

Financial Statements

Porto Sudeste V.M. S.A.

December 31, 2024
with the Independent Auditor's Report

Porto Sudeste V.M. S.A.

Financial statements

December 31, 2024

Contents

Independent auditor report on financial statements.....	1
Audited financial statements	
Statements of financial position.....	3
Income statement	4
Statement of comprehensive income	5
Statement of changes in equity	6
Statement of cash flow.....	7
Statement of value added	8
Notes to financial statements	9

Management Report

1. Message from Management

The management of Porto Sudeste V.M. S.A. (the “Company”), in compliance with the legal requirements and in accordance with the prevailing corporate legislation, hereby submits to your appreciation the Financial Information accompanied by the respective explanatory notes and the independent auditor’s report for the quarter ended December 31, 2024. Should you need any further clarifications, please do not hesitate to contact us.

2. Relationship with independent auditors

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

In engaging services not related to independent audit, the Company adopts procedures that are based on the applicable law and on internationally accepted principles that preserve the auditor’s independence and objectivity. These principles are the following: (i) the auditor must not audit his/her own work, and (ii) the auditor must not act, in a managerial manner, before its client, nor should it promote the interests of that client.

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-income securities

Variable-income securities

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 provided, among others, that the Company would assume, directly or indirectly, obligations related to variable remuneration 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 26th, 2014, Variable Remuneration Perpetual Securities (“VRPS”), in terms similar 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) Porto Sudeste Royalties FIP-IE (“PSR”): An infrastructure equity fund, which, at the time of the offer, held in its portfolio, exclusively, Port11 Security - each Port11 Securities held by the PSR corresponded to a share. The PSR shares were offered to holders of MMXM11 Securities considered as qualified investors, under the terms of the regulation of the Brazilian Securities and Exchange Commission (“CVM”), and who had no restrictions to hold PSR shares.

(ii) Porto Sudeste V.M. S.A.: A corporation registered with CVM under category ‘b’ that has issued a new royalty whose source is based on royalties, mirror of MMXM11 Security (“PSVM11 Securities”), such security being listed for trading on B3 (unlike the Port11 Securities, which are not admitted for trading on the stock exchange). Under the aforementioned Exchange Offer, PSVM11 Securities were offered to holders of MMXM11 Securities who (i) were not considered qualified investors, or (ii) had regulatory restrictions to hold FIP-IE shares – as is the case of some investment funds.

As a way of addressing the situation of MMXM11 holders who eventually did not join to the Exchange Offer, MMX continued to hold Port11 Securities in the same quantity of unexchanged MMXM11 Securities.

Upon completion of the Exchange Offer, Porto Sudeste has the obligation to pay for 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 Port 11 Securities is available on the Porto Sudeste website.

Royalties Calculation

$$R = [(TMMF \times VpTMF) + (TMOC \times VpTDC)] * FP$$

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 Cargoes 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 US\$ 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 US\$ 5.00 per shipped ton. The adjusted limit value of US\$ 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)	2013	2014	2015	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.

In the fourth quarter of 2024, Porto Sudeste shipped 5,246 thousand tons of iron ore (TMMF), and zero tons of other loads (TMOC), which multiplied by the updated value per ton of US\$ 6,38 (VpTMF and VpTDC) resulted in royalties of US\$ 33,468 thousand in the period, which converted to Reais amounted to R\$ 219,107 thousand. The accumulated Royalties until this quarter is US\$ 1,474,769 thousand, which converted to Reais amounted to R\$6,464,781 thousand. No amount has been paid until this quarter.

Porto Sudeste VM a wholly owned subsidiary of Porto Sudeste, has US\$ 6,336 thousand in accumulated royalties receivable, which converted to Reais amounted to R\$ 27.799 thousand referring to the amount of Port11 Securities it holds (proportion of 0.43% of the total).

Reconciliation of quantities shipped, and amounts paid as Royalties (accumulated)	Opening balance	Shipped 1 st quarter 2024	Shipped 2 nd quarter 2024	Shipped 3 rd quarter 2024	Shipped 4 th quarter 2024	Balance YTD	Take-or-pay/ Shipping Accumulated
	235,667,16						
Volume TMMF (M/TONS)	5	5,880,622	5,939,736	4,788,046	5,245,742	21,854,146	257,521,311
Volume TMOG (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	1,37	1,38	1,38	0,72
Price per TON (USD)	5.66	6.38	6.38	6.38	6.38	6.38	5.72
Royalty Porto Sudeste (USD k)	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

	Opening balance	Shipped 1 st quarter 2024	Shipped 2 nd quarter 2024	Shipped 3 rd quarter 2024	Shipped 4 th quarter 2024	Balance YTD	Take-or-pay/ Shipping Accumulated
Porto Sudeste VM							
PSVM11 securities issued by Porto Sudeste V.M. S.A. as a percentage of Port11 securities	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
Royalty Porto VM issued (USD k)	5,742	160	161	130	143	594	6,336
Cash available for payment of Royalties	-	-	-	-	-	-	-
Royalties payable	5,472	160	161	130	143	594	6,336

Payment of Royalties

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 Port 11 Securities ("Cash Available for Royalties").

Royalties will be cumulative, that is, in the event that, in a given 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 established sufficient Cash Available for Royalties to do so.

If, in a certain calendar quarter, upon payment of the current Royalties the free cash held by Porto Sudeste exceeds US\$10 million ("Minimum Cash Reserve"), the issuer must use the amounts that exceed the minimum cash reserve ("Available Cash") to pay the holders of the securities the Royalties 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, unless 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 cash of Porto Sudeste minus the sum of (a) amounts contributed by the shareholders of Porto Sudeste through a capital increase or shareholder loan, to the extent such amounts remain as Porto Sudeste's cash on hand, (b) BNDES' senior debt service reserve account and CESCE's senior debt service reserve account, and (c) the cash amounts provisioned by Porto Sudeste jointly to IRPJ - Corporate Income Tax, CSLL - Social Contribution on Net

Income and other obligations for which the independent auditors of Porto Sudeste require provisioning.

On December 31, 2024, Porto Sudeste carried out the financial calculations to identify the existence of available net cash and concluded that there is no Cash available for the payment of royalties on this date to the issuers of Port11.

Cash available for payment of Royalties (in thousands of reais)	1st quarter 2024	2nd quarter 2024	3rd quarter 2024	4nd quarter 2024
Receiving	402,180	333,367	282,363	267,811
Expenses	(222,839)	(213,893)	(180,517)	(169,645)
Payment of Debt Service	(118,131)	(91,592)	(95,571)	(90,271)
Establishment of Debt Reserve Account (*)	(61,210)	(27,882)	(6,275)	(7,895)
Cash Available for Payment of Royalties	-	-	-	-

(*) Amount constituted as collateral for senior creditors and blocked for movement. By the end of this quarter, they totaled R\$103,262. These amounts are invested in first-tier financial institutions and are substantially remunerated between 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 guarantee account for the purchase of energy and PIS/COFINS deposited in court. In this quarter, there was no cash balance available for royalties' payments.

Port11 Accounting

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 V.M., 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 11.71%. 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 thousand which converted into Brazilian reais totaled R\$22,501,889 thousand (US\$3.678.868 thousand, which converted into Brazilian reais totaled R\$17.810.506 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 at 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.

Itaguaí, March 13, 2025.
Management.



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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 financial statements

To the Shareholders, Board of Directors of
Porto Sudeste V.M. S.A.
Itaguaí - RJ

Opinion

We have audited the financial statements of Porto Sudeste V.M S.A. (“Company”), which comprise the statement of financial position as at December 31, 2024, income statement, statements of comprehensive income, of changes in equity and 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 financial position of Porto Sudeste V.M S.A. as at December 31, 2024, and its financial performance and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) (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 Responsibilities for the audit of the financial statements” section of our report. We are independent of the Company and comply with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by 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 audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor’s opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the is provided in that context.



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We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the financial statements” section of our report, including in relation to the matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Measurement of variable income securities

As disclosed in Note 1 and 5, the Company recorded its obligation to pay the holders of the variable income securities and the respective amount receivable from its parent company Porto Sudeste do Brasil S.A., which amount to R\$795,842 thousand in December 31, 2024.

The measurement of these variable income securities was deemed an area of focus on audit due to its significance in the context of the financial statements, as well as the complexity inherent in the measurement process, which is based on the Company’s business model and, therefore, involves critical assumptions with high degree of judgment, such as, the projections of volumes to be shipped, estimated future operating costs, future prices of commodities and determination of discount rate, among others operational assumptions.

How we addressed this matter

Our audit procedures included among others: (i) engagement and support from our specialists in financial modelling, to evaluate the financial model and calculation applied on the financial model; (ii) independent evaluation and comparative calculation of the discount rate used in the model performed by specialists in financial models; (iii) analysis between historically budgeted results and their realization up to the most recent date in order to assess Management’s ability to achieve results consistent with its projections; (iv) analysis of growth projections and market demand related to forecasted cargoes, such as iron ore, coal coke and similar cargoes; (v) comparative evaluation of performance with similar companies; (vi) sensitivity analysis on ore volume projections and other projected loads; (vii) assessment of projected revenue, considering market trends related to commodity prices.

Based on the result of the audit procedures performed with the support of our specialists in financial models, which is consistent with the Management’s assessment, we consider that the measurement policies of these variable remuneration securities and their respective disclosures in the financial statements, are acceptable, in the context of the financial statements as a whole.

Other matters

Statements of value added

The Statements of Value Added (SVA) for the year ended December 31, 2024, prepared under the responsibility of Company Management and presented as supplementary information for IFRS purposes, were submitted to the same audit procedures performed in accordance with the audit of the Company’s financial statements. For the purposes of forming our opinion, we evaluated whether these



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statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria provided for in Accounting Pronouncement NBC TG 09 - Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria provided for in Accounting Pronouncement and are consistent with the overall financial statements.

Other information accompanying the financial statements and the auditor report

Other information consists of the information included in the Management Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

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 the 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 with 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 material misstatement in the Management Report, we are required to report this fact. We have nothing to report in this respect.

Responsibilities of Management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 from material misstatement, whether due to fraud or error.

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

Management is responsible for overseeing the Company's financial reporting process.



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Auditor responsibilities for the audit of financial statements

Our objectives are to obtain reasonable assurance about whether the 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 material misstatements 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 conducted 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 risks of material misstatements of the 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or 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 internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board.
- Concluded on the appropriateness of executive's board 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 substantial doubt as to the Companies' 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 financial statements or, if such disclosures are inadequate, to modify our opinion on the statement of 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 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 financial statements represented 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



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

Rio de Janeiro, March 13, 2025.

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

A handwritten signature in blue ink, appearing to read 'F. Magalhães', is written over the printed name and CRC number.

Fernando Alberto S. Magalhães
Accountant CRC 1SP 133169/O

Porto Sudeste V.M. S.A.

Statements of financial position
December 31, 2024 and 2023
(In Brazilian Reais)

	Note	12/31/2024	12/31/2023
Assets			
Current assets			
Cash and cash equivalents	4	107,506	213,649
Recoverable taxes		1,237	4,874
Total current assets		108,743	218,523
Non-current assets			
Long-term assets			
Variable remuneration securities – Port 11	5	95,841,757	78,859,866
Total non-current assets		95,841,757	75,859,866
Total assets		95,950,500	76,078,389
Liabilities			
Current liabilities			
Accounts payable	6	12,828	23,341
Taxes and contributions payable		369	597
Total current liabilities		13,197	23,938
Non-current liabilities			
Variable remuneration securities – PSVM 11	5	95,841,757	75,859,866
Total non-current liabilities		97,841,757	75,859,866
Shareholders' equity	7		
Capital		3,126,040	2,976,040
Future capital contribution		200,000	150,000
Accumulated losses		(3,273,704)	(2,946,355)
Cumulative translation adjustments (CTA)		43,210	14,900
Total equity		95,546	194,585
Total liabilities and shareholders' equity		95,950,500	76,078,389

See accompanying notes.

Porto Sudeste V.M. S.A.

Income statement
Years ended December 31, 2024 and 2023
(In Brazilian Reais)

	Note	12/31/2024	12/31/2023
General and administrative expenses	8.1	(214,788)	(318,448)
Other operating income (expenses)	8.2	-	126,383
Loss before financial income and expenses		(214,788)	(192,065)
Financial income (expenses)	8.3		
Financial income		13,982	56,054
Financial expenses		(126,543)	(106,595)
Financial result		(112,561)	(50,541)
Income (loss) before taxes		(327,349)	(242,606)
Income and social contribution taxes		-	-
Loss for the year		(327,349)	(242,606)
Loss per share		(0.05)	(0.07)

See accompanying notes.

Porto Sudeste V.M. S.A.

Statement of comprehensive income
Years ended December 31, 2024 and 2023
(In Brazilian Reais)

	<u>12/31/2024</u>	<u>12/31/2023</u>
Loss for the year	(327,349)	(242,606)
Other comprehensive income (loss):		
Cumulative translation adjustments (CTA)	<u>28,310</u>	<u>(21,189)</u>
Total comprehensive income	<u>(299,039)</u>	<u>(263,795)</u>

See accompanying notes.

Porto Sudeste V.M. S.A.

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

	Capital	Advance for future capital increases	Accumulated translation adjustment	Accumulated losses	Total
Balances at December 31, 2022	2,276,040	700,000	36,089	(2,703,749)	308,380
Capital increase	700,000	(700,000)	-	-	-
Advance for future capital increase	-	150,000	-	-	150,000
Loss for the year	-	-	-	(242,606)	(242,606)
Translation adjustments	-	-	(21,189)	-	(21,189)
Balances at December 31, 2023	2,976,040	150,000	14,900	(2,946,355)	194,585
Capital increase	150,000	(150,000)	-	-	-
Advance for future capital increase	-	200,000	-	-	200,000
Loss for the year	-	-	-	(327,349)	(327,349)
Translation adjustments	-	-	(28,310)	-	(28,310)
Balances at December 31, 2024	3,126,040	200,000	43,210	(3,273,704)	95,546

See accompanying notes.

Porto Sudeste V.M. S.A.

Statement of cash flow
(Years ended December 31, 2024 and 2023
(In Brazilian Reais)

	<u>12/31/2024</u>	<u>12/31/2023</u>
Cash flows from operating activities		
Loss for the period before taxes	(327,349)	(242,606)
Contingencies	-	(14,354)
Foreign exchange variations	28,310	(21,189)
Changes in assets and liabilities		
Recoverable taxes	3,637	(506)
Trade account payable	(10,513)	(26,245)
Taxes and contributions payable	(228)	(217)
Net cash used in operating activities	(306,143)	(305,117)
Cash flow from financing activities		
Advances for future capital increases	200,000	150,000
Net cash generated by financing activities	200,000	150,000
Increase (reduction) in cash and cash equivalents	(106,143)	(155,117)
Statement of increase in cash and cash equivalents		
At beginning of the year	213,649	368,766
At end of the year	107,506	213,649
Increase (reduction) in cash and cash equivalents	(106,143)	(155,117)

See accompanying notes.

Porto Sudeste V.M. S.A.

Statement of added value
Years ended December 31, 2024 and 2023
(In Brazilian Reais)

	<u>12/31/2024</u>	<u>12/31/2023</u>
Revenues		
Revenues	-	-
Inputs acquired from third parties (including ICMS and IPI)		
Materials, energy, third-party services and other expenses	(214,788)	(318,448)
Other operational income (expenses)	-	126,383
Gross added value	(214,788)	(192,065)
Added value received in transfer		
Financial income	6,636	19,808
Foreign exchange	7,346	36,246
Total added value to be distributed	(200,806)	(136,011)
Distribution of added value		
Financial expense	90,886	91,539
Foreign exchange	35,657	15,056
Equity remuneration		
Loss for the year	(327,349)	(242,606)
	(200,806)	(136,011)

See accompanying notes.

Porto Sudeste V.M. S.A.

Notes to financial statements
December 31, 2024 and 2023
(In Brazilian Reais)

1. Operations

Porto Sudeste V.M S.A. (“Company”) was created on July 16th, 2013, with the corporate purpose of participating in the capital of other companies, nationally or abroad, as partner, shareholder or quota holder, on a permanent or temporary basis, as a parent company or non-controlling interest. The Company is located on Rua Félix Lopes Coelho, 222, Ilha da Madeira, Itaguaí, Rio de Janeiro.

Since February 13th, 2014, the Company has been a wholly owned subsidiary of Porto Sudeste (“Porto Sudeste”), a privately held company responsible for the port terminal named “Porto Sudeste”, dedicated to handling iron ore. Installed on Ilha da Madeira in Itaguaí (Rio de Janeiro state), the terminal is strategically located and represents the shortest distance between iron ore producers in Minas Gerais state and the sea (“Porto Sudeste”). The project began to be built in July 2010 and began operations on a commissioning basis in August 2015 and commercially in January 2016.

At December 31th, 2024, the Company incurred a loss for the period of R\$327,349 and has accumulated losses of R\$3,273,704. The Company ended the second quarter of 2024 with a cash position of R\$107,506.

The parent Company Porto Sudeste started its operations in January 2016 and, since then, the annual volume and margin have been increasing, which has led to improve operational and financial performance. In 2021, Porto Sudeste renegotiated the terms of existing loans, allowing for the extension of maturities and the reduction of mandatory short-term commitments. The parent Company Porto Sudeste has a positive operating cash flow, which, after covering maintenance investments and interest and principal payments, is directed to the constitution of the balance of reserve accounts, according to the cash sweep clause of the loan agreements. Porto Sudeste has been working to increase its capacity utilization, by increasing the volume of iron ore and diversifying into other cargoes, such as the unloading of ships (e.g., coal and coke) and the oil transshipment operation.

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 9 oil operation. Just like 2023, 2024 was a great year for the Company, reflecting all the efforts that the Company has been making in recent years. When compared to 2023, the performance in 2024 worsened, mainly influenced by the fall in iron ore prices throughout the year.

The economic-financial results and the capacity of the Parent Company Porto Sudeste to honor its financial obligations depend mainly on the variable remuneration linked to the Port11 Bonds and/or capital contributions, both arising from and dependent on the performance of Porto Sudeste.

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2024 and 2023
(In Brazilian Reais)

1. Operations--Continued

The financial obligations are mainly related to the payment of the PSVM11 Securities, which in turn are linked to the receipt of royalties from the Port11 Securities. That is, if there is no such receipt in a certain period, there is also no payment obligation.

Porto Sudeste's former parent company, MMX Mineração e Metálicos S.A. (MMX) held a variable-income security in the market based on ore handling at Porto Sudeste, known as MMXM11. After selling the control over Porto Sudeste to the companies, Trafigura Pte. Ltd. ("Trafigura") and Mubadala Development Company PJSC ("Mubadala"), through its subsidiaries, they agreed that the debt relating to MMXM11 securities would be assumed by Porto Sudeste.

The investment agreement that regulated the acquisition of control of Porto Sudeste by Trafigura and Mubadala contained an obligation of MMX to enter into a barter agreement with all holders of MMXM11 Securities, whereby MMX would acquire MMXM11 Securities and would transfer Port11 Securities or other amounts backed by Port11 Securities in exchange. The Company assumed the portion of outstanding MMXM11 Securities (i) that did not classify as qualifying investors, or (ii) would have had regulatory restrictions impeding the infrastructure investment fund shares (FIP-IE), as is the case with some investment funds.

At the Special General Meeting held on December 31, 2014, shareholders approved the Company's issue of Royalty-Based Variable-Income Securities or "PSVM11" which were fully subscribed by MMX. The realization of that transaction was dependent on the conclusion of the secondary public offering of royalty-based floating rate securities to be performed by MMX.

On March 3, 2015, the secondary public offering was closed with 12,539,802 royalty securities having been distributed, which were all acquired by MMX through the delivery of an equal number of royalty-based floating rate securities issued by Porto Sudeste (Port11).

The holders of the securities mentioned above are entitled, as from January 1, 2013, to quarterly variable compensation, calculated based on the metric tonnage of iron ore and other cargo shipped from Porto Sudeste, amounting to US\$5 (five US Dollars) per ton shipped, restated by reference to the Producer Price Index (PPI), on the understanding that in any quarter, the payments shall be limited to the Company's available cash and other conditions provided in the agreement - all in accordance with the terms set out in the issue deed of those securities available on the Company's website and filed with the Brazilian SEC (CVM).

The measurements of the floating rate securities and accounting impacts are described in Note 5.

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2024 and 2023
(In Brazilian Reais)

2. Basis of preparation and presentation of financial statements

a) Financial statements

The financial statements were prepared based on several valuation bases used in accounting estimates. The accounting estimates involved in the preparation of the financial statements were supported by objective and subjective factors, based on management's judgment to determine the appropriate amount to be recorded in the financial statements.

Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the probabilistic treatment inherent to the estimation process. The Company reviews its estimates at least annually.

The Company's financial statements were prepared 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 by means of the Comitê de Pronunciamentos Contábeis ("CPC"), and its accounting interpretations ("ICPC") and guidance ("OCPC"), approved by the Brazilian Securities and Exchange Commission ("CVM").

In addition, the Company considered the guidance provided for in Accounting Guidance OCPC 07(R1), issued by the Brazilian FASB ("CPC") in November 2023, in preparing its financial statements. Accordingly, significant information of the financial statements themselves is being disclosed and corresponds to that used by Management over its administration.

The Company Management authorized the conclusion and disclosure of these financial statements on March 13, 2025.

b) Basis of preparation and measurement

The financial statements were prepared based on historical cost, except for certain financial instruments measured at fair value.

c) Functional and reporting currencies

On January 1, 2016, as the parent company Porto Sudeste began to earn revenue substantially denominated in US Dollars, its functional currency was changed from Brazilian reais to US Dollars. Accordingly, Porto Sudeste V.M. S.A. in line with the change in the functional currency of the controlling shareholder, also changed its functional currency to the US Dollar on January 1, 2016. Therefore, pursuant to Brazilian legislation and Accounting Pronouncement CPC 02 (R2) - Effects of changes in exchange rates and translation of financial statements, these financial statements are presented in Brazilian reais (R\$),

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2024 and 2023
(In Brazilian Reais)

2. Basis of preparation and presentation of financial statements--Continued

c) Functional and reporting currencies--Continued

converting the functional currency 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 exchange rate on the date of the event; and equity at historical buildup cost.

d) Statement of cash flow

The statements of cash flow were prepared under the indirect method and are presented in accordance with CPC 03 (R2) - Cash Flow Statement.

e) Accounting estimates

The interim financial information was prepared considering different measurement bases used in accounting estimates. The accounting estimates involved in the preparation of the financial statements were based on both objective and subjective factors, and in line with management's judgment to determining the appropriate amount to be recorded in the interim financial information. Significant items subject to these estimates and assumptions include the measurement of variable remuneration securities, as well as the analysis of other risks to determine other provisions, including for contingencies.

The settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the interim financial information due to the uncertainties inherent in the estimation process. The Company reviews its estimates at least annually.

3. Summary of significant accounting practices and estimates

Upon preparing these financial statements, the accounting practices described below have been applied consistently by the Company to all financial statements for the years presented herein.

3.1. Financial instruments

a) Financial assets

i) Classification and measurement

Financial instruments are classified into three categories: measured at amortized cost; fair value through other comprehensive income and fair value through income. The classification of financial assets at initial recognition depends on the resources of the cash flow and the business model for managing financial assets. The Company presents its

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2024 and 2023
(In Brazilian Reais)

3. Summary of significant accounting practices and estimates--Continued

3.1. Financial instruments--Continued

b) Financial assets--Continued

i) Classification and measurement--Continued

financial instruments as follows:

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss when is held for trading and designated as such upon initial recognition or financial assets that is mandatory to be measured at fair value.

Financial assets with cash flows other than payments of principal and interest are classified and measured at fair value through profit or loss. Net changes in fair value are recognized in profit or loss.

Amortized cost

A financial asset is classified and measured at amortized cost, when it has the purpose of receiving contractual cash flows and generating cash flows that are “exclusively payments of principal and interest” on the principal amount outstanding. This assessment is performed at the instrument level.

Assets measured at amortized cost use the effective interest method, less any impairment losses. Interest income is recognized by applying the effective interest rate, except for short-term credits when the recognition of interest would be immaterial.

ii) Impairment of financial assets (impairment)

The expected loss model is applied to financial assets measured at amortized cost or fair value through other comprehensive income, with the exception of investments in equity instruments. The Company has not identified any impairment losses to be recognized in the year.

iii) Write-off of financial assets

The write-off (derecognition) of a financial asset occurs when the contractual rights to the asset's cash flows expire, or when the rights to receive the contractual cash flows on a

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2024 and 2023
(In Brazilian Reais)

3. Summary of significant accounting practices and estimates--Continued

3.1. Financial instruments--Continued

c) Financial assets--Continued

iii) Write-off of financial assets--Continued

financial asset in a transaction are substantially transferred to a third party, all risks and benefits of ownership of the financial asset are transferred. Any participation that is created or retained by the Company in such transferred financial assets is recognized as a separate asset or liability.

d) Financial liabilities

Financial liabilities are classified as at fair value through profit or loss when they are held for trading or designated at fair value through profit or loss. Other financial liabilities (including loans) are measured at amortized cost using the effective interest method.

3.2. Cash and cash equivalents

Cash equivalents are held for the purpose of 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. 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.

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

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2024 and 2023
(In Brazilian Reais)

3. Summary of significant accounting practices and estimates--Continued

3.3. Provisions (including contingencies)--Continued

or court decisions.

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

3.4. Marketable securities

An asset is recognized in the balance sheet when it is probable that its future economic benefits will be generated in favor of the Company and its cost or value can be reliably measured.

A liability is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle it. Provisions are recorded based on the best estimates of the risk involved.

Long-term assets and liabilities, when the effect is considered material in relation to the financial statements taken as a whole, are adjusted to their fair value.

3.5 Income tax and social contribution

Provisions for income tax and social contribution are recorded based on the accounting profit, conditioned by the additions and exclusions provided for in the tax legislation. Deferred income tax and social contribution are calculated on the amount of temporary differences, tax loss and accumulated negative basis, and are always exceeded when the realization of these amounts is deemed probable. For income tax the useful rate is 15%, plus an additional 10% on annual taxable income in excess of R \$ 240,000 and 9% for social contribution.

3.6 New and amended standards and interpretations applicable on 01 January 2024

The Company has applied certain standards and amendments for the first time, which are effective for annual periods beginning on or after January 1, 2024 (except where otherwise indicated). The Company has decided not to early adopt any other standard, interpretation or amendment that has been issued but is not yet in force.

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2024 and 2023
(In Brazilian Reais)

3.6 New and amended standards and interpretations applicable on 01 January 2024-- Continued

i) Supplier financing arrangements – Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 (equivalent to CPC 03 (R2) - Statement of Cash Flows) and IFRS 7 (equivalent to CPC 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.

4. Cash and cash equivalents

	<u>12/31/2024</u>	<u>12/31/2023</u>
Cash and banks	107,506	206,653
Cash equivalents	-	6,996
	<u>107,506</u>	<u>213,649</u>

The Company invests in Bank Deposit Certificates (“CDB”) directly from a top financial institution with which it maintains a relationship and carries out investments, linked to post-fixed rates, with average return linked to the DI (“CDI”), with no grace period and with immediate liquidity. There is also a portion of the cash in automatic applications of current accounts being remunerated at 10% of the CDI.

5. Variable remuneration securities

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 provided, among others, that the Company would assume, directly or indirectly, obligations related to variable remuneration 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 26th, 2014, Variable Remuneration Perpetual Securities (“VRPS”), in terms similar 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:

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2024 and 2023
(In Brazilian Reais)

5. Variable remuneration securities--Continued

- (i) Porto Sudeste Royalties FIP-IE (“PSR”): An infrastructure equity fund, which, at the time of the offer, held in its portfolio, exclusively, Port11 Security - each Port11 Securities held by the PSR corresponded to a share. The PSR shares were offered to holders of MMXM11 Securities considered as qualified investors, under the terms of the regulation of the Brazilian Securities and Exchange Commission (“CVM”), and who had no restrictions to hold PSR shares.
- (ii) Porto Sudeste V.M. S.A.: A corporation registered with CVM under category ‘b’ that has issued a new royalty whose source is based on royalties, mirror of MMXM11 Security (“PSVM11 Securities”), such security being listed for trading on B3 (unlike the Port11 Securities, which are not admitted for trading on the stock exchange). Under the aforementioned Exchange Offer, PSVM11 Securities were offered to holders of MMXM11 Securities who (i) were not considered qualified investors, or (ii) had regulatory restrictions to hold FIP-IE shares – as is the case of 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.

Holders of Port11 Securities are entitled to variable quarterly remuneration, as defined in the indenture of the Port11 Securities (“Royalties”), calculated since January 1st, 2013, calculated based on the metric tonnage of iron ore or the value per ton for other loads, as the case may be, as follows:

$$R = [(TMMF \times VpTMF) + (TMOOC \times VpTDC)] * FP$$

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

TMOOC = Ton of Other Cargoes 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: Royalties related to iron ore loads shipped at the Port in a given quarter will be calculated considering the amount of USD 5.00 per ton of iron ore (“value per ton of iron ore”). This amount will be: (i) annually adjusted in accordance with the variation of the US PPI calculated since September 2010; and (ii) converted into Brazilian Reais, based on the exchange rate closed at the end of the business day immediately preceding the date of its effective payment.

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2024 and 2023
(In Brazilian Reais)

5. Variable remuneration securities--Continued

For other loads: Royalties related to other loads other than iron ore (excluding non-dry cargoes, such as supply activities) handled at the Port Terminal ("value per ton for other loads") will be calculated based on the margin of the charge. The "Load Margin" (a) means the difference between the average cost per ton (excluding all non-cash items) incurred in relation to services provided by Porto Sudeste related to the applicable load and the average value per ton actually charged by Porto Sudeste for services rendered in connection with such cargo; and (b) must be limited, under any circumstances, to US\$5.00 per ton shipped. The adjusted limit value of US\$5.00 per ton for the load margin must be (i) adjusted annually in accordance with the variation of the US PPI calculated since September 2010; and (ii) converted into Brazilian Reais based on the exchange rate closed at the end of the business day immediately preceding the date of its effective payment.

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 chart 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 chart 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 given calendar quarter, upon payment of the then current Royalties, the free cash held by Porto Sudeste exceeds US\$10 million ("Minimum Cash Reserve"), the issuer must use the amounts that exceed the Reserve Minimum Cash ("Available Free Cash") to pay the security holders the Royalties actually accumulated and not paid up to the last day of such calendar quarter ("Accumulated Royalties").

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2024 and 2023
(In Brazilian Reais)

5. Variable remuneration securities--Continued

There is no obligation of 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 cash available. "Free Cash" means the amount corresponding to the amounts available in cash of Porto Sudeste less the sum of: (a) amounts contributed by the shareholders of Porto Sudeste through capital increase or shareholder's loans, to the extent that such amounts remain as available cash of Porto Sudeste, (b) BNDES' senior debt service reserve account and CESCE's senior debt service reserve account, and (c) the cash amounts provisioned by Porto Sudeste jointly for Corporate Income Tax, Social Contribution on Net Income and other obligations for which the independent auditors of Porto Sudeste require a provision.

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 accounts Port11 Securities in Liabilities, based on the Present Value of the Projected Cash Flow of the payment of royalties. In other words, the amount presented in the Balance Sheet is different from the amount of royalties accumulated up to this quarter. Porto Sudeste V.M., in turn, 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. 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.

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\$3,633,849,865 thousand which converted into Brazilian reais totaled R\$22,501,888,519 thousand (compared to US\$3,678,868,611 thousand, which converted into Brazilian reais totaled R\$17,810,506,607 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\$15,477,569, which converted into reais totaled R\$95,841,757 (US\$15,669,317, which converted into Brazilian reais totaled R\$75,859,865 as of December 31, 2023).

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2024 and 2023
(In Brazilian Reais)

5. Variable remuneration securities--Continued

During the 2024 fiscal year, Porto Sudeste evaluated whether there were any indicators that any asset could be above the recoverable amount and, after carrying out an impairment test, it did not identify the need to recognize any provision for impairment of its assets. and the same applies, consequently, to the variable remuneration securities receivable recognized in Porto Sudeste VM S.A. ("Company").

The discounted cash flow methodology used by Porto Sudeste is based on concepts that consider financial resources that will be generated in the future by the cash generating unit ("UGC"), discounted to present value, to reflect the time, cost of opportunity and associated risks. The weighted average capital cost discount rate used in the Company's financial models was 6.74%. 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 new cargo and assumptions about the growth of the Port's market share. Porto Sudeste understands that this growth will be achieved based on the closing of long-term contracts related to the export of iron ore, the operation of new cargo, among others.

6. Accounts payable

	<u>12/31/2024</u>	<u>12/31/2023</u>
Publishing/disclosure expenses	-	10,900
Audit fees	12,828	12,441
	<u>12,828</u>	<u>23,341</u>

7. Equity

a) Capital

On April 30, 2024, the amount of R\$150,000 received as an advance for future capital increase was paid in with the issue of shares of 3,000,000 common shares, with a unit issue price of R\$0,05. After the referred capital increase, the Company will have the subscribed capital of R\$3,126,040, divided into 6,602,020 shares wholly owned by Porto Sudeste.

On October 30, 2023, the amount of R\$700,000 received as an advance for future capital increase was paid in with the issue of shares of 3,469,944,113,898 common shares, with a unit issue price of R\$0,00000020. After the referred capital increase, the Company will have the subscribed capital of R\$2,976,040, divided into 3,602,020,100,999 shares wholly owned by Porto Sudeste.

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2024 and 2023
(In Brazilian Reais)

7. Equity--Continued

b) Loss per share

The Company approved in an Extraordinary General Meeting, on November 16, 2023, the reverse split of the Company's common shares, at the rate of 1,000,000 common shares for 01 common share, without any alteration in the Company's capital value. Thus, the number of shares changed from 3,602,020,100,999 (three trillion, six hundred and two billion, twenty million, one hundred thousand, nine hundred and ninety-nine) to 3,602,020 (three million, six hundred and two thousand and twenty), new common shares.

The reverse split only changes the number of shares issued by the Company, in accordance with the provisions of article 12 of Law No. 6,404/76, does not result in the modification of the total value of the share capital or the rights conferred by the shares issued by the Company to its holders. The grouping will be effected in such a way as not to alter the proportional participation of the shareholders in the Company's capital and will not affect the rights and advantages, whether patrimonial or political, of the Company's issued shares.

The calculation of basic earnings per share for the year ended December 31, 2024 and 2023 was carried out using as a base the weighted average of the ordinary shares in circulation after the effect of the reverse split of shares, as presented below:

	<u>12/31/2024</u>	<u>12/31/2023</u>
Number of ordinary shares at the beginning of the year	3,602,020	132,076
Number of ordinary shares at the end of the year	6,602,020	3,602,020
Loss for the year	(327,349)	(242,606)
Weighted average number of shares during the year	2,450,673	688,837
Loss per share – in reais	(0.1336)	(0.3524)

c) Advances for future capital increase

In August 2024, the Company received from its parent company Porto Sudeste as an advance for future capital the amount of R\$ 200,000. The expectation of integralization of the amount received via advance for future capital increase, will be within 12 months after the payment.

d) Accumulated translation adjustments

The Company has R\$ 43,210 related to accumulated translation adjustments as of December 31, 2024, related to the conversion of the functional currency (US dollar) to the Company's presentation currency (Brazilian real), in compliance with technical pronouncement "CPC 02".

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2024 and 2023
(In Brazilian Reais)

8. Expenses by nature

8.1. Administrative expenses by nature:

	<u>12/31/2024</u>	<u>12/31/2023</u>
Third-party services	(145,611)	(192,762)
Audit fees	(52,093)	(49,763)
"CVM" expenses	(15,716)	(75,883)
Taxes and fees	(1,368)	(40)
	<u>(214,788)</u>	<u>(318,448)</u>

8.2. Other operating income (expenses) by nature:

	<u>12/31/2024</u>	<u>12/31/2023</u>
Provision (reversion) contingencies	-	14,354
Reparations (a)	-	112,029
	<u>-</u>	<u>126,383</u>

(a) In 2023, the Company received R\$112,029 from its insurance company as compensation relating to the success in administrative proceeding.

8.3. Financial income (expenses)

	<u>12/31/2024</u>	<u>12/31/2023</u>
Financial expenses		
Banks fees	(90,626)	(91,441)
Foreign exchange	(35,657)	(15,056)
Taxes on financial income	(260)	(98)
	<u>(126,543)</u>	<u>(106,595)</u>
Financial income		
Income on financial investments	6,190	18,396
Foreign Exchange	7,346	36,246
Other financial income	446	1,412
	<u>13,982</u>	<u>56,054</u>
Net financial income	<u>(112,561)</u>	<u>(50,541)</u>

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2024 and 2023
(In Brazilian Reais)

9. Provision for contingencies

The Company is a defendant in one labor claim filed by former employer of companies that acted in the construction of the port terminal Porto Sudeste, a project of its parent company, Porto Sudeste. The Company has never contracted with such companies or their employees, nor has it participated in the construction or operation of the Porto Sudeste Terminal, however it was included as a defendant in such actions by choice of claimants, potentially due to the similarity between the corporate names of the two companies.

The recognition of the Company's passive illegitimacy, with its consequent exclusion from the defendant, depends on judicial authorization, which may or may not be granted by the court. In the case of the actions mentioned herein, the exclusion of the Company from the defendant's side, however, was not authorized, however, according to legal advisors, the cause of loss is remote.

Board of Directors

Oscar Pekka Fahlgren – Chairman
William Kenneth Loughnan- Vice
Chairman
Kelly Michele Thomson – Board
Member
Filip Chrostek - Board Member

Executive Board

Jayme Nicolato - Chief Executive Officer
Guilherme Caiado - Chief Operations
Officer
Thiago Roldao - Chief Financial and
Investor Relations Officer

Flavio Ary de Oliveira Silveira
CRC MG / 095168/O-9