

# **Individual and Consolidated Financial Statements**

**Paraná Xisto S.A.**

March 31, 2025 and 2024

# Paraná Xisto S.A.

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## Paraná Xisto S.A.

### Statements of financial position

March 31, 2025 and 2024

(In thousands of reais)

Assets	Note	Consolidated		Individual
		Q1 2025	Q1 2025	Q1 2024
<b>Current</b>				
Cash and cash equivalents	1	41.277	35.579	12.068
Accounts receivable	3	33.377	33.377	11.777
Intercompany loans	4	58.759	58.431	74
Inventories	5	58.411	58.411	54.516
Leases	9.1	384	384	367
Income and social contribution taxes	11.1	22.224	22.224	4.264
Taxes and contributions	11.2	4.845	3.839	3.247
Other current assets		12.786	12.746	5.228
Prepaid expenses		4.980	4.980	5.359
		<b>237.043</b>	<b>229.971</b>	<b>96.900</b>
<b>Non-current</b>		-		
Restricted deposits	2	19.854	19.854	18.427
Deferred tax assets	11.1	45.161	45.161	68.083
Taxes and contributions	11.2	16.681	16.681	11.412
Intercompany loans	4	52.753	72.493	60.762
Leases	9.1	2.467	2.467	2.393
Other non-current assets		176	176	-
Property, plant and equipment	6.1	96.772	96.772	108.897
Intangible assets	6.2	22.617	22.617	20.586
		<b>256.481</b>	<b>276.221</b>	<b>290.560</b>
<b>Total assets</b>		<b>493.524</b>	<b>506.192</b>	<b>387.460</b>

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

## Paraná Xisto S.A.

### Statements of financial position

March 31, 2025 and 2024

(In thousands of reais)

		Consolidated		Individual
		Q1 2025	Q1 2025	Q1 2024
<b>Liabilities and equity</b>				
<b>Current</b>				
Trade accounts payable	7	56.078	55.421	48.621
Advances from customers	8	55.693	55.693	28.070
Lease liability	9.2	4.073	4.073	2.776
Income and social contribution taxes	11.1	9.202	9.202	335
Tax installment	11.1	6.777	6.777	2.942
Taxes and contributions	11.2	46.324	46.324	51.225
Labor and social obligations		6.865	6.865	6.778
Provision for decommissioning of areas	10	5.287	5.287	14.256
Other liabilities		4.144	4.144	6.975
		<b>194.443</b>	<b>193.786</b>	<b>161.978</b>
<b>Non-current liabilities</b>				
Trade accounts payable	7	584	584	-
Lease liability	9.2	2.542	2.542	1.058
Provision for decommissioning of areas	10	45.997	45.997	75.543
Accrual for investment loss		-	10.373	-
Tax installment	11.1	12.302	12.302	9.561
Taxes and contributions	11.2	22.393	22.393	18.106
Intercompany loans	4	-	2.952	-
Provision for contingencies		16.964	16.964	6.418
Other liabilities		1.669	1.669	168
		<b>102.451</b>	<b>115.776</b>	<b>110.854</b>
<b>Equity</b>				
	12			
Subscribed capital		267.823	267.823	267.823
Unpaid capital		1.508	1.508	1.508
Legal reserve		3.573	3.573	587
Accumulated loss	-	76.668	- 76.668	- 155.290
Other comprehensive Income (loss)		394	394	-
		<b>196.630</b>	<b>196.630</b>	<b>114.628</b>
<b>Total liabilities</b>		<b>493.524</b>	<b>506.192</b>	<b>387.460</b>

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

## Paraná Xisto S.A.

### Individual and Consolidated Statements of profit or loss

March 31, 2025 and 2024

(In thousands of reais)

	Note	Consolidated	Individual	
		Q1 2025	Q1 2025	Q1 2024
Revenue	13	142.639	142.639	115.536
Cost of goods sold	14.1	(100.677)	(100.677)	(87.971)
<b>Gross profit</b>		<b>41.962</b>	<b>41.962</b>	<b>27.565</b>
<b>Expenses</b>				
Selling	14.2	(5.820)	(5.820)	(26.190)
General and administrative	14.3	(18.453)	(14.519)	(9.575)
Equity method		-	(3.955)	-
Other operating income (expenses)	14.4	7.514	7.514	622
		<b>(16.759)</b>	<b>(16.780)</b>	<b>(35.143)</b>
Income (loss) before finance income (costs) and taxes		25.203	25.181	(7.579)
<b>Net finance income (costs)</b>	<b>15</b>	<b>(5.222)</b>	<b>(5.200)</b>	<b>(1.939)</b>
Finance costs		(7.637)	(7.636)	(2.817)
Finance income		2.415	2.436	878
<b>Profit (losses) before taxes</b>		<b>19.981</b>	<b>19.981</b>	<b>(9.518)</b>
<b>Income and social contribution taxes</b>		<b>(4.262)</b>	<b>(4.262)</b>	<b>2.632</b>
Current income and social contribution taxes		-	-	-
Deferred income and social contribution taxes		(4.262)	(4.262)	2.632
<b>Net income (loss)</b>		<b>15.719</b>	<b>15.719</b>	<b>(6.886)</b>

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

## Paraná Xisto S.A.

### Individual and Consolidated Statements of Comprehensive Income (loss)

March 31, 2025 and 2024

(In thousands of reais)

	<b>Consolidated</b>	<b>Individual</b>	
	<b>Q1 2025</b>	<b>Q1 2025</b>	<b>Q1 2024</b>
Profit (loss)	15.719	15.719	(6.886)
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:	394	394	-
<b>Total comprehensive income (loss)</b>	<b>16.113</b>	<b>16.113</b>	<b>(6.886)</b>

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

## Paraná Xisto S.A.

### Individual and Consolidated Statements of Cash Flows

March 31, 2025 and 2024

(In thousands of reais)

	<u>Consolidated</u>	<u>Individual</u>
	<u>Q1 2025</u>	<u>Q1 2025</u>
<b>Cash flow from operating activities</b>		
Net income (loss) for the year	16.598	16.598
Equity pickup	-	3.053
Provision for obsolescence and net realizable value	(80)	(80)
Provision for contingencies	-	-
Depreciation and amortization	13.051	13.051
Finance income (expenses)	817	817
	<b>30.386</b>	<b>33.439</b>
<b>(Increase) decrease in operating assets and liabilities:</b>		
Trade accounts receivables	(18.616)	(18.616)
Taxes recoverables	(1.748)	(1.551)
Restricted deposits	(587)	(587)
Inventories	(6.710)	(6.710)
Other assets	1.819	1.756
Prepaid expenses	1.474	1.474
Lease receivables	11	11
Trade accounts payables	947	623
Labor and social obligations	744	744
Tax obligations	(4.228)	(4.228)
Lease payables	(514)	(514)
Other liabilities	51.773	51.773
	<b>24.365</b>	<b>24.175</b>
<b>Net cash (used in) from operating activities</b>	<b>54.751</b>	<b>57.614</b>
PPE aquisition	(12.560)	(12.560)
<b>Cash flow from investment activities</b>	<b>(12.560)</b>	<b>(12.560)</b>
Loan / intercompany loan and interests received/paid	(26.511)	(17.027)
<b>Net cash from (used in) financing activities</b>	<b>(26.511)</b>	<b>(17.027)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>15.679</b>	<b>28.026</b>
Cash and cash equivalents at beginning of year	25.598	7.553
Cash and cash equivalents at end of year	41.277	35.579

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

## Paraná Xisto S.A.

### Notes to the individual and consolidated financial statements

March 31, 2025 and 2024

(In thousands of reais)

## 1 Cash and cash equivalents

	Consolidated	Individual	
	Q1 2025	Q1 2025	Q1 2024
Cash and banks	41.277	35.579	445
Financial investments	-	-	11.623
<b>Total</b>	<b>41.277</b>	<b>35.579</b>	<b>12.068</b>

The balance of cash and cash equivalents includes cash in hand, available bank deposits and short-term financial investments with high liquidity, which meet the definition of cash and cash equivalents recommended in accounting practice.

### Accounting practice

They represent cash, available bank deposits and short-term financial investments with high liquidity, readily convertible into a known amount of cash and with an insignificant risk of change in value.

## 2 Restricted deposits

	Consolidated	Individual	
	Q1 2025	Q1 2025	Q1 2024
Restricted deposits	19.854	19.854	18.427
<b>Total</b>	<b>19.854</b>	<b>19.854</b>	<b>18.427</b>

The Company, maintains deposits in financial institutions to comply with the requirements of ANP Resolution No. 854/2021. These investments have restricted cash characteristics and are only moved annually, based on the ANP's review of the amount of the environmental liabilities and determination of the amount to be maintained as a restricted deposit.

The Company maintained the amount of R\$19,854 deposited as collateral for the letter as of March 31, 2025

## 3 Accounts receivable

	Consolidated	Individual	
	Q1 2025	Q1 2025	Q1 2024
Accounts receivables	33.377	33.377	17.450
<b>Total</b>	<b>33.377</b>	<b>33.377</b>	<b>17.450</b>

The Company and its subsidiary have no history of losses on trade receivables and, therefore, as of March 31, 2025 and 2024, no allowance for expected credit losses on trade receivables has been recognized.

### Accounting practice

Accounts receivable are initially recognized at the fair value of the consideration to be received, which is unconditional from a customer (i.e., only the passage of time is required for the payment of the consideration to become due), and subsequently measured at amortized cost.



## **Paraná Xisto S.A.**

### Notes to the individual and consolidated financial statements

March 31, 2025 and 2024

*(In thousands of reais)*

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The Company recognizes an allowance for expected credit losses (ECL) for short-term accounts receivables using a provision matrix.

The Company bases this on unadjusted historical credit loss experience when such information represents the best reasonable and supportable information, or adjusted based on currently observable data to reflect the effects of current and future conditions, provided such data is available without undue cost or effort.

In general, for other receivables, the Company recognizes a provision equal to the 12-month ECL; however, when the credit risk of the financial instrument increases significantly from its initial recognition, the provision is recognized at an amount equal to the lifetime ECL.

When assessing a significant increase in credit risk, the Company compares the risk of default on the financial instrument at the reporting date with the risk of default on the financial instrument at its initial recognition date.

Regardless of the assessment of a significant increase in credit risk, the Company presumes that the credit risk of a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, except when reasonable and supportable information available demonstrates otherwise.

The Company assumes that the credit risk of accounts receivables has not increased significantly since initial recognition when they are considered to have low credit risk at the reporting date. Low credit risk is determined based on external credit ratings and internal assessment methodologies.

In the absence of a dispute or other issues that may result in suspension of collection, the Company considers default to have occurred when the counterparty fails to fulfill its legal obligation to pay its debts when due or, depending on the instrument, when the payment under the contract is past due for 90 (ninety) days or more.

ECL is the weighted average of historical credit losses, adjusted for their respective default risks, as applicable to the weightings. Credit loss on a financial asset is measured as the difference between all contractual cash flows due to the Company and all cash flows the Company expects to receive, discounted at the original effective interest rate.

## Paraná Xisto S.A.

### Notes to the individual and consolidated financial statements

March 31, 2025 and 2024

(In thousands of reais)

#### 4 Related parties

Transactions with related parties are segregated between loans and checking account between the companies and the amounts are as follows:

	Consolidated		Individual			
	Receivable	Payable	Receivable		Payable	
	Q1 2025	Q1 2025	Q1 2025	Q1 2024	Q1 2025	Q1 2024
Loans	111.512	-	130.924	60.836	-	-
Checking account	-	-	-	-	2.952	-
<b>Total</b>	<b>111.512</b>	<b>-</b>	<b>130.924</b>	<b>60.836</b>	<b>2.952</b>	<b>-</b>
Current	58.759	-	58.431	74	-	-
Noncurrent	52.753	-	72.493	60.762	2.952	-
<b>Total</b>	<b>111.512</b>	<b>-</b>	<b>130.924</b>	<b>60.836</b>	<b>2.952</b>	<b>-</b>

#### 5 Inventories

Consolidated and individual			
		Q1 2025	Q1 2024
Finished goods	(i)	10.882	13.194
Finished goods held by third parties	(ii)	4.925	12.229
In-process products	(iii)	1.847	5.380
Materials and supplies	(iv)	41.382	27.552
Provision for inventory obsolescence		(705)	(2.238)
Provision for adjustments to net realizable value		80	(1.600)
<b>Total</b>		<b>58.411</b>	<b>54.516</b>

(i) Includes fuel oil, LPG, sulfur, naphtha, shale water and fuel gas

(ii) Includes OTE fuel oil and naphtha stored in third-party tanks. In 2023, the company entered into a lease agreement for storage tanks to store fuel oil at Terin, located at the Port of Paranaguá (PR).

(iii) Shale oil and oily water

(iv) Includes operating materials and sludge acquired from third parties

## Paraná Xisto S.A.

### Notes to the individual and consolidated financial statements

March 31, 2025 and 2024

(In thousands of reais)

The provision for inventory obsolescence at the end of the fiscal year is as follows:

	<b>Consolidated and individual</b>	
	<b>Q1 2025</b>	<b>Q1 2024</b>
Opening balance of the provision	705	2.238
Recognition	-	-
Reversal	-	-
<b>Closing balance of the provision</b>	<b>705</b>	<b>2.238</b>

The provision for adjustments to net realizable value at the end of the fiscal year is as follows:

	<b>Consolidated and individual</b>	
	<b>Q1 2025</b>	<b>Q1 2024</b>
Opening balance	80	1.600
Recognition	-	-
Reversal	-	-
<b>Closing balance</b>	<b>80</b>	<b>1.600</b>

Crude oil inventories may be marketed in their raw state, as well as consumed in the production process of their by-products.

Work-in-process products are composed of product streams that have already gone through at least one processing unit but still need to be processed, treated, or converted to be made available for sale.

Materials and supplies mainly represent production inputs and operating materials that will be used in the Company's activities and are presented at average purchase cost.

Inventories are adjusted to their realizable value by means of provisions for adjustment to market value and other provisions, when necessary. The classification of losses due to obsolescence and provisions for adjustment to realizable value in the statement of profit or loss are presented under cost of goods sold.

### Accounting practice

Inventories are measured at their weighted average cost of purchase or production and are adjusted to their net realizable value when the latter is lower than the items' carrying amount.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and expenses necessary to make the sale. Changes in selling prices after the reporting date are considered in the calculation of net realizable value to the extent that they confirm the conditions existing at the reporting date.

Materials and supplies are measured at average purchase cost, provided that such cost does not exceed replacement cost.

Provisions for obsolescence of materials and supplies are determined with reference to specific inventory items, through periodic reviews to determine the extent of any need for a provision. The classification of obsolescence losses in the statement of profit or loss is presented under cost of goods sold.

## Paraná Xisto S.A.

### Notes to the individual and consolidated financial statements

March 31, 2025 and 2024

(In thousands of reais)

## 6 Property, plant and equipment and intangible assets

### 6.1 Property, plant and equipment

The consolidated property, plant and equipment is presented as follows:

	Land	Buildings and improvements	Machinery and equipment	Assets under construction	Stripping costs	Right-of-use assets	Advance payments	Total
Balance as of December, 31 2023	476	40.526	61.240	7.656	-	3.828	-	113.726
Additions	-	-	2.877	20.106	5.195	6.193	8	34.379
Write-offs	-	-	293	-	-	-	-	293
Transfers	-	-	7.421	9.005	-	-	-	1.584
Depreciation	-	2.228	43.601	-	-	3.305	-	49.134
Balance as of December, 31 2024	476	38.298	27.644	18.757	5.195	6.716	8	97.094
Cost	476	42.922	165.360	18.757	5.195	13.856	8	246.574
Accumulated depreciation	-	4.624	137.716	-	-	7.140	-	149.480
Balance as of December, 31 2024	476	38.298	27.644	18.757	5.195	6.716	8	97.094
Additions	-	-	492	11.893	-	-	-	12.385
Transfers	-	-	8	-	-	-	8	-
Depreciation	-	511	11.338	-	-	858	-	12.707
Balance as of March, 31 2025	476	37.787	16.806	30.650	5.195	5.858	-	96.772
Cost	476	42.922	165.860	30.650	5.195	13.856	-	258.959
Accumulated depreciation	-	5.135	149.054	-	-	7.998	-	162.187
Balance as of March, 31 2025	476	37.787	16.806	30.650	5.195	5.858	-	96.772

## **Paraná Xisto S.A.**

### Notes to the individual and consolidated financial statements

March 31, 2025 and 2024

*(In thousands of reais)*

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#### **Accounting practice**

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Property, plant and equipment are stated at acquisition or buildup cost, which also includes directly attributable costs necessary to place the asset into working condition, and, when applicable, net of accumulated depreciation and impairment losses. As of March 31, 2025 and 2024, no indicators of impairment of property, plant and equipment were identified.

Expenditures on major planned maintenance carried out to restore or maintain the original performance standards of industrial units are recognized in property, plant and equipment when the campaign period exceeds twelve months and the campaigns are foreseeable. These expenditures are depreciated over the expected period until the next major maintenance. Maintenance expenditures that do not meet these criteria are recognized as expenses or cost of goods sold in the statement of profit or loss, depending on the asset's allocation and use.

Spare parts and replacement components with a useful life greater than one year and that can only be used in connection with items of property, plant and equipment are recognized and depreciated together with the main asset.

Borrowing costs directly attributable to the acquisition or construction of assets are capitalized as part of the cost of such assets.

Development costs are capitalized only if development costs can be measured reliably, if the product or process is technically and commercially viable, if future economic benefits are probable, and if the Company has the intention and sufficient resources to complete development and to use or sell the asset. In 2024, the Company began the development of a new mine called Rio das Pedras, which is not yet in operation. Development costs incurred in fiscal year 2024 amounted to R\$ 5,195.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The Company reviews the estimated residual value and expected useful life of the assets at least annually. In particular, the Company considers the impact of health, safety, and environmental legislation in assessing the estimated residual value and expected useful life of the assets.

Right-of-use assets are presented as part of property, plant and equipment and, based on the useful lives of their respective underlying assets and the characteristics of the lease agreements (term, transfer of asset, or exercise of purchase option), are depreciated on a straight-line basis over the contractual periods.

The residual value, useful life, and depreciation methods of the assets are reviewed at the end of each fiscal year and adjusted prospectively when applicable.

## Paraná Xisto S.A.

### Notes to the individual and consolidated financial statements

March 31, 2025 and 2024

(In thousands of reais)

## 6.2 Intangible assets

Intangible assets are presented as follows:

	Software	Intangible assets under development	Total
Balance as of December, 31 2023	16.495	556	17.051
Additions	776	6.179	6.955
Write-offs	(1.338)	-	(1.338)
Transfers	7.780	(6.195)	1.585
Amortization	(1.467)	-	(1.467)
Balance as of December, 31 2024	22.246	540	22.786
Cost	24.062	540	24.602
Accumulated amortization	(1.816)	-	(1.816)
Balance as of December, 31 2024	22.246	540	22.786
Additions	-	176	176
Amortization	(345)	-	(345)
Balance as of March, 31 2025	21.901	716	22.617
Cost	24.062	716	24.778
Accumulated amortization	(2.161)	-	(2.161)
Balance as of March, 31 2025	21.901	716	22.617

## Accounting practice

Intangible assets are measured at historical acquisition cost or at fair value when acquired in a business combination, net of accumulated amortization and, if applicable, accumulated impairment losses. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate.

Amortization is calculated using the straight-line method based on the estimated useful life of the assets, which is reviewed at each statement of financial position date.

There were no indicators that the carrying amount of intangible assets exceeded their recoverable amount as of March 31, 2025 and 2024.

## Paraná Xisto S.A.

### Notes to the individual and consolidated financial statements

March 31, 2025 and 2024

(In thousands of reais)

## 7 Trade accounts payable

	Consolidated		Individual
	Q1 2025	Q1 2025	Q1 2024
Domestic	54.836	54.836	48.621
Foreign	1.826	1.169	0
<b>Total</b>	<b>56.662</b>	<b>56.005</b>	<b>48.621</b>
Current	56.078	55.421	48.621
Noncurrent	584	584	0

## 8 Advances from customers

	Consolidated		Individual
	Q1 2025	Q1 2025	Q1 2024
Advances from customers	55.693	55.693	28.070
<b>Total</b>	<b>55.693</b>	<b>55.693</b>	<b>28.070</b>

## 9 Leases (Consolidated)

### 9.1 Lease receivables (lessor)

As of March 31, 2025 and 2024, changes in the lease contract recognized as an asset by the Company are presented as follows:

	12/31/2024	Receipts	Interest income	Consolidated 03/31/2025
Lease receivables	2.862	102	-	2.851
<b>Total</b>	<b>2.862</b>	<b>102</b>	<b>-</b>	<b>2.851</b>
Current	384			384
Non-current	2.478			2.467

	12/31/2023	Receipts	Interest income	Remeasurements	03/31/2024
Lease receivables	2.642	96	-	128	2.760
<b>Total</b>	<b>2.642</b>	<b>(96)</b>	<b>86</b>	<b>128</b>	<b>2.760</b>
Current	350				367
Non-current	2.292				2.393

The finance lease receipts are detailed as follows:

## Paraná Xisto S.A.

### Notes to the individual and consolidated financial statements

March 31, 2025 and 2024

(In thousands of reais)

	Q1 2025
2024	
2025	293
2026	349
2027	307
2028	269
2029 onwards	1.634
As of March 31	2.851

The finance lease is represented by the lease agreement for the research and development facilities owned by the Company, entered into with Petrobras, and has a term of 20 years, with installments due monthly.

## 9.2 Lease liability (lessee)

As of March 31, 2025 and 2024, changes in lease contracts recognized as liabilities are as follows:

	Consolidated				
	12/31/2024	Principal payment	Interest payment	Accrued interest	Transfers
Lease payables	7.129	514	178	178	-
Total	7.129	514	178	178	-
Current	3.787				
Non-current	3.342				

  

	12/31/2023	Principal payment	Interest payment	Accrued interest	Transfers
Lease payables	4.656	822	127	127	
Total	4.656	(822)	127	127	-
Current	3.535				
Non-current	1.121				



## Paraná Xisto S.A.

### Notes to the individual and consolidated financial statements

March 31, 2025 and 2024

(In thousands of reais)

As of March 31, 2025, the lease contract cash flows by maturity are as follows:

	Q1 2025
2025	3.182
2026	2.946
2027	363
2028 onwards	124
As of March 31	6.615

### Accounting practice

#### For contracts in which the Company is the lessee

Lease liabilities are measured at the present value of lease payments, excluding projected future inflation, and take into account taxes recoverable, non-cancelable terms, and extension options when reasonably certain.

The payment flows are discounted using the Company's nominal incremental financing rate, as the interest rates implicit in third-party lease contracts are typically not readily determinable.

Remeasurements of the lease liability generally reflect changes resulting from contractual indices or rates, as well as changes in lease terms due to new expectations concerning extensions or terminations.

Interest incurred updates the lease liability and is classified as a financial expense, while payments reduce the carrying amount of the liability.

Payments associated with short-term leases (with a term of 12 months or less) or variable lease payments are recognized as expenses over the lease term.

#### For contracts in which the Company is the lessor

When the Company is the lessor under a contract classified as a finance lease, a receivable is recognized in an amount equal to the net investment in the lease, which consists of the lease payments receivable and any unguaranteed residual value for which the Company is responsible, discounted at the interest rate implicit in the lease.

Credit loss on a financial asset is measured as the difference between all contractual cash flows due to the Company and all cash flows the Company expects to receive, discounted at the original effective interest rate.

## 10 Provision for decommissioning of areas

The Company has legal obligations related to the remediation of areas impacted by oil shale mining activities and to ensure the safe future use of the project area. The rehabilitation of degraded areas is systematically conducted throughout the operational life of the mines. As a result, the damage caused during mine preparation for the start of production is largely remediated in the subsequent years.

As of March 31, 2025, the Company has provisioned an amount of R\$ 51,284 for decommissioning of areas

## Paraná Xisto S.A.

### Notes to the individual and consolidated financial statements

March 31, 2025 and 2024

(In thousands of reais)

	Consolidated and invidual	
	Q1 2025	Q1 2024
Provision for decommissioning of areas	39.437	73.213
Provision for environmental expenses	11.847	16.586
<b>Total</b>	<b>51.284</b>	<b>89.799</b>
Current	5.287	14.256
Noncurrent	45.997	75.543

As of March 31, 2025, the provisioned balance refers to amounts recognized by the company for environmental compensation obligations assumed by the Company in the course of its operations, in compliance with Resolution 854/2021 of the National Agency of Petroleum, Natural Gas and Biofuels (ANP), which aims to ensure the environmental remediation of areas impacted by mining activities.

Changes in the provision between March 31, 2025 and 2024 reflect the periodic reassessment process of expected future expenditures by Management and the best estimate of disbursements to be made by the Company for the recovery of decommissioned areas, in addition to environmental remediation expenses incurred concurrently with the Company's production process. Changes in the provision due to the passage of time and revisions of estimated future expenditures are reviewed and adjusted by the Company at each year-end.

#### Accounting practice

The recognition of legal obligations for environmental remediation of areas impacted by oil shale mining activities occurs as the mine development and production activities are carried out. The environmental damage substantially originates from the production phase of the mines and considering that overburden removal takes place almost concurrently with shale extraction, the recognition of the provision for related environmental remediation is recorded as part of production costs. Estimates are reviewed periodically based on current information on costs and expected remediation plans.

As of March 31, 2025 and 2024, the asset corresponding to the environmental liability was fully depreciated, and consequently, changes in the estimated costs for environmental remediation incurred during 2025 and 2024 were recognized in liabilities with a corresponding impact on profit or loss.

The effects of the present value adjustment of the provision are recognized as finance income (costs).

## Paraná Xisto S.A.

### Notes to the individual and consolidated financial statements

March 31, 2025 and 2024

(In thousands of reais)

## 11 Taxes

### 11.1 Income and social contribution taxes

	Consolidated							
	Current assets		Non-current assets		Current liabilities		Non-current liabilities	
Current	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024
Income tax	16.219	2.969	-	-	6.743	246	-	-
Social contribution	6.005	1.295	-	-	2.460	89	-	-
	<b>22.224</b>	<b>4.264</b>	-	-	<b>9.202</b>	<b>335</b>	-	-
Installments								
Income tax paid in installments	-	-	-	-	5.118	2.274	9.343	7.390
Social contribution paid in installments	-	-	-	-	1.659	668	2.959	2.170
	-	-	-	-	<b>6.777</b>	<b>2.942</b>	<b>12.302</b>	<b>9.561</b>
Deferred tax								
Income tax	-	-	33.206	50.061	-	-	-	-
Social contribution	-	-	11.954	18.022	-	-	-	-
	-	-	<b>45.161</b>	<b>68.083</b>	-	-	-	-
<b>Total</b>	<b>22.224</b>	<b>4.264</b>	<b>45.161</b>	<b>68.083</b>	<b>15.979</b>	<b>3.277</b>	<b>12.302</b>	<b>9.561</b>

## **Paraná Xisto S.A.**

### **Notes to the individual and consolidated financial statements**

March 31, 2025 and 2024

*(In thousands of reais)*

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#### **Accounting practice**

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Income and social contribution tax expenses for the year are recognized in the statement of profit or loss unless they relate to items directly recognized in equity, and include both current and deferred taxes. These taxes are calculated based on rates of 15%, plus a 10% surtax on taxable profit computed on the Company's accounting records ('lucro real') for income tax purposes, and 9% on taxable profit ('lucro real') for social contribution purposes, considering the offsetting of income and social contribution tax losses, limited to 30% of taxable profit ('lucro real') for the year.

#### **Current income and social contribution taxes**

These are calculated based on taxable profit determined according to applicable legislation and the rates in effect at the end of the reporting period. Uncertainties regarding the treatment of income taxes are assessed periodically, taking into account the likelihood of acceptance by the tax authority.

Current income and social contribution taxes are presented net when there is a legally enforceable right to offset recognized amounts and when there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

#### **Deferred income and social contribution taxes**

Deferred taxes are generally recognized on temporary differences between the tax bases of assets and liabilities and their carrying amounts, and are measured using the rates expected to apply in the period in which the asset is realized or the liability is settled, based on rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized for all deductible temporary differences, including unused tax losses and credits, to the extent that it is probable that taxable income will be available against which the deductible temporary difference can be used, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction other than a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred income and social contribution taxes are presented net when there is a legally enforceable right to offset current tax assets against current tax liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the same tax authority on the same taxable entity or on different taxable entities that intend to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

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### Notes to the individual and consolidated financial statements

March 31, 2025 and 2024

(In thousands of reais)

## 11.2 Other taxes and contributions

	Consolidated							
	Current assets		Non-current assets		Current liabilities		Non-current liabilities	
	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024
State VAT (ICMS)	611	605	3.210	817	3.445	27.122	-	-
Federal contribution taxes on gross revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS)	-	-	13.471	10.596	1.577	1.734	-	-
Royalties	-	-	-	-	1.487	1.206	-	-
Tax on Financial Transactions (IOF)	-	-	-	-	(38)	-	-	-
ICMS paid in installments	-	-	-	-	38.326	20.046	22.393	18.106
Withholding Income Tax	3.228	2.642	-	-	950	1.006	-	-
Other	1.006	-	-	-	578	111	-	-
<b>Total</b>	<b>4.845</b>	<b>3.247</b>	<b>16.681</b>	<b>11.412</b>	<b>46.324</b>	<b>51.225</b>	<b>22.393</b>	<b>18.106</b>

## 12 Equity

### 12.1 Subscribed capital

As of March 31, 2025 and 2024, the subscribed and paid-in share capital in the amount of R\$267,823 is represented by 267,822,941 common, registered shares with no par value. There were no movements in the share capital during the quarters ended March 31, 2025 and 2024

### Accounting practice

Capital is represented by common shares. Incremental costs directly attributable to the issuance of shares are presented as a deduction from equity, as capital transactions, net of tax effects.

### 12.2 Income reserves

#### Legal reserve

The legal reserve is constituted annually by allocating 5% of the net income for the year and may not exceed 20% of the Company's capital. The purpose of the legal reserve is to ensure the integrity of capital and may only be used to offset losses or increase capital through a resolution made at the shareholders' meeting.

As of March 31, 2025 and 2024, no legal reserve was set up.

### 12.3 Dividends

Net income for the year, adjusted in accordance with applicable legislation, shall be allocated as follows, subject to approval by the General Shareholders' Meeting:

- a portion corresponding to 5% (five percent) of net income shall be allocated to the legal reserve, which shall not exceed 20% (twenty percent) of the Company's capital;
- a portion of the remaining net income may be allocated to contingency reserves, with the purpose of offsetting, in future periods, a decrease in income arising from contingencies rated as probable loss;
- a portion of the net income resulting from government grants or donations for investment may be allocated to the tax incentive reserve;

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### Notes to the individual and consolidated financial statements

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(In thousands of reais)

- (iv) any portion of the contingency reserve constituted in previous years and related to actual or unrealized losses, if any, must be reversed;
- (v) from the remaining balance, after the deductions and reversals indicated and as provided by applicable legislation, a portion corresponding to 25% (twenty-five percent) shall be distributed to shareholders as mandatory dividends;
- (vi) all or part of the remaining balance, after deductions, reversals, and payment of mandatory dividends, may be retained to execute the capital budget, if the proposal to do so is approved by the Company's management; and
- (vii) any remaining balance, if applicable, must be distributed to shareholders as additional dividends.

No dividends were paid by the Company during the fiscal years ended March 31, 2025 and 2024, as the Company recorded losses in both years.

#### 12.4 Other Comprehensive Income (Loss)

Due to the translation of the financial statements of its subsidiary, whose functional currency is the Canadian Dollar, other comprehensive income (loss) was recognized.

Foreign currency transactions are initially recorded at the functional currency exchange rate in effect on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated using the closing exchange rate on the reporting date.

All differences are recorded in the statement of profit or loss, except for the foreign exchange variation arising from the translation of the subsidiary's statement of financial position. This difference is recognized in other comprehensive income (loss).

Charges and tax effects related to the foreign exchange differences on these monetary items are also recognized in other comprehensive income.

#### 13 Sales revenue

	Consolidated	
	Q1 2025	Q1 2024
Gross sales revenues	174.123	160.471
(-) Sales returns	-	(1.767)
(-) Commercial discounts	(1.793)	(5.943)
Sales taxes (*)	(29.691)	(37.225)
<b>Net sales revenues</b>	<b>142.639</b>	<b>115.536</b>
<b>Net revenue by product</b>		
Fuel Oil	108.148	86.604
Gas	8.050	6.060
Naphtha	17.728	14.605
LPG	5.749	6.115
Sulfur	2.692	2.064
Shale water	272	88
<b>Total</b>	<b>142.639</b>	<b>115.536</b>

(\*) Includes PIS, COFINS and ICMS.

#### Accounting practice

The Company evaluates contracts with customers that will be subject to revenue recognition and identifies the distinct goods and services promised in each contract.

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### Notes to the individual and consolidated financial statements

March 31, 2025 and 2024

(In thousands of reais)

Performance obligations are defined as promises to transfer a product or service (or a group of products or services) that is distinct, or a series of distinct products or services that are substantially the same and have the same pattern of transfer to the customer.

The Company measures revenue at the amount of consideration it expects to be entitled to in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties. Transaction prices are based on contractually stated prices, which reflect the Company's pricing methodologies and policies based on market parameters.

The Company grants rebates to customers based on contractual clauses when pre-determined volume thresholds are reached. These rebates are considered a form of variable consideration and are estimated and recognized as a reduction in revenue at the time the sale is recognized, taking into account the likelihood that customers will achieve the pre-determined volumes that entitle them to such rebates. The rebates granted are presented as deductions from gross revenue in the statement of profit or loss for the year.

Revenue is recognized when a good is transferred—that is, when the customer obtains control over it—thus satisfying the performance obligation. This generally occurs at specific points in time upon delivery of the product.

## 14 Costs and expenses by nature

### 14.1 Cost of goods sold and services rendered

Cost of goods sold	Consolidated	
	Q1 2025	Q1 2024
Raw materials, supplies, contracted services, and other	(69.829)	(60.573)
Depreciation	(12.664)	(13.663)
Royalties	(4.887)	(3.429)
Personnel expenses	(13.297)	(10.306)
<b>Total</b>	<b>(100.677)</b>	<b>(87.971)</b>

### Accounting practice

The cost of goods and services sold for the goods sold includes the recording of production costs—comprising the cost of direct materials and labor, and a proportional share of indirect manufacturing overhead based on the normal operating capacity of the respective products sold—and includes royalty costs arising from shale production.

### 14.2 Selling expenses

Selling expenses	Consolidated	
	Q1 2025	Q1 2024
Storage	(3.690)	(2.485)
Freight	(1.429)	(2.339)
Personnel	(467)	(487)
Contracted services	(192)	(277)
Depreciation	(8)	(4)
Other	(34)	(20.598)
<b>Total</b>	<b>(5.820)</b>	<b>(26.190)</b>

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### Notes to the individual and consolidated financial statements

March 31, 2025 and 2024

(In thousands of reais)

#### 14.3 General and administrative expenses

	Consolidated	Individual	
	Q1 2025	Q1 2025	Q1 2024
Professional services	(10.470)	(6.536)	(3.201)
Personnel expenses	(4.968)	(4.968)	(2.962)
Rentals	(985)	(985)	(798)
Depreciation and amortization	(378)	(378)	(470)
Utilities and services	(46)	(46)	(416)
General expenses	(603)	(603)	(286)
Maintenance	(1.003)	(1.003)	(1.442)
<b>Total</b>	<b>(18.453)</b>	<b>(14.519)</b>	<b>(9.575)</b>

#### 14.4 Other operating income (expenses), net

	Consolidated	Individual	
	Q1 2025	Q1 2025	Q1 2024
Rental income	1.043	1.043	601
Other	6.471	6.471	21
<b>Total</b>	<b>7.514</b>	<b>7.514</b>	<b>622</b>

#### 15 Net finance income (costs)

	Consolidated	Individual	
	Q1 2025	Q1 2025	Q1 2024
<b>Finance income</b>			
Foreign exchange gains	937	664	0
Income from financial investments	595	595	779
Interest income from leases	91	91	86
Interest income from loans	33	328	2
Other finance income	759	759	11
	<b>2.415</b>	<b>2.436</b>	<b>878</b>
<b>Finance expense</b>			
Lease finance costs	(178)	(178)	(127)
Interest expenses	(5.582)	(5.582)	(1.169)
Foreign exchange losses	(1.577)	(1.577)	(202)
IOF expenses	-	-	-
Other	(300)	(300)	(1.317)
	<b>(7.637)</b>	<b>(7.636)</b>	<b>(2.817)</b>
<b>Net finance income (expense)</b>	<b>(5.222)</b>	<b>(5.200)</b>	<b>(1.939)</b>

#### 16 Provision for contingencies

The Company recognizes provisions in amounts sufficient to cover losses considered probable and for which a reliable estimate can be made.

Legal proceedings that represent present obligations for which the outflow of resources is not probable, or for which a sufficiently reliable estimate of the amount cannot be made, are not recognized but are disclosed, unless the likelihood of an outflow is remote.

As of March 31, 2025, labor lawsuits for which the likelihood of loss is considered probable by management and its internal and external legal advisors totaled R\$ 614



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### Notes to the individual and consolidated financial statements

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(In thousands of reais)

In 2024, the Company recognized a provision for tax risks in the amount of R\$ 6,768 (R\$ 4,034 in 2023), related to the payment of ICMS tax on triangular oil sales operations involving inventories stored at third-party locations. Based on opinions and technical assessments from the Company's legal advisors, in the event of legal disputes regarding this matter, the likelihood of loss and disbursement by the Company is deemed probable, and thus, the corresponding amount was recognized as a contingent tax liability.

Finally, the Company is involved in other legal proceedings for which Management, based on the assessment of its internal and external legal advisors, has not recognized provisions for contingencies. As of March 31, 2024, neither the parent company nor the consolidated group had any cases for which the likelihood of loss was considered possible.

The amounts of provision for contingencies are shown below.

	Consolidated		
	Labor	Tax	Total
Balance as of March 31, 2024	-	6,418	6,418
Balance as of March 31, 2025	614	16,349	16,963

Changes in the provision for contingencies during the fiscal year are as follows:

	Consolidated	
	03/31/2025	03/31/2024
<b>Opening balance</b>	<b>6,418</b>	<b>6,418</b>
Additions	7,382	-
Monetary adjustments	3,163	-
<b>Closing balance</b>	<b>16,963</b>	<b>6,418</b>

### Accounting practice

The Company recognizes provisions for losses referring to legal and administrative proceedings when, based on technical assessments from its legal advisors and Management's judgment, the disbursement of future cash is considered probable and the other conditions for recognizing a provision are met.

Contingent liabilities with a probable risk of loss that cannot be reliably measured, and those with a possible risk of loss, are disclosed in the notes to the financial statements.

Contingent assets are not recognized, but are disclosed in the notes to the financial statements when the inflow of economic benefits is probable. If the inflow of economic benefits is virtually certain, the related asset is no longer considered contingent and its recognition is appropriate.

## 17 Risk Management and Financial Instruments

### 17.1 Financial Instruments

The Company engages in operations involving financial instruments. Management of these instruments is carried out through operational strategies and internal controls aimed at ensuring liquidity and profitability. The control policy consists of ongoing monitoring of the contractual conditions in comparison with current market conditions.

As of March 31, 2025, the Company did not engage in investments for speculation purposes. The results are in line with the policies and strategies defined by the Company's Management.

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### Notes to the individual and consolidated financial statements

March 31, 2025 and 2024

(In thousands of reais)

All financial instrument transactions are recognized in the individual and consolidated financial statements, as shown below,

#### 17.2 Measurement of Financial Instruments

The Company's financial instruments are measured at amortized cost, except for the contingent consideration from the acquisition of a subsidiary, which is measured at fair value. The fair values of these financial instruments are equivalent to their carrying amounts.

	Consolidated	Individual	
	Q1 2025	Q1 2025	Q1 2024
<b>Assets</b>	41.277	35.579	17.549
Accounts receivable	33.377	33.377	17.450
Related parties	58.759	58.431	72
Leases	2.851	2.851	2.641
Other assets	12.965	12.925	3.888
Prepaid expenses	4.980	4.980	2.003
Restricted deposits	19.854	19.854	19.596
	<b>174.063</b>	<b>167.997</b>	<b>63.199</b>

	Consolidated	Individual	
	2024	Q1 2025	Q1 2024
<b>Liabilities</b>			
Suppliers	56.661	56.005	35.821
Leases	6.615	4.073	4.656
Related parties	-	2.952	-
Other liabilities	5.813	5.813	7.202
	<b>69.089</b>	<b>68.844</b>	<b>47.679</b>

#### 17.3 Risk management

The Company's risk management is conducted by its executive officers, based on the corporate risk management policy established by the parent company. This policy aims to ensure a proper balance between growth and return objectives and the Company's level of exposure to risks—whether inherent to its own operations or arising from the external environment in which it operates—so that, through the effective allocation of the Company's physical, financial, and human resources, the Company can achieve its strategic goals.

The Company's operations are subject to the following risk factors:

##### 17.3.1 Credit risk

The credit risk management policy aims to minimize the possibility of non-collection of sales made and amounts invested, deposited, or guaranteed with financial institutions and counterparties, by conducting credit analysis, granting, and management using quantitative and qualitative parameters.

The Company is exposed to credit risk from financial institutions in relation to cash management. Management believes the credit risks associated with cash and cash equivalents are reduced due to operations being conducted with Brazilian financial institutions with recognized liquidity.

## Paraná Xisto S.A.

### Notes to the individual and consolidated financial statements

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(In thousands of reais)

#### 17.3.2 Liquidity risk

The Company primarily uses its resources for working capital expenditures. Historically, its needs have been met through internally generated funds, short-term debt, sales transactions, and capital contributions from the parent company when necessary. These sources of funds, combined with the Company's financial position, are expected to continue supporting compliance with the capital requirements established at the corporate level. All of the Company's financial liabilities have maturities of less than one year, except for lease obligations, loans, and loan agreements.

#### 17.4 Market risk

##### 17.4.1 Interest rate risk

This arises from the possibility that the Company may incur gains or losses due to fluctuations in interest rates applicable to its financial assets and liabilities. As of March 31, 2025, the Company had no material exposure to interest rate risk, since its financing agreements carry fixed interest rates.

##### 17.4.2 Oil and Derivatives Price Risk

The Company is exposed to the risk of fluctuations in international oil prices. This commodity is affected by macroeconomic and geopolitical factors beyond the Company's control.

##### 17.4.3 Currency Risk

The Company is exposed to currency risk in foreign operations due to differences in the currencies involved in loans, borrowings, and intercompany agreements, primarily in USD – U.S. dollars. Foreign exchange rate risk refers to changes in foreign exchange rates that could cause the Company to incur unexpected losses, resulting in a reduction of assets or an increase in liabilities. As of March 31, 2024, the Company had the following net exposure to foreign exchange differences in assets and liabilities from transactions denominated in foreign currency (USD):

Individual	03/31/2025
Intercompany receivables	19,740
Intercompany payables	(2,952)
Net foreign exchange exposure	16,788

#### Sensitivity analysis

Based on the financial instruments denominated in U.S. dollars as of March 31, 2024, the Company performed a sensitivity analysis for a potential appreciation (depreciation) of the exchange rate (R\$/USD) by 25% and 50%. The balances considering the exchange rate variations are presented in the table below.

	12/31/2024	US\$ rise		US\$ fall	
		25%	50%	-25%	-50%
Exchange rate fluctuation (US\$)	16,788	20,985	25,182	12,591	8,394

## **Paraná Xisto S.A.**

Notes to the individual and consolidated financial statements

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*(In thousands of reais)*

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### **18 Events after the reporting period**

Subsequent to the Period ended March 31, 2025, the company has entered into a business combination agreement and intends to go public through a combination with Papaya Growth Opportunity Corp. I (Nasdaq: PPYA, "PPYA"). The business combination values PX at an enterprise value of US \$341m and upon completion of the transaction, which is expected to close in late-2025, the combined company will retain its name "PX Energy" and its ordinary shares will be listed on the U.S. stock exchange.