations with other solid and liquid bulk, expectations of prices of commodity, among others.

11. Intangible

	Port license
Balance at December 31, 2022	11,395,499
Amortization	(127,905)
Effect of conversion into Brazilian reais	(852,735)
Balance at December 31, 2023	10,414,859
Amortization	**(92,393)**
Effect of conversion into Brazilian reais	**2,852,217**
Balance at December 31, 2024	**13,174,683**

(In thousands of reais, unless otherwise stated)

11. Intangible (Continued)

The license is amortized over the port operator authorization period of the port for a period of 50 years, considering the operated volume.

Impairment test for intangible assets with defined useful life

In 2024, the Company assessed whether there were any indicators that the license could be above its recoverable amount. After performing the tests, a mentioned in Note 10, the Company did not identify the need to recognize any provision for impairment of its intangible assets.

The discount rate used in the Company's financial models was 6.74%.

12. Trade accounts payable

	Parent Company		Consolidated	
	2024	**2023**	**2024**	**2023**
Equipment rental	**631**	6,143	**631**	6,143
Energy (a)	**38,021**	5,258	**38,021**	5,258
Fuel	**127**	249	**127**	249
Construction in progress	**1,183**	9,975	**1,183**	9,975
Iron ore (b)	**-**	-	**242,762**	420,795
Rail freight	**-**	-	**22,438**	18,861
Machinery and equipment	**7,502**	1,828	**7,502**	1,828
Insurance	**-**	610	**-**	610
Services	**30,408**	35,705	**30,676**	35,793
	77,872	59,768	**343,340**	499,512

(a) In April 2024, the STJ ruled on Topic 986, which changed the consolidated understanding of this court, to authorize the inclusion of the "*Tarifa de Uso do Sistema de Transmissão*" (Tust) and the *"Tarifa de Uso do Sistema de Distribuição*" (Tusd) in the ICMS calculation basis on the electricity bill, borne by the end consumer, captive or free. Therefore, the Company decided to recognize the debt in the accumulated amount of R$32 thousand, amounts paid through a judicial deposit. We emphasize that the topic may be subject to further review, upon the judgment of ADI 7195 by the STF, especially for the period 07/2022 and subsequent jurisdictions under Complementary Law No. 194/2022.

(b) In 2024, the international price of iron ore has been suffering from constant declines. As iron ore purchases are based on the future price of the ore, suppliers have reduced considerably compared to the previous year.

(In thousands of reais, unless otherwise stated)

13. Loans and financing

Loans per currency

	Consolidated			
	Current liabilities		Noncurrent liabilities	
	2024	**2023**	**2024**	**2023**
Taken out in US dollars				
Principal	**287,988**	475,015	**2,922,543**	3,308,204
Interests	**42,260**	2,947	**1,310,232**	1,151,657
Transaction costs	**-**	-	**(17,650)**	(19,698)
	330,248	477,962	**4,215,125**	4,440,163
Taken out in Brazilian reais				
Principal	**31,319**	-	**1,639,033**	2,022,975
Interests	**6,625**	9,579		-
Transaction costs	**-**	-	**(112,465)**	(127,971)
	37,944	9,579	**1,526,568**	1,895,004
	368,192	487,541	**5,741,693**	6,335,167

The current liabilities of contracts denominated in US dollars refer to the ACC/ACE contracts taken from the creditors Itaú, Citibank, ABC Brasil, Santander, among others by the subsidiary Porto Sudeste Exportação e Comércio S.A. The current liabilities of contracts denominated in reais refer to interest calculates until December 31, 2024, of the financing agreements with the creditors BNDES and Bradesco and are due for payment on March 15, 2025. Additionally, the current liabilities of the debt in Reais and in US Dollars also refer to the quarterly principal amortizations of the senior debt from between january 2025 and december 2025.

The senior financing agreements with creditors BNDES and Bradesco have an amortization term from March 2024 to December 2036, and Deutsche Bank, Natixis and BTG from March 2024 to December 2029, with the grace period for payment of principal to senior creditors ending on December 31, 2023. These agreements have a cash sweep mechanism in force and stipulate that, in the event of positive cash generation in the quarter, Management must distribute part of the balance generated as payment of principal to senior creditors. Since these amortizations are conditioned on the future cash balance, and therefore represent cash not yet realized, any amortizations that may occur in the next 12 months, in this context, are not included in the Company's current liabilities.

The movements of these loans and financing are presented below:

	Parent Company		Consolidated	
	2024	**2023**	**2024**	**2023**
Opening balance	**5,831,855**	6,344,946	**6,109,885**	6,822,708
Drawdown	**-**	-	**3,258,547**	1,542,423
Accrued interest	**595,334**	467,991	**661,113**	501,169
Amortization of principal	**(160,923)**	(420,596)	**(2,775,218)**	(2,126,900)
Amortization of interest	**(234,640)**	(250,565)	**(291,902)**	(280,428)
Transaction costs	**(23,135)**	17,555	**(23,135)**	17,555
Exchange variation	**1,213,519**	(327,476)	**1,400,226**	(366,642)
Final balance	**7,222,010**	5,831,855	**8,339,516**	6,109,885

(In thousands of reais, unless otherwise stated)

13. **Loans and financing** (Continued)

Loans per financial institution

Bank	Index/interest	Maturity	Balance as of 2024	Balance as of 2023
BNDES	5.51% and 4.51% p.a. + IPCA	15/12/2036	**637,112**	650,726
BNDES	5.73% and 4.73% p.a. + IPCA	15/12/2036	**344,825**	352,176
BNDES	3.40% e 2.40% p.a. + Cesta de Moedas	15/12/2036	**205,033**	163,679
BNDES	6.73% and 5.73% p.a. + IPCA	15/12/2036	**338,037**	346,580
BNDES	4.40% and 3.40% p.a. + Cesta de Moedas	15/12/2029	**204,280**	163,815
Deutsche/Natixis/BTG	4.00% and 3.50% p.a. + SOFR 3 meses	15/06/2037	**623,725**	554,039
Bradesco/PAV Lux	4,75% a.a. + Sofr 6 meses	15/06/2037	**5,014,889**	3,682,580
BTG	4,00% a.a. + Sofr 1 mês	15/12/2036	**7,358**	48,375
Santander	10,37% a 10,43% a.a	28/01/2025	**87,518**	-
Citibank	10,38% a 10,6% a.a.	23/02/2025	**306,409**	-
Daycoval	10,25% a.a.	17/02/2025	**16,240**	9,789
Itaú	9,63% a 10,87% a.a..	28/02/2025	**342,067**	218,067
ABC Brasil	8% a.a.	19/03/2025	**170,076**	50,174
C6	10,5% a.a.	15/01/2025	**31,424**	-
BMG	9,4% a.a.	15/01/2025	**55,374**	-
CCB	9,8% a.a.	04/02/2025	**75,572**	-
Pine	12,2% a 13,25% a.a.	22/02/2025	**32,828**	-
			8,492,767	6,240,000
Transaction costs			**(153,251)**	(130,115)
			8,339,516	6,109,885

Loans per financial institution

The portions classified in current and non-current liabilities have the following payment schedule:

	Consolidated 2024	Consolidated 2023
Year of maturity		
Up to one year	**1,221,575**	368,192
2 to 3 years	**373,367**	333,155
4 to 5 years	**145,822**	315,737
Over 5 years	**6,752,003**	5,222,916
	8,492,767	6,240,000
Transaction costs	**(153,251)**	(130,115)
	8,339,516	6,109,885

(In thousands of reais, unless otherwise stated)

13. Loans and financing (Continued)

Loans per financial institution (Continued)

On December 31, 2024, the annual interest rates on debts are as follows:

	Consolidated	
	2024	**2023**
Debts in US$ - up to 7.00%	**7,358**	48,375
Debts in R$ - above 7.00%	**6,756,122**	4,514,649
Debts in R$ - from 6.1% to 9.3%	**409,312**	327,494
Debts in R$ - above 9.3%	**1,319,975**	1,349,482
	8,492,767	6,240,000
Transaction costs	**(153,251)**	(130,115)
	8,339,516	6,109,885

Collateral

The Company's' loans are guaranteed by top-tier financial institutions, as well as by controlling shareholders (bank guarantee), as well as the controlling shareholders (Standby Letter of Credit), in addition to the chattel mortgage of assets and cash flow from receivables.

Regarding the financing agreements, there are financial and nom-financial obligations to comply with. Among them the following can be highlighted: (a) use of the waterfall structure of current accounts; (b) after the grace period, composition of minimum balance in Reserve Account at least 2 times the amount of the next debt service payment; (c) after reaching financial completion, maintenance of the debt coverage ratio (DSCR) covenant above 1.3 for BNDES and Bradesco financing contracts and above 1.15 for CESCE contracts; (d) presentation of the audited financial statements; and (e) maintenance of operational insurance.

There are no "covenants" to be met on December 31, 2024. The "covenants" should be met starting from January 2025, considering the rules of the financing contracts in force with Deutsche Bank, Natixis and BTG and, from July 2026, considering the rules, of the financing contracts with BNDES and Bradesco.

Effect of conversion into Brazilian reais

The exchange rate varied 27.92% in the period, from R$4.8413/US$ on December 31, 2023, to R$6.1923/US$ on December 31, 2024, influencing the balance of US dollar currency debt that, on December 31, 2024, accounted for 79.64% of total indebtedness.

Transaction costs

The debt issue costs refer to outside counsel fees and commissions of guarantee and were recorded as reduction of liabilities.

13. Loans and financing (Continued)

Refinancing of the Senior Debt

On April 14 and June 2, 2021, the Company completed the 2nd refinancing of the "senior" debts related to the financing contracts with creditors BNDES and Bradesco, and CESCE/Natixis/BTG, respectively. These refinancing included, among others: (a) updating the TJLP index to TLP/IPCA; (b) extension of the principal grace period until December 31, 2023; (c) extension of the maturity date until December 15, 2036 (an additional 7 years) for contracts with BNDES and Bradesco, and until December 15, 2029 (an additional 6 years) for CESCE/Natixis/BTG contracts; (d) change in the frequency of principal and interest payments from monthly to quarterly; (e) changing the amortization schedule from constant to non-linear; (f) maintenance of the "cash sweep" mechanism under the same terms during the grace period and with limiters related to the leverage level and pre-refinancing schedule after the grace period, which, according to the debt contracts, with the distribution factor on available cash potentially reducing from 100% to 50%, with the remaining cash distributed to the next creditors following the priority list; and (g) updating certain indicators and "covenants", which may affect other jointly debt contracts due to the "cross default" clause.

14. Variable income securities (“royalties”)

In February 2014, IWL Holdings (Luxembourg) S.A.R.L. (Trafigura) and EAV Delaware LLC (Mubadala), through PSA Fundo de Investimento e Participações, acquired the control of Porto Sudeste, until then exercised by MMX Mineração e Metálicos S.A. (MMX).

The investment agreement that regulated the acquisition of control of Porto Sudeste by Trafigura and Mubadala foresee, among others, that the Company would take over, directly or indirectly, obligations related to the variable-yield securities based on Royalties issued by MMX, traded on B3 S.A. - BRASIL. BOLSA. BALCÃO (“B3”) under the ticker MMXM11 (“MMXM11 securities”). In this context, Porto Sudeste issued, on February 26, 2014, Perpetual Variable-yield Securities (“PVS”), with similar terms to the MMXM11 Securities (“Port11”), which were fully subscribed on the same date by MMX. The investment agreement also provided for MMX's obligation to carry out an exchange offer, aimed at all holders of the MMXM11 Securities, through which MMX would acquire the MMXM11 Securities, and deliver the Port11 Securities, or another security, in return by MMXM11 Securities (“Exchange Offer”). To implement such Exchange Offer, two different vehicles were used, to reach all holders of MMXM11 Securities:

(i) FIP-IE Porto Sudeste Royalties (“PSR”): an infrastructure equity investment fund, which, at the time of the offer, held in its portfolio exclusively, Port11 Securities - and for each Port11 Security held by PSR would be entitled to a Unit. PSR’s units were offered to the holders of MMXM11 Securities that would fit as qualified investors pursuant to CVM regulation, and would not have restrictions to hold PSR units.

14. Variable income securities (“royalties”) (Continued)

(ii) Porto Sudeste V.M S.A. (“Porto VM”): a stock corporation registered with CVM under category ‘B’. Said corporation issued a new royalty-based variable-yield security, mirror of MMXM11 Security (“PSVM11 Securities”), and such security listed for trading on B3 (contrary to Port11 Securities, which are not accepted for trading on the stock exchange). Under the Exchange Offer, the PSVM11 Securities were offered to holders of MMXM11 Securities that (i) would not fit as qualified investors, or (ii) would have regulatory restrictions to hold units of a FIP-IE - which happens with some investment funds.

As a way of addressing the situation of MMXM11 holders who eventually did not adhere to the Exchange Offer, MMX remained the holder of Port11 Securities in the same quantity of MMXM11 Securities not exchanged.

The aforementioned holders of Port11 are entitled to a quarterly variable-yield remuneration, calculated since January 1, 2013, based on the iron ore metric tonnage or on the value per ton for other cargo, as the case may be, as follows:

R = [(TMMF x VpTMF) + (TMOC x VpTDC)]*FP

Where:

R = royalties due in relation to each quarter of the fiscal year
TMMF = Iron Ore Measured Tonnage shipped in the Port in the respective quarter
TMOC = Measured Tonnage of Other Cargo shipped in the Port in the respective quarter
VpTMF = Value per Ton for Iron Ore (as defined below)
VpTDC = Value per Ton of Other Cargo (as defined below)
FP = Proportional Factor

For iron ore loads: the royalties related to iron ore loads shipped on Port in a certain calendar quarter shall be calculated, considering the amount of USD 5.00 per ton of iron ore (“value per ton of iron ore”). This value will be (i) adjusted annually at the variation in US PPI calculated from September 2010; and (ii) converted into reais, based on the exchange rate at the ending of the business day immediately prior to the actual payment date.

(In thousands of reais, unless otherwise stated)

14. Variable income securities (“royalties”) (Continued)

For other loads: the royalties related to other loads, other than iron ores (excluding non-dry loads, such as supply activities) conducted at the Port Terminal (“value per ton for other loads”) will be calculated based on the load margin. “Load margin” (a) means the difference between the average cost per ton (excluding all non-cash items) incurred in relation to the services rendered by Porto Sudeste relating to the applicable load and the average value per ton effectively charged by Porto Sudeste for the services rendered in relation to such load; and (b) must be limited under any circumstance to USD 5.00 per shipped ton. The adjusted limit value of USD 5.00 per ton for load margin will be (i) adjusted annually at the variation in US PPI calculated from September 2010; and (ii) converted into reais, based on the exchange rate at the ending of the business day immediately prior to the actual payment date.

During the years 2013 to 2016, the commitment of royalties from Porto Sudeste, related to iron ore, was the minimum between the volume shipped in each period and the take-or-pay volume indicated in the table below:

Tons (million)	2013	2014	2015	2016
TMMF	13.6	31.9	36.8	36.8

From 2017 onwards, the volume of iron ore generating royalties (TMMF, in the formula above) is no longer subject to a take-or-pay, being, therefore, simply the volume shipped. In the table below, you can see the tonnage carried out by the Porto Sudeste, with the start of operations in 2016, after commissioning carried out in 2015:

Tons (million)	2016	2017	2018	2019	2020	2021	2022	2023	2024
TMMF	7.1	9.5	10.7	16.4	18.7	17.8	17.4	26.1	21.9
TMOC	-	-	-	-	-	-	0.11	-	-
Total	**7.1**	**9.5**	**10.7**	**16.4**	**18.7**	**17.8**	**17.5**	**26.1**	**21.9**

As the shipped volume of iron ore in 2016 was lower than the take-or-pay volume, the royalty commitment is based on this second parameter.

If, in a certain calendar quarter by the payment of current royalties the cash of issuer and Porto Sudeste is jointly higher than US$10 million (“Minimum Cash Reserve”), the issuer will use the values that exceed the minimum cash reserve (“Available Cash”) to pay the effectively accumulated royalties to the holders of securities such time (“Accumulated Royalties”).

14. Variable income securities ("royalties") (Continued)

There is no obligation of Porto Sudeste to pay Royalties, unless there is Free Cash held by the issuer on the last day of such calendar quarter and up to the limit of such cash available.

"Free Cash" means the value corresponding to the amounts available in cash of Porto Sudeste minus the sum of (a) any amounts contributed by the shareholders of Porto Sudeste through capital increase or loan from shareholders, to the extent that such amounts remain as available cash of Porto Sudeste, (b) reserve account of Senior debt service of BNDES and reserve account of senior debt service of CESCE, and (c) the values of cash allocated jointly by Porto Sudeste to the IRPJ - Corporate Income Tax, CSLL - Social Contribution on Net Income, and other obligations for which Porto Sudeste's independent auditors require a joint allocation by Porto Sudeste.

On December 31, 2024, Porto Sudeste carried out the financial calculations and identified that there was not enough available cash generation to pay royalties to holders of Port11 Securities.

Porto Sudeste records Port11 Securities in Liabilities, based on the Present Value of the Projected Cash Flow of the payment of royalties. In other words, the amount shown in the Balance Sheet is different from the amount of royalties accrued until this quarter. Porto Sudeste VM, records its right to receive royalties in Assets, corresponding to its portion on the value of Port11 securities, and the respective payment to PSVM11 holders in Liabilities.

Securities are measured in accordance with IAS 37 - Provisions, Contingent Assets and Contingent Liabilities based on projected cash flows from future security related payments discounted at an annual rate of 11.62%. These projections are based on the Porto Sudeste Business Plan, which includes assumptions related to the growth of iron exports in the Quadrilátero Ferrífero of Minas Gerais, growth of the market share of Porto Sudeste, volumes of ore originated by mines belonging to its shareholders, operations with other solid and liquid bulk, commodity price expectations, among others.

The discounted cash flow methodology used by Porto Sudeste do Brasil is based on concepts that consider financial resources that will be generated in the future by the cash generating unit ("CGU"), discounted to present value, to reflect time, opportunity cost and associated risks. The discount rate for the weighted average cost of capital used in the Company's financial models was 6.73%. These projections are based on the Company's Business Plan and include assumptions related to the growth of iron ore exports from the Minas Gerais quadrilateral, assumptions related to the operation of other cargoes and assumptions about the growth of the Port's market share. Porto Sudeste do Brasil understands that this growth will be achieved based on the closing of long-term contracts related to the export of iron ore, operation of other cargoes, among others.

(In thousands of reais, unless otherwise stated)

14. Variable income securities (“royalties”) (Continued)

	Controladora		Consolidado	
	2024	12/31/2023	2024	12/31/2023
Open balance (a)	**17,797,448**	13,754,560	**17,797,448**	13,754,560
Payments (b)	**-**	-	**-**	-
Present value adjustment (c)	**1,812,782**	1,617,087	**1,812,782**	1,617,087
US PPI (d)	**-**	338,240	**-**	338,240
Assumptions review (e)	**(2,047,308)**	3,154,896	**(2,047,308)**	3,154,896
Effect of conversion into Reais (f)	**4,925,908**	(1,068,349)	**4,925,908**	(1,068,349)
Issuance cost	**(3,644)**	1,014	**(3,644)**	1,014
Total (g)	**22,485,186**	17,797,448	**22,485,186**	17,797,448

(a) Initial Royalty Balance of US$3,678,869 thousand as of December 31, 2023, which, when converted to Brazilian Reais, totaled R$17,797,448 thousand;

(b) During the year, there was not enough cash generation to pay the Royalties to the holders of the PORT11 Titles.

(c) Update of the balance corresponding to the adjustment to the present value of the titles in 2024 in the amount of US$331,704 thousand, which, when converted to Brazilian Reais, totaled R$1,812,782 thousand, recorded as financial expense;

(d) In this year, there were no PPI (inflationary effects) adjustments;

(e) Changes in operational assumptions in the projections that support the calculation of the securities impacted their value by R$2,047,308, which in turn was recorded as an income in the income statement under the heading of other operating expenses/income. This amount, combined with other expenses of R$45,368, totals the reported balance of R$2,001,940 in this line of the Income Statement. The main effect of the revision of assumptions relates to the reduction in the expected volume and market prices for the year 2024, compared to what was expected at the beginning of the year.

(f) Effect of the foreign exchange variations resulting from the conversion of the functional currency US Dollar to the presentation currency Brazilian Reais which in December 31, 2023 was R$4,8413 and in December 31, 2024 was R$6,1923 with an appreciation of 27.92%;

(g) Final balance determined at US$3,631,152, which, when converted to Brazilian Reais, totaled R$22,485,186 thousand.

Transaction costs

Debt issue costs of variable income securities totaling R$16,703 on December 31, 2024 (R$13,059 at December 31, 2023), referring to outside legal counsel fees and commissions of guarantee were recorded as reduction of liabilities.

15. Taxes and contributions payable

	Parent Company		Consolidated	
	2024	2023	2024	2023
Service Tax (ISS)	**6,380**	10,025	**10,095**	14,775
Social Security Tax (INSS) - third parties	**561**	403	**561**	403
State Value-Added Tax (ICMS)	**579**	262	**579**	281
Withholding tax (IRRF)	**1,466**	2,113	**1,466**	4,092
Contribution Tax on Gross Revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS)	**14,745**	46,155	**14,767**	46,195
Other	**48**	490	**48**	490
	23,779	59,448	**27,516**	66,236

(In thousands of reais, unless otherwise stated)

16. Related parties

Related parties balance

The assets, liabilities, revenues, and expenses with related parties are summarized as follows:

	Parent Company		Consolidated	
	2024	**2023**	**2024**	**2023**
Assets				
Porto Exportação (a)	**-**	365,182	**-**	-
Mineração Morro do Ipê (e)	**541,419**	226,864	**649,868**	226,864
Trafigura PTE (b)	**-**	-	**779,436**	701,324
	541,419	592,046	**1,429,304**	928,188
Liabilities				
Porto Exportação	**42,806**	-	**-**	-
Trafigura PTE (c)	**7,450**	4,323	**11,238**	42,503
	50,256	4,323	**11,238**	42,503
Revenue				
Trafigura PTE (b)	**-**	-	**5,182,475**	5,933,431
Mineração Morro do Ipê (a)	**468,467**	516,960	**468,467**	516,960
Porto Exportação (a)	**404,555**	846,545	**-**	-
	873,022	1,363,505	**5,650,942**	6,450,391
Expenses				
Trafigura PTE (d)	**900**	1.040	**14,765**	14,170
	900	1.040	**14765**	14,170

(a) Port fee service agreements.

(b) Iron ore export sales agreement held with related parties, through the subsidiary Porto Sudeste Exportação.

(c) The Company have an agreement for sharing the cost of IT activities and penalty for non-performance due to the delay in delivery and availability of cargo export, whose payments are made according to agreement signed with Trafigura Pte. Ltd. The costs of activities subject to sharing charged through debit notes, the payments of which are made according to an agreement between the parties.

(d) IT service expenses and demurrage.

(e) Provision of port services for Mineração Morro do Ipê, which are more than a month behind schedule, due to cash constraints with the implementation of the “ramp-up” of its new mine, called Tico-Tico, which will produce iron ore from high quality to be exported entirely through Porto Sudeste, in accordance with the existing port service agreement between the parties. The ramp-up phase is expected to be completed in early 2025, while the outstanding balances will be settled.

Debt assignment and assumption

As described in Note 13, Itaú Unibanco S/A - Nassau Branch ceded all its rights and obligations arising from the contract and other loan documents to PAV LUX S.À.R.L . From that date PAV LUX S.À.R.L a Company of Mubadala Group which have jointly control of Porto Sudeste. PAV LUX S.À.R.L now owns 46.41% of the total amount of the agreement, totaling US$375,834 equivalent to R$2,327,276 on December 31, 2024.

(In thousands of reais, unless otherwise stated)

16. Related parties (Continued)

Remuneration of key personnel

The Company made remuneration payments in the amount of R$7,460 (R$7, 295 on December 31, 2023) referring to the remuneration of the Company's key managers paid in 2024.

17. Income and social contribution taxes

a) Deferred income and social contribution taxes

Deferred income and social contribution tax assets were calculated at the rate of 34%. Brazilian tax legislation allows tax losses to be offset against future taxable income for an indefinite term, however, such offset is limited to 30% of the taxable income for each reporting period.

The table below shows the net deferred credit taxes of the Company, not registered, however, the financial statement considering that Porto is still in its ramp-up period and does not have the expectation of generating taxable income in a short term.

	Parent Company		Consolidated	
	2024	2023	2024	2023
Deferred tax assets (liabilities)				
Tax losses	**1,662,858**	3,045,560	**1,714,073**	3,067,703
Social contribution tax losses	**598,629**	1,096,402	**617,066**	1,104,374
Pre-operating expenses treated as deferred assets for tax purposes	**41,285**	81,916	**41,285**	81,916
Amortization of license	**149,203**	128,900	**149,203**	128,900
Present value adjustment of royalties	**667,067**	(1,006,331)	**667,067**	(1,006,331)
Effect on property and equipment and intangible assets arising from change of functional currency (a)	**(2,666,836)**	(1,091,626)	**(2,669,308)**	(1,092,008)
Exchange gains/losses on royalties and loans (b)	**2,801,693**	714,077	**2,791,421**	717,757
Others	**10,495**	3,824	**9,299**	5,819
Provision of unrecognized DTA (a)	**3,265,301**	2,972,722	**3,317,770**	3,008,130

(a) Considering the fact that the Company changed its functional currency to the US Dollar and the current increase of the US Dollar against the Brazilian real in 2024, the tax base of property and equipment and intangible assets was significantly lower than the respective accounting base, thus generating a deferred consolidated liability tax.

(b) Although the Company's functional currency is the US Dollar, for tax purposes, the Company recognizes the corresponding foreign exchange differences, whose income, or deductible expense, will be taxed upon settlement of the obligation.

(In thousands of reais, unless otherwise stated)

17. Income and social contribution taxes (Continued)

b) Conciliation of the expense calculated by the application of the nominal rates versus the expense recorded for the period

	Parent Company		Consolidated	
	2024	**2023**	**2024**	**2023**
Current income tax and social contribution	**-**	-	**-**	(1,979)
Deferred income tax and social contribution	**2,056,330**	1,049,529	**2,075,900**	1,051,459
	2,056,330	1,049,529	**2,075,900**	1,049,480
Profit/ (loss) before income and social contribution taxes	**57,238**	(4,848,734)	**57,238**	(4,846,755)
Income and social contribution tax assets at statutory rate (34%)	**19,461**	(1,648,569)	**19,461**	(1,647,897)
Adjustments for reconciliation of the statutory rate to the effective rate				
Equity pickup	**19,570**	171	**-**	-
Thin Cap interest	**91,381**	84,081	**91,381**	84,081
Adjustments due to the conversion of balances into the functional currency	**(2,186,945)**	514,102	**(2,186,945)**	514,102
Others	**203**	686	**203**	1,092
Exchange variation	**-**	-	**-**	(65)
Provision for inventory loss	**-**	-	**-**	1,995
Offsetting tax losses	**-**	-	**-**	(858)
Deferred tax credits on tax losses and temporary differences	**-**	-	**-**	(1,930)
Tax credit (a)	**(2,056,330)**	(1,049,529)	**(2,075,900)**	(1,049,480)

(a) In 2024, the Company recorded R$2.075.900 in tax credits was not recorded in the accounts.

18. Provision for contingencies

	Consolidated	
	2024	**2023**
Tax contingencies	**6,424**	6,131
Labour contingencies	**4,183**	2,061
	10,607	8,192

On December 31, 2024, the Company and its subsidiaries have the following contingencies assessed by the legal advisors as probable losses, which were provisioned:

18. Provision for contingencies (Continued)

a) Probable

Tax

It mainly refers to third-party embargoes filed by Porto Sudeste do Brasil against the Federal Government (Union) to recover a fixed income investment (CDB) with Banco Itaú, which was pledged in a lawsuit filed by the Federal Government against MMX. Such CDB was purchased by Porto Sudeste pursuant to a land purchase agreement entered by Porto Sudeste to serve as collateral for a contingent payment. The amount provisioned for this cause, R$6,424 (R$6,131 in 2023).

Labor

Provisions relating to lawsuits involving former employees and service providers claiming various labor and social security amounts from 2015 to 2024, in the updated amount of R$4,183 (R$2,061 in 2023).

b) Possible

There are 316 claims for damages filed against Porto Sudeste and four other companies operating in the region by groups of fishermen residing in the Sepetiba Bay area, claiming environmental damages, due to inspections carried out by the Environment Department of the Itaguaí City Hall at the beginning of the year 2021. The cases were distributed to the 1st and 2nd Civil Courts of the Judicial District of Itaguaí.

In summary, the plaintiffs allege that the activities carried out by the defendants would have caused damage to the environment, in particular to the quality of the water in Sepetiba Bay, which would harm the fishing activities performed by them. Each fisherman claims material damages and moral damages, in addition to other illiquid requests, such as community assistance measures and fishing support. In the event of a decision in favor of the plaintiffs, environmental liability is objective and joint and several among all defendants. The total value of the lawsuits is R$216 million, considering 5 or 3 defendants in each lawsuit, with approximately R$54 million being the equivalent of Porto Sudeste, if a sentence is handed down condemning all defendants to the requests made by the plaintiffs in the same proportion, which is not guaranteed.

18. Provision for contingencies (Continued)

b) Possible (Continued)

Most of the lawsuits have been challenged to date, and currently only a few lawsuits are still in the initial phase, due to the discussion about the Digital Center's jurisdiction. Our external lawyers still classify the risk of the lawsuits as 'possible'. In one of the lawsuits pending in the 2nd Civil Court, the judge decided to dismiss the lawsuit, as he understood that the compensation sought by the fishermen was not an individual damage, but rather a collective one, which is why it should be sought through a Public Civil Action. The final judgment of this decision is awaited.

Recently, eleven decisions were handed down by the 2nd Civil Court of Itaguaí, two without judgment on the merits and the others with judgment on the merits, recognizing the total inadmissibility of the claims made by the plaintiffs. In these decisions, the judge concluded that there was no sufficient demonstration of environmental degradation or damage to fishing activity caused by the defendants.

Furthermore, in 150 lawsuits that are being processed in Digital Center 4.0.4, three favorable decisions were also issued. The first of these dismissed the lawsuit without resolving the merits due to the plaintiff's inertia, and in the other two, the lawsuit was dismissed entirely on the merits, recognizing, in summary, the statute of limitations for the alleged individual damages alleged by the plaintiffs, as well as the lack of proof of their status as professional fishermen by the plaintiffs.

The expectation is that these decisions will be replicated for the other lawsuits.

There is also a Public Civil Action filed in May 2024 against Porto Sudeste and four other companies in the region by the Z-14 Fishermen's Colony. As in the individual lawsuits filed by fishermen, the plaintiff association is seeking compensation for environmental damages that were allegedly discovered during inspections carried out by the Environmental Department of the City of Itaguaí at the beginning of 2021. They are requesting material damages in the amount of R$38 million and moral damages of R$20 million for each associated fisherman, estimated at approximately 500 fishermen. Therefore, the amount involved in the lawsuit could be close to R$37 million. However, considering that there are 5 defendants in the lawsuit, if a judgment is handed down sentencing all defendants to the claims made by the plaintiff association in the same proportion, which is not guaranteed, the amount equivalent to PSB is approximately R$7.5 million. Considering that the lawsuit is in its initial phase, since Porto Sudeste and the other defendants have not yet been formally summoned to respond to the lawsuit, the risk was classified as “possible”.

(In thousands of reais, unless otherwise stated)

18. Provision for contingencies (Continued)

b) Possible (Continued)

There is also a Notice of Violation and Imposition of Fine relating to official assessments, drawn up on January 3, 2023, through the Tax Auditor of the Brazilian Federal Revenue Service, which requires, within the scope of the respective Tax Procedure, the payment of Corporate Income Tax, in the amount of R$7.8 million, and Social Contribution on Net Income ("CSLL"), in the amount of R$2.8 million, both assessments related to alleged (i) omissions of revenue due to unproven cancellations of sales invoices; and (ii) omissions of revenue. The process is under analysis by the other party and was classified by our lawyers as "possible".

Finally, there is also an arbitration proceeding instituted in March 2024 by the company Engeko against Porto Sudeste regarding the execution of civil works and drainage of yards. During the execution of the contract, "several supervening issues" arose that allegedly burdened Engeko. The procedure is in the evidence production phase and the amount involved is approximately R$10 million, the risk was classified as "possible".

19. Judicial deposits

	Parent Company		Consolidated	
	2024	2023	2024	2023
Taxes (a)	**96,060**	67,308	**96,261**	67,308
Civil	**-**	-	**407**	388
Labour	**257**	365	**280**	376
Freezing order of assets	**-**	6,774	**-**	6,774
	96,317	74,447	**96,948**	74,846

(a) Monthly escrow deposit relating to the incidence of ICMS on energy tariffs TUSD (Tariff for use of the electricity distribution system and TUST (Tariff for use of the electricity transmission system), since the Company, with the help of the external advisors understand that this tax is not due. These deposits amount to R$46 million.

Escrow deposit to discuss the non-inclusion of ISS in the PIS and COFINS calculation basis, as well as the illegality of the payments made. The company made monthly deposits as determined to keep the amounts safeguarded, pursuant to art. 151, II, of the CTN. These deposits amount to R$40 million.

(In thousands of reais, unless otherwise stated)

20. Equity

a) Capital

Porto Sudeste's capital is broken down as follows on December 31, 2024:

Shareholders	Number of shares	R$	%
PSA Fundo de Investimentos e Participações	**1,103,528,450**	**3,128,143**	**99.35**
Porto Sudeste Participações S.A. ("Grupo MMX")	**6,336,766**	**17,963**	**0.57**
Gaboard Participações Ltda.	**876,275**	**2,484**	**0.08**
Total	**1,110,741,491**	**3,148,590**	**100**

b) Cumulative Translation Adjustments (CTA)

Represented by the accounting record of the foreign exchange of the financial position prepared in the functional currency (US dollars) in compliance with Accounting Pronouncement CPC 02.

21. Revenue

	Parent Company		Consolidated	
	2024	2023	2024	2023
Gross services revenue	**1,153,234**	1,809,722	**748,762**	963,177
Gross iron ore sales revenue (*)	**-**	-	**5,182,746**	5,933,525
(-) Sales deductions				
Service Tax (ISS)	**(64,659)**	(82,042)	**(64,659)**	(82,042)
Contribution Tax for Social Integration Program (PIS)	**(20,152)**	(25,827)	**(20,154)**	(25,828)
State Value-Added Tax (ICMS)	**(18)**	-	**(99)**	-
Contribution Tax for Social Security Financing (COFINS)	**(92,820)**	(118,955)	**(92,830)**	(118,959)
Others (canceled sales)	**-**	-	**-**	(17)
Net revenue	**975,585**	1,582,898	**5,753,766**	6,669,856

(In thousands of reais, unless otherwise stated)

22. Costs of sales and services

	Parent Company		Consolidated	
	2024	**2023**	**2024**	**2023**
Costs of sales (*)	**-**	-	**(4,737,866)**	(5,001,797)
Cost of materials	**(45,182)**	(32,172)	**(45,207)**	(32,321)
Maintenance /Utilities	**(34,996)**	(33,185)	**(34,996)**	(33,185)
Depreciation and amortization	**(323,829)**	(331,689)	**(323,833)**	(331,695)
Rent of equipment	**(5,470)**	(4,793)	**(5,538)**	(4,793)
Insurance	**(18,919)**	(14,446)	**(18,919)**	(14,446)
External services	**(144,136)**	(102,085)	**(144,573)**	(102,209)
Demurrage	**-**	-	**(13,865)**	(13,130)
Payroll	**(96,964)**	(91,877)	**(96,972)**	(91,887)
Other	**(9,600)**	(7,149)	**(12,367)**	(9,737)
	(679,096)	(617,396)	**(5,434,136)**	(5,635,200)

(*) This substantially refers to iron ore purchased for resale plus direct costs, such as freight.

23. General and administrative expenses

	Parent Company		Consolidated	
	2024	**2023**	**2024**	**2023**
Third-party services	**(31,189)**	(29,842)	**(31,803)**	(30,531)
Payroll	**(28,988)**	(41,240)	**(29,009)**	(41,240)
Maintenance	**(3,443)**	(2,373)	**(3,443)**	(2,373)
Depreciation and amortization	**(1,514)**	(865)	**(1,516)**	(865)
Materials	**(1,061)**	(650)	**(1,594)**	(650)
Fuel	**(80)**	(80)	**(80)**	(80)
Other	**(4,777)**	(5,408)	**(6,604)**	(5,746)
	(71,052)	(80,458)	**(74,049)**	(81,485)

(In thousands of reais, unless otherwise stated)

24. Finance income

	Parent Company		Consolidated	
	2024	**2023**	**2024**	**2023**
Financial costs				
Interest on loans	**(595,334)**	(471,339)	**(661,113)**	(501,169)
Interest on related parties	**-**	-	**(13,203)**	(36,773)
Tax on Financial Transactions (IOF)	**(8,666)**	(1,407)	**(8,874)**	(1,831)
Present value adjustment on royalties (note 14)	**(1,812,782)**	(1,617,087)	**(1,812,782)**	(1,617,087)
Bail commission	**(30,339)**	(29,772)	**(30,339)**	(29,772)
Inflation effects on royalties (note 14)	**-**	(338,240)	**-**	(338,240)
Foreign exchange differences (*)	**(57,813)**	(687,552)	**(123,197)**	(775,156)
Transaction cost	**(3,596)**	(16,015)	**(3,596)**	(16,015)
Other	**(15,993)**	(6,309)	**(17,274)**	(7,029)
	(2,524,523)	(3,167,721)	**(2,670,378)**	(3,323,072)
Finance income				
Short-term investment income	**7,315**	2,067	**18,261**	10,743
Interest on related parties	**48,971**	-	**48,971**	-
Foreign exchange differences (*)	**309,444**	579,260	**404,881**	650,934
Other	**7,578**	14,213	**8,148**	14,682
	373,308	595,540	**480,261**	676,359
Finance income (costs), net	**(2,151,215)**	(2,572,181)	**(2,190,117)**	(2,646,713)

(*) The effect of foreign exchange on P&L refers to the debt denominated in Brazilian reais, considering that the Company's functional currency US Dollar.

25. Financial instruments and risk management

The management of financial instruments is carried out through operational strategies and internal controls, aiming at liquidity, profitability and security. The control policy consists of permanent monitoring of contracted rates versus those prevailing in the market. The Company does not make speculative investments with derivative financial instruments or any other risk assets, this determination being provided for in the risk management policy.

The Company had no derivative or hedge instruments at December 31, 2024, and 2023.

The main financial assets are classified and measured into the following category:

	2024			2023		
Financial assets	**Amortized cost**	**Fair value through profit or loss**	**Total**	**Amortized cost**	**Fair value through profit or loss**	**Total**
Cash and cash equivalents (level 2)	**-**	**58,642**	**58,642**	-	182,716	182,716
Trade accounts receivable	**1,309,153**	**-**	**1,309,153**	958,061	-	958,061
	1,309,153	**58,642**	**1,367,795**	958,061	182,716	1,140,777

(In thousands of reais, unless otherwise stated)

25. Financial instruments and risk management (Continued)

The main financial liabilities, except for financial instruments, are classified and measured at amortized cost, as follows:

Financial liabilities	2024	2023
Trade accounts payable	**(343,340)**	(499,512)
Loans and financing	**(8,339,516)**	(6,109,885)
Related parties	**(11,802)**	(27,214)
	(8,694,658)	(6,636,611)

Risk management objectives and strategies

The Company has a formal policy for managing financial risk. The financial instruments for equity hedging purposes are contracted by analyzing the risk exposure (currency risk, interest rate risk and other risks), following the strategy approved by Management.

The guidelines for hedging are implemented according to the type of exposure. Risk factors related to foreign currencies are required to be neutralized in the short term (within 1 year), the hedge may be extended to a larger period. Decision making relating to interest rate and inflation risks arising from liabilities acquired will be evaluated within the economic and operational scenario and will be made when management considers them significant risks.

Financial and market risks

The average annual price of iron ore remained stable in 2024 compared to 2023, mainly influenced by economic slowdown, which led to cuts in steel production and lower demand for iron ore from China. Management understands that the price of iron ore for 2024 is a risk inherent to the commodities sector, which may impact the volumes and prices projected in the business plan; however, in the long term, the expectation remains of attractive demand and price, since steel is an essential raw material for the global production system.

Currency risk

The Company is subject to exchange gains/losses due to the volatility of the exchange rate on transactions linked to foreign currencies, mainly loans and financing and floating rate securities. Since the iron ore shipment contracts are traded in US dollars, the Company has a natural hedge, since with the beginning of the operation, management changed the functional currency to US dollar. Exchange rate fluctuations may have adverse effects on the financial statements.

(In thousands of reais, unless otherwise stated)

25. Financial instruments and risk management (Continued)

Liquidity risk

The Company monitors its liquidity level considering the expected cash flows versus the amount available in cash and cash equivalents. The liquidity risk management implies maintaining sufficient cash and marketable securities, as well as the capacity to settle market positions at their respective maturities.

The available resources are sufficient to cover operating expenses over the next 90 days. In addition, it is important to consider the cash flow generated from port services operations.

Credit risk

This risk arises from the likelihood of the Company recording losses due to the default of its counterparties or of financial institutions that are depositary of funds or investments. This risk factor could arise either from trade transactions or cash flow management.

To mitigate these risks, the Company reviews the financial position of its counterparties and monitors the outstanding positions on an ongoing basis.

The Company's transactions are subject to the following credit risks:

Positions that represent credit risk	2024	2023
Cash and cash equivalents	**58,642**	182,716
Trade account receivable	**1,309,153**	958,061
	1,367,795	1,140,777

26. Insurance

On December 31, 2024, the Company's total insurance coverage for operating risks is USD 200,000, general liability coverage of USD 200,000, environmental risk coverage of R$75,000 and D&O in the amount of R$150,000.

27. Subsequent events

On January 20, 2025, the subsidiary company Porto Sudeste Exportação S/A received from the Brazilian Federal Revenue Service the amount of R$243 million, referring to the tax refund of PIS and COFINS.

Board of Directors	Executive Board
Oscar Pekka Fahlgren - Chairman	Jayme Nicolato - Chief Executive Officer
William Kenneth Loughnan - Vice Chairman	Guilherme Caiado - Chief Operations Officer
Jesus Fernandes Lopez - Board Member	Thiago Roldão - Chief Financial Officer
Hani Barhoush - Board Member	
Filip Chrostek - Conselheiro	
Kelly Michelle Thomson - Board Member	

Flávio Ary de Oliveira Silveira
Accountant
CRC-MG 095.168/O-9