

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) A PERSON WHO IS BOTH A “QUALIFIED INSTITUTIONAL BUYER” (“QIB”) (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”)) AND A “QUALIFIED PURCHASER” (“QUALIFIED PURCHASER”) (AS DEFINED IN SECTION 2(A)(51) OF THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED, AND THE RULES THEREUNDER), IN EACH CASE PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB WHO IS ALSO A QUALIFIED PURCHASER AS TO WHICH THE PURCHASER EXERCISES SOLE INVESTMENT DISCRETION, IN RELIANCE ON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144A, OR (2) A NON-U.S. PERSON AS DEFINED IN REGULATION S (“REGULATION S”) UNDER THE SECURITIES ACT PURCHASING OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION THAT MEETS THE REQUIREMENTS OF REGULATION S.

IMPORTANT: You must read the following before continuing. The following applies to the offering memorandum following this page, and you are advised to read this carefully before reading, accessing or making any other use of the offering memorandum. In accessing the offering memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE LAWS OF OTHER JURISDICTIONS. THE ISSUER HAS NOT AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED, IN RELIANCE ON THE EXCEPTION EXEMPTION PROVIDED BY SECTION 3(C)(7) THEREOF. THE OFFERING MEMORANDUM AND THE OFFER OF THE NOTES ARE ONLY ADDRESSED TO AND DIRECTED AT PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE “QUALIFIED INVESTORS” WITHIN THE MEANING OF ARTICLE 2(E) OF THE PROSPECTUS REGULATION (REGULATION (EU) 2017/1129) AND RELATED IMPLEMENTATION MEASURES IN MEMBER STATES (“QUALIFIED INVESTORS”). IN ADDITION, IN THE UNITED KINGDOM, THE OFFERING MEMORANDUM IS ONLY BEING DISTRIBUTED TO QUALIFIED INVESTORS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLES 19(5) AND 19(2)(A) TO (D) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AND OTHER PERSONS TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER REFERRED TO AS “RELEVANT PERSONS”). ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THE OFFERING MEMORANDUM RELATES IS AVAILABLE ONLY TO (I) IN THE UNITED KINGDOM, RELEVANT PERSONS, AND (II) IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA OTHER THAN THE UNITED KINGDOM, QUALIFIED INVESTORS, AND WILL BE ENGAGED IN ONLY WITH SUCH PERSONS. IN ADDITION, NO PERSON MAY COMMUNICATE OR CAUSE TO BE COMMUNICATED ANY INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY, WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE “FSMA”), RECEIVED BY IT IN CONNECTION WITH THE ISSUE OR SALE OF THE NOTES OTHER THAN IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FSMA DOES NOT APPLY TO US.

THE FOLLOWING OFFERING MEMORANDUM AND ITS CONTENTS ARE CONFIDENTIAL AND MAY NOT BE FORWARDED, DISTRIBUTED OR DISCLOSED TO ANY OTHER PERSON AND MAY NOT BE PUBLISHED OR REPRODUCED (IN WHOLE OR IN PART) IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

The securities described in the offering memorandum are not intended to be sold and should not be sold to retail clients in the European Economic Area (“EEA”), as defined in the rules set out in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”), or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “Insurance Mediation Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II, or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC Text with EEA relevance (as amended, the “Prospectus Regulation”). Prospective investors are referred to the section headed “Plan of Distribution—Selling Restrictions” in the offering memorandum for further information.

Confirmation of your Representation: In order to be eligible to view the offering memorandum or make an investment decision with respect to the securities, investors must be either (i) QIBs that are also “qualified purchasers” (as defined in Section 2(a)(51) of the Investment Company Act) or (ii) non-U.S. persons (within the meaning of Regulation S under the Securities Act). The offering memorandum is being sent at your request and by accepting the e-mail and accessing the offering memorandum you shall be deemed to have represented to us that (i) you and any customers you represent are either (a) QIBs that are also “qualified purchasers” (as defined in Section 2(a)(51) of the Investment Company Act) or (b) non-U.S. persons (within the meaning of Regulation S under the Securities Act); and (ii) you consent to delivery of the offering memorandum by electronic transmission.

You are reminded that this offering memorandum has been delivered to you on the basis that you are a person into whose possession this offering memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this offering memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the initial purchasers or any affiliate of the initial purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the initial purchasers or such affiliate on behalf of the issuer in such jurisdiction.

This offering memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently neither the issuer, the guarantors, the initial purchasers, nor any person who controls them nor any of their directors, officers, employees nor any of their agents nor any affiliate of any such person accept any liability or responsibility whatsoever in respect of any difference between this offering memorandum distributed to you in electronic format and the hard copy version available to you on request from the initial purchasers.



US\$750,000,000

AMBIPAR LUX S.À R.L.

9.875% Green Notes due 2031

Guaranteed By

Ambipar Participações e Empreendimentos S.A.

and

Environmental ESG Participações S.A.

and Ambipar Emergency Response

Ambipar Lux S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg (“Luxembourg”), with registered address at 17, boulevard F.W. Raiffeisen, L-2411 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Registre de Commerce et des Sociétés under number B279448 (the “Issuer”), is offering US\$750,000,000 aggregate principal amount of its 9.875% green notes due 2031 (the “Notes”). Interest on the Notes will accrue at a rate of 9.875% per year and is payable semi-annually on February 6 and August 6 of each year, commencing on August 6, 2024. The Notes will mature on February 6, 2031, unless previously redeemed or repurchased. The Notes will be unsecured unsubordinated obligations of the Issuer, ranking equally in right of payment with all of its existing and future unsecured and unsubordinated obligations. The Notes will be effectively subordinated to the Issuer’s secured indebtedness to the extent of the assets and properties securing such secured indebtedness. Ambipar Participações e Empreendimentos S.A., a corporation (*sociedade anônima*) incorporated under the laws of the Federative Republic of Brazil (“Ambipar” or the “Parent Guarantor”), and Environmental ESG Participações S.A., a corporation (*sociedade anônima*) incorporated under the laws of the Federative Republic of Brazil (“Environmental ESG” and together with the Parent Guarantor, the “Brazilian Guarantors”), will, jointly and severally, fully and unconditionally guarantee on an unsecured basis under the Note Guarantees (as defined below) all of the payment obligations of the Issuer pursuant to the Notes. In addition, Ambipar Emergency Response, an exempted company incorporated with limited liability under the laws of the Cayman Islands (“Response” and, together with Environmental ESG, the “Subsidiary Guarantors”, and together with the Parent Guarantor, the “Guarantors”), will fully and unconditionally guarantee on an unsecured basis under its Note Guarantee (as defined below) the payment obligations of the Issuer pursuant to the Notes limited to (a) the lower of (i) US\$200.0 million, which is the U.S. dollar equivalent of the aggregate principal amount of intercompany loans by Ambipar to Response either outstanding on the Issue Date (as defined below) or to be made in connection with this offering of the Notes and (ii) the aggregate principal amount of Notes then outstanding, plus (b) the amount of interest and other payment obligations under the indenture governing the Notes (the “Indenture”) in the same proportion as such aggregate principal amount in clause (a) bears to the aggregate principal amount of Notes then outstanding (the “Response Guarantee Limit”). Each Note Guarantee will be an unsecured, unsubordinated obligation of its respective Guarantor, ranking equally with all of its other existing and future unsecured and unsubordinated obligations. The Notes will be effectively subordinated to the Guarantors’ secured indebtedness to the extent of the assets and properties securing such secured indebtedness. The Issuer may, at its option, redeem the Notes: (1) in whole or in part, at a redemption price equal to 100% of their principal amount plus a “make whole” amount, plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the redemption date, at any time prior to February 6, 2027; (2) in whole or in part, at a percentage of their principal amount plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the redemption date, on any date on or after February 6, 2027 as described herein; (3) on one or more occasions, at any time prior to February 6, 2027, at a redemption price equal to 109.875% of their principal amount on the redemption date, plus accrued and unpaid interest and additional amounts to, but excluding, the redemption date, in an amount not to exceed 35% of the aggregate principal amount of the outstanding Notes with the proceeds from certain eligible equity offerings; or (4) in whole, but not in part, at 100% of their principal amount plus accrued interest and additional amounts, if any, to, but excluding, the redemption date, at any time upon the occurrence of specified events relating to the tax law of certain jurisdictions, as set forth in this offering memorandum. See “Description of the Notes—Optional Redemption.”

Investment in the Notes involves risks. See “Risk Factors” beginning on page 26 for a discussion of certain risks you should consider in connection with an investment in the Notes.

Issue Price: 100.000% plus accrued interest, if any, from February 6, 2024.

The Notes and the Note Guarantees have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or any state securities laws and may not be offered or sold in the United States or to U.S. persons (as defined in Regulation S under the Securities Act (“Regulation S”)), except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only to certain qualified institutional buyers (“QIBs”), in accordance with Rule 144A under the Securities Act (“Rule 144A”), that are also qualified purchasers (as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the “Investment Company Act”), and outside the United States in accordance with Regulation S. For a description of the Volcker Rule implications of this offering, see “Volcker Rule.” Prospective purchasers that are QIBs are hereby notified that the seller of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on the transfer of the Notes, see “Transfer Restrictions.”

The Notes are being offered pursuant to an exemption from prospectus requirements under Regulation (EU) 2017/1129 of the European and of the Council, and this offering memorandum has not been approved by a competent authority within the meaning of that Regulation.

There is currently no public market for the Notes. The Issuer will apply to the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for permission to list the Notes on the main board of the SGX-ST. We cannot guarantee the listing will be obtained. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this offering memorandum. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Notes or the Issuer. For as long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Notes will be traded on the SGX-ST in a minimum board lot size of US\$200,000. The Notes will be issued only in registered form in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof.

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (the “SFA”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are capital markets products other than “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

We expect that the delivery of the Notes will be made to investors in book-entry form only through the facilities of The Depository Trust Company (“DTC”), and its direct and indirect participants, including Clearstream Banking S.A. (“Clearstream Luxembourg”), and Euroclear Bank S.A./N.V., as operator of the Euroclear Bank System (“Euroclear”), against payment on or about February 6, 2024.

Global Coordinators

BofA Securities

BTG Pactual

Itaú BBA

Morgan Stanley

Joint Bookrunners

Bradesco BBI

Santander

UBS Investment Bank

The date of this offering memorandum is January 30, 2024.

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In making your investment decision, you should rely only on the information contained in this offering memorandum. Neither we, nor the initial purchasers have authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we nor the initial purchasers are making an offer to sell the Notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this offering memorandum is accurate only as of the date on the front cover of this offering memorandum regardless of the time of delivery of this offering memorandum or of any offer or sale of the Notes. Our business, financial condition, results of operations and prospects may have changed since that date.

Except as otherwise indicated, in this offering memorandum, all references to (i) “Ambipar,” “we,” “us” or “our company” refer to Ambipar Participações e Empreendimentos S.A. and its consolidated subsidiaries, including the Issuer and the Subsidiary Guarantors, (ii) “Ambipar Luxembourg” or “Issuer” refer to Ambipar Lux S.à r.l., the wholly-owned financing subsidiary of Ambipar, which is a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg, (iii) “Environmental ESG” refer to Environmental ESG Participações S.A., a corporation (*sociedade anônima*) incorporated under the laws of the Federative Republic of Brazil, (iv) “Response” refer to Ambipar Emergency Response, an exempted company incorporated with limited liability under the laws of the Cayman Islands; (v) “Emergencia” refer to Emergencia Participações S.A., a corporation (*sociedade anônima*) incorporated under the laws of the Federative Republic of Brazil, and fully owned subsidiary of Response; and (vi) “Ambipar Group” refer to Ambipar Participações e Empreendimentos S.A. and the entities directly or indirectly controlled by Ambipar Participações e Empreendimentos S.A.

Except as otherwise indicated, all references to (i) “Parent Guarantor” refer to Ambipar, (ii) “Subsidiary Guarantors” refer collectively to Environmental ESG and Response and (iii) “Guarantors” refer collectively to the Parent Guarantor and the Subsidiary Guarantors. References to the “initial purchasers” are to BofA Securities, Inc., Banco BTG Pactual S.A. – Cayman Branch, Itau BBA USA Securities, Inc., Morgan Stanley & Co. LLC, Banco Bradesco BBI S.A., Santander US Capital Markets LLC and UBS Securities LLC.

The term “Brazil” refers to the Federative Republic of Brazil. The phrase “Brazilian government” refers to the federal government of Brazil and the term “Central Bank” refers to the Central Bank of Brazil (*Banco Central do Brasil*). The term “São Paulo” refers to the State of São Paulo, Brazil. The terms “U.S. dollar” and “U.S. dollars” and the symbol “US\$” refer to the legal currency of the United States. The terms “*real*” and “*reais*” and the symbol “R\$” refer to the legal currency of Brazil.

You are authorized to use this offering memorandum solely for the purpose of considering the purchase of the Notes described in this offering memorandum. We and other sources identified herein have provided the information contained in this offering memorandum.

None of the initial purchasers named herein or any of their agents are making any representation or warranty, express or implied, as to the accuracy or completeness of such information, and nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation by the initial purchasers as to past, present or future. The initial purchasers accept no liability in relation to the information contained in this offering memorandum or any information included by us. The Bank of New York Mellon (the “trustee”), and the initial purchasers assume no responsibility for the accuracy or completeness of the information contained in this offering memorandum or the related documents or for any failure by us or any other party to disclose events that may have occurred and may affect the significance or accuracy of such information.

The Issuer is relying on exemptions from registration under the Securities Act for offers and sales of securities that do not involve a public offering. The Notes offered are subject to restrictions on transferability and resale and may not be transferred or resold in the United States, except as permitted under the Securities Act and applicable U.S. state securities laws pursuant to registration or exemption from them. The Issuer has not been and will not be registered under the Investment Company Act, in reliance on the exception exemption provided by Section 3(c)(7) thereof. By purchasing the Notes, you will be deemed to have made the acknowledgements, representations, warranties and agreements described under the heading “Transfer Restrictions.” You should understand that you may be required to bear the financial risks of your investment in the Notes for an indefinite period of time.

This offering memorandum is personal to the offeree to whom it has been delivered and does not constitute an offer to any other person or to the public in general to acquire the Notes. Distribution of this offering memorandum to any person other than the offeree and those persons, if any, engaged to advise that offeree with respect thereto is unauthorized, and any disclosure of any of its contents without our prior written consent is prohibited. You may not use any information herein for any purpose other than considering the purchase of the Notes. You agree to the foregoing by accepting delivery of this offering memorandum.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY UNITED STATES FEDERAL, INCLUDING THE U.S. SECURITIES AND EXCHANGE COMMISSION, OR ANY OTHER STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Neither this offering memorandum nor any other information supplied in connection with the Notes should be considered as a recommendation by us or any of the initial purchasers that any recipient of this offering memorandum should subscribe for or purchase any Notes. Each investor contemplating subscribing for or purchasing any Notes should make its own independent investigation of our financial condition and affairs, and its own appraisal of our creditworthiness. This offering memorandum does not constitute an offer of, or an invitation by or on behalf of, us, the Issuer, any initial purchaser or the trustee to subscribe or purchase any of the Notes in any jurisdiction where such offer is not permitted. The distribution of this offering memorandum and the offering and sale of the Notes in certain jurisdictions may be restricted by law. The Issuer and the initial purchasers require persons in whose possession this offering memorandum comes to inform themselves about and to observe any such restrictions. This offering memorandum does not constitute an offer of, or an invitation to purchase, any of the Notes in any jurisdiction in which such offer or invitation would be unlawful. None of us, the Issuer nor any initial purchaser represents that this offering memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by us, the Issuer or any initial purchaser that is intended to permit a public

offering of any Notes or distribution of this offering memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this offering memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

We have prepared this offering memorandum solely for use in connection with the proposed offering of the Notes outside of Brazil, and it may only be used for that purpose. The Issuer and the initial purchasers reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than all of the Notes offered in this offering memorandum. The information contained in this offering memorandum is accurate only as of the date of this offering memorandum, regardless of the time of delivery of this offering memorandum or of any sale of the Notes. Neither the delivery of this offering memorandum nor any sale made hereunder shall under any circumstances imply that there has been no change in the affairs of the Issuer or the Guarantors or that the information set forth herein is correct as of any date subsequent to the date hereof.

In making an investment decision, you must rely on your own examination of our business and the terms of this offering and the Notes, including the merits and risks involved.

We, the Issuer and the initial purchasers are not making any representation to any purchaser of the Notes regarding the legality of an investment in the Notes under any investment law or similar laws or regulations. You should not consider any information included in this offering memorandum to be advice, whether legal, business, accounting or tax. You should consult your own attorney or other professional for any legal, business, accounting or tax advice regarding an investment in the Notes.

There is currently no trading market for the Notes. The Issuer will apply to the SGX-ST for permission to list the Notes on the main board of the SGX-ST. We cannot guarantee the listing will be obtained. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this offering memorandum. Approval in principle from, admission to the Official List of, and listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Guarantors or any of their affiliates, the Notes or the Note Guarantees.

Certain industry information in this offering memorandum has been obtained by the Issuer and the Guarantors from publicly available sources that we deem reliable. None of the Issuer, the Guarantors and the initial purchasers have verified this.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes (and the Note Guarantees) described in this offering memorandum are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of (i) a retail client as defined in point (11) of Article 4(1) of MiFID II, (ii) a customer within the meaning of Directive 2016/97/EU, as amended (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II, or (iii) not a “qualified investor” as defined in the Prospectus Regulation (including all relevant implementing measures in each relevant member state). Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the “PRIIPs Regulation”), for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and, therefore, offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This offering memorandum has been prepared on the basis that any offer of Notes in any member state of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of notes.

Any distributor subject to MiFID II (for the purposes of this paragraph, a “distributor”) subsequently offering, selling, or recommending the Notes is responsible for undertaking its own target market assessment in respect of the Notes and determining the appropriate distribution channels for the purposes of the MiFID II product

governance rules under Commission Delegated Directive (EU) 2017/593 (“Delegated Directive”). Neither the Issuer nor the Company make any representations or warranties as to a distributor’s compliance with the Delegated Directive.

PROHIBITION OF SALES TO U.K. RETAIL INVESTORS

The Notes (and the Note Guarantees) described in this offering memorandum are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the U.K. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA, or (iii) not a qualified investor as defined in Article 2 of the U.K. Prospectus Regulation as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “U.K. PRIIPs Regulation”), for offering or selling the notes or otherwise making them available to retail investors in the U.K. has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the U.K. may be unlawful under the U.K. PRIIPs Regulation.

The above selling restrictions are in addition to any other selling restrictions set forth in this offering memorandum.

NOTICE TO PROSPECTIVE INVESTORS WITHIN BRAZIL

THE NOTES (AND THE NOTE GUARANTEES) HAVE NOT BEEN, AND WILL NOT BE, REGISTERED WITH THE BRAZILIAN SECURITIES COMMISSION (*COMISSÃO DE VALORES MOBILIÁRIOS*) (THE “CVM”). THE NOTES (AND RELATED GUARANTEES) ARE NOT BEING OFFERED INTO BRAZIL. DOCUMENTS RELATING TO THE OFFERING OF THE NOTES, AS WELL AS INFORMATION CONTAINED THEREIN, MAY NOT BE SUPPLIED TO THE PUBLIC IN BRAZIL NOR BE USED IN CONNECTION WITH ANY OFFER FOR SUBSCRIPTION OR SALE OF THE NOTES IN BRAZIL.

AVAILABLE INFORMATION

While any Notes remain outstanding, we will make available, upon request, to any holder and any prospective purchaser of the Notes the information required pursuant to Rule 144A(d)(4)(i) under the Securities Act during any period in which we are not subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), or exempt under Rule 12g3-2(b) of the Exchange Act.

VOLCKER RULE

Under the final regulations implementing Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (commonly known as the “Volcker Rule”), “banking entities” are generally restricted from sponsoring, or acquiring “ownership interests” in, “covered funds.” The definition of “covered fund” in the Volcker Rule includes any entity that would be an investment company under the Investment Company Act but for the exemption provided by Section 3(c)(1) or 3(c)(7) thereunder, unless an exception from the “covered fund” definition applies. Because the Issuer relies on the exemption provided by Section 3(c)(7) of the Investment Company Act, it may be considered a “covered fund” for purposes of the Volcker Rule. However, based on the characteristics of the Notes, including in particular the absence of any right of the holders thereof to (a) participate in the selection or removal of directors or management of the Issuer, (b) share in the income, gains or profits of the Issuer, or (c) have any claim on or interest in any assets of the Issuer or any of the proceeds thereof (excluding rights to exercise remedies upon occurrence of an event of default) and the existence of the Note Guarantees, the Issuer does not believe that the Notes will be considered “ownership interests” in the Issuer for purposes of the Volcker Rule. Moreover, under amendments to the Volcker Rule that became effective on October 1, 2020, a safe harbor has been added clarifying that an “ownership interest” does not include senior debt interests having certain characteristics,

including that, generally: (1) under the terms of the interest the holders do not have the right to receive a share of the income, gains, or profits of the issuer, but are entitled to receive only (i) interest at a stated interest rate, as well as commitment fees or other fees, which are not determined by reference to the performance of the issuer's underlying assets, and (ii) repayment of a fixed principal amount, on or before a maturity date, in a contractually-determined manner (which may include prepayment premiums intended solely to reflect, and compensate holders of the interest or forgone income resulting from an early prepayment); (2) the entitlement to payments under the terms of the interest is absolute and could not be reduced based on losses arising from the underlying assets; and (3) holders are not entitled to receive the underlying assets of the issuer after all other interests have been redeemed or paid in full (excluding the rights to exercise remedies upon the occurrence of an event of default). The Issuer believes that the Notes satisfy the conditions of this safe harbor.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Statements and Information

Ambipar

We maintain our books and records in *reais*, which is our functional currency as well as our reporting currency. Our audited consolidated financial statements as of and for the years ended December 31, 2022, 2021 and 2020 and related notes included elsewhere in this offering memorandum (our “audited financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). Our unaudited interim condensed individual and consolidated financial statements as of September 30, 2023 and for the nine months ended September 30, 2023 and 2022, and related notes thereto included elsewhere in this offering memorandum (our “unaudited interim financial statements”) have been prepared in accordance with IAS 34 “Interim Financial Reporting” (“IAS 34”). Our unaudited interim financial statements, together with our audited financial statements, are referred to herein as our “consolidated financial statements.”

The Issuer

The Issuer was incorporated under the laws of Luxembourg on July 20, 2023 as a special purpose vehicle mainly for purposes of engaging in financing activities. See “*Summary—The Issuer*.” We have not included any financial statements for the Issuer in this offering memorandum. The Issuer does not, and will not, publish financial statements, except for such financial statements which the Issuer may be required under the laws of Luxembourg to publish. In addition, the Issuer will not furnish to the trustee or the holders of the Notes any financial statements of, or other reports relating to, the Issuer. The Issuer’s obligations under the Notes will be fully and unconditionally guaranteed by the Parent Guarantor and the Subsidiary Guarantors named in this offering memorandum, as applicable, subject to the Response Guarantee Limit.

Special Note Regarding Non-GAAP Financial Measures

The body of generally accepted accounting principles is commonly referred to as “GAAP.” Consistent with industry practice, we include certain non-GAAP financial measures, which are not recognized under Brazilian GAAP or IFRS, as part of our financial disclosure, including earnings before interest, taxes, depreciation and amortization (“EBITDA”), EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Net Operating Profit After Taxes (“NOPAT”) and Return on Invested Capital (“ROIC”). Non-GAAP measures do not have standardized meanings and have limitations as analytical tools. Many of these non-GAAP financial measures, as we define them, are based on our own internal estimates, assumptions, calculations and expectations of future results, and there can be no guarantee that these results will actually be achieved. Our definition of EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, NOPAT and ROIC are specific to our business and you should not assume that these definitions are comparable to similarly titled financial measures of other companies. These financial measures should be viewed as supplemental to, and not substitutive for, our consolidated financial statements included elsewhere in this offering memorandum. Because this financial information is not prepared in accordance with IFRS, you are cautioned not to place undue reliance on this information.

Management believes that these measures provide investors with a supplemental measure of the operating performance and financial results of our core operations that facilitates period-to-period comparisons on a consistent basis. These measures are not defined or calculated under principles, standards or rules that comprise IFRS or U.S. GAAP and have important limitations as analytical tools. Accordingly, the non-GAAP financial measures we use and refer to should not be viewed as a substitute for our audited financial statements prepared and presented in accordance with IFRS or any other performance measure derived in accordance with IFRS, and we encourage you not to rely on any single financial measure to evaluate our business, financial condition, results of operations or cash flows.

These non-GAAP financial measures should not be considered in isolation or as a basis for dividend distribution, as an alternative to net income for the period or as an indicator of operating performance or liquidity or

as a substitute for analysis of our financial performance, liquidity or indebtedness. Investors are advised to review these non-GAAP financial measures in conjunction with our consolidated financial statements and their respective accompanying notes included elsewhere in this offering memorandum and the related discussion thereof set forth in this offering memorandum. We believe that the non-GAAP measures that we use complement the understanding of our profitability and financial position. For a reconciliation of these non-GAAP measures to the most directly comparable IFRS measures, see “*Summary Financial and Other Information—Unaudited Non-GAAP Financial Measures—Reconciliation of Non-GAAP Financial Measures.*”

EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin

We calculate EBITDA as net income for the period before, income tax and social contribution (current and deferred), financial result, net and depreciation and amortization expenses, in each case for the relevant period. EBITDA is a non-GAAP measure prepared by us under the CVM Resolution No. 156, dated June 23, 2022 (“CVM Resolution No. 156”). EBITDA is a useful indicator of our operating performance because it evidences the results deriving directly from our core activities and improves comparability with our performance over time. Also, our management believes that EBITDA is a useful indicator of our capacity to comply with our obligations and obtain financing for our investments and working capital.

We calculate EBITDA Margin as EBITDA for the relevant period divided by net operating revenue for the relevant period. Management believes that EBITDA Margin is a useful indicator of the performance of our core activities, in relative terms.

We calculate Adjusted EBITDA as EBITDA *plus* the extraordinary expenses and non-cash from the listing of Response on the New York Stock Exchange American (“NYSE American”). We calculate Adjusted EBITDA Margin as Adjusted EBITDA for the relevant period divided by net operating revenue for the relevant period. We believe Adjusted EBITDA and Adjusted EBITDA Margin are useful for financial and operational decision-making and as a means to evaluate period-to-period comparisons. By excluding items that may not be indicative of our recurring core operating results, we believe that Adjusted EBITDA and Adjusted EBITDA Margin provide meaningful supplemental information regarding our performance.

EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin are not measures of profitability under Brazilian GAAP or IFRS and should not be considered as alternatives to other indicators of our operating results and cash flows. Although EBITDA has a standardized meaning under section 3, item I, of CVM Resolution No. 156, we cannot guarantee that other companies, including closely held companies, will adopt the same standardized meaning. If the standardized meaning under CVM Resolution No. 156 is not adopted by other companies, the EBITDA disclosed by us may not be comparable with those used by other companies. In addition, disclosures made prior to the effectiveness of CVM Resolution No. 156 by companies that were not required to rectify such disclosures may not adopt the standardized meaning under CVM Resolution No. 156.

NOPAT

We calculate NOPAT as operating income before financial result plus extraordinary expenses and non-cash from Response’s NYSE American listing minus income tax adjustment. Income tax adjustment is defined as (i) operating income before financial result plus extraordinary expenses and non-cash from Response’s NYSE American listing multiplied by (ii) a tax rate of 30%.

We believe that NOPAT is an important comparative tool to periodically assess our operating performance and to support our management on certain decision-making processes and on the calculation of indicators. NOPAT is not a recognized accounting measure under Brazilian GAAP or IFRS and should not be considered as an alternative to net profit and cannot be used as a basis for dividend distribution. NOPAT does not have a standardized meaning, and our definition of NOPAT may not be comparable with those used by other companies.

ROIC

We calculate ROIC as NOPAT divided by invested capital. We define invested capital as total equity *plus* current and non-current loans and financing *plus* current and non-current debentures *minus* cash and cash equivalents *minus* current and non-current marketable securities *minus* intangible assets.

Management believes ROIC is a meaningful measure because it measures capital efficiency by quantifying how well we generate operating profit relative to the capital that has been invested in our business and illustrates the profitability of a business or project taking into account the capital invested. Management uses ROIC to assist them in capital resource allocation decisions and in evaluating business performance. Although ROIC is commonly used as a measure of capital efficiency, definitions of ROIC differ, and our computation of ROIC may not be comparable to other similarly titled measures of other companies.

Our Operating Segments

Our business is organized in two operating segments: Environment and Response.

Through our Environment segment, we offer comprehensive solutions acting as a waste valorization and circular economy platform for the recovery of industrial waste, post-consumption, recycling, co-processing, reverse manufacturing and other services related to waste management and recovery. We foster our clients' shift to a circular economy by sharing, reusing, repairing and recycling existing materials and products, thus extending their life cycle, and assist our clients with putting environmental, social and governance, or ESG, principles into practice.

Through our Response segment, we conduct prevention, training and emergency response activities across all transportation modes. Our portfolio includes a broad variety of services such as environmental remediation, industrial field services, industrial cleaning of chemical and non-chemical products and of hazardous and non-hazardous waste, consulting services focused on accident prevention and environmental licensing.

In addition, the Company operates other non-material businesses, primarily related to technology and innovation, that are not included in the operating segments previously mentioned. For additional information on our segment reporting, see note 17 to our unaudited interim financial statements and note 17 to our audited financial statements included elsewhere in this offering memorandum.

Translation of *Reais* into U.S. Dollars

As of September 30, 2023, the exchange rate for *reais* into U.S. dollars was R\$5.0076 to US\$1.00, based on the selling rate as reported by the Central Bank. As of December 31, 2022, December 31, 2021 and December 31, 2020, the exchange rate was, respectively, R\$5.2177 to US\$1.00, R\$5.5805 to US\$1.00 and R\$5.1967 to US\$1.00, in each case, as reported by the Central Bank.

Solely for the convenience of the reader, we have translated some of the *real* amounts in this offering memorandum into U.S. dollars at the rate of R\$5.0076 to US\$1.00, which was the U.S. dollar selling rate in effect as of September 30, 2023, as reported by the Central Bank. The U.S. dollar equivalent information presented in this offering memorandum is provided solely for the convenience of investors and should not be construed as implying that the *real* amounts represent, or could have been or could be converted into, U.S. dollars at the above rate.

Market Share and Other Information

In this offering memorandum, we present industry data, forecasts, information and statistics regarding the markets in which we compete as well as our analysis of statistics, data and other information that we have derived from third parties, including independent consultant reports, publicly available information, various industry publications and other published industry sources. Independent consultant reports, industry publications and other published industry sources generally indicate that the information contained therein was obtained from sources believed to be reliable. Although the information contained in such publications is derived from sources we consider to be trustworthy and reliable and we have no reason to believe any of this information is inaccurate in any material

respect, we and the initial purchasers have not independently verified and are unable to guarantee the accuracy of such information. Accordingly, neither we nor the initial purchasers shall be held liable for the accuracy and completeness of any of the information and representation stated in this offering memorandum. Such information is supplemented where necessary with our own internal estimates and information obtained from discussions with our customers, taking into account publicly available information about other industry participants and our management's judgment where information is not publicly available. Nothing in this offering memorandum should be interpreted as a market forecast. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and uncertainties as the other forward-looking statements in this offering memorandum. See "*Forward-Looking Statements.*" In addition, assumptions and estimates of our future performance and growth objectives and the future performance of our industry and the markets in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors.

Certain market, ranking and industry data included elsewhere in this offering memorandum, including the size of certain markets and our size or position and the positions of our competitors within these markets, including our services relative to our competitors, are based on estimates by us. These estimates have been derived from management's knowledge and experience in the markets in which we operate, as well as information obtained from surveys, reports by market research firms, third-party industry publications and sources in the markets in which we operate and other publicly available information, and have not been verified by independent sources. Unless otherwise noted, all of our market share and market position information presented in this offering memorandum is an approximation. References herein to Ambipar being a leader in a market or product category refer to our belief that we have a leading market share position in each specified market, unless the context otherwise requires. As there are no publicly available sources supporting this belief, it is based solely on our internal analysis of our results as compared to the results made available publicly by our competitors. In addition, the discussion herein regarding our various end markets is based on how we define the end markets for our products, which products may be either part of larger overall end markets or end markets that include other types of products and services.

This offering memorandum contains trademarks, service marks, trade names and copyrights of other companies, which are the property of their respective owners. Solely for convenience, some of the trademarks, service marks, trade names and copyrights referred to in this offering memorandum may be listed without the TM, SM, © or ® symbols, but we will assert, to the fullest extent under applicable law, the rights of the applicable owners, if any, to these trademarks, service marks, trade names and copyrights.

None of the publications, reports or other published industry sources referred to in the offering memorandum were commissioned by us or prepared at our request. We have not sought or obtained the consent of any of these sources to include such market data in this offering memorandum.

Rounding

We have made rounding adjustments to arrive at the figures included in this offering memorandum. As a result, numerical figures shown as totals in some tables may not be arithmetic aggregations of the figures that precede them.

Annual Compound Growth Rate

We have included elsewhere in this offering memorandum the annual compound growth rate, or CAGR, for certain metrics, including our net operating revenue and EBITDA for the period. Our historical growth rates do not guarantee future results, levels of activity, performance or achievements. We calculate CAGR as the final balance *divided by the initial balance, raised to the power of one, divided by the applicable period of time, minus one.*

FORWARD-LOOKING STATEMENTS

This offering memorandum contains forward-looking statements, as defined in Section 27A of the Securities Act and Section 21E of the Exchange Act, mainly under the headings “Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Industry” and “Business.”

These forward-looking statements include information about our possible or assumed future results of operations or our performance and financial trends that affect or may affect our business, industry, financial condition, results of operations liquidity, prospects and cash flows. Words such as “anticipate,” “contemplate,” “appear,” “approximate,” “believe,” “continue,” “could,” “estimate,” “expect,” “foresee,” “intend,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “seek,” “should,” “will,” “would” and variations of such words and similar expressions (or the negative version of such words or expressions) may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Although we believe that these forward-looking statements are based upon reasonable assumptions, these statements are subject to several risks and uncertainties and are made in light of information currently available to us. Many important factors, in addition to those discussed elsewhere in this offering memorandum, could cause our actual results to differ substantially from those anticipated in our forward-looking statements, including, among others:

- the ability to implement our inorganic growth strategy and realize the expected benefits from recent or potential future acquisitions;
- market interest rates, including their impact on our ability to comply with certain financial and operating covenants in our debentures and our ability to finance acquisitions through indebtedness while managing our liquidity risks;
- risks associated with macroeconomic uncertainty and geopolitical risk, including the consequences of the 2022 presidential elections in Brazil and the impacts of the ongoing conflicts between Russia and Ukraine and Hamas and Israel in the Gaza Strip, which could limit our ability to grow our business and expand to new countries;
- changes in applicable laws or regulations;
- the possibility that we may be adversely affected by other economic factors, particularly in Brazil;
- business and/or competitive factors, including consolidation in the sectors in which we operate;
- potential difficulties in retaining our current management team and other key employees and independent contractors, including highly skilled technical experts;
- our ability to execute our business strategy;
- the impact of natural disasters or health epidemics/pandemics;
- operational and security risks, including risks arising from the handling of hazardous substances;
- risks related to data security and privacy;
- changes to accounting principles and guidelines;
- litigation and regulatory enforcement risks, including those arising from the handling of hazardous substances, which may result in the diversion of management time and attention and the additional costs and demands on our resources;

- the risk that the price of our securities has been and may continue to be volatile;
- unexpected costs or expenses;
- fluctuations in exchange rates between the Brazilian *real* and the United States dollar; and
- other factors identified or discussed under “*Risk Factors*.”

Our forward-looking statements are not guarantees of future performance, and our actual results or other developments may differ materially from the expectations expressed in the forward-looking statements. As for forward-looking statements that relate to future financial results and other projections, actual results may be different due to the inherent uncertainty of estimates, forecasts and projections. Additional risks that we may currently deem immaterial or that are not presently known to us could also cause the forward-looking events discussed in this offering memorandum not to occur.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. Although we believe that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. These statements involve known and unknown risks and are based upon a number of assumptions and estimates which are inherently subject to significant uncertainties and contingencies, many of which are beyond our control.

Accordingly, forward-looking statements should not be relied upon as representing our views as of any subsequent date, and neither we nor the initial purchasers undertake any obligation to update or revise any forward-looking statements to reflect any change in our expectations with respect to such statements or any changes in events, conditions or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

SUMMARY

This summary highlights information presented in greater detail elsewhere in this offering memorandum. This summary is not complete and does not contain all of the information you should consider before investing in the Notes. You should carefully read this entire offering memorandum to better understand our business, corporate structure and the terms of this offering, including the information contained in “The Offering,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Business” and our consolidated financial statements, included elsewhere in this offering memorandum, before investing. See “Presentation of Financial and Other Information” for information regarding our consolidated financial statements, exchange rates, definitions of technical terms and other introductory matters.

Overview

We believe we are one of the leading environmental, emergency response and industrial field service providers in Brazil serving over 15,000 clients in more than 40 countries across the world. Through our international platform, our sophisticated special equipment and our highly qualified personnel, we provide our customers with a full suite of environmental, emergency response and industrial field services.

Established in Brazil in 1995, over the years, we have successfully implemented our strategy of focusing on strategic acquisitions to increase our geographic reach, gain market share and integrate complementary services into our portfolio. We believe we are pioneers in offering several environmental and industrial field services across the value chain, in addition to being a market leader for innovation and the use of cutting-edge environmental technologies. Our diversified customer base ranges from local to blue chip and multinational companies operating in a wide variety of industries, including chemicals, pulp and paper, mining, oil and gas, logistics, power, steel, cement, pharmaceuticals, cosmetics, food and beverages, among others, with long-term contracts (with average terms of five years in the Environment segment and four years in the Response segment) and high potential for organic growth.

In the nine-month period ended September 30, 2023, we had net operating revenue of R\$3,526.9 million (R\$2,599.4 million in the nine-month period ended September 30, 2022), of which (i) R\$1,674.4 million, or 47.6%, was generated by the Environment segment (R\$1,545.4 million, or 59.5%, for the nine-month period ended September 30, 2022) and (ii) R\$1,849.4 million, or 52.4%, was generated by the Response segment (R\$1,052.6 million, or 40.5%, for the nine-month period ended September 30, 2022).

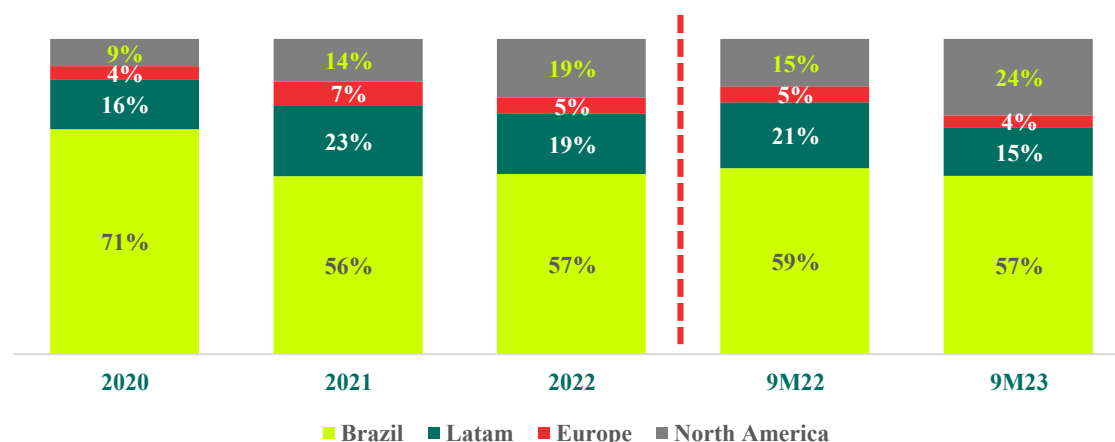
For the year ended December 31, 2022, we had net operating revenue of R\$3,789.8 million (R\$1,916.3 million in 2021), of which (i) R\$2,102.8 million, or 55.5%, was generated by the Environment segment (R\$1,092.8 million, or 57.0%, in 2021) and (ii) R\$1,684.9 million, or 44.5%, was generated by the Response segment (R\$822.2 million, or 42.9%, in 2021).

In the nine-month period ended September 30, 2023, we had EBITDA of R\$915.6 million (R\$697.2 million in the nine-month period ended September 30, 2022), of which (i) R\$561.5 million, or 61.3%, was generated by the Environment segment (R\$420.6 million, or 60.3%, for the nine month period ended September 30, 2022) and (ii) R\$351.7 million, or 38.4%, was generated by the Response segment (R\$275.9 million, or 39.6%, for the nine-month period ended September 30, 2022). From 2018 to the third quarter of 2023, our EBITDA grew at a 71.4% compound annual growth rate (“CAGR”).

For the year ended December 31, 2022, we had EBITDA of R\$1,046.8 million (R\$517.0 million in 2021), of which (i) R\$597.0 million, or 57.1%, was generated by the Environment segment (R\$284.6 million, or 55.0%, in 2021) and (ii) R\$448.8 million, or 42.9%, was generated by the Response segment (R\$238.2 million, or 46.1%, in 2021).

Our gross revenue is geographically diversified. We are present in all continents, and our main markets are Brazil, Latin America (excluding Brazil), Europe and North America.

Geographic Distribution of Revenue



Business Segments Overview

We operate across two complementary business segments, as described below.

Environment Segment

Through our Environment segment, we offer comprehensive solutions acting as a waste valorization and circular economy platform for the recovery of industrial waste, post-consumption, recycling, co-processing, reverse manufacturing and other services related to waste management and recovery to more than 5,000 clients in over 170 on-site bases located throughout Latin America. We foster our clients' shift to a circular economy by sharing, reusing, repairing and recycling existing materials and products, thus extending their life cycle, and assist them with putting environmental, social and governance ("ESG") principles into practice. As of September 30, 2023, we have processed, recycled, reused and reinserted more than 1.7 million tons of waste.

To fight climate change, our production processes focus on reducing greenhouse gas ("GHG") emissions, such as carbon dioxide ("CO₂"). We also invest in conservation, reforestation and restorage projects, as well as sustainable agricultural management, which in turn generate carbon credits, enabling us to monetize our business with the sale of such credits.

Among our environmental solutions, we also offer social and environmental software solutions using artificial intelligence, digital waste traceability processes, environmental due diligence services, ESG training, complex waste valuation, manufacturing of recycled products, polyethylene terephthalate ("PET") recovery services, collecting machines for post-consumer recyclable packaging, mining production waste reuse solutions, development of projects related to Reduction of Emissions from Deforestation and Forest Degradation ("REDD+"), and Nature-Based Solutions ("NBS") carbon programs.

Within our Environment segment, we operate five business units that, combined, allow us to provide a one-stop-shop service to help our clients transition from the linear economy to the circular economy. These five business units are: (i) waste management and valorization; (ii) circular economy; (iii) decarbonization; (iv) ESG consulting and compliance and (v) hazmat logistics.

The table below shows the percentage of gross revenues generated from each business unit for the periods indicated:

	For the nine months ended September 30,		For the year ended December 31,		
	2023	2022	2022	2021	2020
			<i>(in percentage)</i>		
Waste Management and Valorization	61.3%	69.3%	68.0%	76.1%	69.6%
Circular Economy.....	26.8%	19.9%	21.3%	12.6%	8.7%
Decarbonization.....	2.8%	1.1%	1.0%	0.9%	0.0%
ESG Consulting and Compliance.....	1.8%	1.5%	1.5%	2.6%	2.4%
Hazmat Logistics	7.2%	8.0%	8.1%	7.8%	19.2%

Waste Management and Valorization

Our Waste Management and Valorization business unit helps industrial clients move towards the circular economy, reducing carbon emissions and oftentimes cutting costs. This business unit's activities include waste recovery, co-processing, waste collection, conditioning, decontamination, logistics and reverse manufacturing, and waste treatment and disposal. We manage our customers' waste, seeking to reduce, reuse and recycle it to reach "zero landfill" (i.e., reducing or eliminating disposal in sanitary landfills), thus reducing carbon dioxide emissions, generating carbon credits and improving sustainability indices. The processes used in these activities use embedded proprietary waste recovery technology and patents. Our clients are mainly in the industrial sector, and we do not serve the public sector. We operate more than 5,000 waste management contracts that accounted for over 260,000 tons of waste treated in the last twelve months.

Circular Economy

Our Circular Economy business unit reinserts industrial and urban waste into the economy while promoting decarbonization and increasing income for independent garbage collectors. We provide recycling and reuse solutions for post-consumer and post-industrial waste. We source and transform post-consumer material into inputs for industries in various sectors or into new recycled products. Post-consumer material is obtained through partnerships with cooperatives of garbage collectors and agreements with clients for the collection of their recyclables. This market is fragmented, thus allowing for rapid growth and consolidation opportunities.

Decarbonization

The Decarbonization business unit provides decarbonizing services through mitigation in addition to the origination and commercialization of carbon credits within the voluntary market.

We provide solutions for managing, reducing and offsetting GHG emissions, driving clients' operations towards becoming carbon neutral. We generate and intermediate the negotiation of carbon credits. We generate carbon credits through: (a) residue processing, as the creation of products from residues reduces emissions; (b) recycling or reusing waste as raw material for supply chains; (c) replacing the energy matrix in co-processing plants; and (d) offering nature-based solutions, including: (i) the mitigation of deforestation and forest degradation combined with social, climate and biodiversity activities (REDD+), (ii) agricultural management (ALM); (iii) afforestation/reforestation (ARR) and (iv) legal reserve compensation (CRL) for rural properties that have a legal reserve deficit.

To reduce GHG emissions, we offer reverse manufacturing (re-utilization of processed waste as raw material for new products) and other solutions, such as the production of soil fertilizer from organic waste.

ESG Consulting and Compliance

In the ESG Consulting and Compliance business unit, we provide ESG consulting, auditing and compliance services to ensure that our clients' operations are compliant with applicable ESG rules and regulations. We also offer bespoke and integrated software solutions for managing compliance with labor, health and environmental

regulations and best practices and tracking ESG indicators. In addition, we offer corporate training to help our clients implement a sustainability agenda through the measurement, management and improvement of ESG indicators. We have more than 1,300 active monthly contracts and high customer retention period (averaging five years) across all sectors we serve, given that the use of our software has a low monthly average ticket. As of September 2023, our clients' average ticket in this business unit was approximately R\$9,000.00.

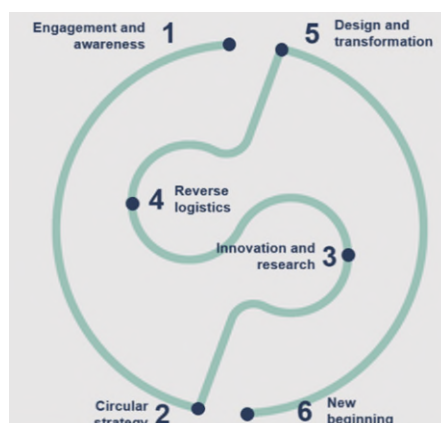
Hazmat Logistics

In our Hazmat Logistics business unit, we connect Latin America's hazardous materials ("Hazmat") supply chains by transporting, storing, handling and disposing of Hazmat in accordance with the strongest safety standards and in compliance with environmental legislation. We have transported chemicals and non-chemicals for over 25 years across Brazil and Latin America. We believe we are a trusted partner for major Brazil chemical and beverages industrial companies. We cover the main corridors in the Brazilian roadway supply chain and have operations in Uruguay, Paraguay, Argentina and Chile with MERCOSUL compliance accreditation.

We also have a "sustainable corridor" operation (i.e., all of our vehicles are powered with renewable energy sources), which reduces our GHG emissions by 18%.

With the support of our state-of-the-art center for research, development and innovation ("RD&I"), we develop disruptive technologies and processes to treat waste at its source and turn it into raw material to be reused in our clients' production chain. By reincorporating waste into production processes, our clients improve sustainability while generating savings and optimizing resources.

Value proposition ecosystem



Source: Company.

The diversity of our business units provides our clients with a broader service offering when compared to our competitors:

Line of Business	ambipar [®] environment	Landfill Operators	Niche Operators
Waste Management	✓	✓	✓
Circular Economy	✓	✓	✗
Decarbonization	✓	✓	✗
ESG Consulting	✓	✗	✗
Hazmat Logistics	✓	✗	✗

Source: Company.

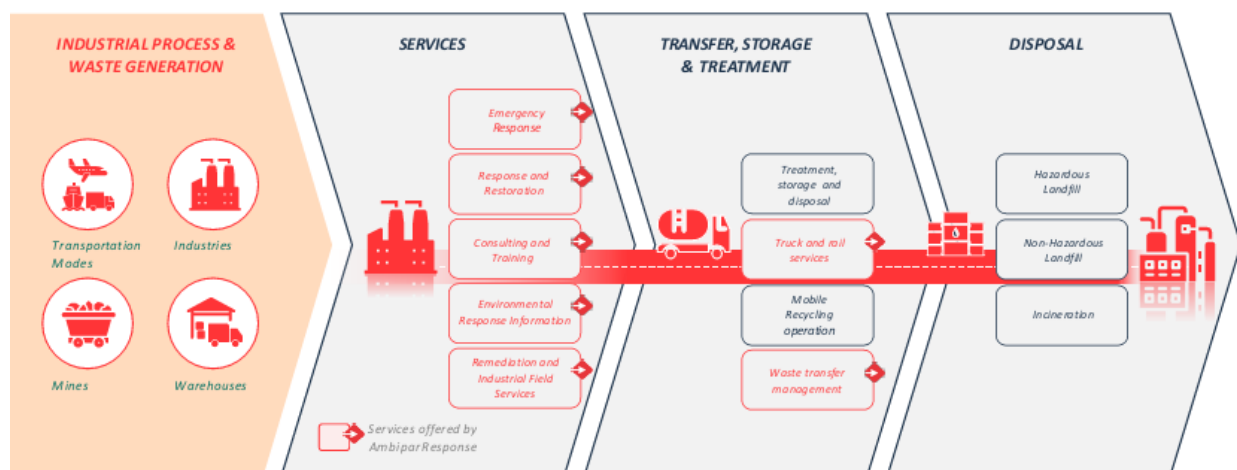
As a result of our innovative sustainable technologies, our RD&I has received more than 40 sustainability innovation awards, including the FIESP Environmental Merit Award (*Prêmio FIESP de Mérito Ambiental*) (2016, 2017 and 2018), the Brazilian Chamber of Construction Industry Award for Innovation and Sustainability (*Prêmio da Câmara Brasileira da Indústria da Construção de Inovação e Sustentabilidade*) (2014 and 2019) and the 1st International Business Exchange for Green Economy BM&FBOVESPA 2011 (*1ª Bolsa Internacional de Negócios de Economia Verde BM&FBOVESPA 2011*), as well as the Best for the World Award – B Corp (2018, 2019 and 2021), in the Environmental category.

Response Segment

We have operated in the Response segment since 2008. Through this segment, we conduct prevention, training and emergency response activities across all transportation modes. Our portfolio includes a broad variety of services such as environmental remediation, industrial field services, industrial cleaning of chemical and non-chemical products and of hazardous and non-hazardous waste, consulting services focused on accident prevention and environmental licensing. We have already supported more than 11,000 clients in prevention, training and emergency response activities. We have obtained four ISO certifications that attest our quality in all these activities.

Our broad and recurrent portfolio includes services contracted through our subscription model (with contracts having a four-year average duration), such as emergency response services for highway accidents, industrial chemical spills and dry port emergencies, as well as services contracted through spot agreements, such as gas decommissioning, industrial silo cleaning and underground gas tanking cleaning. The industrial services we offer are recurring and based on a contractual schedule, with an average term of between two and three years. For emergency events, subscription contracts have a higher retention rate and a low turnover rate, with an average duration of 36 months.

Response offers several solutions for industrial process and waste generation challenges, including transfer, storage, treatment and disposal of hazardous and non-hazardous waste materials at all levels of the supply chain.



In the Response segment, we offer a one-stop-shop platform of standardized emergency and industrial field services rendered at scale and organized within four business units, namely (i) industrial field services; (ii) emergency response; (iii) consulting services focused on accident prevention and environmental licensing; and (iv) training services.

Emergency Response and Industrial Field Services

Through our emergency response and industrial field services we respond to accidents involving hazardous and non-hazardous chemical and non-chemical products and waste and natural disasters (fire, flood and hurricanes), and also perform tank cleaning, silo cleaning, asbestos removal, vessel and container cleaning, waste transportation and disposal, soil remediation, turnaround and decommissioning. We also provide biological emergency management and response services, including in relation to epidemics and pandemics such as the COVID-19 pandemic. Over the years, we have been called to remediate significant environmental accidents, such as the 2019 Brumadinho mining dam collapse in Brazil, and the 2015 fire in Port of Santos in Brazil, which lasted 10 days, as well as the Callao oil spill at the Peruvian shoreline, characterized by the Peruvian Ministry of Foreign Affairs as one of the worst climate disasters in recent times. In addition, we supported containment efforts relating to the COVID-19 pandemic in the United Kingdom, in conjunction with the British army, and in Brazil at office buildings, schools, and in aircraft, buses and other locations. Considering our prominent role in emergency situations, we have been recognized as a point of reference by public authorities in Brazil, such as the Brazilian Marines, which sent a number of its Marines to train at our training grounds in Nova Odessa, Brazil.

In order to serve our customers efficiently and expeditiously, we operate through a broad network of service centers (some of which are dedicated to specific customers), which are strategically distributed across South America, North America, Europe, Africa and Antarctica. These service centers are equipped with high-quality assets that are subject to frequent preventive maintenance to keep them in optimal condition, and we follow standard procedures for each hazardous material category in accordance with the safety guidelines set forth by the United Nations. As of September 30, 2023, we had 236 service centers across six continents.

Our service centers are linked to four regional fully automated centralized operations centers — one in Brazil operating nationwide and in Antarctica, one in Chile serving countries in Latin America other than Brazil, one in the United Kingdom serving Europe and Africa, and one in the United States serving North America. These operation centers manage emergency response services and other jobs by centralizing the strategic decisions involved in our client service processes. They are responsible for operating a 24/7/365 dedicated hotline that responds to our customers' orders for emergency response and industrial field services, both subscription and spot services, and, when required, promptly send the appropriate commands to the service center that is closest to the location where the service will be rendered. These operations centers can track assets in real time by using

geographic information system — GIS and geoprocessing tools—and therefore allow for a fast and efficient deployment of equipment and personnel to handle the relevant service.

Consulting Services Focused on Accident Prevention and Environmental Licensing

Our consulting services include highly complex accident prevention and environmental impact studies for various industries to mitigate accident risks and ensure client compliance with the requirements under the applicable environmental licensing processes. Over the past 16 years, we have performed several consulting projects for clients in sectors such as oil and gas, mining, energy, infrastructure and logistics, ports and terminals, sanitation, steel, petrochemicals, beverages and pulp and paper. Our consulting business operates via a Global Environmental Solutions (GES) platform, offering complete and innovative environmental products and services to our customers, with a portfolio including studies of locational alternatives for projects, environmental licensing, construction management and HSE (Health, Safety and Environment) as well as the execution of environmental programs, management of contaminated areas, effluents and contaminant waste. We seek to innovate the technical delivery of our products and services, through the development of technological solutions that optimize results using digital tools and geotechnologies. These initiatives culminated in the formation of a partnership with the Environmental Systems Research Institute—ESRI®.

Training Services

In addition, we offer more than 40 professional training programs related to preventing, fighting and remediating emergencies. These services are supported by our proprietary multimodal training centers, in which we perform real-world simulations and provide periodic training to customers, as well as our employees and government agents that cooperate with us in the field, such as environmental agencies, firefighters, policemen, armies and navies, in each case from countries such as the United Kingdom, Portugal, Brazil, Chile and Argentina, among others. As of September 30, 2023, we had four training centers in North and South America.

We participate in technical cooperation programs with several high-profile environmental agencies. In connection with these programs, we publish technical articles on emergency protocols to governmental authorities as well as participate in meetings and surveys with various governmental authorities and non-governmental associations, including the Brazilian Association of Technical Standards (*Associação Brasileira de Normas Técnicas—ABNT*) in Brazil and the National Fire Protection Association—NFPA in the United States—to contribute our expertise to the development of supporting materials and of technical standards. For example, in line with changes in legislation regulating the storage and transportation of hazardous products, we publish a Hazardous Products Self-Protection Manual, which is currently in its 16th edition. In 2019, we launched the first edition of the Manual for the Environmental Emergency Prevention and Readiness in Ports, Marinas and Terminals.

As of September 30, 2023, Response employed more than 5,000 people, including trained responders, who are trained to follow applicable regulatory guidelines and rigorous safety protocols.

Our Competitive Strengths

We believe we are a leading environmental, emergency response and industrial field service provider in Brazil with a strong and growing global presence. We plan to build on our core strengths to continue serving a wide range of important customers across the world.

Competitive advantages in a substantially fragmented market.

The global market for environmental, emergency response and industrial field services is substantially fragmented with approximately 1,000 players in the aggregate. In addition, on a global level, there are only few competitors with the capabilities to offer their services globally and, as a result, we believe that our value proposition to offer a diversified portfolio of environmental, emergency response and industrial field services covering an extensive geographical area across the supply chain has a strong appeal for customers, in particular clients that operate globally such as multinational petrochemical and commodities companies. Moreover, we believe that our exclusive focus on environmental, emergency response and industrial field services in multiple countries

sets us apart from our competitors. Typically, in a fragmented market such as ours, most players are local, covering small geographies and covering particular niche services. We are one of the very few companies with an international reach as well as specialized personnel on the ground to service local markets, enabling us to act at the local, national and international levels. For the U.S. market, which is responsible for a significant portion of our revenue, the Environmental Business Journal estimated in 2019 that, for 2020, the addressable market related to environmental services would be US\$25.0 billion, of which Emergency Response would address US\$14.6 billion, with the two leading players having less than 5% of the total market share in terms of revenue, calculated as the sum of such leading companies' revenue for the field and emergency response services segment for the year ended December 31, 2020 *divided by* the total revenue for 2020 of the estimated U.S. remediation and industrial services market, according to publicly available information of such players.

Entering and expanding internationally in a market such as ours requires significant financial resources, operating expertise and a qualified workforce to build profitable operations. We believe that our leading position in Brazil together with our long history in the marketplace, international scale and proficiency, safety profile, comprehensive service capabilities, capillarity, and highly-skilled and trained personnel serve as solid competitive advantages, which we believe help us foster and maintain customer loyalty and mitigate the risks of competitive pressure.

Standardized services rendered at large scale.

We rendered high-quality environmental, emergency response and industrial field services over 43,000 times in 2022 through our network of service centers spread across six continents and furnished with state-of-the-art equipment, which are linked to our four regional, fully automated centralized operations centers that expedite our response to customer demand. We carefully select the locations of our service centers to optimize our network. The density of our network helps us stay close to our clients and increase our client base. In addition, our multimodal training centers ensure that our staff receives what we believe to be industry-leading training in order to best serve our customers following the highest quality and safety standards. In addition, by hiring and training our technical staff in Brazil to serve customers across the world, we believe that we can take advantage of our scale and know-how to deliver superior services at a lower cost than players who operate only in developed countries, thus improving our margins. For instance, with the acquisition of Controlpar Participações S.A. in 2021, we increased our staff of highly-qualified technical employees located in Brazil, who create customized solutions to support our customers' needs for sustainability, environment, oceanography, geoprocessing, outsourced technical personnel, and managing system at a global scale.

Large and diversified customer base with long-standing relationships.

We serve more than 15,000 clients in more than 40 countries (including Antarctica), many of which have decade-long relationships with us and several of which have been using our services on a recurring basis for more than five years. Our contracts have a cost pass-through structure, which we believe enhances profitability and returns. Our customer base consists of a broad mix of clients, spanning from local transport companies to multinational mining companies. Our clients operate in a variety of industries, such as chemicals, pulp and paper, mining, oil and gas, logistics, power, steel, meatpacking, and cement, among others. The breadth of our offering allows us to become deeply embedded within our clients, who rely on us to undertake an essential role for their core business, and creates cross-selling opportunities. Our capabilities and customized solutions allow us to build strong client relationships that grow and expand over time. We believe that our long-standing customer relationship and diverse customer base limits our credit exposure to any one customer and potential cyclicity in any one industry.

In addition, we believe that our listing in the Brazilian stock exchange in 2020 and the listing of Response on the NYSE American will continue to enhance and expand our relationship with blue-chip companies, which rely on high compliance and governance standards required from publicly listed companies.

Solid financial performance and consistent organic and inorganic growth.

We have demonstrated our ability to grow our business through a combination of organic growth, accretive acquisitions and tight cost control, while remaining resilient through slow economic cycles such as during the COVID-19 pandemic, with operating ROIC of 22.7% and 19.6% in 2022 and 2021, respectively.

Our track record of profitable growth is largely a result of a disciplined strategy of pursuing accretive acquisitions and our ability to integrate companies of different sizes. Since our IPO in 2020, we have completed 58 acquisitions (29 in each segment), which had a transformational effect on our business.

Our experience in identifying suitable targets, acquiring them on what we believe are relatively attractive terms and integrating them successfully into our business has generated solid profit and cash flow. Our business model enables us to leverage our position to optimize the purchase price paid for these acquisitions while using our acquired network to generate synergies and benefits of scale. We seek to capture operational and financial synergies, ensuring quality, operational efficiency and sustainable growth. We also benefit from the expertise brought by the targets in their niche services. For example, with our acquisitions in the United States, we have added asbestos cleaning to our portfolio of services, and by acquiring Lehan Environmental and Industrial Services Limited in Ireland, we integrated their technology and expertise in tank cleaning. We then incorporate the target's expertise to expand our offering in all of our markets. By bringing new expertise into our offerings, we improve our portfolio and increase customer retention.

Further, the success of our international expansion demonstrates our strong ability to enter into new markets through acquisitions. The specialization and ability to provide services at scale allows us to be competitive internationally. For further information about our recent acquisitions, see "*Business—Overview*."

In addition, we have built a business which we believe will achieve a strong organic growth, which is based on four pillars consisting of (i) operating through standardized service centers, (ii) building and operating centralized emergency operation centers, (iii) offering hazardous materials training centers and (iv) participating in relevant technical committees across the jurisdictions where we operate. The combination of these pillars allows us to be a one-stop-shop for emergency and industrial services, which has translated into a historical organic growth in its client base, an increase in services provided and consequently an increase in net operating revenue and net income over the years.

Real environmental and social impact as part of our core business.

ESG values are at the core of our business, and we endeavor not only to improve our clients' sustainability practices but also to positively impact stakeholders and society as a whole. For instance, our Circular Economy business unit in the Environment segment developed a recycling business accelerator, through which we partner with more than 102 recycling cooperatives, helping bring waste collectors to the formal economy. As of December, 2022, a total of 2,059 cooperative members benefited from our arrangements.

In addition, through our Return Machine Project, we partner with governments and third parties to install machines in recycling delivery points spread across Brazil that allow for individuals to dispose of post-consumer packaging. By disposing of recyclable packaging, they can gain benefits such as cell phone recharge, bookstore credit, and discounts on energy bills, among others. As part of this project, we have recycled 2.4 million tons of polypropylene and other plastics in our factories in the south of Brazil, increasing volumes through automation and investments in recycling factory lines.

Further, through our Decarbonization business unit in the Environment segment, we have helped preserve the Amazon rainforest. As a recognition of our preservation efforts, we won "The Best Project Developer, Forest and Land Use" award of the EF Annual Voluntary Carbon Market Rankings offered by Environmental Finance four times (2015, 2018, 2019 and 2020), one of the publications around the world on environmental asset markets.

Leadership with synergistic services, supported by our proprietary RD&I structure.

We have a vast synergistic and complementary portfolio of environmental services and response services for chemical and pollution emergencies. These services are supported by a shared service center, or SCC, commercial and operational cross-selling teams and a recognized research and development center. Therefore, we believe that we are well positioned for the expansion that we believe will occur in this sector. Our track record of success also stems from the excellence and capacity of our researchers and managers. We have in our DNA a driver for ongoing development and environmental innovations to offer complete solutions to our customers. A significant part of our projects is presented in the form of a business plan for the client with the purpose of introducing sustainable products or green bonds in the economy. The R&D area further our internal strategies, developing products that prioritize alternatives that can generate value and positively impact our ESG performance. We believe that we are uniquely positioned in our market and prepared for the expansion that we believe will occur in the waste recovery sector.

Increased commitment to sustainable practices under a favorable regulatory environment.

We are committed to integrating sustainability into our business practices. One of our main goals is to help our clients adopt and improve their ESG practices and mitigate adverse environmental impacts of their operations on communities. We believe that our services are conducive to long-term sustainability, and that the global transition towards sustainable practices presents an attractive business opportunity within our industry. In 2020, we joined the United Nations Global Compact, the largest corporate sustainability initiative in the world organized by the United Nations, and committed to joining efforts to advance all 17 of the United Nations' sustainable development goals – SDGs - including developing inclusive and sustainable industrialization, supporting affordable and clean energy, fighting climate change, restoring and protecting life below water and on land, ending extreme poverty, improving gender equality and reducing other inequalities, among other goals. By joining the Global Compact, we took an important step towards the full alignment of our business with social and environmental sustainability standards and reinforced our commitment to these values, which we also seek to transmit to our customers.

Sustainability is not only a priority to us, but increasingly also to our clients. Businesses across the globe continue to realize that a focus on sustainability is ever more important to meeting the increasing demands and expectations of customers and stakeholders for environmental responsibility. In addition to market demand, sustainable practices are prompted by a new and stricter regulatory framework together with increasing regulatory oversight, incentivizing or mandating green practices. In Brazil and elsewhere, applicable rules and regulations assign criminal liability to environmental damages. As a result, it is increasingly essential for businesses to have a global, trustworthy and recognized environmental, emergency response and industrial field services provider like us to help them navigate the complex compliance rules as well as adopt appropriate procedures to respond to sustainability challenges. We believe that, as the ESG regulatory framework further develops, we will be well positioned to benefit from a recurring demand for environmental, emergency response and industrial field services.

Highly experienced management technical team and well-established corporate governance practices.

We believe our operations are well-structured to facilitate the effective execution of our growth plan. The principal managers of our technical teams have more than 20 years of experience in our industry and more than 7 years of experience, on average, working with us. Our experienced team has already demonstrated its ability to grow our business both organically and inorganically.

Our management team is supported by our internal compliance and audit committees and organized under strict corporate governance policies and guidelines, which are in the center of all our actions. Excellence in corporate governance is fundamental to how we manage and operate our company, from our everyday business to ESG issues. Ambipar is also listed on the *Novo Mercado* segment of the B3, which has the strictest governance requirements on the B3.

Our Strategy

We are excited about our future and believe we can continue to scale our business and expand our footprint well into the future. We aim to continue strengthening our market position by implementing the key strategies set forth below.

Strengthen market share in Brazil and in other markets by capitalizing on market growth opportunities, with strong tailwind from ESG compliance.

We expect that the remediation and industrial field services market will grow faster than global GDP growth in the short- to medium-term. We understand that the remediation and industrial field services market growth is generally driven by nominal GDP growth and increased demand for compliance with stricter ESG regulations. A stronger GDP is associated with increased transportation of hazardous materials, an increase in industrial activity and, thus, increased events which demand service expertise. In addition, our industry has seen a global outsourcing trend, which is driven by the need for specialization and lower costs to clients. We intend to leverage our position as a leading environmental, emergency response and industrial field services provider in Brazil with a broad geographic footprint to benefit from the expected market growth and gain market share in the several markets we serve. We believe that a business strategy that bundles extensive geographic coverage with a broad portfolio of standardized services constitutes a strong value proposition for customers. We are continuously looking for new possibilities to expand and innovate our business model, our footprint and product offering. We intend to capitalize on our difficult-to-replicate combination of standardized services to provide a one-stop-shop for emergency response and industrial field services. We believe our focus on sustainability, workforce safety and innovation, as well as our passionate commitment to customer service, provides for a long-term sustainable business model. In addition to organic growth initiatives, the fragmentation in our market offers significant opportunities for consolidation through M&A activity, and we will continue to pursue acquisition opportunities to expand our geographic reach, service lines and customer base.

Invest in our commercial team to increase cross-selling and in business development with potential customers.

As we expand our geographical footprint and services portfolio of acquired companies, we seek to benefit from our scale and the breadth of our services to increase cross-selling and ultimately drive incremental volume into our services. Cross-selling is driven largely by our capability of sharing know-how and technology developed among our businesses in different markets to our clients globally. In Brazil, for example, we did not customarily offer industrial services. We are now offering industrial cleaning services, including the cleaning of contaminant products and confined environments to our Brazilian clients, an expertise we gained from the North American companies that we acquired. In addition, the acquisition of Witt O'Brien's LLC (the "WOB Acquisition") has provided us with a new and complementary customer base and has created and we believe will further create meaningful commercial synergy opportunities that we expect will be materialized through cross-selling initiatives between Witt O'Brien's consulting services that we do not currently offer, such as post-emergency mitigation planning and applications development, and our current offering of large-scale emergency response services.

As part of this strategy, we intend to further develop relationships with multinational, blue chip clients that require extensive geographic coverage, both organically and inorganically. Our commercial team is an essential part of our organic business development strategy. From 2019 to 2022, we opened 66 service centers only in Brazil. We plan to invest in new commercial offices as well as in training our commercial team and those of acquired companies to strengthen our relationship with existing customers and attract new customers. In addition, we seek to leverage our acquired companies' client portfolio by generating business leads through the recommendation of complementary services to those already provided to these clients by the acquired companies.

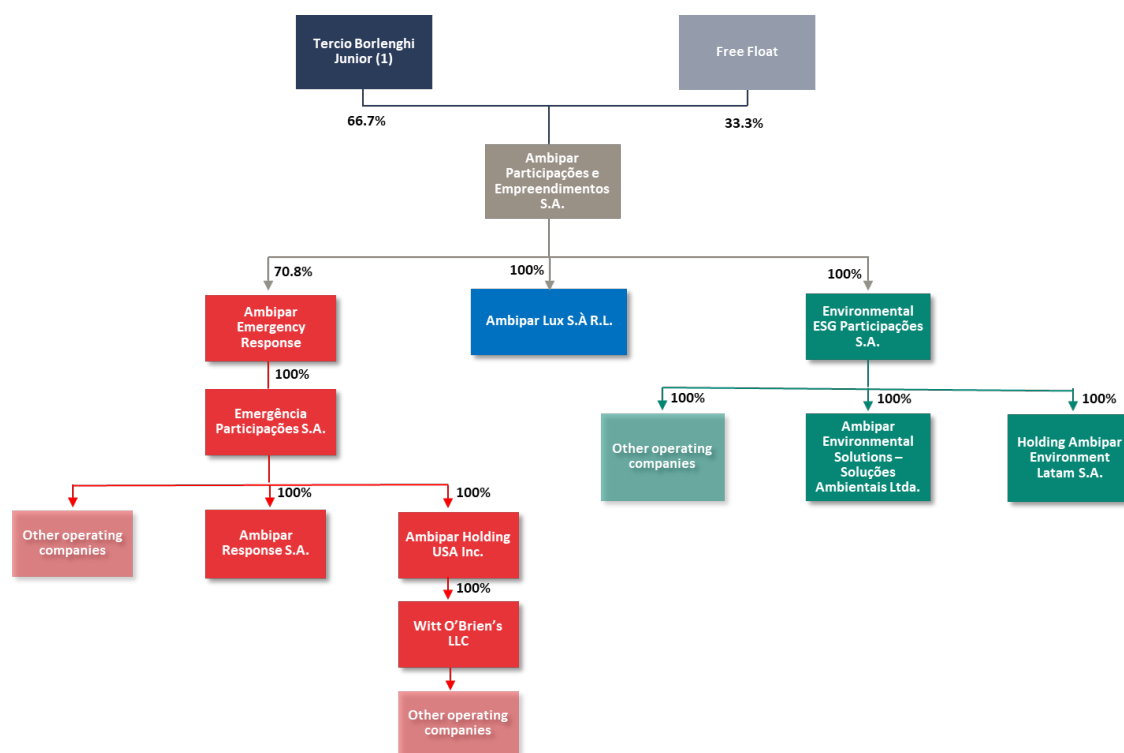
Invest in certified carbon credits.

Due to the nature of our waste recovery and forest preservation activities, we generate carbon credits on a recurring basis. We believe that these carbon credits have significant trading potential based on their certification by the Verified Carbon Standard, or VCS, and by the Community Climate and Biodiversity, or CCB, which are both linked to the Verified Carbon Standard, or Verra, a renowned project certifier of carbon credits in the global

voluntary carbon market. Certified carbon credits can be sold to companies that seek to neutralize carbon emissions from their activities as well as in the form of “tokens” registered in block chain and sold to offset and neutralize carbon emissions by individuals or businesses. With that goal, we have developed Ambify, a carbon credit generation platform to sell carbon credits to the B2B and B2B2C markets.

Our Corporate Structure

The following chart presents our simplified ownership and corporate structure as of the date of this offering memorandum:



(1) Mr. Borlenghi Junior beneficially owns ordinary shares in Ambipar Participações e Empreendimentos S.A. directly and indirectly through his ownership of all participation interests in Everest – Fundo de Investimento em Participações Multiestratégia Investimentos no Exterior.

ESG Financing Framework

In 2022, we adopted the ESG Financing Framework, which incorporates both a green and social component and aims to link our financing efforts to an attempt to protect the planet and its people (the “ESG Financing Framework”). The purpose of the ESG Financing Framework is to use a unified suite of ESG Financial Instruments, including green, social and/or sustainable financial debt instruments (such as bonds, loans, and/or other debt securities) that align with our sustainability priorities (the “ESG-FIs”), for purposes of financing or refinancing new or existing investments with environmental and/or social benefits.

The ESG Financing Framework was established in accordance with the (i) the Sustainability Bond Guidelines of 2021, the Social Bond Principles of 2021 and the Green Bond Principles of 2021, administered by the International Capital Markets Association aiming to encompass future issuances in the capital markets and (ii) the Green Loan Principles of 2021 and the Social Loan Principles of 2021 published by the Loan Markets Association aiming to encompass bilateral or syndicated loans with financial institutions and/or multilateral agencies.

The ESG Financing Framework was reviewed by Morningstar Sustainalytics (“Sustainalytics”), an independent consultant with recognized ESG expertise, which provided a second party opinion (the “Second Party Opinion”) on the positive environmental and social impacts expected from the projects funded in accordance with the ESG Financing Framework. According to Sustainalytics, the ESG Financing Framework is aligned with the UN Sustainable Development Goals 6, 7, 8, 9, 11, 12 and 13 and with the four components of the Green Bond Principles of 2021, the Social Bond Principles of 2021, the Green Loan Principles of 2021 and the Social Loan Principles of 2021. The Second Party Opinion is available on our website.

For the avoidance of doubt, none of the ESG Financing Framework, the Second Party Opinion, any annual financing update related thereto, or any report issued by an external verifier or opinion provider are, and none shall be deemed to be, incorporated by reference into or form a part of this offering memorandum.

For more information on how the ESG Financing Framework applies to the Notes, see “*Use of Proceeds*.”

Recent Developments

On November 6, 2023, we completed a follow-on equity offering (the “Follow-On Offering”) and issued and sold 54,106,281 common shares at the offering price of R\$13.25 per share (U.S.\$2.62 per common share based upon the U.S. dollar closing selling rate of R\$5.0076 to U.S.\$1.00 as of September 30, 2023, as published by the Central Bank). We used the net proceeds from the equity offering, in a total aggregate amount of R\$704.2 million (US\$140.6 million), to repay existing indebtedness. In connection with the Follow-On Offering, our controlling shareholder subscribed for 42,264,150 common shares issued by us. See “*Principal Shareholders and Related Party Transactions*.”

The Issuer

The Issuer is a wholly-owned subsidiary of Ambipar Participações e Empreendimentos S.A. and was incorporated under the laws of Luxembourg as a private limited liability company (*société à responsabilité limitée*) on July 20, 2023, and is registered with the Luxembourg Register of Commerce and Companies under number B279448. The registered office of the Issuer is at 17, boulevard F.W. Raiffeisen, L-2411, Luxembourg, Grand Duchy of Luxembourg. See “*The Issuer*.”

Our headquarters are located at Avenida Pacaembú No. 1,088, in the city and State of São Paulo, Brazil, 01234-000, and our investor relations department contact details are the following: (a) e-mail: ri@ambipar.com and (b) phone number: +55 (11) 3429-5000. Our investor relations website is <https://ri.ambipar.com>. The information available on our website or that may be accessed through it, as well as information included in any marketing material published through the media and in newspaper and magazine advertisements, is not part of this offering memorandum and is not incorporated by reference herein.

The Offering

The following summary contains basic information about the Notes and the Note Guarantees and is not intended to be complete. This summary highlights information presented in greater detail elsewhere in this offering memorandum. It does not contain all of the information that you may need to rely on to make your investment decision. You should carefully read this entire offering memorandum before investing in the Notes, including “Risk Factors” and our consolidated financial statements included elsewhere in this offering memorandum. For a more complete understanding of the Notes, please refer to the “Description of the Notes” in this offering memorandum.

Issuer	Ambipar Lux S.à r.l
Guarantors	Ambipar Participações e Empreendimentos S.A., Environmental ESG Participações S.A. and Ambipar Emergency Response; <i>provided, however</i> , that the Note Guarantee provided by Response, shall be limited to (a) the lower of (i) US\$200.0 million, which is the U.S. dollar equivalent of the aggregate principal amount of intercompany loans by Ambipar to Response either outstanding on the Issue Date or to be made in connection with this offering of the Notes and (ii) the aggregate principal amount of Notes then outstanding, plus (b) the amount of interest and other payment obligations under the Indenture in the same proportion as such aggregate principal amount in clause (a) bears to the aggregate principal amount of Notes then outstanding (the “Response Guarantee Limit”).
Notes Offered	U.S.\$750,000,000 aggregate principal amount of 9.875% green notes due 2031.
Note Guarantees	Each of the Guarantors (subject to the Response Guarantee Limit) will, jointly and severally, fully and unconditionally guarantee on an unsecured basis under the Note Guarantees all of the payment obligations of the Issuer pursuant to the Notes and the Indenture. Each Note Guarantee will be an unsecured, unsubordinated obligation of its respective Guarantor, ranking equally with all of its other existing and future unsecured and unsubordinated obligations.
Initial Purchasers	BofA Securities, Inc., Banco BTG Pactual S.A. – Cayman Branch, Itau BBA USA Securities Inc., Morgan Stanley & Co. LLC, Banco Bradesco BBI S.A., Santander US Capital Markets LLC and UBS Securities LLC.
Issue Date	February 6, 2024.
Issue Price	100.000% of the aggregate principal amount plus accrued interest, if any, from February 6, 2024.
Maturity Date	February 6, 2031.

Interest	The Notes will bear interest from February 6, 2024, at the rate of 9.875% per annum, payable semi-annually in arrears on each interest payment date.
Interest Payment Dates	February 6 and August 6 of each year, commencing on August 6, 2024.
Ranking of the Notes and the Note Guarantees	The Notes and the Note Guarantees will: • be unsecured, unsubordinated obligations of the Issuer and each of the Guarantors; • rank equally in right of payment to all existing and future unsecured and unsubordinated indebtedness of the Issuer and each of the Guarantors; • be effectively subordinated to all existing and future secured indebtedness of the Issuer and each of the Guarantors that is secured by Liens on their respective assets, to the extent of the value of the assets securing such secured indebtedness; and • be structurally subordinated to all existing and future indebtedness of the Parent Guarantor's subsidiaries that are not Subsidiary Guarantors (other than the Issuer). As of September 30, 2023, we had R\$7,076.9 million (US\$1,413.2 million) of current and non-current loans and financing and debentures, of which R\$865.2 million (US\$172.7 million) would be secured. For more information, see “<i>Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness and Financing Strategy.</i>” After giving effect to (i) the Follow-On Offering and (ii) the offer and sale of the Notes and the application of the net proceeds from both offerings as described under “<i>Use of Proceeds,</i>” we would have total current and non-current loans and financing and debentures of R\$7,076.9 million (US\$1,413.2 million), R\$865.2 million (US\$172.7 million) of which would be secured.
Optional Redemption with a Make-Whole Premium	Prior to February 6, 2027, the Issuer may on any one or more occasions, at its option, redeem at any time all or a portion of the Notes, at 100% of their principal amount plus a “make whole” amount described under “ <i>Description of the Notes—Optional Redemption—Optional Redemption with a Make-Whole Premium,</i> ” plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

Optional Redemption without a Make-Whole Premium

On or after February 6, 2027, the Issuer may on any one or more occasions redeem the Notes, at its option, in whole or in part from time to time, at the following redemption prices (expressed as a percentage of the principal amount), plus accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed to, but excluding, the applicable redemption date, if redeemed during the 12-month period commencing on February 6 of one of the years set forth below and as further described under “*Description of the Notes—Optional Redemption—Optional Redemption without a Make-Whole Premium.*”

Year	Redemption Price
2027	104.938%
2028	102.469%
2029	101.234%
2030 and thereafter	100.000%

Optional Redemption upon Eligible Equity Offerings ...

At any time, or from time to time, prior to February 6, 2027, the Issuer may, at its option, use an amount not to exceed the net cash proceeds of one or more Eligible Equity Offerings of Ambipar or any of the Guarantors to redeem up to 35% of the aggregate principal amount of the outstanding Notes (including any Additional Notes) at a redemption price equal to 109.875% of the principal amount on the redemption date, *plus* any accrued and unpaid interest to, but excluding, the redemption date; *provided* that (i) after giving effect to any such redemption at least 65% of the aggregate principal amount of the Notes (including any Additional Notes) issued under the Indenture remains outstanding; and (ii) the Issuer makes such redemption not more than 90 days after the consummation of such Eligible Equity Offering. See “*Description of the Notes—Optional Redemption—Optional Redemption Upon Eligible Equity Offerings.*”

Tax Redemption

The Issuer may, at its option, redeem all, but not less than all, of the Notes, at 100% of their principal amount plus accrued interest accrued to, but excluding, the date fixed for redemption, at any time upon the occurrence of specified events relating to the tax law of certain jurisdictions, as set forth in this offering memorandum. See “*Description of the Notes—Optional Redemption—Redemption for Taxation Reasons.*”

Conditional and Clean-Up Calls

Any redemption notice may, at the Issuer’s discretion, be subject to the satisfaction or waiver of one or more conditions precedent, including

completion of an Eligible Equity Offering, a debt financing or other corporate transaction.

If holders of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes in connection with any tender offer or other offer to purchase the Notes, and such Notes are so purchased by the Issuer or any other Person making such offer in lieu of the Issuer, the Issuer will have the right to redeem all Notes that remain outstanding following such purchase at a redemption price in cash equal to the applicable price paid to holders in such purchase, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. See “*Description of the Notes—Optional Redemption—Selection and Notice of Redemption.*”

Additional Amounts.....

Payments of interest on the Notes by the Issuer or any Guarantor in respect of its Note Guarantee will be made free and clear of and without withholding or deduction for or on account of any taxes imposed by certain specified jurisdictions unless such withholding or deduction is required by law or the official interpretation thereof. In the event of any such withholding or deduction, the Issuer or such Guarantor, as the case may be, will pay such additional amounts as will result in receipt by the holders of Notes of such amounts as would have been received by them had no such withholding or deduction for taxes been required, subject to certain exceptions set forth under “*Description of the Notes—Payment of Additional Amounts.*”

Restrictive Covenants	The Indenture governing the Notes (including the Note Guarantees) will, among other things, limit our ability and the ability of our subsidiaries to: • incur or guarantee additional indebtedness; • make restricted payments; • make certain investments; • enter into certain transactions with stockholders or affiliates; • sell assets; • create certain liens; • engage in sale-leaseback transactions; and • engage in a merger, sale or consolidation transaction. In addition, we are subject to additional restrictive covenants pursuant to the Indenture. These covenants are subject to important exceptions and qualifications which are described under the heading “<i>Description of the Notes—Certain Covenants.</i>”
Events of Default	For a description of certain events of default that will permit acceleration of the principal amount of the Notes plus accrued interest, see “<i>Description of the Notes—Default and Remedies—Events of Default.</i>”
Change of Control Offer	Upon the occurrence of a change of control that results in a ratings decline, you will have the right, as a holder of the Notes, subject to certain exceptions, to require us to repurchase some or all of our Notes held by you at 101% of their principal amount, plus accrued and unpaid interest, if any, to, but excluding, the repurchase date. See “<i>Description of the Notes—Certain Covenants—Repurchase of Notes upon a Change of Control.</i>”
Use of Proceeds	We intend to use the net proceeds of the Notes for (i) the repayment of indebtedness and (ii) the remainder (if any), for general corporate purposes. We intend to allocate an amount equal to the net proceeds of the Notes for expenditures and investments in one or more Eligible Green Projects (as defined below) and Eligible Mergers and Acquisitions for Green Projects (as defined below), as described in the ESG Financing Framework. Eligible Green Projects financed and/or refinanced with the proceeds from the Notes include disbursements covering project

expenditures for up to 24 months preceding the issuance date of the Notes and until 36 months after the issuance of the Notes.

See “*Use of Proceeds*” for further information on our ESG Financing Framework that the use of proceeds principles are permitted thereunder.

Form and Denomination; Settlement

Any Notes sold outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act will be in fully registered form without interest coupons attached, only in denominations of US\$200,000 and in integral multiples of US\$1,000 in excess thereof. Any Notes sold pursuant to Rule 144A under the Securities Act will be issued in fully registered form in denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof. The Notes will be issued in book-entry form represented by global Notes deposited with, or on behalf of and registered in the name of the nominee of, DTC, for the accounts of its direct and indirect participants, including indirectly Euroclear Bank S.A./N.V., as the operator of the Euroclear System, and Clearstream Banking, *société anonyme*. Beneficial interests in Notes held in book-entry form will not be entitled to receive physical delivery of certificated notes, except in certain limited circumstances. For a description of certain factors relating to clearance and settlement, see “*Form of the Notes*.”

We expect to deliver the Notes against payment for the Notes on or about the date specified in the last paragraph of the cover page of this offering memorandum, which will be the 5th business day following the date of the pricing of the Notes.

Because trades in the secondary market generally settle in two business days, purchasers who wish to trade Notes prior to their date of delivery may be required, by virtue of the fact that the Notes initially are expected to settle on February 6, 2024, to specify alternative settlement arrangements to prevent a failed settlement.

Transfer Restrictions.....

The Notes have not been registered under the Securities Act and are subject to certain restrictions on transfer. See “*Transfer Restrictions*.”

Trading and Listing.....

The Issuer will apply to the SGX-ST for permission to list and quote the Notes on the main board of the SGX-ST, where the Notes will be traded in a minimum board lot size of US\$200,000. The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission to the Official List of the

SGX-ST is not to be taken as an indication of the merits of the Notes or the Issuer.

We cannot assure you that this application will be accepted, or if accepted, that the Notes will remain so listed. The Issuer will at all times use its reasonable efforts to maintain the listing of the Notes on the SGX-ST. If the Notes are delisted, the Issuer will use reasonable efforts to list the Notes on another comparable exchange. However, there can be no assurance that the Issuer will obtain an alternative admission to listing, trading and/or quotation for the Notes by another listing authority, exchange and/or system.

Governing Law	The Indenture and the Notes will be governed by the laws of the State of New York. For the avoidance of doubt, the application of articles 470-1 to 470-19 (inclusive) of the Luxembourg law on commercial companies, dated August 10, 1915, as amended, is expressly excluded.
Trustee, Paying Agent, Transfer Agent and Registrar	The Bank of New York Mellon.
Singapore Listing Agent	CNP Law LLP.
Risk Factors	You should carefully consider all of the information contained in this offering memorandum prior to investing in the Notes. In particular, we urge you to carefully consider the information set forth under “ <i>Risk Factors</i> ” for a discussion of risks and uncertainties related to us, our subsidiaries, our business, our shareholders and an investment in the Notes.
Further Issuances	Subject to our covenants in the Indenture, we may from time to time, without notice to or consent of the holders of the Notes, create and issue an unlimited principal amount of additional Notes of the same series as the Notes offered hereby; <i>provided</i> that if the additional Notes are not fungible with the Notes for United States federal income tax purposes, the additional Notes will have a separate CUSIP number.

SUMMARY FINANCIAL AND OTHER INFORMATION

Our summary financial information relating to our consolidated statement of income and statement of financial position presented in the tables below is derived from our consolidated financial statements.

This financial information should be read in conjunction with “Presentation of Financial and Other Information,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements included elsewhere in this offering memorandum.

This section contains translations of various *real* amounts into U.S. dollars at specified rates solely for your convenience. You should not construe these translations as representations by us that the *real* amounts actually represent these U.S. dollar amounts or could be converted into U.S. dollars at the rates indicated.

Statements of Income Data

	For the nine months ended September 30,			For the year ended December 31,			
	2023	2023	2022	2022	2022	2021	2020
	(unaudited)						
	(in millions of US\$) ⁽¹⁾⁽²⁾	(in millions of R\$) ⁽¹⁾		(in millions of US\$) ⁽¹⁾⁽²⁾	(in millions of R\$) ⁽¹⁾		
Net operating revenue	704.3	3,526.9	2,599.4	756.8	3,789.8	1,916.3	701.6
	(538.1)	(2,694.8)	(2,035.6)		(2,949.2)		
Cost of services rendered				(588.9)		(1,499.8)	(542.8)
Gross profit	166.2	832.1	563.8	167.9	840.6	416.6	158.8
General, administrative and selling expenses	(23.1)	(115.5)	(112.0)	(30.0)	(150.3)	(103.9)	(31.2)
Equity in earnings of controlled companies				0.7	3.6		
Other operating revenues/(expenses), net.....	(19.4)	(97.3)	8.6	3.6	17.9	16.1	1.5
Operating income before financial results	123.7	619.3	460.4	142.2	711.9	328.7	129.1
Financial income	52.7	263.8	109.2	31.2	156.1	38.3	14.6
Financial expenses.....	(166.2)	(832.3)	(439.2)	(132.9)	(665.4)	(144.4)	(69.2)
Net income before income tax and social contribution	10.2	50.9	130.4	40.4	202.5	222.7	74.5
Income tax and social contribution							
Current	(20.0)	(100.3)	(55.0)	(21.9)	(109.5)	(47.1)	(12.4)
Deferred.....	(0.6)	(2.8)	10.5	3.1	15.7	(6.7)	(12.6)
Net income for the period	(10.4)	(52.3)	86.1	21.7	108.7	168.9	49.5
Attributable to controlling interest	(27.1)	(135.5)	55.2	12.7	63.8	144.2	44.8
Attributable to non-controlling interest.....	16.6	83.2	30.9	9.0	45.0	24.7	4.7
Earnings per share (basic and diluted)	(0.09)	(0.46)	0.76	0.20	0.96	1.50	0.44

(1) Except for “Earnings per share (basic and diluted).”

(2) Solely for the convenience of the reader, we have translated the *real* amounts using an exchange rate of R\$5.0076 per US\$1.00, based on the selling rate as reported by the Central Bank as of September 30, 2023.

Statements of Financial Position Data

	As of September 30,		As of December 31,			
	2023	2023	2022	2022	2021	2020
	(in millions of US\$) ⁽¹⁾	(unaudited) (in millions of R\$)	(in millions of US\$) ⁽¹⁾	(in millions of R\$)		
Assets						
Current assets						
Cash and cash equivalents	336.8	1,686.8	569.8	2,853.1	793.2	591.6
Marketable securities	174.7	874.6	11.4	57.2	—	—
Accounts receivable	238.3	1,193.2	208.0	1,041.8	540.0	217.9
Recoverable taxes	40.4	202.4	22.5	112.9	51.3	22.7
Prepaid expenses	8.9	44.8	8.5	42.5	24.7	6.7
Inventories	48.6	243.2	22.2	111.1	54.3	—
Advances to suppliers	17.4	86.9	17.4	87.1	—	—
Other accounts receivables	22.9	114.7	17.7	88.6	36.6	27.4
Total current assets	888.0	4,446.5	877.5	4,394.3	1,500.2	866.3
Non-current assets						
Marketable securities	4.3	21.3	3.0	15.1	—	—
Accounts receivable	0.3	1.3	0.9	4.6	9.1	4.5
Recoverable taxes	1.2	6.2	1.6	8.1	12.4	4.2
Deferred income tax and social contribution ..	30.7	153.5	15.3	76.5	32.9	13.0
Court deposits	0.9	4.7	0.8	3.8	2.4	2.5
Other accounts receivables	13.2	66.1	23.2	116.0	13.1	5.1
Investments in controlled companies	0.0	0.0	1.5	7.6	—	—
Fixed assets	448.6	2,246.4	369.5	1,850.1	1,205.8	327.5
Right-of-use assets	25.5	127.5	25.4	127.3	81.4	29.0
Intangible assets	686.4	3,437.2	654.9	3,279.5	2,004.1	392.1
Total non-current assets	1,211.0	6,064.1	1,096.1	5,488.6	3,361.2	777.9
Total assets	2,098.9	10,510.5	1,973.6	9,882.9	4,861.4	1,644.2
Liabilities						
Current liabilities						
Loans and financing	70.2	351.7	97.7	489.1	267.9	44.9
Debentures	96.8	484.8	87.8	439.5	74.2	—
Trade accounts payable	81.7	409.0	49.1	246.0	99.4	17.8
Payroll and social charges payable	35.7	178.6	36.8	184.5	69.0	26.8
Dividends payable	1.0	5.0	5.5	27.3	36.1	10.6
Income tax and social contribution payable ...	8.4	42.1	10.7	53.8	24.4	6.7
Taxes payable	13.3	66.5	12.8	64.2	44.3	12.1
Obligations due to investment acquisition	50.7	253.7	37.8	189.2	256.0	38.5
Lease	9.5	47.6	8.2	41.0	26.2	7.6
Others	19.0	95.1	17.5	87.8	—	0.6
Total current liabilities	386.2	1,934.0	363.9	1,822.4	897.5	165.6
Non-current liabilities						
Loans and financing	358.1	1,793.2	319.2	1,598.2	1,007.6	162.3
Debentures	888.1	4,447.2	913.6	4,574.7	1,318.0	—
Provision for contingencies	0.4	2.2	0.5	2.4	2.3	2.6
Taxes payable	2.7	13.7	2.1	10.6	8.8	2.0
Deferred income tax and social contribution ..	68.1	340.9	62.6	313.5	159.9	14.0
Obligations due to investment acquisition	21.6	108.3	31.8	159.4	112.5	51.3
Lease	12.9	64.5	13.3	66.7	50.0	20.7
Others	16.9	84.4	7.1	35.5	—	—
Total non-current liabilities	1,368.8	6,854.5	1,350.1	6,761.0	2,659.1	252.8
Equity						
Share capital	230.0	1,151.6	230.0	1,151.6	1,151.6	1,151.6
Issuance cost of shares	(21.5)	(107.9)	(21.5)	(107.9)	(107.9)	(107.9)
Capital Transactions	16.5	82.6	(22.7)	(113.9)	(123.6)	(10.5)
Retained earnings	—	—	—	—	—	—
Profit reserve	63.2	316.4	63.2	316.4	267.8	157.9
Cumulative translation adjustment	(63.4)	(317.6)	(38.1)	(191.0)	(10.7)	10.8
Net income for the period	(27.1)	(135.4)	—	—	—	—
Non-controlling interest	146.3	732.4	48.8	244.3	127.5	24.0
Total Equity	343.9	1,722.0	259.5	1,299.6	1,304.7	1,225.7
Total liabilities and net equity	2,098.9	10,510.5	1,973.6	9,882.9	4,861.4	1,644.2

(1) Solely for the convenience of the reader, we have translated the *real* amounts using an exchange rate of R\$5.0076 per US\$1.00, based on the selling rate as reported by the Central Bank as of September 30, 2023.

Unaudited Non-GAAP Financial Measures

The table below sets forth certain of our financial information for the periods indicated:

	For the nine months ended September 30,			For the year ended December 31,			
	2023	2023	2022	2022	2021	2020	
	(in millions of US\$, except %) ⁽¹⁾			(unaudited) (in millions of US\$, except %) ⁽¹⁾	(in millions of R\$, except %)		
EBITDA ⁽²⁾⁽⁹⁾	182.8	915.6	697.2	209.0	1,046.8	517.0	197.5
Environment segment	112.2	561.5	420.6	119.2	597.0	284.6	91.9
Response segment	70.2	351.7	275.9	89.6	448.8	238.2	112.4
EBITDA Margin ⁽³⁾⁽⁸⁾	26.0%	26.0%	26.8%	27.6%	27.6%	27.0%	28.1%
Environment segment	33.5%	33.5%	27.2%	28.4%	28.4%	26.0%	27.3%
Response segment	19.0%	19.0%	26.2%	26.6%	26.6%	29.0%	30.8%
Adjusted EBITDA ⁽⁴⁾⁽⁹⁾	206.8	1,035.4	697.2	209.0	1,046.8	517.0	197.5
Response segment	70.2	351.7	275.9	89.6	448.8	238.2	112.4
Adjusted EBITDA Margin ⁽⁵⁾⁽⁹⁾	29.4%	29.4%	26.8%	27.6%	27.6%	27.0%	28.1%
Response segment	25.5%	25.5%	26.2%	26.6%	26.6%	29.0%	30.8%
NOPAT ⁽⁶⁾⁽⁹⁾	138.5 ⁽⁷⁾	693.5 ⁽⁷⁾	N/A	99.5	498.3	230.1	90.4
ROIC ⁽⁸⁾⁽⁹⁾	25.0% ⁽¹⁰⁾	25.0% ⁽¹⁰⁾	N/A	22.7%	22.7%	19.6%	20.1%

- (1) Solely for the convenience of the reader, we have translated the *real* amounts using an exchange rate of R\$5.0076 per US\$1.00, based on the selling rate as reported by the Central Bank as of September 30, 2023.
- (2) We calculate EBITDA as net income for the period before income tax and social contribution (current and deferred), financial result, net and depreciation and amortization expenses, in each case for the relevant period. EBITDA is a non-GAAP measure prepared by us under the CVM Resolution No. 156. For a reconciliation of our EBITDA to our net income for the period, see “—Reconciliation of Non-GAAP Financial Measures—Reconciliation of EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin to Net Income for the Period.”
- (3) We calculate EBITDA Margin as EBITDA for the relevant period divided by net operating revenue for the relevant period. For a reconciliation of our EBITDA Margin to our net income for the period, see “—Reconciliation of Non-GAAP Financial Measures—Reconciliation of EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin to Net Income for the Period.”
- (4) We calculate Adjusted EBITDA as EBITDA plus extraordinary expenses and non-cash from Response’s NYSE American listing. For a reconciliation of our Adjusted EBITDA to our net income for the period, see “—Reconciliation of Non-GAAP Financial Measures—Reconciliation of EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin to Net Income for the Period.”
- (5) We calculate Adjusted EBITDA Margin as Adjusted EBITDA for the relevant period divided by net operating revenue for the relevant period. For a reconciliation of our Adjusted EBITDA Margin to our net income for the period, see “—Reconciliation of Non-GAAP Financial Measures—Reconciliation of EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin to Net Income for the Period.”
- (6) We calculate NOPAT as operating income before financial result plus extraordinary expenses and non-cash from Response’s NYSE American listing minus income tax adjustment. Income tax adjustment is defined as (i) operating income before financial result plus extraordinary expenses and non-cash from Response’s NYSE American listing multiplied by (ii) a tax rate of 30%. For a reconciliation of our NOPAT to our operating income before financial result, see “—Reconciliation of Non-GAAP Financial Measures—Reconciliation of NOPAT and ROIC to Operating Income Before Financial Result.”
- (7) NOPAT for September 30, 2022 and September 30, 2023 considers operating income before financial result and income tax adjustment for the twelve preceding months.
- (8) We calculate ROIC as NOPAT divided by invested capital. We define invested capital as total equity plus current and non-current loans and financing plus current and non-current debentures minus cash and cash equivalents minus current and non-current marketable securities minus intangible assets. For a reconciliation of our ROIC to our operating income before financial result, see “—Reconciliation of Non-GAAP Financial Measures—Reconciliation of NOPAT and ROIC to Operating Income Before Financial Result.”
- (9) Our definition of EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, NOPAT and ROIC are specific to our business and you should not assume that these definitions are comparable to similarly titled financial measures of other companies. These financial measures should be viewed as supplemental to, and not substitutive for, our consolidated financial statements included elsewhere in this offering memorandum. Because this financial information is not prepared in accordance with IFRS, you are cautioned not to place undue reliance on this information.
- (10) ROIC for September 2022 considers NOPAT for the twelve months ending September 30, 2022 and invested capital as of September 30, 2022. Likewise, ROIC for September 2023 considers NOPAT for the twelve months ending September 30, 2023 and invested capital as of September 30, 2023.

Reconciliation of Non-GAAP Financial Measures

Reconciliation of EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin to Net Income for the Period

The following table sets forth the reconciliation of EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin of Ambipar to Net income for the period for each of the periods presented below:

	For the nine months ended September 30,			For the year ended December 31,			
	2023	2023	2022	2022	2022	2021	2020
	(unaudited)			(unaudited)			
	(in millions of US\$, except %) ⁽¹⁾	(in millions of R\$, except %)		(in millions of US\$, except %) ⁽¹⁾	(in millions of R\$, except %)		
Net income for the period	(10.4)	(52.3)	86.1	21.7	108.7	168.9	49.5
(+) Income tax and social contribution (current and deferred)	20.6	103.1	44.4	18.7	93.8	53.8	25.0
(+) Financial result, net.....	113.5	568.4	329.9	101.7	509.3	106.1	54.6
(+) Depreciation and amortization expenses	59.2	296.3	236.7	66.9	335.0	188.2	68.4
EBITDA	182.8	915.6	697.2	209.0	1046.8	517.0	197.5
Net operating revenue.....	704.3	3,526.9	2,599.4	756.8	3,789.8	1,916.3	701.6
EBITDA Margin	26.0%	26.0%	26.8%	27.6%	27.6%	27.0%	28.1%
EBITDA	182.8	915.6	697.2	209.0	1046.8	517.0	197.5
(+) Extraordinary expenses and non-cash from Response's NYSE American listing	23.9	119.8	—	—	—	—	—
Adjusted EBITDA	206.8	1,035.4	697.2	209.0	1046.8	517.0	197.5
Net operating revenue.....	704.3	3,526.9	2,599.4	756.8	3,789.8	1,916.3	701.6
Adjusted EBITDA Margin	29.4%	29.4%	26.8%	27.6%	27.6%	27.0%	28.1%

(1) Solely for the convenience of the reader, we have translated the *real* amounts using an exchange rate of R\$5.0076 per US\$1.00, as reported by the Central Bank as of September 30, 2023.

The following table sets forth the reconciliation of EBITDA and EBITDA Margin of the Environment segment to Net income for the period for each of the periods presented below:

<u>Environment segment</u>	For the nine months ended September 30,			For the year ended December 31,			
	2023	2023	2022	2022	2022	2021	2020
	(unaudited)			(unaudited)			
	(in millions of US\$, except %) ⁽¹⁾	(in millions of R\$, except %)		(in millions of US\$, except %) ⁽¹⁾	(in millions of R\$, except %)		
Net income for the period	37.4	187.1	59.3	14.6	73.2	30.8	12.9
(+) Income tax and social contribution (current and deferred)	6.1	30.7	17.0	15.8	79.1	16.0	8.2
(+) Financial result, net.....	34.4	172.1	179.2	44.3	221.7	105.7	27.3
(+) Depreciation and amortization expenses	34.3	171.6	165.1	44.5	223.0	132.0	43.5
EBITDA	112.2	561.5	420.6	119.2	597.0	284.6	91.9
Net operating revenue.....	334.3	1,674.4	1,545.4	419.9	2,102.8	1,092.8	336.4
EBITDA Margin	33.5%	33.5%	27.2%	28.4%	28.4%	26.0%	27.3%

(1) Solely for the convenience of the reader, we have translated the *real* amounts using an exchange rate of R\$5.0076 per US\$1.00, as reported by the Central Bank as of September 30, 2023.

The following table sets forth the reconciliation of EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin of the Response segment to Net income for the period for each of the periods presented below:

<u>Response Segment</u>	For the nine months ended September 30,			For the year ended December 31,			
	2023	2023	2022	2022	2022	2021	2020
	(unaudited)			(unaudited)			
	(in millions of US\$, except %) ⁽¹⁾	(in millions of R\$, except %)		(in millions of US\$, except %) ⁽¹⁾	(in millions of R\$, except %)		
Net income for the period	6.6	33.2	117.4	37.5	187.9	138.1	66.1
(+) Income tax and social contribution (current and deferred)	14.1	70.8	27.0	9.0	44.9	37.9	16.6
(+) Financial result, net.....	24.6	123.0	59.9	20.8	104.0	2.0	7.1
(+) Depreciation and amortization expenses	24.9	124.7	71.6	22.4	112.0	60.2	22.5
EBITDA	70.2	351.7	275.9	89.6	448.8	238.2	112.4
Net operating revenue.....	369.3	1,849.4	1,052.6	336.5	1,684.9	822.2	365.2
EBITDA Margin	19.0%	19.0%	26.2%	26.6%	26.6%	29.0%	30.8%
EBITDA	70.2	351.7	275.9	89.6	448.8	238.2	112.4

(+) Extraordinary expenses and non-cash from Response's NYSE American listing	23.9	119.8	—	—	—	—	—
Adjusted EBITDA	94.2	471.5	275.9	89.6	448.8	238.2	112.4
Net operating revenue	369.3	1,849.4	1,052.6	336.5	1,684.9	822.2	365.2
Adjusted EBITDA Margin	25.5%	25.5%	26.2%	26.6%	26.6%	29.0%	30.8%

- (1) Solely for the convenience of the reader, we have translated the *real* amounts using an exchange rate of R\$5.0076 per US\$1.00, as reported by the Central Bank as of September 30, 2023.

Reconciliation of NOPAT and ROIC to Operating Income Before Financial Result

The following table sets forth the reconciliation of NOPAT and ROIC of Ambipar to operating income before financial result for each of the periods presented below:

	As of and for the twelve months ended September 30,		As of and for the year ended December 31,			
	2023	2023	2022	2022	2021	2020
	(unaudited)		(unaudited)			
	(in millions of US\$, except %) ⁽¹⁾	(in millions of R\$, except %)	(in millions of US\$, except %) ⁽¹⁾	(in millions of R\$, except %)		
Operating income before financial result	173.9	870.9	142.2	711.9	328.7	129.1
(+) Extraordinary expenses and non-cash from Response's NYSE American listing	23.9	119.8	—	—	—	—
(-) Income tax adjustment ⁽²⁾	(59.4)	(297.2)	(42.7)	(213.6)	(98.6)	(38.7)
NOPAT (A)	138.5	693.5	99.5	498.3	230.1	90.4
Invested capital						
Total equity	343.9	1,722.0	259.5	1,299.6	1,304.7	1,225.7
(+) Current loans and financing	70.2	351.7	97.7	489.1	267.9	44.9
(+) Current debentures	96.8	484.8	87.8	439.5	74.2	—
(+) Non-current loans and financing	358.1	1,793.2	319.2	1,598.2	1,007.6	162.3
(+) Non-current debentures	888.1	4,447.2	913.6	4,574.7	1,318.0	—
(-) Cash and cash equivalents	336.8	1,686.8	569.8	2,853.1	793.2	591.6
(-) Current and non-current marketable securities	179.0	895.9	14.4	72.2	—	—
(-) Intangible assets	686.4	3,437.2	654.9	3,279.5	2,004.1	392.1
Total Invested Capital (B)	554.9	2,779.1	438.6	2,196.3	1,175.1	449.2
ROIC (A)/(B)	25.0%	25.0%	22.7%	22.7%	19.6%	20.1%

- (1) Solely for the convenience of the reader, we have translated the *real* amounts using an exchange rate of R\$5.0076 per US\$1.00, as reported by the Central Bank as of September 30, 2023.
- (2) Income tax adjustment is defined as (i) operating income before financial result plus extraordinary expenses and non-cash from Response's NYSE American listing multiplied by (ii) a tax rate of 30%.

RISK FACTORS

Prospective purchasers of Notes should carefully consider the risks described below, as well as the other information in this offering memorandum, before deciding to purchase any Notes. Our business, results of operations, financial condition or prospects could be negatively affected if any of these risks occurs and, as a result, the trading price of the Notes could decline and you could lose all or part of your investment. The risk factors discussed below are not the only risks that we face, but are the risks that we currently consider to be material. There may be additional risks that we currently consider immaterial or of which we are currently unaware, and any of these risks could have similar effects to those set forth below.

For purposes of this section, the indication that a risk, uncertainty or problem may or will have a “material adverse effect on us” or that we may experience a “material adverse effect” means that the risk, uncertainty or problem could or will have an adverse effect, which may be material, on our business, financial condition, results of operations, cash flow, liquidity, profit margin, prospects and/or the market price of our Notes, except as otherwise indicated or as the context may otherwise require. You should view similar expressions in this section as having a similar meaning.

Risks Relating to Our Business and Industry

Our businesses are subject to operational and safety risks, including as a result of the handling of hazardous substances, and any accidents that occur during the performance of our services may expose us to significant civil, labor, environmental and criminal liabilities and adversely affect our business, results of operations, financial condition and reputation.

The provision of waste management services as well as emergency response services to our clients, including the handling of chemical products and hazardous waste and other dangerous substances from different sources, involves operational risks such as equipment defects or malfunctions, problems in training professionals, failures and natural disasters and other unexpected occurrences related to the routine handling of dangerous substances. Accordingly, the provision of such services can result in the release of hazardous materials, accidents involving our employees, or the need to shut down or reduce the operation of our facilities while corrective actions are taken. Our employees often work in potentially dangerous conditions, which exposes us to possible liability in connection with applicable occupational safety standards, for personal injury and other accidents, business interruptions and the damage or destruction of property.

Our equipment and vehicle training and maintenance programs may not be adequate to cover all of our potential liability, as well as to prepare our professionals to provide services to our clients without causing damage or accidents. We cannot guarantee that irregularities will not arise or that external factors will not cause accidents.

Fires or other incidents involving our coworkers in the provision of emergency response or waste management services can cause our reputation to be questioned and subject us to lawsuits, administrative proceedings and regulatory investigations against us, which may result in the imposition of fines or other penalties. Further, a major operational failure, even if suffered by a competitor, may bring enhanced scrutiny and regulation of our industry, with a corresponding increase in operating expenses.

We have a large fleet of light and heavy vehicles, which circulate on a daily basis in our areas of operation. Accidents involving our vehicles can damage our reputation and our relationship with local communities, while also exposing us to substantial liabilities. We cannot ascertain that future accidents will not occur and if they do, it is impossible to predict their severity and therefore the impact they would have on our business and reputation, including our relationship with local communities.

In addition, a minor number of contracts entered into with clients allocate the responsibility for damages caused by irregularities committed during the execution of activities to us, thus increasing our liability exposure.

Any accidents that occur during the performance of our services may damage our reputation and result in significant costs and, consequently, adversely affect our business, financial condition and results of operations.

The hazardous waste management business is subject to significant environmental liabilities.

We are subject to regulations set forth in the Brazilian National Solid Waste Policy (*Política Nacional de Resíduos Sólidos*), issued by the Brazilian National Environmental Council (*Conselho Nacional do Meio Ambiente* or “CONAMA”) and other legislation applicable at the municipal, state and federal levels on waste management, waste recycling, waste recovery, waste reverse logistics, waste collection and transport and other ancillary services related to the topic of waste and other services, and we are susceptible to environmental liability arising from said activities, such as fines, damage to image, tangible and intangible, direct and indirect, among others.

We calculate our environmental liabilities on a present value basis in accordance with generally accepted accounting principles, which take into consideration both the amount of such liabilities and the date by which we project that we will be required to pay them. However, events not now anticipated (including future changes in environmental laws and regulations or their enforcement) could require that such payments be made earlier or in greater amounts than we now estimate, which could adversely affect our financial condition, results of operations and cash flows.

We may also assume additional environmental liabilities as part of future acquisitions, some of which, including ones that may exist only because of the past operations of an acquired business or facility, may prove to be more difficult or costly to address than we then estimate. It is also possible that government officials responsible for enforcing environmental laws may conclude an environmental liability is more significant than we then estimate, or that we will fail to identify or fully appreciate an existing liability before we become legally responsible to address it.

Difficulties in managing our liquidity risk may adversely affect our financial and operating performance and limit our growth.

Liquidity, i.e., ready access to funds, is essential to our business. Liquidity risk arises from the possibility that we will be unable to meet our obligations as they come due because of any potential inability to generate sufficient cash flows from operations, to liquidate assets or obtain adequate funding. Our liquidity may be impaired by an inability to collect accounts receivable or any recoverable balances in a timely manner, an inability to sell assets or redeem investments, unforeseen outflows of cash or large claim payments, or an inability to access credit from banks or debt investors.

Our access to funding sources in amounts adequate to finance our activities or on acceptable terms could be impaired by factors that affect us specifically or our industry or the economy in general. Factors that could detrimentally impact access to liquidity sources include a decrease in the level of our business activity as a result of a downturn in the markets in which we offer our products and services, operational problems that affects us, our clients, suppliers or third parties, or even the perception among market participants that we, or other market participants, are experiencing greater liquidity risk.

Market conditions or other events could also adversely affect the level or cost of funding, adversely affecting our ongoing ability to settle our liabilities as they mature, meet contractual obligations and fund asset growth and new business transactions at a reasonable cost, in a timely manner and without adverse consequences.

Any substantial, unexpected or prolonged change in our liquidity levels or the costs we incur to maintain our liquidity could impair our ability to fund operations and meet our obligations as they become due, which could materially adversely affect our financial condition and results of operations.

We may not be able to raise sufficient funds to implement our business plan, renew our existing lines of credit or access new financing facilities on attractive terms or at all, which could have a material adverse effect on us.

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new products and services, enhance our technology, scale and improve our operating infrastructure, or acquire complementary businesses and technologies. Accordingly, we may require equity, debt or convertible debt financings to secure additional funds.

Our ability to obtain additional capital, if and when required, will depend on our business plans, investor demand, our operating performance, markets conditions, our credit rating, and other factors. Debt financing, such as credit facilities or corporate bonds, may require us to agree to covenants restricting our operations or our ability to incur additional debt. Debt financing may also require security arrangements including cash collateral agreements that restrict the availability of cash held as collateral. Any such securities may have rights, preferences or privileges senior to the rights of our currently issued and outstanding debt. In addition, future equity or debt financings may not be available on terms favorable to us, if at all.

If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, we may be unable to pursue certain business opportunities and our ability to continue to support our business growth and to respond to business challenges or unforeseen circumstances could be impaired and our business may be adversely affected.

Our inorganic growth strategy, including through international expansion, subjects us to a variety of risks that could adversely affect our operations and revenues.

As part of our strategy to expand our operations in Brazil, North America and other jurisdictions, we acquire and invest in businesses that are complementary to ours, including through strategic mergers and acquisitions or investments. Since our IPO, we have completed 29 acquisitions in the Response segment and 29 acquisitions in the Environment segment. In 2020, Response acquired the U.S. companies Allied International Emergency, LLC, One Stop Environmental LLC, Intracoastal Environmental LLC and Custom Environmental Services, Inc., and Environmental ESG acquired Verde Ghaia Consultoria e Educação Ambiental Ltda., Waste Logistics Ltda., Soluções Ambientais Ltda., and a majority stake in Âmbito Negócios Sustentáveis Ltda., both in Brazil. In 2021, Response acquired Orion Environmental Services Ltd., in Canada, Enviroclear Site Services Limited, in the United Kingdom, Controlpar Participações S.A., in Brazil, and Lehane Environmental and Industrial Services Limited, in Ireland, among other acquisitions, whereas Environmental ESG acquired several companies in Brazil, including Metal Ar Engenharia Ltda., Ecológica Nordeste EIRELI, Ecológica Gestão Ambiental Ltda., as well as Disal Ambiental Holding S.A. in Chile and a majority stake in AFC Soluções Ambientais Holding S.A., Centroeste Resíduos Ltda. and Boomera do Brasil – Gestão Ambiental Ltda., now designated Boomera Ambipar Gestão Ambiental S.A. In 2022, Response acquired First Response Inc., Graham Utility Hydrovac Services and Ridgeline Canada Inc., in Canada; Dracares Apoio Marítimo e Portuário Ltda., Flyone Serviço Aéreo Especializado, Comércio e Serviço Ltda. and CTA Serviços em Meio Ambiente Ltda., in Brazil; and Witt O'Brien's in the United States, among other acquisitions, whereas Environmental ESG carried out the acquisitions of Fox Comércio de Aparas Ltda. and Fox Indústria e Comércio de Plásticos Reciclados Ltda. and of the industrial waste management business of Blue Ambiental Reciclagem de Borracha do Nordeste Ltda., in Brazil.

The successful execution of mergers and acquisitions is a critical element of our global expansion strategy. We may incur significant transaction costs to merge with or acquire companies or assets and, even so, we may not be able to complete such transactions or, if we manage to complete them, they may not generate the expected benefits. In addition, we may be unable to identify suitable acquisition or strategic investment opportunities or may be unable to obtain any required financing or governmental licenses, findings of suitability, registrations, permits and approvals, and therefore may be unable to complete such acquisitions or strategic investments on favorable terms, if at all, and in accordance with regulatory requirements. We may decide to pursue acquisitions with which our investors may not agree and we cannot assure investors that any acquisition or investment will be successful or otherwise provide a favorable return on investment.

We also cannot guarantee that we will be able to identify successful acquisition candidates or that we will be successful in integrating these acquisitions. Competition for targets and consolidation in the sectors where we operate may lead to a reduction in the number of strategic companies available for acquisition and reduce the likelihood of our success in implementing our M&A strategy. In particular, the global solid waste management industry's M&A and consolidation activities have been rampant in recent years, driven by the largest players in the market seeking scale and growth. Competitors have adopted or may adopt strategies similar to ours for the acquisition and consolidation of regional and local businesses, and may accept terms and conditions or assessments that we consider inappropriate. As competition increases, it may become impracticable to make new acquisitions or

we may not be able to locate or acquire companies at suitable price levels or on other terms and conditions that we consider appropriate, particularly in markets that we do not yet serve.

Furthermore, our acquisition strategy may not succeed if we are unable to remain attractive to target companies or expeditiously close transactions. If we develop a reputation for being a difficult acquirer or having an unfavorable work environment, or target companies view our equity unfavorably, we may be unable to consummate key acquisition transactions essential to our corporate strategy.

Any acquisition or investment involves a series of risks and challenges that could adversely affect our business, including due to the failure of such acquisition to contribute to our business strategy or improve our image. As a result, we may not be able to generate the expected returns and synergies from our investments. In addition, the amortization of acquired intangible assets may decrease our net income.

We may also face challenges in integrating acquired companies, including new employees and technologies, into our existing business, which may divert our capital and our management's attention to other business challenges and opportunities. In this regard, we may not be able to create and implement uniform and effective controls, procedures and policies, and we may incur additional costs to integrate systems, people, distribution methods or operating procedures. In addition, we may not be able to integrate technologies from acquired businesses or retain clients, executives and key employees of the acquired businesses.

We may face successor liability for contingencies and damages arising from our acquisitions that have not been identified prior to the relevant acquisition and may not be sufficiently indemnified under the terms of the applicable acquisition agreement.

Our strategy of growing through acquisitions subjects us to potential successor liability risk with respect to legal claims incurred by target companies prior to our acquisition of their businesses. We may face liabilities for contingencies and may be required to indemnify third parties for matters relating to, among others, (i) legal and/or administrative proceedings of the acquired company, including civil, regulatory, labor, tax, social security, environmental and intellectual property proceedings and (ii) financial, reputational and technical issues, including those related to accounting practices, financial statement disclosures and internal controls, as well as other regulatory matters. These contingencies may not have been identified prior to the acquisition and may not be sufficiently indemnified under the terms of the related acquisition agreement, which could have an adverse effect on our business and financial condition.

Generally, in connection with acquisitions we often only conduct a limited due diligence prior to the closing of the acquisition. This practice increases the risk that after closing of the transaction certain risks or contingencies materialize that were not previously identified and which may adversely affect the acquired entity, the integration of the asset and us.

Furthermore, certain liabilities, including ones that may exist only because of the past operations of an acquired business or facility, may prove to be more difficult or costly to address than we then estimate. It is also possible that government officials responsible for enforcing environmental laws may conclude that an environmental liability is more significant than we then estimated, or that we will fail to identify or fully appreciate an existing liability before we become legally responsible to address it. See “—*Failure to comply with socio-environmental laws and regulations, including with respect to the handling of hazardous waste, may adversely affect our business.*”

Some purchase and sale agreements provide for limitations and other restrictions on the liability of sellers for any contingencies and liabilities arising from the sale, which may, for example, be limited to representations and warranties made by the seller in the purchase and sale agreement, among other restrictions. Any indemnities that we receive or may receive from sellers of acquired companies may not be sufficient to protect or offset legal claims and liabilities or may not be fulfilled.

Unidentified pre-closing contingencies may lead us to negotiate a security package that does not cover the entire risk exposure of the business. In addition, we cannot ensure that any negotiated guarantees will be sufficient to cover future materialized contingencies, as these guarantees may have been used to pay other contingencies. Any

collateral granted in our favor in the context of a business acquisition may cease to exist, depreciate or be adversely affected in the event of insolvency or the existence of creditors who have preference over our right to indemnity and our counterparties may not be required to provide additional, or replace, such guarantees.

We may be involved in legal disputes against the sellers regarding the risk allocation for these contingencies, which could increase our costs or result in losses if we are not successful. Tax authorities may also question corporate reorganization we undergo in connection with acquisitions. The tax authorities have already questioned and may question in the future tax benefits achieved as a result of corporate reorganizations and may disallow the tax benefits we claim in a given year, requiring that we pay the total amount assessed plus late payment interest and fines in accordance with applicable legislation.

Some companies we acquire may not meet our financial and business expectations and, as a result, we may decide to divest some of our assets. However, we cannot guarantee that, in the event we divest assets, such assets will be adequately priced by the market and potential buyer, which could lead to accounting and financial losses on the sale. We may also be subject to contingencies arising from the divested asset, negatively affecting our provisions, results, cash and reputation.

Any of the above factors could adversely affect us, including in relation to our reputation, which could reduce acquisition-related benefits and materially adversely affect our financial condition and future business.

Our growth depends largely on our ability to successfully execute our M&A strategy. We may not realize the expected benefits from recent or potential future acquisitions or may incur significant expenses in connection therewith, which could adversely affect our results of operations and financial condition.

The success of an acquisition or investment will depend on our ability to make accurate assessments with respect to operations, growth potential, integration and other factors related to that business. Accordingly, we cannot guarantee that our acquisitions or investments will produce the results we expect when we enter into or complete a particular transaction. Our ability to continue to expand our business through acquisitions depends on several factors, including, but not limited to: (i) our ability to identify and assess opportunities, negotiate favorable terms and close potential target acquisitions; (ii) our ability to obtain funds to finance such transactions on favorable terms; and (iii) our ability to successfully integrate acquired businesses.

Expected benefits from recent acquisitions are necessarily based on projections and assumptions, which may not materialize as expected or which may prove to be inaccurate. Our ability to achieve the expected benefits and synergies will depend on successfully and efficiently integrating the businesses and operations of the newly acquired companies. We may encounter the following significant risks and challenges in integrating and recognizing expected benefits from recent acquisitions:

- potential interruption or reduction in the growth of our business, due to the diversion of management's attention to tasks related to the integration of the acquired companies and uncertainty about our management's relationship with the management of the acquired companies;
- disputes with the former owners of the acquired companies, including owners who remain as minority shareholders of the acquired companies, which can result in increased legal expenses, management distraction and the risk that we suffer an adverse judgment if we are not the prevailing party in the dispute;
- difficulties in coordinating and integrating research and development teams on technologies and products to improve product development while reducing costs;
- difficulties in consolidating and integrating enterprise information technology, financial and administrative infrastructures, and integrating and harmonizing business and other back-office systems, which may be more difficult than anticipated;

- difficulties related to entry into jurisdictions with which we have limited or no prior experience, including due to having to operate in other languages, manage different types of currency, billing and contracting needs, and comply with new laws and regulations, including labor laws and privacy laws that in some cases may be more restrictive on our operations than laws presently applicable to our business, and the potential of increased competition with new or existing competitors as a result of such acquisitions;
- complications in our financial statements as a result of acquiring businesses whose operations require the application of revenue recognition or other accounting methodologies, assumptions and estimates that are different from those we use in our current business, which could expose us to additional accounting and audit costs, and increase the risk of accounting errors;
- significant cash expenses and accounting charges and significant amount of goodwill and other intangible assets, which may be subject to impairment based on future adverse changes in our business or prospects, including our inability to recognize the anticipated benefits of the transaction;
- insufficient internal controls from acquired businesses that we must remediate, and the need to modify or enhance our own internal controls, in each case resulting in increased administrative expense and risk that Response fails to comply with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, resulting in late filing of Exchange Act reports, loss of investor confidence, regulatory investigations and litigation;
- difficulties in coordinating sales and marketing efforts to effectively position our capabilities and drive product development;
- difficulties in achieving anticipated cost savings, synergies, business opportunities and growth prospects from combining the businesses of the newly acquired companies with ours;
- retention of employees, suppliers and other key partners of newly acquired companies;
- difficulties in anticipating and responding to actions that may be taken by competitors in response to our acquisitions; and
- the assumption of successor liability and exposure to unknown or contingent liabilities of newly acquired companies, in particular companies we acquire without conducting a comprehensive due diligence process.

In addition, certain liabilities, including those that may exist due to the prior operations of an acquired company or facility, may prove more difficult or costly to resolve than we estimate. Government officials responsible for enforcing environmental laws may also conclude that an environmental liability is more significant than we estimate, and we may not be able to identify or fully evaluate an existing liability before we become legally responsible for its resolution.

If we do not successfully manage these issues and other challenges that may inherently arise in the integration of the acquired businesses, we may not achieve the expected benefits of the acquisitions made and incur in unforeseen expenses, contingencies and succession responsibilities. As a result, our results of operations may be materially and adversely affected.

Our market is highly competitive. Failure to compete successfully could have a material adverse effect on our business, financial condition and results of operations.

The environmental, emergency response and industrial field service industry is highly competitive. Competition is based primarily on geographic location, breadth of services, quality and reliability of operations, brand recognition and reputation, client support, and price. We face direct competition from large multinational

companies as well as numerous regional and local companies across our geographic markets. Competition is likely to exist in new locations to which we may expand in the future. Some of these competitors may have greater financial and operational resources, strategic geographic locations, advanced technology, may provide service offerings that we do not provide, and may have flexibility to reduce prices or other competitive advantages that could make it difficult for us to compete effectively. We may also face competition from new entrants, including competitors employing new or alternative technologies.

We derive our revenue mainly from contract renewals and new contract signings. We may be unable to renew contracts at historical price levels, or at all, or to obtain additional contracts at historical rates, or at all, as a result of competition. We may also elect to exit or not participate in low margin client relationships. Price reductions or our inability to increase prices could materially and adversely affect our results of operations.

If we were to lose market share or if we were to lower prices to address competition, our financial condition, results of operations and cash flows could be materially adversely affected.

Failure to keep up with rapid technological developments and offer new products and services, as well as to improve and modernize our existing products, may have a material adverse effect on our financial condition and results of operations.

As part of our business in the ESG segment, we offer co-processing and waste recovery solutions to our clients through which we help them recycle and turn their waste into new eco-products through, for example, the recycling of diapers and sanitary pads, blisters (pharmaceutical and cosmetic ones), hydro-alcoholic products, dairy, chemicals, organic waste in animal feed, among others. This business is highly dependable on the technology we develop, including both our co-processing and recovery methods as well as our proprietary waste trading platform. Therefore, we need to keep up with technological innovations in order to create economically viable products for our clients. We cannot guarantee that in the future we will be able to maintain the level of investment necessary to advance and continue to modernize our co-processing and waste recovery technology, and we may experience difficulties or delays in researching, developing, producing or marketing new services. If we fail to develop new technologies, to improve and enhance our products and services in a timely manner, to properly identify and translate our clients' needs or to position or price our products and services in order to meet market demand, our clients may no longer contract the services we offer, or we may lose our competitiveness when it comes to attracting new clients. If we are unable to meet our clients' demands or are unable to collaborate with partners to meet our technological needs in a timely and appropriate manner, or if a competitor develops or obtains exclusive rights to an innovative technology that significantly disrupts the waste management industry, our business, financial condition and results of operations may be materially adversely affected.

Our ESG segment's operating revenue may be adversely affected by changes in the volume of waste we manage.

Part of our ESG segment's operating revenue depends on the volume of waste managed by us. Available waste volume may decline due to multiple factors that are difficult to predict or estimate, including a decline in generation of waste by our clients, reduced consumer purchasing power, a slowdown in economic activity, the lenient industry and environmental regulations, strong competition for waste disposal among local players, improved quality and state of repair of our clients' facilities, increase in market prices, and changes in consumer behavior, including due to economic, sociocultural and climate changes. If the volume of waste we manage reduces significantly, our ESG segment's operating revenue could suffer a sharp decline, which would materially adversely affect our business, financial condition and results of operations.

We rely on licenses to conduct our operations and the termination of or failure to renew these licenses would have a material adverse effect on our business, results of operations and financial condition.

We are required by applicable laws and regulations to obtain and maintain registrations, authorizations, licenses and permits granted by federal, state and municipal authorities and agencies (collectively, the "Licenses") in order to conduct a portion of our operations. Oftentimes Licenses are granted with limited duration, must be renewed from time to time, and may require the payment of renewal fees. We may have difficulty or face uncertainty in renewing or maintaining our existing, or obtaining new, Licenses, and the process for renewing or

obtaining a License can be costly, time consuming and have an uncertain outcome. Public authorities may deny, revoke, suspend or refuse to re-register or renew Licenses we hold and impose fines or seize assets or force us to temporarily or permanently shut down our operations if we were found to be in violation of any of these regulations. We cannot assure that any of our Licenses will be renewed or granted or that they will be renewed or granted on satisfactory terms. For instance, our waste management operations require Licenses to operate waste treatment plants, expand existing plants and develop new landfill sites. Operations at certain of our plants/landfill sites can be significantly affected by deforestation regulations restricting operations in conservation areas, which were issued after the grant of the applicable environmental Licenses. There is a risk that companies that were already in operation before those regulations were adopted, including us, may not be able to renew their environmental Licenses when they expire. The failure to obtain or renew any such Licenses may prevent us from operating our service centers, waste treatment plants and landfill sites and limit our expansion capacity, any of which could have a material adverse effect on our business, results of operations and financial condition.

Unfavorable conditions in our industry or the global economy could limit our ability to grow our business and adversely affect our results of operations.

Uncertainty and negative trends in general economic conditions, including recessions or fear of recessions, interest rates, unemployment levels, conditions in the housing market, immigration policies, government shutdowns, trade wars and delays in tax refunds, as well as events such as natural disasters, acts of war, terrorism, catastrophes and pandemics and significant tightening of credit markets, may create a difficult operating environment for our industry and the industry of our clients and impact our results of operations or financial condition and our overall success by affecting our access to capital. In addition, the increased pace of consolidation in certain industries may result in reduced overall spending on our offering.

Our business is dependent upon activity levels in cyclical industries, such as chemical and petrochemical. Challenges our clients may face, such as low demand for their products and services, willingness or capacity of their customers to make payment on obligations, or the returns on other assets, may affect us. If these cyclical industries slow significantly as a result of recessionary conditions, the business we receive from them would likely decrease. A weak economy generally results in lower activity levels and a decline in infrastructure, construction and demolition projects, which could adversely affect demand for our services. Consumer uncertainty and the loss of consumer confidence may also decrease overall economic activity and thereby reduce demand for the services we provide. Further, a challenging economic environment may cause some of our clients to suffer financial difficulties and ultimately to be unable or unwilling to pay amounts owed to us. A decline in industrial projects may also result in increased competitive pricing pressure and increased client turnover, resulting in lower revenue and increased operating costs.

General worldwide economic conditions have experienced significant instability in recent years, including the recent global economic uncertainty and financial market conditions caused by the COVID-19 pandemic, the current war between Russia and Ukraine and Hamas and Israel. See “*—We are currently operating in a period of economic uncertainty and capital markets disruption, which has been significantly impacted by geopolitical instability due to the ongoing military conflict between Russia and Ukraine and the war between Hamas and Israel in the Gaza Strip. Our business, financial condition and results of operations may be materially adversely affected by any negative impact on the global economy and capital markets resulting from the conflict in Ukraine, the conflict in the Gaza Strip or any other geopolitical tensions.*”

In response to the economic impacts and disruptions associated with COVID-19, governments around the world provided significant fiscal and monetary stimuli, which have had the effect, among other things, of supporting overall levels of employment, consumer spending and savings levels, and the ability of consumers to service their debt. The wind-down of these stimulus programs may adversely affect economic conditions, which may adversely impact our growth, revenues and profitability. In addition, several countries across the world, including Brazil and the United States, have been experiencing high levels of inflation in the aftermath of the pandemic, leading to a hike in interest rates as governments seek to curb inflation. Rising inflation may create an escalation in our operating costs, including employee compensation and general corporate expenses, which could reduce cash flow and operating income. As of the date of this offering memorandum, we have not experienced material impacts to our business performance from inflationary pressure.

Further, our ability to effectively run our business could be adversely affected by general conditions in the financial services industry and fears concerning the banking sector. Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. For example, on March 10, 2023, Silicon Valley Bank failed and was taken into receivership by the Federal Deposit Insurance Corporation. On March 12, 2023, Signature Bank and Silvergate Capital Corp. were each swept into receivership. The following week, a syndicate of U.S. banks infused US\$30 billion in First Republic Bank, which was later declared closed and sold to JPMorgan Chase. Later that same week, the Swiss Central Bank provided US\$54 billion in covered loan and short-term liquidity facilities to Credit Suisse Group AG, all in an attempt to reassure depositors and calm fears of a banking contagion. Even so, such banking collapses and rescue deals have re-ignited recession risks in the United States, thus adversely affecting the global economy. A severe or prolonged economic downturn could result in a variety of risks, including our ability to raise additional funding on a timely basis or on acceptable terms. A weak or declining economy could also impact third parties upon whom we depend on to run our business. Increasing concerns over bank failures and bailouts and their potential broader effects and potential systemic risk on the banking sector generally and on our industry and its participants may adversely affect our access to capital and our business and operations more generally. Although we assess our banking relationships as we believe necessary or appropriate, our access to funding sources in amounts adequate to finance or capitalize our current and projected future business operations could be significantly impaired by factors that affect us, the financial institutions with which we have arrangements directly, or the financial services industry or economy in general.

We cannot predict the timing, strength or duration of any economic slowdown or recovery. In addition, even if the overall economy is robust, we cannot assure you that the market for services such as ours will experience growth or that we will experience growth. If there is an economic downturn that affects our current and prospective clients, or if we are unable to address and mitigate the risks associated with any of the foregoing, our business, financial condition and results of operations could be adversely affected.

The hazardous waste management industry in which we participate is subject to significant economic and business risks.

The future operating results of our ESG segment may be affected by such factors as our ability to utilize our facilities and workforce profitably in the face of intense price competition, maintain or increase market share in an industry that has in the past experienced significant downsizing and consolidation, realize benefits from cost reduction programs, invest in new technologies for treatment of hazardous waste, generate incremental volumes of waste to be handled through our facilities, obtain sufficient volumes of waste at prices which produce revenue sufficient to offset the operating costs of our facilities, minimize downtime and disruptions of operations, and develop our field services business. In particular, economic downturns or recessionary conditions in Brazil and other countries in which we operate, and increased outsourcing by manufacturers to plants located in countries with lower wage costs and less stringent environmental regulations, have adversely affected and may in the future adversely affect the demand for our services. Our ESG business is also cyclical to the extent that it is dependent upon a stream of waste from cyclical industries such as the chemical and petrochemical industries. If those cyclical industries experience a significant slowdown, the revenue we generate from them would likely be materially adversely affected.

We are currently operating in a period of economic uncertainty and capital markets disruption, which has been significantly impacted by geopolitical instability due to the ongoing military conflict between Russia and Ukraine and the war between Hamas and Israel in the Gaza Strip. Our business, financial condition and results of operations may be materially adversely affected by any negative impact on the global economy and capital markets resulting from the conflict in Ukraine, the conflict in the Gaza Strip or any other geopolitical tensions.

Global markets have recently experienced volatility and disruption following the escalation of geopolitical tensions, the start of military conflict between Russia and Ukraine and the conflict in the Gaza Strip.

On February 24, 2022, Russian military forces launched a full-scale military invasion of Ukraine, and since then there has been continued sustained conflict and disruption in the region. Although the length and further impact of the ongoing military conflict is highly unpredictable, the conflict in Ukraine has led and may continue to lead to market disruptions, including significant volatility in commodity prices (in particular oil and gas), credit and capital markets, increase in our energy and other input costs, and supply chain interruptions for some of our and our clients' equipment and vehicles' components, including as a result of uncertainties with regard to Russia's production and export of oil and gas, aluminum and other materials. We are continuing to monitor the situation in Ukraine and globally and assessing its potential impact on our business.

In response to Russia's prior annexation of Crimea, recognition of two separatist republics in the Donetsk and Luhansk regions of Ukraine and subsequent military interventions in Ukraine, the United States, the United Kingdom, the European Union and several other countries have imposed or are imposing far-reaching sanctions and export control restrictions on Russian entities and individuals, including an agreement to remove certain Russian financial institutions from the Society for Worldwide Interbank Financial Telecommunication (SWIFT) payment system. Additional potential sanctions and penalties have also been proposed and/or threatened. These and any additional sanctions, as well as any counter responses by the governments of Russia or other jurisdictions, and prolonged unrest, intensified military activities and/or the implementation of more extensive sanctions and embargoes could lead to further regional instability, geopolitical shifts and adverse effects on macroeconomic conditions, security conditions, currency exchange rates and the global financial markets generally and reduce levels of economic activity as well as increase financial markets volatility, potentially making it more difficult for us to obtain additional funds.

On October 7, 2023, Hamas militants and members of other terrorist organizations infiltrated Israel's southern border from the Gaza Strip and conducted a series of terror attacks on civilian and military targets. Thereafter, these terrorists launched extensive rocket attacks on Israeli population and industrial centers located along the Israeli border with the Gaza Strip. Shortly following the attack, Israel's security cabinet declared war against Hamas. The intensity and duration of Israel's current war against Hamas is difficult to predict, and as are such war's economic implications on our business and operations and on the global geopolitical instability.

While we do not have any employees, staff, consultants, operations, materials or equipment located in Israel, Ukraine, Russia or Belarus, some of our clients and suppliers may have employees, staff, consultants, operations, materials or equipment located in Ukraine, Russia, Belarus or Israel, which could adversely affect our business or the services being provided to us. Likewise, in recent years, diplomatic and trade relationships between the U.S. government and China have become increasingly frayed and the threat of a takeover of Taiwan by China has increased, which may also adversely affect our business or the services we provide for the same reasons.

Cybersecurity organizations in many countries have published warnings of increased cybersecurity threats to businesses, and external events, like the conflict between Russia and Ukraine or the political tensions between China and Taiwan, may increase the likelihood of cybersecurity attacks. Any failure or security breach of information systems or data could result in a violation of applicable privacy and other laws, significant legal and financial exposure, damage to our reputation or a loss of confidence in our security measures. See "*Breaches of, or significant interruptions experienced by, our information technology systems and those of our third-party service providers or breaches of data security could adversely affect our business, reputation and financial condition.*"

Any of the abovementioned factors could affect our business, prospects, financial condition, and operating results. The extent and duration of military action, sanctions and resulting market disruptions are impossible to predict, but could be substantial. Any such disruptions may also magnify the impact of other risks described in this offering memorandum.

We, our subsidiaries, affiliates, direct and indirect controlling shareholder and members of our management, or companies with which members of our management have been involved with in the past, have been in the past

and may in the future be subject to legal, administrative or arbitration disputes or investigations. Any disputes or investigations may adversely affect our results of operations, financial condition and reputation.

We, our subsidiaries, our direct and indirect controlling shareholder and members of our management are and may in the future become subject to legal, administrative or arbitration proceedings, investigations and claims regarding civil, commercial, tax, labor, socio-environmental, criminal, tort and other matters, brought against us by clients, suppliers, regulators, governmental authorities or other third parties.

Certain of our subsidiaries within the Environment segment, including Ambitec S.A., as well as certain of our directors and executive officers, including Mr. Tércio Borlenghi Junior and Ms. Alessandra Bessa Alves de Melo (who are members of our board), are defendants in a criminal lawsuit (Brazilian proceeding no. 0003361-86.2015.8.08.0006) and civil lawsuits (Brazilian proceedings no. 0006131-88.2009.8.26.0288, 0002592-78.2015.8.08.0006, and 0015593-38.2012.8.08.0006) in Brazil relating to alleged wrongdoing and improper conduct with public agents in connection with public bidding laws, including corruption charges, which may lead to the imposition of fines, temporary disqualifications and other criminal sanctions.

More specifically, Brazilian proceeding No. 0003361-86.2015.8.08.0006 relates to a criminal lawsuit filed by the Public Prosecutor's Office of the State of Espírito Santo ("MP-ES") on May 12, 2015. Mr. Tércio Borlenghi Junior is a named party in the lawsuit as he was a shareholder to Ambitec S.A. at the time. The criminal matter concerns facts that allegedly occurred in 2007 and 2008, involving alleged irregularities in public tenders for hiring public cleaning services in the Municipality of Aracruz. The complaint is based on telephone interceptions that were not included in the records, nor located by MP-ES. The case is pending the production of evidence by MP-ES.

Proceeding No. 0015593-38.2012.8.08.0006 relates to an improbity action filed by MP-ES with the District Court of the Municipality of Aracruz against several defendants, including Ambitec S.A., Débora Lemos Borlenghi and Daniela Borlenghi Iglesias Balseiro, on July 19, 2012. According to the MP-ES, Ambitec S.A. was involved in an illicit scheme related to the payment of bribes to City Councilors of Aracruz, as a way to avoid the inspection and auditing of its government contracts by the Municipality. The accusation was grounded in a plea bargain entered into between the former City Councilman of the Municipality of Aracruz, George Coutinho, and the MP-ES. Should Ambitec S.A. be convicted, it could be subject to several sanctions, such as disgorgement, fines and debarments (blacklisting), including a prohibition on contracting with public authorities or receiving tax or credit benefits or incentives, either directly or indirectly.

Proceeding No. 0006131-88.2009.8.26.0288 relates to an improbity action filed by the Public Prosecutor's Office of the State of São Paulo ("MP-SP") against Ambitec Ltda. and Lúcio Adalberto Lima Machado, on December 18, 2009, on the grounds that Ambitec Ltda. was awarded a government contract arising from an illegal public bid. MP-SP claims that the Municipality's public administration failed to comply with all aspects of applicable bidding laws. The MP-SP claims that Ambitec Ltda. was preferred due to alleged nullities in the bidding process. The government contract governed the provision of medical and home waste collection and transport services, in the Municipality of Ituverava. According to Ambitec Ltda., the services were effectively provided without any complaints by the Municipality of Ituverava. The case is pending (a) the production of evidence by MP-SP; and (b) a decision regarding the interim statute of limitation established by amendments to the improbity law, as claimed by Ambitec Ltda. Should Ambitec Ltda. be convicted, it could be subject to several sanctions, such as disgorgement, fines and debarments (blacklisting), including a prohibition on contracting with public authorities or receiving tax or credit benefits or incentives, either directly or indirectly.

Proceeding No. 000259278.2015.8.08.0006 relates to an improbity action filed by the MP-ES against several defendants, including Ambitec S.A., Débora Lemos Borlenghi and Daniela Borlenghi Iglesias Balseiro, on April 1, 2015. According to the MP-ES, the defendants were allegedly engaged in unlawful acts within the scope of the execution of amendments to Service Agreement No. 354/2008 entered into between Ambitec S.A. and the Municipality of Aracruz. The agreement governed the provision of manual and mechanical cleaning and sweeping services in the Municipality of Aracruz. The MP-ES alleges irregularities in the increase in the scope of the services and the prices charged by Ambitec under the amendment. Should Ambitec S.A. be convicted, it could be subject to several sanctions, such as disgorgement, fines and debarments (blacklisting), including a prohibition on contracting with public authorities or receiving tax or credit benefits or incentives, either directly or indirectly.

We cannot guarantee that the results of any such proceedings, investigations and claims will be favorable to us or any such other defendants, as applicable, or that the liabilities arising from them will be adequately provisioned. Any litigation, investigation or claim, whether meritorious or not, could result in negative media coverage and public awareness and adversely affect our reputation as well as restrict the conduct of our business, will increase our costs and may divert management's attention, time and resources, which may, in turn, harm our business, financial condition and results of operations. Insurance might not cover such claims, might not provide sufficient payments to cover all the costs to resolve one or more such claims and might not continue to be available on terms acceptable to us. A claim brought against us for which we are uninsured or underinsured could result in unanticipated costs, potentially harming our business, financial position and results of operations.

Losses not covered by insurance policies or that exceed indemnity limits, as well as failure to renew insurance policies under conditions favorable to us, may have an adverse effect on our business.

Our operations involve high-risk services and may subject us to liability claims by employees, contractors or other third parties, including as a result of accidents that may occur at our facilities or at clients' sites. Our insurance policies are subject to deductibles and coverage limitations and we are unable to predict with certainty the frequency, nature or magnitude of claims for direct or consequential damages. As a result, we cannot guarantee that our insurance policies will be available or sufficient to cover eventual damages arising from any type of claim.

The scope and limits of our insurance policies may not be sufficient to cover the types or extent of claims or loss that may be incurred, such as cyber-attacks, wars, acts of God, force majeure or the interruption of certain activities. Even in the event of a claim covered by our policies, we cannot guarantee that payment will be made in a timely manner, or in a sufficient amount to fully offset the losses arising from such claim. The successful assertion of one or more large claims against us that exceeds available insurance coverage or changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our financial condition, operating results and reputation. In addition, there may be risks for which we do not maintain or procure insurance coverage or for which the insurance policies may not cover. For example, we do not maintain separate cyber liability insurance. A partially or wholly uninsured claim against us, if successful and of sufficient magnitude, could have a material adverse effect on our business, financial condition and results of operations. Further, if we fail to pay an insurance premium, the insurance companies may deny coverage.

As we grow, our insurance coverage may not be sufficient to protect us from any loss now or in the future and we may not be able to successfully claim our losses under our current insurance policies on a timely basis, or at all. Moreover, we cannot guarantee that we will be able to maintain insurance policies at reasonable commercial rates or on acceptable terms, or through the same or similar insurance companies. Variable conditions in the insurance market may cause insurance companies to increase retention and premium amounts or reduce coverage. Higher deductibles could result in more volatility in our results of operations as well. Any future difficulty in obtaining insurance could also impair our ability to secure future contracts, which may be conditioned upon the availability of adequate insurance coverage. Our inability to obtain and maintain appropriate insurance coverage could cause a substantial business disruption, adverse reputational impact, and regulatory scrutiny and, as a result, could have a material adverse effect on our business financial condition and results of operations.

We may not be successful in renewing strategic lease agreements or may not be able to review such agreements at terms and conditions favorable to us.

In order to improve our customer experience with efficient and expeditious services, our facilities are located at strategic locations, which we lease from third parties, including one of our affiliates. See "*Principal Shareholders*" and "*Related Party Transactions*." If we are unable to renew the lease agreements for our facilities, which have varying terms and conditions, at reasonable prices, terms and conditions, or if we are required to relocate to areas that are not as functional, we could be subject to an interruption or delay in the provision of our services, which would adversely affect our financial condition and results of operation. In addition, the renewal of lease agreements on less favorable terms may reduce the profitability of our facilities and adversely affect our results of operations.

Further, we have entered into lease agreements that are not registered or endorsed before a notary public, or that are not properly registered with the property registry, which may result in an obligation for us to vacate the property during the term of the lease agreement if the landlord sells the leased property and the acquirer has no interest in continuing the lease. In Brazil, where a significant number of our facilities is located, tenancy laws and regulations provide that, if the leased property is sold to a third party during the contractual term, the acquirer is not required to respect the terms and conditions of the lease, unless (i) the lease is in effect for a specified length; (ii) a covenant allowing the tenant to enforce the lease in the event of a sale is included in the lease agreement; and (iii) the contract has been registered with the competent real estate registry office. Considering that some of our lease agreements do not necessarily meet all of these requirements, if our landlords decide to sell the leased properties under these agreements, the acquirers may request that we vacate the property within 90 days from the receipt of a notice to vacate.

Any failure to extend, renew or replace on acceptable terms a significant portion of our lease agreements could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Breaches of, or significant interruptions experienced by, our information technology systems and those of our third-party service providers or breaches of data security could adversely affect our business, reputation and financial condition.

We rely upon information technology networks and systems, including the information technology systems of our third-party service providers, to operate our business. Our systems include, but are not limited to, (i) the Integrated Environmental Management System (*SIGA—Sistema Integrado de Gerenciamento Ambiental*), a tool for operations, administrative and financial management control of environmental processes; (ii) the Environmental Management System (*SGA—Sistema de Gerenciamento Ambiental*), which, among other things, controls environmental licenses, conditions, deadlines and cost of licensing and presents environmental projects' and programs' metrics and panels; (iii) the Territory Management System (*SGT—Sistema de Gerenciamento Territorial*), which is used to register real estate property and landlords and control topography, reports, contracts and royalty payments; (iv) the Operating Management System (*SGO—Sistema de Gerenciamento Operacional*), which provides on-demand management of key performance indicators; and (v) SAP Business One, an enterprise resource planning software.

In the ordinary course of our business, we collect, process, transmit and store sensitive information, including personal information, credit information and other sensitive data of our clients, suppliers and employees. We also have outsourced elements of our operations to third parties and, as a result, we manage a number of third-party service providers who may receive access to our confidential information or information technology systems. Our internal computer systems, and those of third-party service providers or business partners on which we rely, and the large amounts of confidential information stored on those systems, are vulnerable to damage from physical, electronic or technical break-ins, accidental or intentional exposure of our data by employees, independent contractors, third-party service providers, clients or others with authorized access to our networks, computer viruses, malware, ransomware, unauthorized access, denial of service, "phishing attacks" and other cyberattacks, natural disasters, fire, terrorism, war, telecommunication, electrical failures or disruptive incidents that could result in actual or attempted data breaches, unauthorized access to, mishandling, misuse or disclosure of our confidential information, corruption or encryption of, or loss of sensitive or proprietary data, including personal information, or network failures or interruptions that may result in disruption of service or damaged systems.

The security measures and procedures we adopt may not be adequate or sufficient to mitigate such risks and avoid security breaches, incidents, attacks and exposures. Cyberattacks by malicious third parties are increasing in their frequency, levels of persistence, sophistication and intensity, and are being conducted by sophisticated and organized groups and individuals with a wide range of motives (including, but not limited to, industrial espionage) and expertise, including organized criminal groups, "hacktivists," nation states and others. Because the techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. We may also experience security breaches that may remain undetected for an extended period. If our systems are damaged or cease to function properly due to any number of causes, ranging from catastrophic events to power outages to security breaches, and our business continuity plans do not effectively compensate, we may suffer

interruptions in our ability to manage operations, and would also be exposed to a risk of loss, including financial losses or losses arising from litigation and other potential liability, which could materially adversely affect our business, financial condition, results of operation and reputation. Further, our reliance on internet technology may create additional opportunities for cybercriminals to exploit vulnerabilities.

We exercise little or no control over third-party systems, which increases our vulnerability to problems with their systems. Our operations and results may be adversely affected if there is any interruption in the provision of information technology services to us, whether due to omissions, including those related to obtaining third-party consent or licenses for intellectual property used in the equipment or software they manufacture or use, or failure by these service providers to fulfill their obligations to us. If we are unable to maintain or renew contracts with current service providers, we may have trouble integrating our systems with new providers, which may cause operational problems. In addition, the replacement of these service providers may not occur in a timely manner or cause failures in the transition period, which may also adversely affect our operations. Finally, if our suppliers discontinue the services provided to us, we may suffer a material adverse effect on our operations.

Any interruption, disruption or breach of our systems or the systems of third-party service providers that we rely upon could adversely affect our business operations and/or result in the loss or unauthorized access, use or disclosure of critical or sensitive confidential information or intellectual property, and could result in financial, legal, business and reputational harm to us. For example, interruptions or failures in our information technology systems caused by accidents, malfunctions or malicious acts could hinder our timely response to emergency calls, which would damage our reputation with clients. We could incur liability, the further development of our current and future products and services could be delayed and our business could be otherwise adversely affected. In addition, investigating, responding to and remediating cybersecurity incidents or theft of our intellectual property or proprietary business information may be costly and time-consuming. We do not maintain separate cyber liability insurance, and we cannot assure that any limitations of liability provisions in our contracts would protect us from potential losses for any liabilities or damages with respect to any particular claim relating to a security lapse or breach. Further, such insurance may not be available to us in the future on economically reasonable terms, or at all. See “—Losses not covered by insurance policies or that exceed indemnity limits, as well as failure to renew insurance policies under conditions favorable to us, may have an adverse effect on our business.”

We are subject to risks associated with non-compliance with the Brazilian Data Protection Law and similar legislation of other countries that impose obligations in connection with the collection, storage, use, processing, disclosure, protection, transmission, retention and disposal of personal, sensitive, regulated or confidential data.

We and our clients are subject to Brazilian and foreign privacy and data protection-related laws and regulations that impose obligations in connection with the collection, storage, use, processing, disclosure, protection, transmission, retention and disposal of personal, sensitive, regulated and confidential data. Laws and regulations governing data privacy, data protection and information security are constantly evolving and there has been an increasing focus on privacy and data protection issues with the potential to affect our business. Compliance with any additional and evolving privacy laws or regulations in Brazil or in other jurisdictions applicable to us may be costly and time-consuming.

Any perceived or actual unauthorized disclosure of personal data, whether through breach of our network by an unauthorized party, employee theft, misuse or error or otherwise, including the personally identifiable information of our clients, suppliers, employees or third parties, could harm our reputation, impair our ability to attract and retain our clients, and subject us to claims or litigation arising from damages suffered by individuals.

The Brazilian Data Protection Law No. 13,709/2018, as amended by Law No. 13,853/2019 (*Lei Geral de Proteção de Dados Pessoais*, or the “LGPD”) came into force on September 18, 2020 to regulate the processing of personal data and the right to privacy and data protection in Brazil. The LGPD applies to individuals or legal entities, either private or governmental entities, that process or collect personal data in Brazil and where the party that processes data seeks to (i) offer or supply goods or services to data subjects located in Brazil or (ii) process data of individuals located in Brazil, regardless of the individuals’ or legal entities’ country of domicile or where the data is located. The LGPD establishes detailed rules for the collection, use, processing and storage of personal data and affects all economic sectors, including the relationship between clients and suppliers of goods and services,

employees and employers and other relationships in which personal data is collected, whether in a digital or physical environment.

Since the entry into force of the LGPD, all processing agents/legal entities are required to adapt their data processing activities to comply with the LGPD. Moreover, as it is a recent law, the Brazilian National Data Protection Authority (*Autoridade Nacional de Proteção de Dados*, or the “ANPD”) as regulatory agency may raise other relevant issues or provide new guidance that will require further action from us to remain fully compliant.

The penalties for violations of the LGPD include (i) warnings imposing a deadline for the adoption of corrective measure; (ii) mandatory disclosure of investigated and confirmed violations; (iii) restrictions, temporary blockages and/or deletion of personal data; (iv) a fine of up to 2% of the company’s or group’s revenue, subject to the limit of R\$50 million per violation; (v) daily fines, subject to the aforementioned global limit; (vi) partial or total prohibition of activities related to data processing, either temporarily or permanently; and (vii) publication of the violation. Under the LGPD, security breaches that may result in significant risk or damage to data subjects must be reported to the ANPD within a reasonable time period. Moreover, the ANPD could establish other obligations related to data protection that are not described above. In addition to the administrative sanctions, as a result of noncompliance with the obligations established by the LGPD, we can be held liable for individual or collective material damages and moral damages caused to data subjects, including when caused by third parties that serve as data processors on our behalf.

The imposition of the administrative sanctions by the ANPD does not prevent the imposition of administrative sanctions set forth by other laws that address issues related to data privacy and protection in Brazil, such as Law No. 8,078/1990, or the Brazilian Code of Consumer Defense, and Law No. 12,965/2014, or the Brazilian Internet Act, as applicable. Public prosecutors and consumer protection authorities (such as the National Consumer Secretariat—Senacon, and State or municipal consumer protection bodies, known as Procons) and class associations may file collective lawsuits for breach of privacy laws.

Similarly, many foreign countries and governmental bodies, including in countries in which we currently operate, have laws and regulations concerning the collection, storage, use, processing, disclosure, protection, transmission, retention and disposal of personal, sensitive, regulated or confidential data. Such laws and regulations will be subject to interpretation by various courts and other governmental authorities, thus creating potentially complex compliance issues for us and our future clients and strategic partners.

In the United States, California enacted the California Consumer Privacy Act (“CCPA”), which took effect in January 2020 and limits how we may collect, use and process personal data of California residents. The CCPA establishes a privacy framework for covered companies such as ours by, among other things, creating and expanding the definition of personal information, establishing data privacy rights for California residents, including, among other rights, the right to request a copy from a covered company of the personal information collected about them, the right to request deletion of such personal information, and the right to opt out of certain sales of personal information, and creating a potentially severe statutory damages framework and private rights of action for certain data breaches. Further, in November 2020, California voters approved the California Privacy Rights Act (the “CPRA”), which amended and expanded the CCPA. Effective beginning January 1, 2023, the CPRA imposes additional obligations on companies covered by the legislation and significantly modified the CCPA, including by expanding California residents’ rights with respect to their personal data, and by establishing a regulatory agency dedicated to implementing and enforcing the CCPA and CPRA. The effects of the CCPA and CPRA are potentially far-reaching, and may require us to modify our data processing practices and policies and incur substantial compliance-related costs and expenses. Further, it remains unclear how various provisions will be interpreted and enforced. Some observers have noted the CCPA and CPRA could mark the beginning of a trend toward more stringent privacy legislation in the United States, which could increase our potential liability and adversely affect our business. Certain other states in the United States (including Virginia, Colorado, Utah and Connecticut) have passed comprehensive privacy statutes that became effective in 2023, and all 50 states have laws including obligations to provide notification of certain security breaches to affected individuals, state officials and others.

In Europe, the European Union’s (“EU”) General Data Protection Regulation (“GDPR”), went into effect in May 2018, and has and will continue to result in significantly greater compliance burdens and costs for companies

with users and operations in the EU and EEA by imposing stringent administrative requirements for controllers and processors of personal data of EU residents, including, for example, data breach notification requirements, requirements on the cross-border transfer of data, limitations on retention of information, and rights for individuals over their personal data. The GDPR also provides that EU member states may make their own further laws and regulations limiting the processing of personal data. Ensuring compliance with the GDPR is an ongoing commitment that involves substantial costs, and despite our efforts, data protection authorities or others (including individual consumers) may assert that our business practices fail to comply with its requirements. If our operations are found to violate GDPR requirements, we may incur substantial fines and other penalties, including bans on processing and transferring personal data, have to change our business practices, and face reputational harm, any of which could have an adverse effect on our business. In particular, serious breaches of the GDPR can result in administrative fines of up to 4.0% of annual worldwide revenues or up to €20 million, whichever is higher. Such penalties are in addition to any civil litigation claims by data controllers, clients and data subjects.

In addition, recent legal developments in Europe have created compliance uncertainty regarding transfers of personal data from Europe to the United States. In July 2020, the Court of Justice of the European Union, or CJEU, invalidated the EU-U.S. Privacy Shield Framework, a mechanism for the transfer of personal information from the EU to the United States, and made clear that reliance on Standard Contractual Clauses, an alternative mechanism for the transfer of personal information outside of the EU, alone may not be sufficient in all circumstances. Authorities in Switzerland have also issued guidance calling the Swiss-U.S. Privacy Shield Framework inadequate and raising similar questions about the Standard Contractual Clauses. At present, there are few, if any, viable alternatives to the Standard Contractual Clauses. If we are unable to implement sufficient safeguards to ensure that our transfers of personal information from the EU are lawful, we may face increased exposure to regulatory actions, substantial fines and injunctions against processing personal information from the EU. Loss of our ability to lawfully transfer personal data out of the EU to these or any other jurisdictions may cause reluctance or refusal by current or prospective European clients to use our products or services, and we may be required to increase our data processing capabilities in the EU at significant expense. Additionally, other countries outside of the EU have passed or are considering passing laws requiring local data residency, which could increase the cost and complexity of delivering our services.

Further, the UK's withdrawal from the EU and ongoing developments in the United Kingdom have created uncertainty regarding data protection regulation in the United Kingdom. As of January 1, 2021, we are required to comply with the GDPR as well as the UK equivalent, the implementation of which exposes us to two parallel data protection regimes in Europe, each of which potentially authorizes similar fines and other enforcement actions for certain violations. However, going forward, there may be increasing scope for divergence in application, interpretation and enforcement of the data protection law as between the United Kingdom and the EEA, and the relationship between the United Kingdom and the EEA in relation to certain aspects of data protection law remains uncertain. In addition, while the UK data protection regime currently permits data transfers from the UK to the EU and other third countries covered by a European Commission adequacy decision, this will automatically expire in June 2025 unless the European Commission re-assesses and renews/extends that decision. Any such changes could have implications for our transfer of personal data from the UK to the EU and other countries.

We also may be bound by contractual obligations relating to our collection, use and disclosure of personal, confidential and other data.

Data protecting privacy laws, regulations, obligations and standards continue to evolve and are becoming increasingly complex, and sometimes conflict among the various jurisdictions and countries in which we operate, which makes compliance challenging and expensive. In addition, any failure or perceived failure by us, or any third parties with whom we do business, to comply with laws, regulations, policies, industry standards or contractual or other legal obligations relating to privacy, data protection or information security may result in governmental investigations, inquiries, enforcement actions and prosecutions, private litigation, fines and penalties, adverse publicity or potential loss of business.

We expect that there will continue to be new proposed laws, rules of self-regulatory bodies, regulations and industry standards concerning privacy, data protection and information security in Brazil and other jurisdictions, and we cannot yet determine the impact such future laws, rules, regulations and standards may have on our business.

Moreover, existing Brazilian and foreign privacy and data protection-related laws and regulations are evolving and are subject to potentially differing interpretations, and various legislative and regulatory bodies may expand current or enact new laws and regulations regarding privacy and data protection-related matters. Additionally, our clients may be subject to differing privacy laws, rules and legislation, which may mean that they require us to be bound by varying contractual requirements application to certain other jurisdictions. Because global laws, regulations and industry standards concerning privacy and data security have continued to develop and evolve rapidly, compliance with such new laws or to changes to existing laws may impact our business and practices, require us to expend significant resources to adapt to these changes, or to stop offering our solutions in certain countries. These developments could adversely affect our business, results of operations and financial condition.

Our business may be adversely affected if we are unable to attract, develop and retain key personnel, including our senior and technical management.

Our success and future growth depend upon the continued services of our experienced management technical team, including local managers at our operating facilities, and of key personnel, including highly-skilled technical experts, engineers, biologists and oceanographers.

We strive to retain our senior management. However, from time to time, there may be changes in our management team resulting from the hiring or departure of key employees, which could disrupt our business. Senior managers may leave their positions for a variety of reasons, some of which we cannot control. In the event one or more senior managers depart, we may be unable to replace them with individuals with the same level of experience and qualifications and we may face challenges to maintain our culture and implement our strategic plans.

Further, competition for highly-skilled personnel is intense and we may not be able to attract, hire, train, retain, motivate and manage sufficiently qualified employees. Many of the companies with which we compete for experienced personnel have greater resources than we have.

As we expand our business in Brazil and abroad, we may be unable to identify, hire, develop and retain a sufficient number of employees with specific knowledge and skills in those geographies who are committed to our corporate culture. Such a failure could result in a reduction in the quality of customer service, and consequently compromise our brand and reputation.

If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects would be harmed. We generally enter into non-competition agreements with our key employees, which prohibit these employees, if they cease working for us, from competing directly with us or working for our competitors for a limited period. We may be unable to enforce these agreements under the laws of the jurisdictions in which our employees work, and it may be difficult for us to restrict our competitors from benefiting from the expertise our former employees developed while working for us.

The estimates of market opportunity and forecasts of market growth included in this offering memorandum may prove to be inaccurate. Even if the market in which we compete achieves the forecasted growth, our business could fail to grow at similar rates, if at all.

This offering memorandum contains market and industry data, estimates and statistics obtained from third-party sources. While we believe such information to be reliable in general, we have not independently verified the accuracy or completeness of any such third-party information. Such information may not have been prepared on a comparable basis or may not be consistent with other sources. Similarly, this offering memorandum contains information based on or derived from internal company surveys, studies and research that have not been independently verified by third-party sources. Industry data, projections and estimates are subject to inherent uncertainty as they necessarily require certain assumptions and judgments.

In addition, the market for environmental, emergency response and industrial field services is relatively new, fragmented and will experience changes over time. Data market estimates and growth forecasts are uncertain and based on assumptions and estimates that may be inaccurate. Our addressable market depends on a number of factors, including changes in the competitive landscape, technological changes, data security or privacy concerns,

client budgetary constraints, changes in business practices, changes in the regulatory environment, and changes in economic conditions. Moreover, geographic markets and the industries we operate in are not rigidly defined or subject to standard definitions. Accordingly, third-party information relating to our geographic markets and industries may be subject to interpretation, and the resulting industry data, projections and estimates may not be reliable. Our estimates and forecasts relating to the size and expected growth of our market may prove to be inaccurate and our ability to produce accurate estimates and forecasts may in the future be impacted by macroeconomic factors to which we are subject (see “—*Risks Relating to the Markets where we Operate*”). Even if the market in which we compete meets the size estimates and growth rates we forecast, our business could fail to grow at similar rates, if at all. For these reasons, you should not place undue reliance on such information.

Our inability or failure to protect our intellectual property or our infringement of the intellectual property of third parties may adversely impact our operating results, divert management and key personnel from our business operations and could adversely affect our financial condition and reputation.

We rely on a combination of trade secret, trademark, copyright laws and other rights, as well as confidentiality mechanisms, contractual provisions and our information security infrastructure to protect our proprietary brands, patents, technology, processes and other intellectual property as well as those we license from other entities controlled directly or indirectly by Ambipar Participações e Empreendimentos S.A. See “*Principal Shareholders*” and “*Related Party Transactions*.” The steps we take to protect our intellectual property rights may not be adequate, or may not effectively prevent unauthorized use or disclosure of our intellectual property or confidential information. In addition, the pursuit of a claim against a third party for infringement or misappropriation of our intellectual property rights or confidential information could be costly, and any such efforts may not be successful or could be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights. Many companies have encountered significant problems in enforcing and defending intellectual property rights in various jurisdictions globally. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of intellectual property, which could make it difficult for us to stop the infringement of our intellectual property or marketing of competing services in violation of our intellectual property rights generally. Our failure to obtain pending trademark and patent applications and generally secure, protect and enforce our intellectual property rights could adversely affect our brand and adversely impact our business.

We cannot guarantee that our current and future services, or the use of our brands or technology, will not infringe third-party intellectual property. There may be third-party intellectual property of which we are currently unaware that covers our services, brands or technology. Third parties may engage in legal proceedings against us or our clients, who in turn may seek indemnification from us. Any such claims of intellectual property infringement or claims for indemnification, even those without merit, could be expensive and time-consuming to defend, result in us being required to pay possibly significant damages, causing us to cease providing services that allegedly incorporate a third party’s intellectual property, require us to enter into potentially costly royalty or licensing agreements in order to obtain the right to use a third-party’s intellectual property, although royalty or licensing agreements may not be available to us on acceptable terms or at all. If we are unable to obtain the necessary licenses or other rights, we may be forced to acquire or develop alternate technology, which could be costly, time-consuming, or impossible. Any of the preceding could have an adverse effect on our operating results, divert management and key personnel from the business operations and adversely affect our financial condition and reputation.

For example, we use proprietary software in our activities that are developed internally by our employees. Although any software developed in-house legally belongs to us, we may be subject to lawsuits filed by ex-employees claiming ownership of such software, and we may be ordered to abstain from using the software and to indemnify any such third party. Although it is our policy to require our employees and consultants who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who conceives or develops intellectual property that we regard as our own or such party may breach the assignment agreement. Litigation may be necessary to obtain ownership or to defend against claims challenging inventorship. If we or our licensors fail in any such litigation, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, intellectual property or other proprietary information. Such an outcome could have a material adverse effect on our business. Even if we or our licensors are successful in defending against

such claims, litigation could result in substantial costs and be a distraction to our management and other employees, and such claims could have a material adverse effect on our business, financial condition, results of operations and prospects.

If we cannot protect our proprietary technology from intellectual property challenges, our ability to maintain our model and systems or facilitate products could be adversely affected.

Intellectual property rights do not necessarily address all potential competitive threats.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations and may not adequately protect our business or permit us to maintain our competitive advantage. For example:

- others may be able to use brands and offer services that are similar to ours without infringing our intellectual property rights;
- others may independently develop similar or alternative proprietary software, products or technology without infringing our intellectual property rights;
- we may not develop additional proprietary technologies; and
- our technology may become obsolete or inadequate, and we may not be able to successfully develop, obtain or use new technologies to adapt our models and systems to compete with other technologies as they develop.

Should any of these events occur, they could have a material adverse effect on our business, financial condition, results of operations and prospects.

If our trademarks are not adequately protected, we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

If our trademarks are not adequately protected, we may not be able to build name recognition in our markets of interest and our business may be adversely affected. Our trademarks may be challenged, infringed, circumvented, declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks, which we need to build name recognition among potential partners or clients in our markets of interest. At times, competitors may adopt trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our trademarks. Over the long term, if we are unable to successfully register our trademarks and establish name recognition based on our trademarks, then we may not be able to compete effectively and our business may be adversely affected. Our efforts to enforce or protect our proprietary rights related to trademarks, domain names, copyrights, or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely impact our business, financial condition, results of operations and prospects.

Failures in our risk management, compliance and internal control systems, policies and procedures may adversely affect our business, financial condition and reputation.

We have developed risk management policies and procedures that we continue to refine as we conduct our business. Our policies and procedures to identify, analyze, quantify, assess, monitor and manage risks may not be fully effective in mitigating our risk exposure. Our risk management methods may not predict future exposures or be sufficient to protect us against unknown and/or unmapped risks, which may be significantly greater than those indicated by the historical measures we use.

The information on which we rely to develop and maintain historical and statistical models may be incomplete or incorrect. Certain risk management methods adopted by us depend on the evaluation of publicly available industry data, which may not be entirely accurate, complete, updated or properly evaluated. As we expand into new lines of business, our risk management policies and procedures may not be able to adequately keep up with our current rapid rate of expansion, and may not be adequate or sufficient to mitigate risks. In addition, our internal controls over financial reporting may not be effective and our independent registered public accounting firm may not be able to certify the effectiveness of our internal control, which could have a significant and adverse effect on our business and reputation. Our current controls and any new controls that we develop may be inadequate because of changes in conditions in our business.

Further, weaknesses in our internal controls may be discovered in the future. Any failure to develop or maintain effective controls, or any difficulties encountered in their implementation or improvement, could adversely affect our operating results or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information.

Moreover, we are subject to the risks of errors and misconduct by our management, employees and independent contractors, which are often difficult to detect in advance and deter. Our compliance procedures and internal controls may not be sufficient to prevent, mitigate or detect all errors, misconduct, fraud, acts of corruption or violations of applicable laws and of our policies by our management, employees and other third parties with which we engage in the ordinary course of business. We could be held liable for any of such acts, which could result in penalties, fines, loss of Licenses and a prohibition to participate in governmental auctions or contract with the government.

Although we maintain insurance and use other traditional risk-shifting tools, such as third-party indemnification, to manage certain exposures, they are subject to terms such as deductibles, coinsurance, limits and policy exclusions, as well as risk of counterparty denial of coverage, default or insolvency. If our policies, procedures and internal controls do not adequately protect us from exposure, and our exposure is not adequately covered by insurance or other risk-shifting tools, we may incur losses that would adversely affect our business, financial condition, results of operations and reputation.

Our governance, risk management and compliance processes may fail to detect violations of anti-corruption and anti-money laundering laws and our standards of ethics, including as a result of the conduct of our managers, employees, suppliers, business partners and third parties who act in our name, interest or benefit, which may have a material and adverse impact on our business, financial condition, results of operations, reputation and market price of our securities.

We operate in some jurisdictions that have a high risk of corruption. Mechanisms for preventing and combating corruption, money laundering and bribery, governance procedures, as well as our current internal procedures, may not be sufficient to ensure that all of our managers, employees, suppliers, business partners and third parties who act on our behalf, interest or benefit always act in strict compliance with our internal policies and applicable laws and regulations aimed at preventing and combating corruption. These laws and regulations include the Brazilian Decree-Law No. 2,848/1940, Brazilian Law No. 8,137/1990, Brazilian Law No. 8,429/1992 (the Administrative Misconduct Law), Brazilian Law Nos. 8,666/1993 and 14,133/2021 (the Public Bidding Laws), Brazilian Law No. 9,613/1998, Brazilian Law No. 12,846/2013, as amended (the Brazilian Anti-Corruption Law) and its regulation, Decree No. 11,129/2022, the United States Foreign Corrupt Practices Act of 1977, as amended, and the Bribery Act 2010 of the United Kingdom, as well as other standards related to the Convention on Combating Corruption of Foreign Public Officials in International Business Transactions of the Organization for Economic Cooperation and Development—OECD, including the guidelines issued by the Brazilian comptroller general (collectively, “Anti-Corruption Laws”).

In general, Anti-Corruption Laws prohibit companies and their employees, shareholders or managers from making improper payments to government officials, directly or indirectly, for the purpose of obtaining or retaining business and/or other benefits. We cannot guarantee that our direct and indirect shareholders, directors, officers, employees and other third parties (including agents, suppliers and service providers) and the companies to which

some business operations are outsourced will fully comply with the Anti-Corruption Laws and related policies. Our governance, policies, risk management and compliance processes may not be able to, for example: (i) detect, prevent or mitigate violations of the Anti-Corruption Laws or similar legislation, as well as violations of our internal compliance policies; (ii) detect, prevent or mitigate occurrences of fraudulent and dishonest behavior by our managers, employees, suppliers, clients, business partners or third parties acting on our behalf, interest or benefit; (iii) manage all risks identified in our risk management policy and/or predict, identify or mitigate new risks; and (iv) detect, prevent or mitigate other occurrences of behavior inconsistent with ethical and moral principles. Any such failure may materially and adversely affect our reputation, our business, financial conditions and operating results, as well as impact the market price of our securities adversely. Public authorities are empowered to impose penalties on us if acts of corruption are inadvertently or intentionally committed by members of our management, employees and/or third parties acting on our behalf or in our interest. Under the terms of certain Anti-Corruption Laws, companies may be jointly and severally liable for the payment of fines and damages for unethical practices attributed to their affiliates and consortia members. As a result, we may be held liable for any such violations.

As we increase and scale our business, we may engage with new business partners and third-party intermediaries to market our products and services and obtain necessary permits, licenses and other regulatory approvals. In addition, we or our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We can be held liable for the corrupt or other illegal activities of these third-party intermediaries, our employees, representatives, contractors, clients and agents, even if we do not authorize such activities.

We are also subject to Brazilian Law No. 9,613 of March 3, 1998, as amended (“Money Laundering Prevention Law”), according to which legal entities engaged in the sale of high value goods must identify clients and operations, maintain records and submit reports on financial operations to the competent authorities, among other obligations. We currently do not have a structured program to combat money laundering and may be subject to the sanctions in the event of non-compliance with the Money Laundering Prevention Law, including warnings, fines and the revocation or suspension of our business licenses. The imposition of any of these sanctions could adversely affect our reputation, business, financial condition, results of operations and the trading price of our securities.

The existence of any current or past investigations, inquiries or proceedings of an administrative or judicial nature related to violations of the Anti-Corruption Laws, involving us, our managers, employees, suppliers, business partners or third parties acting on our behalf, interest or benefit may result in: (i) fines and indemnities in the administrative, civil and criminal spheres (the latter, to the administrators who contributed to the infraction); (ii) loss of unlawfully obtained benefits, including operating licenses; (iii) prohibition or suspension of our activities; and/or (iv) loss of rights to contract with the public administration, to receive incentives or tax benefits related to any financing and resources obtained from the Brazilian public administration, among other applicable penalties. We may also be jointly and severally liable for the payment of fines and damages arising from conduct contrary to the Anti-Corruption Laws committed by our controlling, controlled, affiliated or, under the respective contract, consortium companies, which could materially and adversely affect our reputation, business, financial condition and operating results, as well as adversely impact the market price of our securities.

The materialization of any of these risks could have a material adverse effect on us. Therefore, if we are not able to keep the governance, risk management and compliance processes operating effectively, we may not be able to prevent the occurrence of fraud and/or the occurrence of other deviations, including in relation to the preparation of statements and accounting information.

The existence of lawsuits, proceedings, investigations, convictions, publications or negative reports in any media outlet or social network platform involving us, our direct or indirect shareholders and subsidiaries, our business, our operations, executive officers, members of our Board, or any third party acting on our behalf, interest or benefit, could materially adversely affect our reputation. The reputational risk arising from the negative perception of our brand by clients, counterparties, shareholders, subsidiaries, investors, regulators and society in general for involvement in any of the above cases can originate from several factors, including those related to non-compliance with legal obligations, inappropriate business practices related to our clients, products and services, relationships with partners with questionable ethical posture, employee misconduct, information leakage, anti-competitive practices and failures in the risk management process, among others.

Any such damages to our reputation and imposition of sanctions or other penalties may adversely affect our business, financial condition and results of operations, as well as the market price of our securities.

Our results may be adversely affected by incorrect estimates, judgments or assumptions relating to our critical accounting policies and changes in international financial reporting standards.

The preparation of financial statements in conformity with IFRS requires our management to make estimates, judgments and assumptions that affect the amounts reported and disclosed in our consolidated financial statements and accompanying notes. We base our estimates and assumptions on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying values of certain assets, liabilities and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Significant assumptions and estimates used in preparing our consolidated financial statements and accompanying notes include those related to revenue recognition, fair value of certain assets and liabilities, share-based compensation, and income taxes, including any valuation allowance for deferred tax assets. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of industry or financial analysts, which may result in a decline in the trading price of our securities.

Additionally, the International Accounting Standard Board, or IASB, has adopted a calendar for approving accounting pronouncements and IFRS, which may change at any time and over which we have no control. Therefore, we are unable to predict which and when new accounting pronouncements or new IFRS rules will be approved that may in any way impact the future financial statements prepared by us.

We regularly monitor our compliance with applicable financial reporting standards and review new pronouncements and drafts that are relevant to us. As a result of new standards, or changes and challenges to existing standards or their interpretation, we might be required to change our accounting policies, alter our operational policies or implement new or enhance existing systems so that they reflect new or amended financial reporting standards, or we may be required to restate our published financial statements. Such changes or challenges to existing standards or in their interpretation may have an adverse effect on our business, financial condition and results of operations, or cause an adverse deviation from our revenue and operating profit and loss target, which may adversely affect our results of operations and the price of our securities.

Any increase in operational costs and any difficulties we encounter in recovering costs incurred by us in the performance of our activities may adversely affect us.

The profitability of our services may be adversely affected by increases in the cost of food, wages and labor, insurance, fuel, acquisition and maintenance of equipment and machines, operating inputs, waste disposal, uniforms, PPE, medical assistance, transportation, tires, tolls, change in labor, social security and tax rates, public services and other essential items for the provision of services, particularly to the extent that we cannot recover this increase in costs through increases in the prices of our services due to general economic conditions, competitive conditions or contractual provisions with clients.

Operational costs for the performance of our activities have fluctuated significantly in recent years, and substantial increases in the cost of fuels and utilities have historically resulted in cost increases for our facilities. We may not be able to fully recover the increases in these costs, which could adversely affect our profitability.

In addition, contractual, economic, competitive or market-specific conditions may limit our ability to increase the prices of our services. As a result of these factors, we may not be able to pass through any increases in costs to provide our services, improve operating margins and obtain adequate investment returns through price increases. We may also lose clients to lower-priced competitors and new competitors may enter our markets as we increase prices, directly impacting our financial balance.

We may face potential conflicts of interest in negotiations with related parties.

We generate revenues and incur costs and expenses in relation to related-party transactions by and between us and certain of our subsidiaries, including under intercompany loans and certain lease and loan agreements. These transactions can give rise to potential conflicts of interest. Conflicts of interest continue to be a significant area of focus for regulators, investors and the media. A failure to appropriately deal with these potential conflicts could adversely affect our reputation and result in potential litigation or regulatory action against us.

We cannot guarantee that our related person transaction policy is or will be effective to avoid potential conflicts of interest between us, our shareholders, members of our management and any related parties, or that any such party has complied or will strictly comply with good governance practices and rules to deal with conflicts of interest. The perception of non-compliance with such requirements or policies could harm our reputation and adversely affect our business, financial condition and results of operations.

For additional information regarding transactions between related parties and our related person transaction policy, see “Principal Shareholders” and “Related Party Transactions.”

We may be liable for environmental, tax, labor and social security obligations of our suppliers or service providers.

We work with suppliers in various fields of activity and we cannot guarantee that such suppliers will be in full compliance with laws and regulations governing working conditions, environmental practices and sustainability, outsourcing and safety conditions, or that they will not use improper practices to reduce their costs, including corruption, money laundering or bribery. If any of our suppliers becomes involved in these practices, our reputation may be harmed and, as a result, our clients’ perception of us may be adversely affected.

In some situations, we may be jointly liable for acts of our suppliers. For example, we may be held jointly liable for environmental damages caused by our suppliers during the provision of services contracted by us. In addition, under the Anti-Corruption Laws, we may be held strictly liable for acts of corruption committed by suppliers or other third parties acting on our behalf or interest, and therefore be subject to applicable sanctions.

We may also be jointly and severally liable if our suppliers or third-party service providers do not comply with their obligations under the tax, labor, administrative, and social security laws and the regulations applicable to our industry, resulting in fines and other penalties that may materially and adversely affect us. Further, we may be held liable for accidents within our or our clients’ facilities involving third-party employees, which could adversely affect our reputation and our business. Any labor violations, environmental damage and/or damage to third parties caused by certain service providers in the exercise of activities contracted by us, mainly within our premises, may expose us to joint liability for the remediation and/or indemnification of the damage caused, including the possibility of being included as a defendant in lawsuits seeking to remediate and/or obtain indemnification for damages caused to workers, the environment and/or third parties. Depending on the involvement in the harmful event, we will also be exposed to administrative and criminal liability and to reputational risk, which could prevent us from taking advantage of certain incentives and/or tax benefits, contracting with the government and/or result in the removal of our directors.

Any of such factors could adversely and materially affect our business, financial condition, results of operations and reputation, in addition to impacting the price of our securities.

Our use of outsourced labor may subject us to joint and several liability for labor and social security liabilities.

We and our subsidiaries outsource certain ancillary activities that support our business, in addition to providing outsourced work to our clients. We do not provide benefits to these outsourced workers, who are paid directly by their employers. The use of outsourced labor subjects us to the risk that our relationship with these workers may be considered an employment relationship by labor administrative and judicial authorities. In addition, according to Brazilian legislation, if our outsourced service providers fail to comply with their obligations under labor, social security, tax and/or environmental laws, we may be held jointly and severally or secondarily liable for

their debts, including fines and/or other penalties, which may adversely affect us. We may also be liable for breaches of occupational health standards at our and our clients' facilities by the employees of third parties resulting from accidents or occupational diseases, which may adversely affect our reputation as well as our business. Further, any environmental damage and/or damage to third parties caused by service providers when undergoing work contracted by us expose us to joint and several liability for redress and/or damages for harm caused.

Our operations may be affected by seasonal fluctuations and other demand factors over which we have no control.

Demand for our services can be affected by the commencement and completion of cleanup of major spills and other events, clients' decisions to undertake remedial projects, seasonal fluctuations due to weather and budgetary cycles influencing the timing of clients' spending for remedial activities, the timing of regulatory decisions relating to hazardous waste management projects, changes in regulations governing the management of hazardous waste, trends in the waste processing industry towards waste minimization and the propensity for delays in the demand for remedial services, and changes in governmental regulations relevant to our diverse operations. Seasonal impacts related to weather conditions could become more significant if climate change results in an increase in the frequency or severity of adverse weather events. We do not control such factors and, as a result, our revenue and income can vary from quarter to quarter or year to year, and past financial performance may not be a reliable indicator of future performance.

Any failure to maintain long-term business relationships with our clients at the same or higher volumes or prices and/or to renegotiate such relationships on other favorable terms could adversely affect our ability to grow and adversely affect our competitiveness and our results of operations.

We have developed long-term relationships with several clients and invest substantial amounts in machinery, equipment and specialized labor to comply with service agreements, with depreciation between 3 and 20 years depending of such machinery and equipment. In the event of the early termination of a client contract, for any reason, we could incur considerable losses. Under the terms of some of these agreements, clients can, at any time, unilaterally terminate with no penalties the contracts they have entered into with us, materially reducing the amount of business that drives our revenue. Several factors could cause our clients to opt not to use our services, including increased competition, market conditions, insourcing, or our technology falling into disuse. See “—Our market is highly competitive. Failure to compete successfully could have a material adverse effect on our business, financial condition and results of operations” and “—Failure to keep up with rapid technological developments and offer new products and services, as well as to improve and modernize our existing products, may have a material adverse effect on our financial condition and results of operations.” Any of such or other factors could require us to alter the pricing and terms we offer to our clients in order to maintain our existing contracts and enter into new ones. There is no guarantee that we will be able to maintain or renew existing contracts, maintain relationships with our current clients or business partners or recover amounts owed by defaulting clients or business partners. In addition, we cannot guarantee that it will be possible to replace the revenue from these contracts, as they depend on various factors outside our control, including, among others, economic conditions in the industry, credit availability, general level of government financing for environmental activities, real estate development and other industrial investment opportunities. Accordingly, the loss of one or more of our clients or long-term business partners may adversely affect our business, financial condition and results of operations.

Negative perception of our waste management business could damage our reputation with local communities

We carry out certain of our waste management activities at clients' sites and in remote areas, which oftentimes are located in proximity to local communities. If we fail to maintain an open dialogue with such stakeholders, including by conducting community meetings and offering communication channels to respond to demands and complaints, we could be exposed to mass protests, media and social network negative coverage, as well as class actions, all of which could damage our reputation and adversely affect our business, financial condition and results of operations.

We face risks related to the social and environmental impacts of climate change.

We are subject to risks related to the social and environmental impacts of climate change. For example, we generate greenhouse gas emissions in our business, such as methane and carbon dioxide from our waste management services, and our fleet and some of our equipment still depend on diesel as fuel. We also generate greenhouse gas emissions from the use of electricity in our activities and frequent air travels.

Concerns over the long-term impacts of climate change have led and will continue to lead to governmental efforts around the world to mitigate those impacts. New legislation and increased regulation regarding climate change could potentially impose significant costs on us, and on our clients and suppliers, including costs related to offsetting greenhouse gas emissions, increased energy requirements, capital equipment, environmental monitoring and reporting, and other costs necessary to comply with such regulations. Any adopted future climate change regulations could also adversely impact our ability to compete with companies situated in areas not subject to such limitations. Given the emotional and political significance and uncertainty surrounding the impact of climate change and how it should be dealt with, we cannot predict how legislation and regulation will ultimately affect our financial condition, operating performance and ability to compete.

Furthermore, even without such regulation, we and our clients will need to respond to consumer and business preferences resulting from climate change concerns. We and our clients may face cost increases (including inventory costs to be able to mobilize additional equipment to deal with more intense events), asset value reductions (including if such assets become obsolete due to new legal, regulatory or customer requirements) and operating process changes. The impact on our clients will likely vary depending on their specific attributes, including reliance on or role in carbon intensive activities. Our efforts to take these risks into account may not be effective in protecting us from the negative impact of new laws and regulations or changes in consumer or business behavior.

Increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by us or other companies in our industry could harm our reputation. The potential physical impacts of climate change on our operations are highly uncertain, could be particular to the geographic circumstances in areas in which we operate and may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. These impacts may adversely impact the cost, production and financial performance of our operations. Extreme weather events, such as floods, droughts, storms and heat waves, could jeopardize the integrity of critical infrastructure and the safety of our workers.

Our business, financial condition and results of operations may be adversely affected by the various conflicting and/or onerous legal and regulatory requirements imposed on us by the countries where we operate.

Our operations are subject to extensive federal, state and municipal environmental requirements, including those related to waste management, recycling, recovery and reverse logistics and other ancillary services related to waste management, as well as the transportation and disposal of regulated materials and cleaning up soil and groundwater contamination. In particular, in Brazil, we are subject to the provisions of the following environmental regulations: Federal Law No. 12,305/2010; CONAMA Resolutions No. 358/2005, 313/2002, 307/2002 and 275/2001; ABNT—NBR 13.221; ABNT—NBR 12,235; ANTT n° 5232/2016, ANTT n° 5,998/2022, NBRs 7500, 7501, 7503, 7504, 8285, 8286, 9735, 10271, 14619 and 15481, Decree No. 96044 and Statute No. 204 both issued by the Transportations Ministry NBR 10.004:2004; IBAMA Normative Instruction No. 13/2012, regulations issued by CONAMA under the Brazilian National Solid Waste Policy; and other applicable legislation on waste management, waste recycling, waste recovery, reverse waste logistics, waste collection and transportation and other ancillary services related to waste and other services. We are also subject to extensive environmental requirements in other jurisdictions in which we operate, including in the United States under the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act and the Oil Pollution Act.

We may not be able to fully comply with the legal and regulatory requirements to which we are subject. Government agencies or other authorities, including environmental inspectors and control agents, may enact new stricter rules or seek more restrictive interpretations of existing socio-environmental laws and regulations. Environmental obligations, liabilities and conditions may also change depending on changes in the staff of the competent authorities, as well as in jurisprudence. As a result of any such changes, our investments and expenses

necessary to comply with environmental legislation may increase substantially, which may require us to employ additional resources to adapt to the eventual new requirements of these agencies and environmental authorities. For example, we may need to incur additional costs to train employees and clients, purchase health and safety equipment and, in some cases, hire employees, external advisors and lawyers as a result of these changes. Any such unforeseen changes could also require that payments recorded as liability in our balance sheet be made ahead of schedule or in amounts greater than estimated, which could adversely affect our financial condition and results of operations.

The interpretation or application of existing laws and regulations, or the adoption of new laws and regulations, may require modifying or reducing our operations or replacing our facilities or equipment at a substantial cost, which we may not be able to pass onto our clients, which may adversely impact our results or may imply additional expenses in order to adapt our activities to these rules.

In addition, our industry is subject to extensive socio-environmental regulation. If the requirements imposed on our clients under federal or state laws and regulations for the handling of hazardous or radioactive waste are relaxed or applied less vigorously, the demand for our services may decrease significantly and our results of operations may be adversely affected. Conversely, if such requirements are made more stringent, certain of our clients' operations may be constrained or become subject to greater costs, and the demand for our services may consequently decrease significantly and our results of operations may be adversely affected.

The Brazilian New Basic Sanitation Regulatory Framework updates relevant aspects of the sanitation sector in Brazil and may impact our activities.

On July 16, 2020, Law No. 14,026, or the New Basic Sanitation Regulatory Framework (*Novo Marco Regulatório do Saneamento Básico*), came into force, modifying core aspects of Law No. 11,445, dated as of January 5, 2007, or the Basic Sanitation Law, and other key features of the sector. The New Basic Sanitation Regulatory Framework's rules governing the provision of solid waste management services impact our activities in this segment. Among other rules, the New Basic Sanitation Regulatory Framework forbids that service providers charge end users duplicative fees for administrative and managerial costs, whether in the form of fees, tariffs or other public prices. Additionally, the New Basic Sanitation Regulatory established a deadline for governments to implement environmentally appropriate methods for the final disposal of waste by December 31, 2020, except for municipalities that had prepared an inter-municipal solid waste disposal plan or a municipal plan for solid waste integrated management by such date and that have collection mechanisms that ensure their economic and financial viability, establishing for such municipalities staggered deadlines up to August 2, 2024 depending on the location and population of the municipalities. Another relevant provision concerns the simplification of the environmental licensing process for facilities that provide solid waste management services.

The New Basic Sanitation Regulatory Framework postponed the enactment of certain rules to a later date, which may have a material impact on our operations when such rules are established. These rules include the definition and operations of regional sanitation units, which should have been established by state governments within one year of the enactment of the New Basic Sanitation Regulatory Framework. Upon a failure by a state government to do so, the Brazilian federal government may resolve to establish reference blocks for the regionalized provision of sanitation services under article 15 of the New Basic Sanitation Regulatory Framework. The regionalized provision of sanitation services is one of the requirements of the revised law to permit providers to access technical and financial resources from the federal government. Although the deadline would have already expired, several states have yet to enact rules relating to regional units.

Additionally, the New Basic Sanitation Regulatory Framework clearly fosters the provision of sanitation services through concession agreements. Although Decree No. 11,599/2023 has expressly allowed such services to be rendered through ordinary service government agreements (based on Laws Nos. 8,666/1993, 14,133/2021 and 13,303/2016), the New Basic Sanitation Regulatory Framework may encourage municipalities to enter into concession agreements, instead of ordinary service government agreements. Concession agreements are governed by specific rules (especially Law No. 8,987/1995), which have different features from common service government agreements, such as longer duration and remuneration usually coming, at least in part, from the collection of fees directly from users. If the municipalities for which we render (or start rendering in the future) our services based on

ordinary service government agreements choose to adopt the concession regime for future agreements, our operations may be materially affected.

Moreover, under the New Basic Sanitation Regulatory Framework, the Brazilian Water and Sanitation Agency (*Agência Nacional de Águas e Saneamento Básico*), or the ANA, has the authority to enact reference standards to regulate sanitation services. Compliance with such standards is optional for local entities and agencies, but obligatory to allow access to financial resources from the federal government. The ANA has already enacted reference standards regarding the regime, structure and parameters for the charge of fees and tariffs for the provision of urban solid waste management services, but has yet to issue reference standards regarding several other topics.

The outcome of the foregoing issues is uncertain, and we cannot assure you that they will not have any material impact on our operations.

Response's management has identified material weaknesses in its internal control over financial reporting and, if Response fails to remediate such material weaknesses (and any other ones) or implement and maintain effective internal controls over financial reporting, it may be unable to accurately report its results of operations, meet its reporting obligations or prevent fraud.

In connection with the preparation of the audited consolidated financial statements of Emergencia (the accounting predecessor of Response) as of December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, material weaknesses were identified in Response's internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

The material weaknesses identified relate to: (i) the consolidation process of recent acquisitions made by Response, due to the lack of a sufficient number of personnel in the acquired entities with an adequate level of knowledge and experience in the closing functions of its financial reports and related disclosures, to process the transition to the application of IFRS and International Accounting Standards and Interpretations issued by the IASB, consistent with Response's financial reporting requirements; and (ii) the design and operation of Response's accounting and financial reporting closing functions, in which required policies and procedures either were not designed or were not operating effectively at period end, resulting in a number of adjustments to Response's audited consolidated financial statements during the course of the audit.

Each of the material weaknesses described above may result in a misstatement of one or more account balances or disclosures that would result in a material misstatement of the audited consolidated financial statements of Response that would not be prevented or detected, and accordingly, Response's management determined that these control deficiencies constitute material weaknesses.

Response's management intends to take necessary actions to design and implement formal accounting policies, procedures and controls required to remediate these material weaknesses. This includes hiring additional finance and accounting personnel with the requisite experience and knowledge. It also includes designing and implementing new processes, policies and procedures, improving the internal controls to provide additional levels of review and approval, enhancing internal documentation, implementing new software solutions and strengthening the training program for staff related to the requirements of IFRS, the rules and regulations of the SEC and the Sarbanes-Oxley Act, as well as the guidelines of COSO's Internal Control Integrated Framework. However, we cannot assure you that Response's management efforts will be effective or sufficient to prevent any future material weakness in Response's internal control over financial reporting.

Response's management is currently unable to predict how long it will take and how much it will ultimately cost for Response to implement the remediation measures required to address those matters giving rise to the material weaknesses they identified. These remediation measures may be time consuming, costly, and might place significant demands on Response's financial and operational resources.

Response is a public company in the United States subject to the Sarbanes-Oxley Act. If Response is unable to successfully remediate its existing or any future material weaknesses or other deficiencies in its internal control over financial reporting, the accuracy and timing of its financial reporting may be adversely affected, investors may lose confidence in its financial reporting, and it could become subject to litigation or investigations by the NYSE American, the SEC and other regulatory authorities. Additionally, ineffective internal control over financial reporting could expose Response to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the NYSE American, regulatory investigations and civil or criminal sanctions.

As the controlling shareholder of Response, any of the foregoing could adversely affect our business, financial condition, results of operations and the trading price of our securities, including our Notes.

Failure to comply with socio-environmental laws and regulations, including with respect to the handling of hazardous waste, may adversely affect our business.

We are subject to extensive foreign, Brazilian federal, state and municipal laws and regulations related to the adequate handling, transportation and disposal of hazardous or radioactive waste, the preservation and protection of the environment, the handling of dangerous products, as well as those related to occupational health and safety, the prohibition of labor analogous to slavery, to the use of child labor, to not encouraging prostitution and not employing foresters. Among other obligations, laws and regulations establish standards for the disposal of effluents, atmospheric emissions, solid waste management, minimum requirements for transporting waste, noise emission parameters, as well as requirements related to specially protected areas or species of organism.

Any violations of socio-environmental laws and regulations may expose us to administrative and criminal penalties, in addition to the obligation to repair or indemnify damages caused to the environment and to third parties. In particular, the handling and transportation of hazardous waste services involve relevant environmental regulations, and any failure to comply with such regulations may adversely affect our ability to collect, process and finally dispose of hazardous waste generated by our clients. In case we are held liable for any losses or damages caused by the handling and transportation of hazardous waste, changes in environmental laws and regulations or in their interpretation could result in unforeseen changes to estimated timing and amounts for payment of such damages.

Some of these laws impose strict and, under certain circumstances, joint and several liability on current and former owners and operators of facilities that release regulated materials or that generate them and provide for their improper disposal or treatment. Such liability can also be imposed on certain other persons who release, transport, dispose of, or arrange for the disposal of hazardous substances. Such responsibilities may relate to the necessary cleaning of releases of regulated materials and the repair of environmental damage.

We are routinely inspected by government agencies, which may impose fines or other sanctions or require expenditures for remedial work. In addition, regulators have the power to suspend or revoke the Licenses for the operation of our facilities, equipment and vehicles based on, among other factors, our compliance record, and clients may decide not to use a specific installation of disposal or negotiate due to concerns about our compliance record. The suspension or revocation of Licenses would affect our operations and could have a material impact on our financial results.

Some environmental laws and regulations impose liability and responsibility on present and former owners, operators or users of facilities and sites for contamination at such facilities and sites without regard to causation or knowledge of contamination.

Any non-compliance and/or penalties applied within the scope of compliance with social and environmental legislation or any substantial capital expenditures made as a result of government proceedings may adversely impact our business, results, and our financial situation and reputation.

For more information about the environmental regulations to which we are subject, see “*Industry—Regulatory Overview*.”

Ambipar is exposed to global tax risks which could have a significant adverse financial impact on us.

Ambipar is exposed to tax risks, which could result in double taxation, penalties and interest payments. The source of the risks could originate from local tax rules and regulations as well as international and EU regulatory frameworks. These include transfer pricing risks on internal cross-border deliveries of goods and services, as well as tax risks relating to changes in the transfer pricing model. Furthermore, Ambipar is exposed to tax risks related to acquisitions and divestments, tax risks related to permanent establishments, tax risks relating to tax loss, interest and tax credits carried forward, and potential changes in tax law that could result in higher tax expenses and payments. These changes include the introduction of a global minimum tax at a rate of 15% under the Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalization of the Economy, agreed upon by over 135 jurisdictions under the Organization for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS). The Inclusive Framework may come into effect in 2024. These risks may have a significant impact on local financial tax results, which, in turn, could adversely affect Ambipar's financial condition and operating results. The value of Ambipar's deferred tax assets, such as tax losses carried forward, is subject to the availability of sufficient taxable income within the tax loss carry-forward period, but also to the availability of sufficient taxable income within the foreseeable future in the case of tax losses carried forward with an indefinite carry-forward period. The ultimate realization of Ambipar's deferred tax assets is uncertain. Accordingly, there can be no absolute assurance that all deferred tax assets, such as (net) tax losses and credits carried forward, will be realized.

In addition, on May 25, 2018, the EU Council adopted a directive (2018/822 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements) ("DAC 6") that imposes mandatory disclosure requirements for certain EU cross-border tax arrangements which satisfy one or more "hallmarks" provided for in DAC6 that are coupled in certain cases with the main benefit test (the "Reportable Arrangements"). In the case of a Reportable Arrangement, the information that must be reported includes, inter alia, the name of all relevant taxpayers and intermediaries as well as an outline of the Reportable Arrangement, the value of the Reportable Arrangement and identification of any EU member states likely to be concerned by the Reportable Arrangement. The reporting obligation in principle rests with persons that design, market, organize, make available for implementation or manage the implementation of the Reportable Arrangements or provide assistance or advice in relation thereto (the so-called "intermediaries"). However, in certain cases, the taxpayer itself can be subject to the reporting obligation. The information reported will be automatically exchanged between the tax authorities of all EU member states.

DAC6 was transposed into Luxembourg domestic legislation by the law of March 25, 2020 (the "DAC6 Law"). The DAC 6 Law became fully applicable as of July 1, 2020. Starting from January 1, 2021, Reportable Arrangements must be reported within thirty (30) days from the earliest of (i) the day after the Reportable Arrangement is made available for implementation or (ii) the day after the Reportable Arrangement is ready for implementation or (iii) the day when the first step in the implementation of the Reportable Arrangement has been made.

In light of the broad scope of DAC6, transactions carried out by the Issuer may fall within the scope of DAC6 and thus be reportable.

Risks Relating to the Markets Where We Operate

Our international presence subjects us to a variety of risks arising from doing business internationally.

As of September 30, 2023, Response operated in more than 40 countries and Environmental ESG operated in 4 countries. Our international footprint exposes us to a variety of risks that may adversely affect our results of operations, financial condition, liquidity and cash flows. These include, but may not be limited to, the following:

- periodic economic downturns in the countries in which we do business, measured by gross domestic product;

- foreign exchange fluctuation and imposition of or increases in currency exchange controls and hard currency shortages;
- customs matters and changes in trade policy or tariff regulations;
- changes in regulatory requirements in the countries in which we do business;
- changes in tax regulations, higher tax rates in certain jurisdictions and potentially adverse tax consequences, including restrictions on repatriating earnings, adverse tax withholding requirements and “double taxation”;
- complexities around changes in the still developing relationship between the U.K. and the EU arising out of the U.K.’s withdrawal from the EU;
- longer payment cycles and difficulty in collecting accounts receivable;
- complexities in complying with a variety of Brazilian, U.S. and foreign government laws, controls and regulations;
- political, economic and social instability, including general strikes and mass demonstrations, civil and political unrest, terrorist actions and armed hostilities in the regions or countries in which, or adjacent to which, we do business;
- increasingly complex laws and regulations concerning privacy and data security, including the Brazilian LGPD and EU’s GDPR;
- inflation rates in the countries in which we do business;
- complying with complex labor laws in foreign jurisdictions;
- laws in various international jurisdictions that limit the right and ability of subsidiaries to pay dividends and remit earnings to affiliated companies unless specified conditions are met;
- sovereign risk related to international governments, including, but not limited to, governments stopping interest payments or repudiating their debt, nationalizing private businesses or altering foreign exchange regulations;
- uncertainties arising from local business practices, cultural considerations and international political and trade tensions;
- public health issues or other calamities impacting regions or countries in which we operate, including travel to and/or imports or exports to or from such regions or countries; and
- other political, diplomatic, social and economic events that may occur in the country or affecting the country where each business is headquartered.

These risks may further increase as we continue to adopt our international expansion strategy. If we are unable to successfully manage the risks associated with our international business, our results of operations, financial condition, liquidity and cash flows may be adversely impacted.

Governments have a high degree of influence in the economies of emerging markets where we operate, which could adversely affect our results of operations.

Our operations in Brazil and Latin America (excluding Brazil) accounted, respectively, for 57.2% and 19.1% of our gross revenues for the year ended December 31, 2022 (56.5% and 22.5% for the year ended December 31, 2021), and 56.6% and 15.4% for the nine months ended September 30, 2023 (59.0% and 20.9% for the nine months ended September 30, 2022). Governments in Latin America have exerted and continue to exert significant influence on the economy, occasionally making significant changes in monetary, credit, industry regulations and others. Government actions to control inflation and other policies and regulations often involve, among other measures, price controls, currency devaluations, capital controls and limits on imports. In particular, the Brazilian economy has suffered frequent interventions by the Brazilian federal government, which sometimes makes significant changes in its monetary, credit, tariff, tax and other policies and rules, in order to influence the Brazilian economy. Measures taken by the Brazilian federal government to control inflation, in addition to other policies and regulations, often involve raising interest rates, changing fiscal policies, controlling wages and prices, intervening in the foreign exchange market, currency devaluations, blocking access to bank accounts, controlling capital and limiting imports, among other measures.

In Chile, the government has changed in the past and has the ability to change monetary, fiscal, tax and other policies to influence the Chilean economy.

We have no control over, and cannot predict, what government measures or policies the Brazilian federal or other Latin American governments will take in the future, and how these measures and policies will affect the national and regional economy of Latin American countries. We may be materially and adversely affected by changes in policies or regulations that involve or affect certain factors, such as:

- interest rates;
- foreign exchange controls and restrictions on abroad remittances and payments of dividends;
- monetary policy;
- labor laws or jurisprudence positions;
- changing labor, legal and regulatory standards;
- data protection laws or regulations;
- intellectual property;
- inflation;
- liquidity and solvency of the financial system;
- liquidity of domestic financial and capital markets and availability of domestic loans;
- water and energy rationing;
- commodity prices;
- health policies, including due to epidemics and pandemics, such as the current COVID-19 pandemic;
- fiscal policy, tax policy and changes in tax legislation, including royalties and the effect of tax laws on distributions from our subsidiaries;

- import/export restrictions or other laws and policies that affect foreign trade and investments;
- price controls or pricing regulations; and
- takings or nationalization.

Uncertainty over the implementation of policy or regulatory changes by the Brazilian or other Latin American governments creates instability in the region's economy, increasing the volatility of its securities market. These uncertainties, a recession with a period of slow recovery and other future developments in the Brazilian and Latin American economy could adversely affect our business and, consequently, our financial condition and operating results, and could adversely affect the trading price of our securities.

Economic uncertainties and political instability in the Latin American countries in which we operate, in particular Brazil, Chile and Peru, may adversely affect our business, operations and financial condition and that of our subsidiaries.

Countries in Latin America have experienced periods of economic and political instability in recent years. Unfavorable general economic conditions in the past, including the 2008 financial crisis that affected the global banking system and financial markets, and, more recently, the COVID-19 pandemic, have caused economic slowdown and a decrease in the amount of foreign capital invested in emerging markets, including Latin America. This in turn has caused many emerging markets, including Latin America, to decline in value and has led to the depreciation of emerging market currencies against the U.S. dollar. As international investors' reactions to events that occur in one market sometimes affect other regions or disadvantage certain investments, the Latin American economy could be adversely affected by negative economic or financial developments in other countries. Negative developments in Latin America or other emerging markets or developed economies could affect the decisions to hire service providers and the demand for the services offered by us, with a potential reduction in the number of clients.

According to the Brazilian Institute of Geography and Statistics (Instituto Brasileiro de Geografia e Estatística, or the "IBGE"), Brazil's gross domestic product (the "GDP") sharply contracted by 4.1% in 2020 due to global effects of developments relating to the COVID-19 pandemic and grew by 4.6% in 2021 and 2.9% in 2022. Developments in the Brazilian economy may affect Brazil's growth rates and, consequently, the use of our products and services and we have been, and will continue to be, affected by changes in the Brazilian GDP.

In addition, Brazilian markets experienced heightened volatility in the last decade due to uncertainties deriving from investigations conducted by the Brazilian Federal Police and the Brazilian Federal Prosecutor's Office, including "Operação Lava Jato." Such investigations have impacted the Brazilian economy and political environment. Numerous members of the Brazilian federal government and the legislative power, as well as executives of large state owned, public and private companies, have resigned from their positions and/or been arrested or convicted, and others are still being investigated for allegations of unethical and illegal conduct identified during such investigations, including for accepting bribes through kickbacks in contracts awarded by the government to infrastructure, oil and gas, and construction companies, among others. The amounts of these bribes allegedly financed political party campaigns and were not accounted for or publicly disclosed, serving to promote the personal enrichment of beneficiaries of the corruption scheme.

The ultimate outcome of this and other investigations is uncertain, but they had adversely affected the image and reputation of the implicated companies, as well as the market's general perception of the Brazilian economy. The development of these cases of unethical conduct has affected and may continue to adversely affect our business, financial condition and results of operations, as well as the trading price of our securities. We cannot predict whether the ongoing investigations will lead to further political and economic instability, nor whether new allegations against government officials and executives or private companies will emerge in the future. We also cannot predict the results of these investigations, nor the impact on the Brazilian economy or the Brazilian stock market. Any consequences of these investigations could materially and adversely affect the business environment in Brazil and our activities.

Further political instability has been exacerbated by the Brazilian polarized presidential election held in October 2022. After having his criminal convictions related to Operação Lava Jato overturned and his political rights restored by the Brazilian Supreme Court, former Brazilian president Luiz Inácio Lula da Silva ran for office in the presidential election and narrowly defeated President Bolsonaro. Luiz Inácio Lula da Silva took office on January 1, 2023. In the aftermath of the November 2022 presidential election, there were countrywide roadblocks and mass protests by supporters of former president Jair Bolsonaro disputing the election results, culminating, on January 8, 2022, in riots in the country's federal capital Brasília where protesters stormed government buildings, including the Congress, the Supreme Court and the Presidential Palace. As a result of the past corruption allegations against president Luiz Inácio Lula da Silva, his political actions are a matter of controversy in Brazil, and such controversy could lead to further political uncertainty and impasse, which could have negative macroeconomic impacts. Further, during the term of former president, Jair Messias Bolsonaro, there were several inquiries related to potential misconduct, including a Supreme Court investigation following allegations made by the former Minister of Justice as well as a Parliamentary Committee Inquiry (*Comissão Parlamentar de Inquérito*, or "CPI") focused on the president's handling of the COVID-19 pandemic, including the potential misuse of government funds.

We cannot predict which policies the incoming president may adopt or change during his term in office, or the effect that any such policies might have on our business and on the Brazilian economy. Moreover, any difficulty experienced by the Brazilian federal government in obtaining a majority in the national congress could result in congressional deadlock, political unrest and massive demonstrations or strikes that could adversely affect our operations. Uncertainty over whether the Brazilian federal government will implement reforms or changes in policy or regulation affecting these or other factors in the future may affect economic performance and contribute to economic instability and increase the volatility of the Brazilian securities market.

Additionally, on November 19, 2023, the second round of the general Argentina presidential elections took place and candidate Javier Milei was elected over the current Argentine Minister of Economy, Sergio Massa. Javier Milei took office on December 10, 2023 and, after a series of proposed measures during his candidacy that which included plans to dollarize the Argentine economy and closing the local Central Bank, one of his first immediate official actions was the devaluation of Argentine peso by 50% against the U.S. dollar, which could substantially impact Argentine inflation and the Argentine economy. We cannot predict what other measures Javier Milei will effectively adopt, which could have a material adverse effect on the Argentine economy and could affect our financial condition and results of our operations.

We are also exposed to economic and political volatility in Chile and Peru, in particular given that a significant portion of the business and assets of DISAL, one of our subsidiaries, is located in these countries and a relevant number of its clients are Chilean companies. The Chilean economy has recently experienced a slowdown. The Peruvian economy, on the other hand, has sustained a growth trajectory over the past decades despite its political instability. We cannot assure you that the Chilean or Peruvian economy will grow in the future or that future developments that affect the Chilean or Peruvian economy, including economic difficulties in Brazil, Argentina and other emerging markets or trading partners or financial markets from developed economies, will not impair our ability to operate successfully in Chile and Peru.

Further, in October 2019, Chile experienced social turmoil, initially because of a fare hike in Santiago's metro system. Student and civil protestors damaged public property and the private sector and disrupted institutions and commerce. The government initially declared a 90-day state of emergency, extendable as needed, and at the same time launched several political, social and economic reforms, and approved the calling of a national referendum. However, the state of emergency lasted less than ten days. On October 25, 2020, a constitutional referendum was held, in which about 80% of voters elected to replace the Chilean Constitution. The 2019 civil unrest led to the victory of left-wing Gabriel Boric in the December 2021 presidential elections. Mr. Boric was sworn in as president in March 2022. In September 2022, almost 62% of Chileans voted to reject the left-leaning draft of a new constitution proposed by the constituent assembly and backed by President Boric, which was perceived to be less market-friendly and to create legal uncertainty. There can be no assurance that the recent changes in the Chilean administration, its Constitution or any future civil unrest will not adversely affect our business, operating results and financial condition in Chile.

Peru has experienced a period of political unrest since 2017. The country has had six presidents over the past five years. In December 2022, former president Castillo was arrested and removed from office after attempting to dissolve congress and shut down the judiciary. He was replaced by his vice-president, Ms. Dina Boluarte, who took office in December 2022. Since then, the country has been shaken by protesters demanding her resignation, fresh elections and a new constitution. We cannot predict when and how the current tense political environment in Peru will be resolved.

In general, emerging markets such as Brazil, Argentina, Chile, Peru and other Latin American countries are also exposed to relatively higher risks of liquidity constraints, inflation, devaluation, price volatility, corruption, crime, asset expropriation and sovereign default, as well as additional legal and regulatory risks and uncertainties.

Economic uncertainty and political uncertainty in Brazil, Chile or other Latin American countries could materially and adversely affect the business environment in these countries and affect us disproportionately or differently than our competitors, depending on our specific exposure to any particular emerging market, which could have a material adverse effect on our business, operating income, financial condition and prospects.

Political, economic and social events and the perception of risks in other countries, especially in emerging economy countries and in the United States, China and the European Union, may adversely affect the economy of the countries in which we operate and the market price of our securities.

Our Latin American operations may be affected, to varying degrees, by economic and market conditions in other countries, including the United States, European Union countries and other emerging economies. To the extent the conditions of the global markets or economy deteriorate, the business of companies with significant operations in Latin American countries may be harmed. For example, we are subject to impacts resulting from the current war between Ukraine and Russia and the war between Hamas and Israel in the Gaza Strip. The Ukraine war has caused market turmoil and led oil prices to soar, reaching the highest level in almost 14 years, thus affecting the market commodities and energy in Brazil and in the world, which could raise our operational costs and consumer expenses and, therefore, adversely affect our operational results and financial condition. In addition, the war between Hamas and Israel in the Gaza Strip, an escalation in political tensions between the United States, Iran and Iraq, as well as other related conflicts in the Middle East, and imposition of additional sanctions from the United States, Iran, Iraq and European countries could cause the price of oil to increase even further. Further, trade disputes between countries, in particular the current dispute between the United States and China, crisis in the United States, the European Union or in emerging countries and global tensions, including conflicts involving the occurrence of Brexit, have generated political and economic instability around the world, producing several effects that, directly or indirectly, adversely impact the Latin American capital markets and economy, such as fluctuations in the price of securities issued by listed companies, reductions in the supply of credit, deterioration of the economy, fluctuations in foreign exchange rates and inflation, among others.

The weakness in the global economy has been marked by, among other adverse factors, lower levels of consumer and corporate confidence, decreased business investment and consumer spending, increased unemployment, reduced income and asset values in many areas, reduction of China's growth rate, currency volatility and limited availability of credit and access to capital, in addition to significant uncertainty resulting from the COVID-19 pandemic and, in early 2023, the crisis in global financial systems.

Given our exposure to Latin American economies, any such factors can reduce investor interest in our securities. Developments, crises, political instability or economic conditions in other countries may significantly affect the perceptions of risks inherent to Latin America and the availability of credit to companies with significant operations in Latin America, which could result in considerable outflows of funds from Latin America and make it more difficult for us to access the capital markets and finance our operations in the future, on favorable terms or at all.

Exchange rate instability can harm the economy of emerging markets where we operate and, consequently, affect us.

The Latin American currencies have experienced in the past and are currently experiencing strong fluctuations against the dollar and other strong currencies.

In Brazil, over the past four decades, the federal government implemented various economic plans and used various foreign exchange policies, including sudden devaluations, periodic mini-devaluations (during which the frequency of adjustments has ranged from daily to monthly), floating exchange market systems, foreign exchange controls and the dual exchange market. Since 1999, Brazil has adopted a floating foreign exchange system with Central Bank interventions in the purchase or sale of foreign currency. From time to time, there have been significant foreign exchange rate fluctuations between the *real* and the dollar and other currencies.

Although long-term depreciation of the *real* is generally linked to the rate of inflation in Brazil, depreciation of the *real* occurring over shorter periods of time has resulted in significant variations in the exchange rate between the *real*, the U.S. dollar and other currencies. The *real*/U.S. dollar exchange rate reported by the Central Bank was R\$5.197 per US\$1.00 on December 31, 2020, which reflected a 28.9% depreciation in the *real* against the U.S. dollar during 2020. The *real*/U.S. dollar exchange rate reported by the Central Bank was R\$5.580 per US\$1.00 on December 31, 2021, which reflected a 7.4% depreciation in the *real* against the U.S. dollar during 2021. As of December 30, 2022, the *real*/U.S. dollar exchange rate reported by the Central Bank was R\$5.218 per US\$1.00, which reflected a 6.5% appreciation in the *real* against the U.S. dollar during 2022. As of September 30, 2023, the *real*/U.S. dollar exchange rate reported by the Central Bank was R\$5.0076 per US\$1.00, which reflected a 2.5% appreciation in the *real* against the U.S. dollar in that period. There can be no assurance that the *real* will not further appreciate or again depreciate against the U.S. dollar or other currencies in the future.

The devaluation of the *real* and other Latin American currencies relative to the U.S. dollar could create additional inflationary pressures in Brazil and Latin America and lead to increases in interest rates. Any depreciation of these currencies may generally restrict access to the international capital markets. It would also reduce the U.S. dollar value of our results of operations. Restrictive macroeconomic policies could reduce the stability of the Brazilian and Latin American economy and harm our results of operations and profitability. In addition, domestic and international reactions to restrictive economic policies could have a negative impact on the Brazilian and Latin American economy. These policies and any reactions to them may harm us by curtailing access to foreign financial markets and prompting further government intervention. A devaluation of Latin American currencies relative to the U.S. dollar may also, as in the context of the current economic slowdown, decrease consumer spending, increase deflationary pressures and reduce economic growth, which could adversely affect the economy of Latin American countries as a whole and our results, due to the contraction in consumption and the increase in its costs.

On the other hand, the appreciation of the Latin American currencies relative to the U.S. dollar and other foreign currencies could lead to the deterioration of the region's current accounts and balance of payments, as well as a weakening in the growth of the gross domestic product generated by exports. It could also have an adverse impact in our financial condition and results of operations due to translation risk.

We do not exercise any influence on the exchange policy adopted in Brazil or other Latin American countries, nor do we have the capacity to predict it. Our business, financial condition, results of operations and prospects could be adversely affected by changes in such foreign exchange rate policies.

Inflation and government efforts to curb it may contribute to an uncertain economic scenario, adversely affecting us and the market price of our securities.

General inflation, including rising prices for energy and other inputs, as well as rising wages, may adversely impact our business by increasing our operating costs. The cost of materials, fuel, labor and other components of our operating costs used in our services are affected by inflation and global commodity prices. We may mitigate this risk through passing along price increases to our clients. However, we may not always be able to raise prices in response to increased costs or may experience delays in passing through such costs, as our ability to

do so is largely dependent upon market conditions and competitive market pressures. These inflationary cost pressures have resulted and may result in reductions in our operating margins and cash flows in the future.

General inflation in the United States, Europe and other geographies has risen to levels not experienced in recent decades. These concerns have resulted in an increase of interest rates and the respective governments and institutions taking and contemplating other measures to curb inflation, which in turn has adversely impacted the capital markets generally.

Latin American countries have historically experienced high rates of inflation from time to time, which have, together with certain actions taken by the Latin American government in an attempt to curb inflation and speculation about what measures would be adopted, negative effects on the Latin American countries economy and contributed to economic uncertainty, increasing the volatility of the Latin American capital markets.

In Brazil, according to the National Consumer Price Index (*Índice Nacional de Preços ao Consumidor Amplo*, or IPCA), which is published by the IBGE, Brazilian inflation rates were 5.79%, 10.06%, 4.52%, 4.31% and 3.75% as of December 31, 2022, 2021, 2020, 2019 and 2018, respectively. Brazil may experience high levels of inflation in the future and inflationary pressures may lead to the Brazilian government's intervening in the economy and introducing policies that could harm our business and the price of our securities. In the past, the Brazilian government's interventions included the maintenance of a restrictive monetary policy with high interest rates that restricted credit availability and reduced economic growth, causing volatility in interest rates. The Monetary Policy Committee (*Comitê de Política Monetária do Banco Central do Brasil*, or COPOM) frequently adjusts the interest rate in situations of economic uncertainty to achieve goals established in the Brazilian federal government's economic policy. In the event of an increase in inflation, the Brazilian federal government may choose to significantly increase interest rates. For example, the official interest rate in Brazil oscillated from 14.25% as of December 31, 2015 to 2.00% as of December 31, 2020, as established by the COPOM, and then steadily increased. As of December 31, 2021 and 2022, the SELIC rate was 9.25% p.a. and 13.75% p.a., respectively. In September 2023, COPOM reduced the SELIC rate to 12.75% p.a. Any future increase in interest rates will affect not only the cost of our new loans and financing, but also the cost of our current debt, as well as our cash and cash equivalents, securities and payable leases, which are subject to interest rates.

In Chile, the annual rates of inflation, measured by changes in the CPI, in 2020, 2021 and 2022 were 3.1%, 7.2% and 12.8%, respectively. Higher levels of inflation in Chile could adversely affect the Chilean economy and have an adverse effect on our results of operations if high inflation is not accompanied by a corresponding devaluation of the local currency. It is not possible to guarantee or predict whether Chilean inflation will not revert to previous levels in the future. In addition, measures taken by the Central Bank of Chile to control inflation often included maintaining a tight monetary policy with high interest rates, thus restricting the availability of credit and economic growth. A significant portion of our operating costs are denominated in U.S. dollars and could, therefore, be significantly affected by a decrease in economic activity levels in Chile. If inflation in Chile increased without a corresponding depreciation of the peso, or if the amount of the peso appreciated against the dollar without the peso experiencing a corresponding deflation in Chile, our financial position and operating results, as well as the value of our securities, could be materially and adversely affected.

Any fluctuations in interest rates and measures taken by the U.S., EU, Latin American and other governments in the future, including reducing interest rates, intervening in the foreign exchange market and implementing mechanisms to adjust or determine currency amount, could trigger inflation, adversely affecting the overall performance of global and national economies. If the countries where we operate experience higher inflation in the future, we may not be able to adjust the prices we charge our clients to offset the effects of inflation on their cost structure, which will increase our costs and reduce our operating and net margins.

Our operating results may be impacted by changes in tax legislation, unfavorable results from tax contingencies or by the modification, suspension or cancellation of tax benefits or special regimes.

Latin American tax authorities regularly implement changes in the tax regime that could affect us. These measures include changes in current rates and, occasionally, the creation of temporary and permanent taxes. Some of these changes may increase, directly or indirectly, our tax burden, which may increase the prices we charge for our

services, restrict our ability to do business and, therefore, materially and adversely impact our business and results of operations. In addition, certain tax laws may be subject to controversial interpretations by tax authorities. If tax authorities interpret tax laws in a manner inconsistent with our interpretations, we may be adversely affected, including by the full payment of taxes due, plus charges and penalties.

Currently, there are proposals in the Brazilian Congress for the implementation of a Brazilian tax reform. Among the proposals under discussion, it is the complete overhaul of the consumption tax system, which would extinguish three federal taxes—IPI, PIS and COFINS, the ICMS, which is a state tax, and the ISS, which is a municipal tax, to create a new Tax on Transactions with Goods and Services, or the IBS, that would be levied on consumption. Furthermore, the Brazilian federal government presented, through Bill No. 3887/2020, a new proposal for the Brazilian tax reform for the creation of the Social Contribution on Transactions with Goods and Services, or the CBS, replacing the contributions of the PIS and the COFINS, providing for a 12% rate, with ample right to credit. More recently, the Proposed Amendment to the Constitution No. 45/2019, or PEC 45/2019, that proposes to eliminate a variety of taxes for the creation of a single new tax on operations with goods and services was approved by the Brazilian congress and is currently expected to be voted in the Brazilian Federal Senate. The Brazilian federal government also introduced Bill No. 2337/2021, called the “second phase” of the Brazilian tax reform, which relates to income taxation, including dividend taxation, adjustments in calculation basis and corporate tax rates, changes in taxation of income and gains related to investments in the Brazilian capital markets (i.e., taxation of financial assets and investment funds, etc.), among others. The implementation of the Brazilian tax reform is subject to the legislative process, which includes evaluation, voting, veto and amendments, all carried out by the legislative branch, the Brazilian national congress and the Brazilian president. Therefore, it is not possible to determine, at the outset, which proposed changes will be effectively implemented and how they may directly or indirectly affect our business and results, which would come into effect in the year following the conversion of such projects into law. If the Brazilian tax reform takes effect or if there are any changes in the applicable tax laws and regulations that alter the applicable taxes or special regimes during or after their effective periods, our business and results may be adversely affected.

In Chile, over the past decade, several substantial changes have been made to the income tax system, including increases in corporate and personal income tax rates. In February 2020, the Chilean Congress passed Law No. 21,210 (the “2020 Chilean Tax Reform”), including several amendments to the Chilean tax system. Among these amendments, the 2020 Chilean Tax Reform provides for (i) the elimination, effective from January 1, 2020, of the coexistence of the attributed income tax system and the consolidation of a partially integrated single tax system for large companies, which was created in 2014, with an income tax rate of 27%, (ii) the creation of a new special tax regime for small and medium-sized companies, with an income tax rate of 25% that can be fully integrated into final taxes, (iii) phasing out the tax refunds that Chilean holding companies could claim for corporate taxes paid by their Chilean subsidiaries as a result of absorbing the holding companies’ tax losses with dividends received from such subsidiaries, (iv) increasing the maximum rate of taxes to 40% for personal income tax applicable to resident individuals, (v) application of VAT to foreign digital services used in Chile and (vi) stricter requirements for private investment funds to benefit from preferential tax treatment. Based on Chile’s current social and political environment following the civil unrest that began in October 2019, the Chilean government may introduce further tax reforms aimed at limiting tax exemptions and/or preferential tax treatments. The 2020 Chilean Tax Reform and the interpretation of the RSI (the Chilean tax authority), or the potential approval of future tax reforms, may have other consequences for us, and there can be no guarantee that the current tax burden will not be adjusted in the future to finance future social reforms promoted by the Chilean government or to achieve other purposes.

Further changes in the tax laws of the jurisdictions in which we operate could arise as a result of the base erosion and profit shifting project being undertaken by the OECD. The OECD, which represents a coalition of member countries that includes Chile, Colombia and the United States, has undertaken studies and is publishing action plans that include recommendations aimed at addressing what they believe are issues within tax systems that may lead to tax avoidance by companies. The OECD has extended inclusion to non-OECD countries under their Inclusive Framework on Base Erosion and Profit Shifting, or BEPS, bringing together over 100 countries to collaborate on the implementation of the OECD BEPS Package. This framework allows interested countries and jurisdictions to work with the OECD and G20 members on developing standards on BEPS-related issues and reviewing and monitoring the implementation of the whole BEPS Package. Included within this expanded group of countries are several additional jurisdictions in which we do business. It is possible that the additional jurisdictions

in which we do business could react to these initiatives or their own concerns by enacting tax legislation that could adversely affect us through increasing our tax liabilities.

Besides changes in tax legislation, we are subject to inspections by tax authorities at the various jurisdictions in which we operate. As a result of such inspections, our tax positions may be questioned by the tax authorities, which can result in legal and administrative proceedings. For example, Brazilian tax authorities regularly inspect companies and have recently intensified the number of inspections they conduct, showing particular concern for certain matters such as inventory control, goodwill amortization expenses, corporate restructuring and tax planning, among others. Any legal and administrative proceedings relating to tax matters may adversely affect us. We cannot guarantee that the provisions for any tax proceedings will be correct, that there will be no identification of additional tax exposure, and that it will not be necessary to establish additional tax reserves for any tax exposure. Any increase in the amount of taxation as a result of challenges to tax positions could adversely affect our business, results of operations and financial condition.

Outbreaks of communicable diseases worldwide, such as COVID-19, could lead to greater volatility in the global capital markets and result in negative pressure on the global and local economy of the markets where we operate, which could have an adverse effect on our results of operations and financial condition and affect the trading price of our securities.

On March 11, 2020, the WHO declared the pandemic arising from COVID-19, leaving it up to member countries to establish the best practices for preventive actions and treatment of those infected. Consequently, the COVID-19 outbreak resulted in restrictive measures involving the movement of people imposed by governments of several countries in the face of the extensive and rapid spread of the virus, including quarantine and lockdowns around the world. Among the consequences of these measures, there were restrictions on travel and public transportation, extended closures of workplaces, interruptions to supply chains, closures of businesses and an overall reduction in consumption by the population. The adoption of the measures described above, together with the uncertainty brought about by the COVID-19 outbreak, have had an adverse impact on the global economy and on the global capital markets, including in Brazil and Latin America. Similar impacts to those described above could arise again, generating fluctuations in the trading price of securities around the world, including the trading price of our securities. The COVID-19 outbreak resulted and a significant outbreak of other infectious diseases could result in a widespread health crisis that could adversely affect the economies and financial markets worldwide. Any material change in the global financial markets or in the Latin American or Brazilian economy as a result of any such outbreak could reduce the interest of Brazilian and foreign investors in our securities, which could reduce their market price and make it difficult for us to access the capital markets and finance our operations in the future on acceptable terms.

A decline in Brazil's credit rating could adversely affect the trading price of our securities.

We may be adversely affected by investors' perception of risks related to the credit rating of Brazil's sovereign debt. Risk rating agencies regularly assess Brazil and its sovereign risk scores, which are based on a number of factors, including macroeconomic trends, fiscal and budgetary conditions, debt metrics and the prospect of changes in any of these factors.

In September 2015, Standard & Poor's initiated a review of Brazil's sovereign credit risk rating, downgrading it to a grade below "investment grade." From 2015 to 2018, Brazil suffered successive downgrades in its rating by the three major risk rating agencies in the world. Although Fitch upgraded Brazil's rating in July 2023, we cannot guarantee that further upgrades will follow. As of the date of this offering memorandum, Standard & Poor's, Moody's and Fitch rated Brazil's sovereign credit rating as BB- positive, Ba2 stable and BB stable, respectively.

Continuing or worsening of the current Brazilian recession and continued political uncertainty, among other factors, could lead to further downgrades. We cannot guarantee that credit bureaus will maintain these ratings on Brazilian credit. Any further downgrade of Brazil's sovereign credit ratings could increase investors' perception of risk and, as a result, adversely affect the price of our securities.

Changes in legislation and regulations in Chile and Peru may have an adverse effect on our business.

DISAL and our other Chilean and Peruvian subsidiaries are subject to certain Chilean and Peruvian laws and regulations, and there can be no assurance that such laws and regulations will remain unchanged. Changes in legislation, whether due to the repeal of existing legislation, the imposition of additional regulation, the enactment of new applicable legislation or changes in official interpretations of existing rules by the competent authorities, may affect our Chilean and Peruvian subsidiaries' way of conducting their business and may have an adverse effect on our business.

In the past, the Chilean and Peruvian governments have modified and have the ability to modify laws, monetary, fiscal, tax and other policies to influence the Chilean and Peruvian economy. We have no control over government policies and cannot predict how government intervention will affect the Chilean and Peruvian economy or, directly and indirectly, our business, results of operations and financial condition. For example, as part of the COVID-19 economic and financial aid package promulgated by the Chilean Congress, from July 2020 to April 2021, three laws (Law No. 21,248; Law No. 21,295; and Law No. 21,330) were passed to allow affiliates of the private pension system governed by Decree Law No. 3,500 to withdraw funds (up to 10% each time, subject to certain limitations) from their personal pension funds accounts.

Industry laws and regulations change at the national, regional and local levels, and these changes can impose costs and other difficulties that can prevent our Chilean and Peruvian subsidiaries from properly developing their business and achieving expected results. In addition, any change in regulation, the interpretation of existing regulations, the imposition of additional regulations or the enactment of new legislation that affects any of the companies could have an adverse impact, directly or indirectly, on the financial condition and results of operations.

For example, there have been some legislative efforts in labor matters that could affect the operational costs of our Chilean subsidiaries. For instance, there are several bills under discussion to shorten the work week from 5-6 days to 4 days a week, and from 45 hours to 40-38 weekly hours, with no salary decrease. There is also discussion to force companies to distribute among eligible employees, between 8% to 15% of a company's profits (depending on the company's size), subject to certain limits. Likewise, the minimum wage was recently increased to Ch\$350,000/month under a government plan that intends to gradually increase it to up to Ch\$500,000/month. These changes, and other that may arise in the future, could impact labor costs associated with our operations and affect our income.

A severe earthquake or tsunami in Chile could adversely affect the Chilean economy and our facilities and, as a result, adversely impact our business, financial condition and consolidated operating results.

Chile is on the Nazca tectonic plate, one of the most seismically active regions in the world. Chile has been adversely affected by powerful earthquakes in the past, including a magnitude 8.8 Richter scale earthquake in south-central regions in 2010, a magnitude 8.3 Richter Scale earthquake in northern Chile in 2014 that caused several blackouts due to damage to the local electricity distribution network, and a magnitude 8.4 Richter Scale earthquake in northern Chile in 2015. An earthquake of magnitude 9.5 Richter Scale occurred in Valdivia, Chile, in 1960, which remains the largest recorded earthquake in modern history. A severe earthquake or tsunami in Chile could damage our facilities and have an adverse impact on the Chilean economy and us, including our business, financial condition and consolidated operating results.

Under a constitutional provision, the Chilean government has the power to seize or expropriate our assets under certain circumstances.

Pursuant to Article 19 No. 24 of the Chilean Constitution, the Chilean government may exercise its eminent domain powers over our assets, if the government considers the action required in order to protect public interests. According to Decree-Law (*Decreto con Fuerza de Ley*) No. 2,186 of 1978, eminent domain powers can be exercised through a process of administrative expropriation, the result of which can be appealed to a civil court. In the event of expropriation, we would be entitled to compensation for the expropriated assets. However, the offset may be less than the price at which the expropriated asset could be sold in an open market sale or the asset's value as part of an ongoing deal.

The Peruvian government may nationalize or confiscate assets and/or revoke authorizations to operate.

The Peruvian government has in recent decades and may in the future nationalize companies engaged in key economic activities, expropriate assets and suspend or revoke authorizations to operate. Any such events could cause the total or partial interruption of our operations in Peru, which could adversely affect our financial condition and results of operations.

We may be exposed to liabilities and contingencies, including as a result of the Deepwater Horizon/BP Macondo Incident, which became potential liabilities for us as a result of the WOB Acquisition.

Witt O'Brien's is party to certain lawsuits and other proceedings involving a significant amount. On April 22, 2010, the Deepwater Horizon, a semi-submersible deep-water drilling rig operating in the U.S. Gulf of Mexico, sank after an apparent blowout and fire resulting in a significant flow of hydrocarbons from the BP Macondo well (the "Deepwater Horizon/BP Macondo Well Incident"). SEACOR Holdings Inc., which owned Witt O'Brien's prior to the WOB Acquisition, provided spill and emergency response services in connection with the Deepwater Horizon/BP Macondo Well Incident. In December 2010, O'Brien's Response Management, L.L.C. (former Witt O'Brien's) was named as defendant among multiple parties in several claims arising from the Deepwater Horizon/BP Macondo Well Incident, including a putative class "B3" master complaint concerning the clean-up activities generally and the use of dispersants specifically as well as individual civil actions alleging "B3" exposure-based injuries and/or damages. Although all claims against Witt O'Brien's have been dismissed by the U.S. District Court of the Eastern District of Louisiana, the "B3" master complaint is still pending and there is no certainty that current defendants will not try to tender any of the ongoing plaintiff's claims to Witt O'Brien's.

In addition, in connection with claims relating to clean-up operations following the Deepwater Horizon/BP Macondo Well Incident, BP Exploration & Production, Inc. and BP America Production Company (together, "BP") acknowledged and agreed to indemnify and defend Witt O'Brien's pursuant and subject to certain contractual agreements and potential limitations. No assurance can be given that BP will honor its obligation to indemnify Witt O'Brien's under these arrangements.

In addition, Witt O'Brien's may have liabilities that we failed, or were unable, to discover in the course of performing our due diligence investigations of Witt O'Brien's. We may learn additional information about Witt O'Brien's that materially adversely affects us, such as unknown or contingent liabilities and liabilities related to compliance with applicable laws. Any such liabilities, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

The indemnities that we may receive from the WOB Sellers under the WOB SPA may be insufficient to protect or indemnify us for any liabilities and contingencies that we did not identify during the due diligence process or that were identified but were estimated to be lower than the actual amounts. If we incur significant costs as a result of such liabilities or contingencies, our business, financial condition and results of operations may be adversely affected.

Witt O'Brien's could incur liabilities in connection with its provision of spill response services.

Although companies are generally exempt in the United States from liability under the Clean Water Act ("CWA") for their own actions and omissions in providing spill response services for oil spills, this exemption would not apply if a company were found to have been grossly negligent or to have engaged in willful misconduct, or if it were to have failed to provide these services consistent with the National Contingency Plan or as otherwise directed under the CWA. In addition, the exemption under the CWA would not protect a company against liability for personal injury or wrongful death claims, or against prosecution under other federal or state laws. All of the coastal states of the United States in which Witt O'Brien's provides services have adopted similar exemptions, but, several inland states have not. If a court or other applicable authority were to determine that Witt O'Brien's does not benefit from federal or state exemptions from liability in providing emergency response services, or if the other defenses asserted by Witt O'Brien's and its business segments are rejected, Witt O'Brien's could be liable together with the local contractor and the responsible party for any resulting damages, including damages caused by others, subject to the indemnification provisions and other liability terms and conditions negotiated with its domestic

customers. In the international market, Witt O'Brien's does not benefit from the spill response liability protection provided by the CWA and, therefore, is subject to any protections available under the liability terms and conditions negotiated with its international clients, in addition to any other defenses available to Witt O'Brien's and its business segments. If Congress repeals the current US\$137.6595 million cap for non-reclamation liabilities under the Oil Pollution Act of 1990 for offshore facilities or otherwise scales back the protections afforded to contractors thereunder, there may be increased exposure for remediation work and the cost for securing insurance for such work may become prohibitively expensive. Without affordable insurance and appropriate legislative regulation limiting liability, drilling, exploration and remediation, further investment in oil and gas exploration in the U.S. Gulf of Mexico may be discouraged and thus reduce the demand for Witt O'Brien's's services.

Risks Relating to the Notes, the Note Guarantees and Our Other Indebtedness

We have substantial long-term debt obligations, which may restrict our ability to conduct our business, adversely affect our financial health and prevent us from fulfilling our obligations under the Notes.

We have, and will continue to have, significant long-term debt service obligations and long-term lease obligations. As of September 30, 2023, after giving pro forma effect to this offering, our total debt would have been R\$1,413.2 million. We anticipate that our substantial leverage will continue to exist for the foreseeable future, and the covenants under the Indenture provide us with significant flexibility to incur additional debt and make distributions. Our ability to fund capital expenditures and other expenses and to service our indebtedness will depend on our future operating performance and ability to generate sufficient cash. For a detailed description of our debt, see “*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital—Indebtedness—Description of Principal Indebtedness.*”

Our substantial debt could have important negative consequences for us and holders of the Notes. For example, our substantial debt could:

- make it difficult for us to satisfy our obligations with respect to the Notes and our other debt;
- require us to dedicate a substantial portion of our cash flows to payments on our debt obligations, thereby reducing the availability of our cash flows from operations to fund working capital, capital expenditures, acquisitions and other corporate requirements;
- limit our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions and general corporate purposes, and increase the costs of any such additional capital;
- subject us to the risk of increased sensitivity to interest rate increases on our variable rate debt, including our debentures;
- limit our ability to invest in innovations in technology and implement new products or services; and
- make us more vulnerable to a downturn in our business and competitive pressures and limit our flexibility to plan for, or react to, adverse changes in our industry or the economy.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, including the Notes.

Despite our high level of indebtedness, we may be able to incur significant additional amounts of debt, which could further exacerbate the risks associated with our substantial indebtedness.

We may be able to incur substantial additional debt in the future. Although the Indenture will contain restrictions on the incurrence of additional debt, these restrictions are subject to a number of significant qualifications and exceptions. Debt incurred in compliance with these restrictions could be substantial. Incurring such additional debt could further increase the related risks we now face. In addition, the Indenture will not prevent

us from incurring obligations that do not constitute indebtedness under those agreements or certain deferred purchase price obligations. See “*Description of the Notes—Certain Covenants—Limitation on Debt and Disqualified Equity Interests.*”

We will require a significant amount of cash to service our debt and sustain our operations, which we may not be able to generate or raise.

Our ability to make scheduled payments of principal and interest with respect to our indebtedness, including the Notes, and to fund our ongoing operations or expansion plans, will depend on our ability to generate positive cash flows and on our future financial results. Our ability to generate positive cash flows is subject to the success of our business strategy as well as general economic, financial, competitive, legislative, legal, regulatory and other factors, including those discussed in these “*Risk Factors*,” many of which are beyond our control.

We cannot assure you that our business will generate sufficient cash flows from operations, that currently anticipated growth, transformation initiatives or synergies will be realized or that future debt financing will be available to us in an amount sufficient to enable us to pay our debts when due, including the Notes, or to fund our other liquidity needs. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets or operations, seek additional debt or equity capital or restructure or refinance all or a portion of our indebtedness, including the Notes, on or before maturity.

The type, timing and terms of any future financing, restructuring, asset sales or other capital raising transactions will depend on our cash needs and the prevailing conditions in the financial markets. We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In such an event, we may not have sufficient assets to repay all of our debt.

Any failure to make payments on our indebtedness on a timely basis would likely result in a reduction of our credit rating, which could also harm our ability to incur additional indebtedness. In addition, the terms of our debt, including the Notes and the Indenture, will limit, and any future debt may limit, our ability to pursue any of these alternatives. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business. There can be no assurances that any assets that we could be required to dispose of could be sold or that, if sold, the timing of such sale and the amount of proceeds realized from such sale would be acceptable. If we are unsuccessful in any of these efforts, we may not have sufficient cash to meet our obligations. If we fail to make any required payment under the agreements governing our indebtedness or fail to comply with the financial and operating covenants contained in them, we would be in default, and as a result, our debt holders would have the ability to require that we immediately repay our outstanding indebtedness and, as applicable, foreclose against the assets securing their borrowings. If these events occur, we could be forced into bankruptcy or liquidation. The acceleration of our indebtedness under one agreement may permit acceleration of indebtedness under other agreements that contain cross-default and cross-acceleration provisions. If our indebtedness is accelerated, we may not be able to repay our indebtedness or borrow sufficient funds to refinance it. Even if we are able to obtain new financing, it may not be on commercially reasonable terms or on terms that are acceptable to us. Alternatively, such acceleration could require us to sell assets and otherwise curtail operations to pay our creditors. If our debt holders require immediate payment, we may not have sufficient assets to satisfy our obligations under our indebtedness, and the proceeds from asset sales or curtailment of operations might not enable us to pay all of our liabilities.

The Issuer and the Guarantors are holding companies with no operation of their own.

The Issuer, our wholly-owned financing subsidiary domiciled in Luxembourg, has no operations other than the issuing and making payments on the Notes, and using the proceeds therefrom as permitted by the Indenture. Accordingly, the ability of the Issuer to pay principal, interest and other amounts due on the Notes will depend upon the financial condition and cash flow generation of Ambipar and its subsidiaries. In the event of an adverse change in the financial condition or cash flow generation of Ambipar and its subsidiaries, the Issuer may not have sufficient funds to repay all amounts due on or with respect to the Notes.

Likewise, the Guarantors are holding companies with no independent business operations and no significant assets, other than the equity interests each of these companies holds in its subsidiaries. Each of these holding companies will be dependent upon the cash flow from its subsidiaries in the form of dividends, interest payments on intercompany loans or other distributions or payments to meet its obligations, including its obligations under the Note Guarantees. The amounts of dividends, intercompany loan payments, distributions available or other payments to each holding company will depend on the profitability and cash flows of its subsidiaries and the ability of its subsidiaries to make such dividends, payments or distributions under applicable law. The subsidiaries of the Guarantors, however, may not be permitted to make such dividends, payments or distributions to the Guarantors to enable them to make payments in respect of their respective indebtedness, including the Note Guarantees. Various regulations, including tax laws, and agreements governing certain of our subsidiaries, including loan agreements and deeds or debentures, may restrict, and in some cases, actually prohibit the ability of these subsidiaries to move cash to the Guarantors. Any restrictions on such subsidiaries could adversely affect the ability of a Guarantor to make payment on the Note Guarantees. In addition, financial assistance or corporate benefit restrictions may prevent upstream loans being made to the Guarantors by their respective subsidiaries to enable the Guarantors to service their respective obligations, including those under the Note Guarantees. Although the Indenture will limit the ability of the restricted subsidiaries to enter into future consensual restrictions on their ability to pay dividends and make other payments to the Issuer and the Guarantors, there are significant qualifications and exceptions to these limitations.

The Issuer's obligations under the Notes and the Guarantors' obligations under their Note Guarantees are subordinated to the existing and future liabilities of our non-guarantor subsidiaries (other than the issuer), any secured indebtedness and certain statutory preferences.

The Notes and the Note Guarantees will constitute the Issuer's and the Guarantors' senior unsecured obligations and will rank equal in right of payment with all of our other existing and future senior unsecured indebtedness. Although the Notes and the Note Guarantees will provide the holders thereof with a direct, but unsecured claim on our assets and property, payment on the Notes and the Note Guarantees will be effectively subordinated to the Issuer's and the Guarantors' secured debt and other obligations to the extent of the assets and property securing the debt and other obligations.

If we were to liquidate or reorganize, any right of the holders of the Notes to participate in our assets, including the capital stock of our jointly controlled entities, would be subject to the prior claims of our secured creditors, and to participate in the assets of our subsidiaries would be subject to the prior claims of the secured creditors of our subsidiaries, even if we are in default under the Notes. Such secured creditors would have a senior right to the collateral securing their indebtedness. In addition, the Indenture relating to the Notes includes a covenant limiting the ability of the Issuer, the Guarantors and our subsidiaries to create or suffer to exist liens, although this limitation is subject to significant exceptions.

Payment on the Notes and the Note Guarantees will also be structurally subordinated to the payment of secured and unsecured debt and other obligations of our subsidiaries and any future subsidiaries that are not the Issuer or Guarantors of the Notes. Our non-guarantor subsidiaries (other than the Issuer) are separate distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due under the Notes or to make any funds available therefor, whether in the form of loans, dividends or otherwise. The Indenture does not limit the transfer of assets to, or the making of investments in, any of our restricted subsidiaries, including our restricted subsidiaries that do not guarantee the Notes. As payments on the Notes are only required to be made by the Issuer and the Guarantors, no payments are required to be made from assets of subsidiaries that do not guarantee the Notes unless those assets are transferred by dividend or otherwise to the Issuer or one of the Guarantors.

Under Brazilian and Luxembourg law, the Issuer's obligation under the Notes and the guarantors' obligations under the Note Guarantees are subordinated to certain statutory preferences. In the event of a liquidation, bankruptcy or judicial reorganization of the issuer or the guarantors, those statutory preferences, including post-petition claims, claims for salaries, wages, social security, taxes and court fees and expenses and claims secured by collateral, among others, will have preference over any other claims, including claims by any investor in respect of the Notes or the Note Guarantees, as the case may be. Under those circumstances, enforcement of the Notes and the

Note Guarantees may be unsuccessful, and holders of the Notes may be unable to collect amounts that they are due under the Notes.

As of September 30, 2023, after giving pro forma effect to this offering, our total outstanding consolidated indebtedness, consisting of current and noncurrent borrowings, financing and debentures, would be R\$1,413.2 million, R\$865.2 million of which would be secured by certain of our assets. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital—Indebtedness—Description of Principal Indebtedness.*”

The terms of the Notes limit the Note Guarantee by Response to a specific amount of principal, interest, and additional amounts and payments, proportional to what Ambipar lends to Response through an intercompany loan from the proceeds of the Notes.

Response’s guarantee will be limited to (a) the lower of (i) US\$200.0 million, which is the U.S. dollar equivalent of the aggregate principal amount of intercompany loans by Ambipar to Response either outstanding on the Issue Date or to be made in connection with this offering of the Notes and (ii) the aggregate principal amount of Notes then outstanding, plus (b) the amount of interest and other payment obligations under the Indenture in the same proportion as such aggregate principal amount in clause (a) bears to the aggregate principal amount of Notes then outstanding. In making your investment decision, you are cautioned not to rely on Response as a full source of credit support for the Notes, as Response’s guarantee is limited in nature. This means that if the Issuer defaults on its obligations under the Notes, Response will only be liable up to the specific amount of Response’s guarantee, which may reduce the amount that can be received in the event you choose to enforce your rights under the Notes.

For the nine months ended September 30, 2023 and the year ended December 31, 2022, Response’s net operating revenue represented 52.4% and 44.5%, respectively, of our total consolidated net operating revenue, and Response’s EBITDA was R\$351.7 million and R\$448.8 million, respectively, representing 38.4% and 42.9% of our total consolidated EBITDA, respectively. As of September 30, 2023, Response had R\$1,828.3 million of indebtedness, all of which is expected to remain outstanding after the issuance of the Notes. In addition, the Indenture governing the Notes allows Response to incur additional indebtedness in the future, subject to certain limitations.

Deterioration in general economic and market conditions and the perception of risks in other countries, especially the United States and emerging market economies, may adversely affect the market price of the Notes.

The market value of securities issued or guaranteed by Brazilian entities, including us, may be affected by economic and market conditions in other countries, including the United States, European Union and Latin American countries and other emerging-market countries. Although economic conditions in those countries may differ significantly from economic conditions in Brazil, investors’ reactions to developments in other countries may have an adverse effect on the market value of securities issued or guaranteed by Brazilian entities. The prices of shares traded on the Brazilian stock exchange, or B3, for example, have historically been sensitive to fluctuations in interest rates in the United States, as well as variations of the main U.S. stock exchanges. Additionally, crises elsewhere may diminish investor interest in securities issued or guaranteed by Brazilian entities, including the Notes. These events could adversely affect the market price of the Notes, restrict our access to capital markets and compromise our ability to finance our operations in the future on acceptable terms or at all. To the extent that economic problems in emerging market countries or elsewhere adversely affect Brazil, the price of the Notes could be adversely affected. Furthermore, we cannot assure you that, in the event of adverse developments in emerging market economies, the international capital markets will remain open to companies with significant Brazilian operations or that the resulting interest rates in such markets will be advantageous to us.

We may be unable to comply with the financial and operating covenants set forth in the deeds governing our debentures and certain financing agreements.

The deeds governing our debentures and the loan agreement entered into with Itau BBA International PLC limit, and the Indenture will limit, in certain circumstances, among other things, the extent to which we can:

- incur or guarantee additional indebtedness;
- pay dividends and interest on equity or make other distributions to our stockholders and investments;
- purchase or redeem capital stock;
- transfer or sell assets;
- enter into transactions with affiliates;
- create or incur certain liens;
- consolidate or merge with or into other companies or transfer all or substantially all of its assets;
- carry out corporate restructurings; and
- undertake a change of control.

All of these limitations are or will be subject to significant exceptions and qualifications. As a result of these covenants, we may not be able to respond to changes in business and economic conditions and to obtain additional financing, if needed, and we may be prevented from engaging in transactions that might otherwise be beneficial to us.

In addition, the deeds governing our debentures and the loan agreement entered into with Itau BBA International PLC require, and our future debt instruments may require, us to maintain under certain circumstances certain financial ratios and satisfy certain other financial condition tests. Our ability to meet these financial ratios and tests can be affected by events beyond our control, and we may not be able to meet those tests. The breach of any of these covenants could result in a default under our outstanding or future debt. Upon the occurrence of an event of default, the lenders could elect to declare all amounts outstanding under such debts, including accrued interest or other obligations, to be immediately due and payable. If amounts outstanding under such debts were accelerated, our assets might not be sufficient to repay in full those debts.

The deeds governing our debentures and the loan agreement entered into with Itau BBA International PLC also contain cross-default and cross-acceleration provisions. Under these provisions, a default or acceleration under one instrument governing our debt may constitute a default under our other debt instruments that contain cross-default and cross-acceleration provisions, which could result in the related debt and the debt under such other instruments becoming immediately due and payable. In such event, we would need to raise funds from alternative sources, which funds might not be available to us on favorable terms, on a timely basis or at all. Alternatively, such a default could require us to sell assets and otherwise curtail operations to pay our creditors. The proceeds of such a sale of assets or curtailment of operations might not enable us to pay all of our liabilities.

We may be unable to make a change of control offer required by the Indenture, which would cause a default under the indenture.

The terms of the Indenture may require us to make an offer to repurchase the Notes upon the occurrence of a specified change of control event. Any financing arrangements we may enter may require repayment of amounts outstanding in the event of a specified change of control event and limit our ability to fund the repurchase of the Notes in certain circumstances. It is possible that we will not have sufficient funds at the time of the specified change of control event to make the required repurchase of Notes or that restrictions in our other financing arrangements will not allow the repurchases. See “*Description of the Notes—Certain Covenants—Repurchase of Notes upon a Change of Control.*”

Our controlling shareholder may take actions which are not necessarily in the interest of the holders of the Notes.

The ultimate controlling shareholder of Ambipar holds approximately 66.7% of our total capital stock and therefore controls and is expected to control the outcome of most matters submitted to our shareholders for the foreseeable future, including the election and removal of directors, approval of corporate and management policies, potential mergers or acquisitions, payment of dividends, asset sales and other significant corporate transactions. The interest of our controlling shareholder may differ from or conflict with yours in material respects, particularly if we encounter financial difficulties or are unable to pay our debts as they mature. The interests of our controlling shareholder may be in pursuing acquisitions, divestitures, financings or other transactions that, in his judgment, could enhance his equity investment, or in making large dividend payments (subject to limitations in our financing agreements) or other distributions or payments to him as the controlling shareholder, even though such transactions might involve risks to you as a holder of Notes. Our controlling shareholder has limited contractual obligations to fund our business and may not have sufficient liquidity to fund our business if we require additional funding. Furthermore, no assurance can be given that our controlling shareholder will not sell all or any part of its shareholding at any time nor that it will not look to reduce its holding by means of a sale to a strategic investor, an equity offering or otherwise. Such divestitures may not trigger a “change of control” under the Indenture. Additionally, the Indenture will permit us to pay advisory fees, dividends or make other restricted payments under certain circumstances, and our controlling shareholder may have an interest in our doing so. For more information, see “*Principal Shareholders and Related Party Transactions.*”

Holders of Notes may be required to bear the financial risks of an investment in the Notes for a long period.

The Notes will mature on February 6, 2031. Except in limited circumstances, neither the Issuer nor the Guarantors will be under any obligation to redeem or repurchase the Notes prior to such date, although they may elect to do so in certain circumstances. Holders of Notes will have no right to call for the redemption of the Notes, and the Notes will become due and payable only in the limited circumstances relating to specified Events of Default (see “*Description of the Notes — Events of Default*” and “*Description of the Notes — Repurchase of Notes upon a Change of Control*”). Furthermore, holders of Notes may only be able to transfer their Notes at a price less than the principal amount thereof or not at all. Holders of Notes should therefore be aware that they may be required to bear the financial risks associated with an investment in long-term securities and may not recover their investment in the foreseeable future.

Restrictions on the movement of currency out of Brazil may impair the ability of holders of the Notes to receive interest and other payments on the Notes.

The purchase and sale of foreign currency in Brazil is subject to governmental control. Although there are currently no restrictions on the international flow of funds into and out of Brazil, in the past, the Brazilian government has imposed temporary restrictions on the conversion of Brazilian *reais* into foreign currencies and on the remittance to foreign investors of proceeds of their investments in Brazil. We can provide no assurance that the Brazilian government will not do so in the future. Brazilian law permits the government to impose these restrictions whenever there is a serious imbalance in Brazil’s balance of payments or there are reasons to foresee a serious imbalance.

The Brazilian government imposed remittance restrictions for approximately six months in 1990. Similar restrictions, if imposed in the future, would impair or prevent the conversion of interest or principal payments on the Notes from *reais* into U.S. dollars and the remittance of U.S. dollars to holders of the Notes abroad. In the future, the Brazilian government may institute a more restrictive foreign exchange control policy. Such policy could affect the ability of Brazilian debtors to make payments outside Brazil to meet foreign currency obligations under foreign currency-denominated liabilities, including the Notes, or any debt instrument that require any payments to be made in *reais*. Many factors beyond our control may affect the likelihood of the Brazilian government’s imposition of such restrictions at any time. Among such factors are: Brazil’s foreign currency reserves and their availability on the date a payment is due; Brazil’s debt service burden relative to the economy as a whole; Brazil’s policy towards the International Monetary Fund; and political constraints to which Brazil may be subject.

The foreign exchange policy of Brazil may affect the ability of the Brazilian Guarantors to make money remittances outside Brazil with respect to their Guarantees.

Under current Brazilian regulations, Brazilian companies are not required to obtain authorization from the Central Bank in order to make payments under guarantees in favor of foreign persons, such as the holders of the Notes, if those payments are related to a guarantee of notes issued by a foreign entity. We cannot assure you that these regulations will continue to be in force at the time any of the Brazilian Guarantors is required to perform its payment obligations under its Guarantee. If these regulations or their interpretation are modified and an authorization from the Central Bank is required, the Brazilian Guarantors would need to seek an authorization from the Central Bank to transfer the amounts under the Note Guarantees out of Brazil or, alternatively, make such payments with funds held by such Brazilian Guarantor outside Brazil. We cannot assure you that such an authorization would be obtained or that such funds would be available. If such authorization is not obtained, we may be unable to make payments to noteholders in U.S. dollars. If we are unable to obtain the required approvals, if needed for the payment of amounts owed by a Brazilian Guarantor through remittances from Brazil, we may have to seek other lawful mechanisms to effect payment of amounts due under the Notes. However, we cannot assure you that other remittance mechanisms will be available in the future, and even if they are available in the future, we cannot assure you that payment on the Notes would be possible through such mechanisms.

Judgments of Brazilian courts enforcing the Brazilian Guarantors' obligations under the Note Guarantees would be payable only in Brazilian reais.

If proceedings are brought in the courts of Brazil seeking to enforce any Brazilian Guarantors' obligations under its Guarantee, such Brazilian Guarantor would not be required to discharge its obligations in a currency other than Brazilian *reais*. Any judgment obtained against a Brazilian Guarantor in Brazilian courts in respect of any payment obligations under the Note Guarantees would be expressed in Brazilian *reais*. We cannot assure you that this amount in Brazilian *reais* will afford you full compensation of the amount sought in any such litigation.

The Issuer is incorporated in Luxembourg, and Luxembourg law differs from U.S. law and may afford less protection to holders of the Notes

Holders of the Notes may have more difficulty protecting their interests than would security holders of a corporation or limited liability company incorporated in a jurisdiction of the United States. The Issuer is incorporated under and subject to Luxembourg law. Luxembourg law differs in some material respects from laws generally applicable to U.S. corporations and security holders, including the provisions relating to interested directors, mergers, amalgamations and acquisitions, takeovers, security holder lawsuits and indemnification of directors.

Under Luxembourg law, the duties of directors, managers and officers of a company are generally owed to the company only. Holders of Notes issued by Luxembourg companies generally do not have rights to take action against directors, managers or officers of the company, except in limited circumstances. Directors, managers or officers of a Luxembourg company, in exercising their powers and performing their duties, must act in good faith and in the interests of the company as a whole and must exercise due care, skill and diligence. Directors, managers or officers have a duty not to put themselves in a position in which their duties to the company and their personal interests may conflict, and also are under a duty to disclose any direct or indirect financial interest in any contract or arrangement with the company or any of its subsidiaries. If a director, manager or officer of a Luxembourg company is found to have breached his or her duties to that company, he or she may be held personally liable to the company in respect of that breach of duty.

We cannot assure you that a judgment of a U.S. court, including for liabilities under U.S. federal securities laws, would be enforceable in Brazil, the Cayman Islands or Luxembourg, or that an original action can be brought in Brazil, the Cayman Islands or Luxembourg against the Issuer, the Guarantors, or their respective officers and directors for liabilities under U.S. federal securities laws.

The Issuer is a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg. Ambipar Participações S.A. and Environmental ESG are corporations (*sociedades anônimas*)

incorporated under the laws of Brazil. Ambipar Emergency Response is an exempted company incorporated with limited liability under the laws of the Cayman Islands. All of the managers, directors and officers of the Issuer and the Guarantors reside in Brazil or elsewhere outside the United States, and all or a significant portion of the assets of these persons may be located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States or other jurisdictions outside Brazil upon these persons, or to enforce against these persons judgments predicated upon the civil liability provisions of the U.S. federal securities laws or the laws of such other jurisdictions. In addition, it may not be possible to bring an original action in Brazil, the Cayman Islands or Luxembourg, as applicable, against the Issuer and the Guarantors for liabilities under applicable securities laws. Furthermore, as a material portion of our assets are located in Brazil, any action for enforceability of the Note Guarantees would likely need to be validated by the courts of Brazil. We cannot assure you that judicial validation would be obtained in a timely manner or at all. See “*Enforcement of Civil Liabilities.*”

We cannot assure you that an active trading market for the Notes will develop.

The Notes constitute a new issue of securities for which there is no existing market. Although we will apply to list the Notes on the main board of the SGX-ST, we cannot provide you with any assurances that the application will be accepted and will remain listed, that a market for the Notes will develop or continue or that holders of the Notes will be able to sell their Notes or the price at which such holders may be able to sell their Notes., as well as recommendations of securities analysts. If a market for the Notes does develop, the Notes could trade at prices that may be higher or lower than the initial offering price depending on many factors, including liquidity, the number of noteholders, prevailing interest rates, our results of operations and financial condition, prospects for other companies in our industry, political and economic developments in and affecting Brazil and the market for similar securities. If an active trading market for the Notes is interrupted, the market price and liquidity of the Notes may be materially adversely affected. The liquidity of, and trading market for, the Notes may also be adversely affected by declines in the market for high yield or emerging markets securities generally. Such a decline may affect any liquidity and trading of Notes independent of our financial performance and prospects. The initial purchasers of this offering have advised us that they currently intend to make a market in the Notes. However, the initial purchasers are not obligated to do so, and any market-making with respect to the Notes may be discontinued at any time without notice.

The Notes and the Note Guarantees are subject to transfer restrictions.

The Notes and the Note Guarantees have not been, and will not be, registered under the Securities Act or any U.S. state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. These exemptions include offers and sales to qualified institutional buyers as defined under Rule 144A that are also qualified purchasers (as defined in Section 2(a)(51) of the Investment Company Act) and offers and sales that occur outside the United States in compliance with Regulation S and in accordance with any applicable securities laws of any other jurisdiction. The Notes and the Note Guarantees are subject to certain transfer restrictions and can be transferred only to certain transferees, and therefore an investor of the Notes may be required to bear the risk of the investment for an indefinite period of time. These transfer restrictions may further limit the liquidity of the Notes. For a discussion of certain restrictions on resale and transfer of the Notes, see “*Transfer Restrictions.*”

Brazilian bankruptcy law may be less favorable to you than bankruptcy and insolvency laws in other jurisdictions.

If we are unable to pay our indebtedness, including our obligations under the Note Guarantees, then we may become subject to insolvency proceedings in Brazil. The bankruptcy law of Brazil currently in effect is significantly different from, and may be less favorable to creditors than, that of certain other jurisdictions. For example, noteholders may have limited voting rights at creditors’ meetings in the context of a judicial reorganization proceeding. Under Brazilian bankruptcy law, in the event of our bankruptcy or liquidation, all of our debt obligations that are denominated in foreign currency, including the Note Guarantees, will be converted into *reais* at the prevailing exchange rate on the date of declaration of our bankruptcy by the court. The obligations under the Note Guarantees would be considered unsecured in case of a judicial reorganization, extrajudicial reorganization or

bankruptcy liquidation, and would be subject to the reorganization plan or, in case of a bankruptcy liquidation, would be paid according to a statutory order pursuant to Brazilian bankruptcy law.

Courts in Brazil have taken different approaches regarding the representation of noteholders in insolvency proceedings. Some courts have admitted the representation of noteholders by a trustee or agent, while others have required the direct participation of the beneficial owner of the notes, and sometimes considered the relevant note as an independent credit.

Brazilian bankruptcy laws have recently been amended to include provisions regarding cross-border reorganization or insolvency proceedings. In general terms, these rules follow the United Nations Commission on International Trade Law (UNCITRAL) Model Law and set forth the principles for cross-border insolvency proceedings, mechanisms for cooperation between jurisdictions, and legally define a foreign main proceeding and a foreign secondary proceeding. This means that Brazil would recognize a foreign proceeding and cooperate with the foreign authority in any event.

Any downgrading in our credit ratings could materially and adversely affect us.

The Notes are expected to be assigned ratings by Fitch and Moody's. The ratings address the likelihood of payment of principal at the Notes' maturity as well as the timely payment of interest on each interest payment date. The ratings are limited in scope, and do not address all material risks relating to an investment in the Notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. The ratings of the Notes are not a recommendation to purchase, hold or sell the Notes, and the ratings do not comment on market price or suitability for any particular investor. We cannot assure you that the ratings of the Notes will remain in effect for any given period of time or that the rating will not be downgraded, suspended or withdrawn entirely by the rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. The assigned ratings may be upgraded or downgraded depending, among other factors, on the rating agencies' respective assessment of our financial strength, as well as their assessment of Brazilian sovereign risk generally.

In addition, credit ratings impact the interest rates we pay on funds that we borrow and the market's perception of our financial strength. If the ratings on the Notes were downgraded and the market were to perceive any such downgrade as a deterioration of our financial strength, our cost of borrowing would likely increase and our profit could decrease, all of which could have a material adverse effect on us. Any such downgrade could also adversely affect the trading price and marketability of the Notes.

Fraudulent conveyance laws and other laws for the protection of creditors may void the Notes and/or the Note Guarantees or subordinate the Notes and/or the Note Guarantees.

The issuance of the Notes and/or the creation of the Note Guarantees may be subject to review under applicable avoidance actions under bankruptcy and insolvency laws if any of the Issuer or the Guarantors is declared bankrupt, and the Notes and/or the Note Guarantees were found to be adverse to any of the Issuer's or the Guarantors' creditors and were issued and/or created with the initial purchasers' knowledge of our insolvency situation.

In addition, the issuance of the Notes and/or the creation of the Note Guarantees may be subject to review under applicable general fraudulent conveyance laws if a court were to find that at the time the Notes are issued and/or the Note Guarantees created:

- the initial purchasers knew or should have known that the incurrence of this debt and/or creation of the Note Guarantees caused or contributed to our insolvency;
- we incurred this debt and/or created the Note Guarantees with the intent of hindering, delaying or defrauding current or future creditors;

- we received less than reasonably equivalent value or fair consideration for incurring this debt and/or creating the Note Guarantees;
- we were insolvent or were rendered insolvent by reason of the incurrence of this debt or the creation of the Note Guarantees;
- we were engaged, or about to engage, in a business or transaction for which our remaining assets constituted unreasonably small capital to carry on our business; or
- we intended to incur, or believed that we would incur, debts beyond our ability to pay these debts as they mature and/or the Note Guarantees as they become enforceable, as all of the foregoing terms are defined in or interpreted under the relevant fraudulent transfer or conveyance statutes.

In any of the foregoing cases, the court could void or subordinate the Notes and/or the Note Guarantees to our presently existing or future debt or take other actions detrimental to you. We cannot assure you as to what standard a court would apply in order to determine whether we were “insolvent” as of the date the Notes were issued and/or the Note Guarantees created, and we cannot assure you that, regardless of the method of valuation, a court would not determine that we were insolvent on that date. Nor can we assure you that a court would not determine, regardless of whether we were insolvent on the date the Notes were issued and/or the Note Guarantees created, that the payments constituted fraudulent transfers on another ground.

The Note Guarantees may also be subject to review under various laws for the protection of creditors. The Note Guarantees could also be subject to the claim that, since the Note Guarantees were incurred for our benefit, and only indirectly for the benefit of the applicable Guarantor, the obligations of such Guarantor thereunder were incurred for less than reasonably equivalent value or fair consideration vis-à-vis the amount of the guaranteed obligations, or that the Note Guarantee was not in the best interest of such Guarantor. In Brazil, Brazilian law allows the granting of guarantees, but in the event that the guarantor files for judicial reorganization or for bankruptcy, your credits related to the Note Guarantee may be subject to insolvency procedures. The liability of the Guarantors under the Indenture will be limited to the amount that will result in its Guarantee not constituting a fraudulent conveyance, and there can be no assurance as to what standard a court would apply in making a determination as to what would be the maximum liability of the Guarantors.

Under Brazilian law, a guarantee is considered an accessory obligation to the underlying or principal obligation, and Brazilian law establishes that the nullity of the principal obligation causes the nullity of the accessory obligation. Therefore, a judgment obtained in a court outside Brazil against a guarantor for enforcement of a guarantee in respect of obligations that have been considered null, may not be confirmed by the STJ.

There are circumstances under Cayman Islands insolvency law in which the granting by a Cayman Islands company of a guarantee may be challenged. In particular, it should be noted that:

- Section 145 of the Cayman Islands Companies Act (as revised) provides that every conveyance or transfer of property, or charge thereon, and every payment obligation and judicial proceeding (each a “transfer”) is invalid as a voidable preference if the company is unable to pay its debts at the time of such transfer and the company commences winding up within six months of such transfer and such transfer is made, incurred, taken or suffered by the company in favor of a creditor with a view to giving that creditor a preference over the other creditors of the company.
- With respect to the winding-up of a Cayman Islands company, section 146 of the Cayman Islands Companies Act (as revised) provides that every disposition of property made at an undervalue by or on behalf of a company with intent to defraud its creditors is voidable at the instance of its official liquidator. Similarly, the Cayman Islands Fraudulent Dispositions Act (as revised) (which applies to a Cayman Islands company at all times, not just on a winding-up) contains a similar offence whereby every disposition of property made with an intent to defraud and at an undervalue is voidable at the instance of a creditor thereby prejudiced.

- Persons who are knowingly party to any business of the company that has been carried on with an intent to defraud creditors of the company or creditors of any other person, or for any fraudulent purpose, may be liable to make such contributions to the company's assets as the court may declare.

As a general matter, it should be noted that the principles regarding insolvency law and the limitations on the enforceability of guarantees under the law of the Cayman Islands are not dissimilar to those established under English law, and a Cayman Islands' court will regard related English judicial authorities as persuasive (but not technically binding).

The imposition of IOF/Exchange taxes or other similar taxes may indirectly influence the price and volatility of the Notes.

Brazilian law imposes the Tax on Foreign Exchange Transactions (*Imposto sobre Operações de Crédito, Câmbio e Seguro, ou relativas a Títulos e Valores Mobiliários*, "IOF/Exchange taxes"), on the conversion of Brazilian *reais* into foreign currency and on the conversion of foreign currency into Brazilian *reais*. Among others, the purpose of these taxes is to slow the pace of speculative inflows of foreign capital into the Brazilian market and the appreciation of the Brazilian *real* against the U.S. dollar. The imposition of this tax or other similar taxes may discourage foreign investment in the debt securities of Brazilian companies, including us, due to higher transaction costs, and may adversely impact the price and volatility of the Notes. See "*Taxation—Brazilian Taxation—Other Brazilian Tax Considerations*."

The Notes may not be a suitable investment for all investors seeking exposure to assets with sustainability characteristics.

The Notes may not satisfy an investor's requirements or any future legal or quasi-legal standards for investment in assets with sustainability characteristics. Although this issuance is made in the context of the ESG Financing Framework, there can be no assurance given by us or the initial purchasers of the extent to which we will be successful in advancing the Eligible Green Projects and Eligible Mergers and Acquisitions for Green Projects or that any future investments we make in furtherance of the ESG Financing Framework will meet investor expectations or any binding or non-binding legal standards regarding sustainability performance, whether by any present or future applicable law or regulations or by our own by-laws or other governing rules, in particular with regard to any direct or indirect environmental, sustainability or social impact.

Adverse environmental or social impacts may occur during the design, construction and operation of any investments we make in furtherance of this target or such investments may become controversial or criticized by activist groups or other stakeholders.

In addition, no assurance or representation is given by us, the initial purchasers or the second party opinion provider as to the suitability or reliability for any purpose whatsoever of any opinion, report or certification of any third party in connection with the offering of the Notes or to fulfill any green, social, sustainability or other criteria. Any such opinion, report or certification is not, nor shall it be deemed to be, incorporated in and/or form part of this offering memorandum.

Moreover, the second party opinion provider and providers of similar opinions and certifications are not currently subject to any specific regulatory or other regime or oversight. Any such opinion or certification is not, nor should be deemed to be, a recommendation by us, the initial purchasers, the second party opinion provider or any other person to buy, sell or hold Notes. Noteholders will have no recourse against us or the provider of any such opinion or certification for the contents of any such opinion or certification. Any such opinion or certification is only current as at the date it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the Notes. Any withdrawal of any such opinion or certification or any such opinion or certification attesting that we are not complying in whole or in part with any matters covered by such opinion or certification may have a material adverse effect on the trading price of the Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

In addition, we cannot assure you that any information that we or any other person may provide in connection with this offering now or in the future will be sufficient to enable any potential investor to satisfy any disclosure or reporting requirements imposed on such investor from time to time either as a result of its own objectives or those of its clients as set out in its by-laws or other governing rules and/or investment portfolio mandates. In addition, such requirements may have been conditioned by the application of laws and regulations relating to the types of, and criteria relating to, investments that such funds can make in order to qualify or be eligible as a particular type of environmental, social or governance investment, or ESG, or other sustainable finance-related investment. The rules applicable to such investors and funds, whether internal or resulting from any such investment portfolio mandates and/or applicable laws and regulations, may require such investor to make periodic disclosure of its investment, including any investment in the Notes. Such requirements may evolve over time.

There can be no assurance that we will make disbursements for projects with the specific characteristics described in the “Use of Proceeds” section in an amount equal to the proceeds from the sale of the Notes.

We intend to allocate an amount equal to the net proceeds from the sale of the Notes offering to finance or refinance, in whole or in part, new or existing Eligible Green Projects and/or Eligible Mergers and Acquisitions for Green Projects. See “Use of Proceeds.” However, we will retain broad discretion over the use or allocation of the net proceeds of the Notes.

There can be no assurance that funds in an amount equal to the net proceeds will be totally or partially allocated to Eligible Green Projects and/or Eligible Mergers and Acquisitions for Green Projects or that any such Eligible Green Projects and/or Eligible Mergers and Acquisitions for Green Projects will be implemented in any specific manner or in accordance with a specific timetable or at all. No assurance can be given that any projects funded with the proceeds from the Notes will meet investor expectations regarding green performance, nor can there be any assurance that any Eligible Green Projects and/or Eligible Mergers and Acquisitions for Green Projects will lead to the results or outcomes originally declared or expected. Adverse social or environmental impacts may occur during the design, construction and operation of the projects.

Further, the trading price of the Notes may be negatively impacted by any failure by us to allocate the net proceeds from the Notes to Eligible Green Projects and/or Eligible Mergers and Acquisitions for Green Projects, take the other actions as described under “Use of Proceeds” or to otherwise meet or continue to meet the investment requirements of certain environmentally or socially focused investors with respect to the Notes. The indenture does not include covenants or agreements requiring us to allocate an amount equivalent to the net proceeds from the sale of the Notes to Eligible Green Projects and/or Eligible Mergers and Acquisitions for Green Projects. As a result, it will not be an event of default under the indenture or the Notes if we fail to allocate an amount equivalent to the net proceeds from the sale of the Notes to Eligible Green Projects and/or Eligible Mergers and Acquisitions for Green Projects or to satisfy the reporting and other undertakings as described under the section entitled “Use of Proceeds” in this offering memorandum and holders of the Notes will have no remedies under the indenture for any such failure.

Prospective investors should carefully review the information set out in this offering memorandum regarding such use of the net proceeds and must determine for themselves the relevance of such information for the purpose of any investment in the Notes together with any other investigation such investor deems necessary. None of the initial purchasers for this offering or the trustee are responsible for assessing or verifying whether or not the projects to which we allocate the proceeds of the Notes meet the criteria described in “Use of Proceeds” or for the monitoring of the use of proceeds.

There is no legal, regulatory or market definition of or standardized criteria for what constitutes a “green,” “social,” “sustainable” or other equivalently labeled project, and any such designations made by third parties with respect to the Notes may not be suitable for the investment criteria of an investor.

There is currently no market consensus or clear definition (legal, regulatory or otherwise) of what precise attributes are required for a particular project or series of notes to be defined as “green,” “social” or “sustainable.” Accordingly, no assurance can be given to investors that any Eligible Green Projects and Eligible Mergers and Acquisitions for Green Projects selected to receive an allocation of funds from the net proceeds of the Notes will meet any or all investor expectations regarding such “green” labeled performance objectives, or that adverse social or environmental impacts will not occur during the implementation of any Eligible Green Projects and Eligible

Mergers and Acquisitions for Green Projects funded by the proceeds from the Notes or that the Eligible Green Projects and Eligible Mergers and Acquisitions for Green Projects will not be subject to controversy or to criticism by activist groups or other stakeholders.

Further, the Eligible Green Projects and Eligible Mergers and Acquisitions for Green Projects to which we allocate the net proceeds from the offering have complex direct or indirect environmental, social or sustainability impacts and such Eligible Green Projects and Eligible Mergers and Acquisitions for Green Projects may become controversial or criticized by environmentally or socially focused investors, other stakeholders or other environmentally or socially focused activist groups.

No assurance or representation is given by us or the initial purchasers as to the suitability or reliability for any purpose whatsoever of the Second Party Opinion or any opinion or certification of any third party (whether or not solicited by us) in connection with the issuance of our ESG Financing Framework or the Notes. For the avoidance of doubt, no such opinion or certification is, nor should it be deemed to be, incorporated into this offering memorandum. No such opinion or certification is, nor should it be deemed to be, a recommendation by us, any initial purchaser or any other person to buy, sell or hold the Notes. Any such opinion or certification is only current as of the date that opinion or certification was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification or the information contained therein for the purpose of any investment in the Notes. To our knowledge, the providers of such opinions and certifications are not currently subject to any specific regulatory or other regime or oversight. Any withdrawal of any such opinion or certification or any additional opinion or certification attesting that we are not complying in whole or in part with any matters for which such opinion or certification is opining or certifying may have a material adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with mandates to invest in securities to be used for a particular purpose.

Tax Risks

Base Erosion, Profit Shifting and Related Measures. OECD together with the G20 countries has committed to reduce perceived abusive global tax avoidance, referred to as base erosion and profit shifting (“BEPS”). As part of this commitment, an action plan has been developed to address BEPS with the aim of securing tax revenue by realigning taxation with economic activities and value creation by creating a single set of consensus based international tax rules. As part of the BEPS project, new rules dealing with the operation of double tax treaties, the definition of permanent establishments, interest deductibility and the taxation of hybrid instruments and hybrid entities have already been introduced and will continue to be introduced in relevant tax legislation of participating OECD countries. Depending on if and how these proposals are implemented, they may have a material impact on how returns to holders of the Notes are taxed. Such implementation may also give rise to additional reporting and disclosure obligations for the Issuer and/or holders of the Notes. As part of the global OECD BEPS project, Luxembourg has signed (together with more than 100 jurisdictions) the so-called multilateral instrument (“MLI”) that transposes anti-BEPS measures into the tax treaties Luxembourg has concluded. Luxembourg ratified the MLI through the law dated March 7, 2019 and has deposited its instrument of ratification on April 9, 2019 with the OECD. As a result, the MLI entered into force in Luxembourg on August 1, 2019. The MLI notably introduces a “principal purpose test” (“PPT”) denying tax treaty benefits to companies when obtaining such benefits was “one of the principle purposes of any arrangement or transaction that resulted directly or indirectly in” these benefits, unless granting these benefits under the given circumstances would be “in accordance with the object and purpose of the relevant provisions” of the tax treaty. Whether a Luxembourg entity relying on tax treaty benefits can be construed as being part of such type of arrangement will predominantly depend on source state views.

Anti-Tax Avoidance Directives. In addition to national implementation of BEPS, the EU has adopted the Anti-Tax Avoidance Directive (“ATAD 1”) that addresses many of the items of the BEPS project, including among others hybrid mismatch rules, interest deduction limitation rules, controlled foreign companies rules and a general anti-abuse rule. Luxembourg, implemented the ATAD 1 into its national law as of December 21, 2018 (“ATAD 1 Law”), and applied those provisions as of January 1, 2019. On February 21, 2017, the Economic and Financial Affairs Council of the EU reached political agreement on amendments to ATAD 1 to neutralize hybrid mismatch structures involving non-EU countries (“ATAD 2”). While ATAD 1 contains rules combatting certain hybrid mismatches between EU member states, ATAD 2 extends the scope to (i) a variety of other mismatches between EU member states and (ii) mismatches between EU member states and third countries.

Luxembourg implemented ATAD 2 on 20 December 2019 (“ATAD 2 Law”) and applies the provisions since January 1, 2020 and January 1, 2022 for the specific provision targeting so-called reverse hybrids.

In particular, ATAD 1 Law and ATAD 2 Law introduced rules aiming at putting an end to hybrid mismatches that exploit differences in the tax treatment of an entity or instrument under the laws of two or more tax jurisdictions to achieve double non-taxation, including long-term taxation deferral.

The Luxembourg hybrid mismatch rules apply to hybrid mismatches between Luxembourg and (an) other Member State(s) and/or (a) third country(ies).

Consequently, hybrid mismatch rules should be carefully monitored as the investment returns for the holders of the Notes may be impacted as a result thereof.

The effect of BEPS, MLI, ATAD 1 and ATAD 2 and their implementing legislation could lead to additional taxes being imposed on the Issuer which may adversely affect the return under the Notes. In addition, certain information may be requested from the holders of the Notes to enable the Issuer to comply with these requirements.

Pillar One and Pillar Two. The Issuer may also be affected by changes to domestic and international tax rules arising from work being carried out by the OECD/G20 Inclusive Framework on BEPS (the “Inclusive Framework”). The Inclusive Framework has agreed to examine proposals for international tax reform in two “pillars” (commonly referred to as “Pillar One” and “Pillar Two”) in order to address tax challenges arising from the digitalisation of the economy.

Pillar One is focused on the international allocation of taxing rights and is designed to ensure that the allocation of taxing rights is more closely aligned with where a multinational group’s consumers are located.

Pillar Two is focused on implementing a global minimum tax designed to ensure that large multinationals pay a minimum effective tax rate of 15% in every jurisdiction it operates in. Pillar Two is expected to apply to multinational groups with turnover in excess of €750 million. The Pillar Two proposals involve a framework of complex rules which, broadly, would impose top-up taxes on certain entities within a multinational group where the overall tax paid on the group’s profit in any jurisdiction falls below the minimum 15% effective tax rate. The proposed rules for determining whether a top-up tax is required in respect of the group’s profits in a jurisdiction and the allocation of any such top-up tax between the members of the group are detailed and are designed to prevent multinational groups being able to structure around the rules. It should be noted that a group’s effective tax rate in a jurisdiction may fall below the minimum 15% rate, and therefore a top-up tax may be required, even if that jurisdiction’s statutory headline tax rate is over 15%. On 15 December 2022, the EU Member States adopted a Council Directive (2022/2523) on ensuring a global minimum level of taxation for multinational enterprise (MNE) groups and large-scale domestic groups in the EU (“Minimum Tax Directive”). Member States need to implement the Minimum Tax Directive in their national laws before 31 December 2023 for entry into force on 1 January 2024. The implementation of Minimum Tax Directive could adversely affect the returns from the Issuer to holders of the Notes. There remains a significant amount of uncertainty as to the implementation and interpretation of the Pillar Two proposals, as well as their interaction with domestic tax law provisions.

ATAD 3. On January 17, 2023, the European Parliament approved a proposal for a Directive laying down rules to prevent the misuse of shell entities for tax purposes and amending Directive 2011/16/EU (“ATAD 3”). The rules contained in ATAD 3 aim to target EU entities mainly involved in cross-border activities having predominantly passive income flows and outsourcing the administration of day-to-day operations and the decision-making on significant functions. ATAD 3 could result in additional reporting and disclosure obligations that may result in the denial of certain EU Directives and tax treaty benefits on EU entities not meeting certain minimum substance criteria (the so-called “shell entities”). It is important to note that alternative investment funds (“AIFs”) managed by an AIF manager or supervised under national law (including Luxembourg AIF) are expected to be excluded from the scope of ATAD 3 and thus not be subject to the above reporting obligations or sanctions. ATAD 3 is a proposal still subject to the consent of the EU member states and, to the extent it is passed in its current form, should not become effective before 2024 after the national transposition by the EU member states.

FATCA and CRS. Rules under the Foreign Account Tax Compliance Act (“FATCA”) and CRS are particularly complex and although the Issuer will attempt to satisfy any obligations imposed on it to avoid the imposition of the 30% withholding tax under FATCA or a penalty or fine under FATCA and CRS, no assurance can be given that the Issuer will be able to satisfy these obligations. If the Issuer becomes subject to a withholding tax as a result of FATCA or a penalty or fine under FATCA or CRS, the value of interests held by all holders of the Notes may be materially affected. The Issuer and/or its holders of the Notes may also be indirectly affected by the fact that a non-U.S. financial entity does not comply with FATCA regulations even if the Issuer satisfies its own FATCA obligations.

USE OF PROCEEDS

We intend to use the net proceeds of the Notes for (i) the repayment of indebtedness and (ii) the remainder (if any), for general corporate purposes. We intend to allocate an amount equal to the net proceeds of the Notes for expenditures and investments in (i) one or more green projects within the categories outlined below (the “Eligible Green Projects”) of Ambipar or any of its subsidiaries and/or affiliates, and (ii) mergers and acquisitions of companies which more than 90% of the revenues are related to the categories outlined below (“Eligible Mergers and Acquisitions for Green Projects”) as described in the ESG Financing Framework. Eligible Green Projects financed and/or refinanced with the proceeds from the Notes include disbursements covering project expenditures for up to 24 months preceding the issuance date of the Notes and until 36 months after the issuance of the Notes, including the types of Eligible Green Projects listed below.

As a result of this offering, Ambipar may enter into an intercompany loan with Response to apply a portion of the proceeds from the offering of the Notes to finance or refinance Eligible Green Projects through Response.

Eligible Green Project

Eligible Green Projects are investments that we expect that will meet one or more of the following eligibility criteria:

- *Renewable Energy & Energy Efficiency:*
 - Investments in renewable energy projects from wind and solar sources;
 - Purchase of electricity from renewable sources based on long term power purchase agreements (with a tenor longer than five years) for wind, solar and hydropower projects (for those with a carbon intensity lower than 50g CO₂E/kWh and provided they have no environmental and social risks associated with it);
 - Renewable energy certificates bundled with electricity based on wind, solar and hydropower projects (for those with a carbon intensity lower than 50g CO₂E /kWh and provided they have no environmental and social risks associated with it);
 - Landfill gas capture projects that have an efficiency of at least 75% excluding flaring;
 - Electricity generation from municipal solid waste ensuring the segregation of most recyclables before energy conversion and excluding residual waste with fossil content, like plastic, rubber, and tire-derived fuels; and
 - Equipment and/or technology that reduces energy consumption and/or increases energy savings at least 30% over the pre-improvement baseline provided that it is not based on fossil fuels.
- *Clean Transportation:*
 - Purchase of (i) trucks that comply with an emission threshold of 25 gCO₂/t-km (ii) hybrid light vehicles that comply with an emission threshold of 75 gCO₂/t-km, (iii) passenger and lightweight electric vehicles and (iv) other electric fleet and/or equipment for operation purposes (in particular pallet trucks, carts, buggies, etc.).
- *Sustainable Water and Wastewater Management:*
 - Water treatment plants for wastewater from our own operations excluding wastewater from fossil fuel operations;

- Systems and technologies to collect and recycle leakages; and
- Systems to improve water use efficiency and water reusability.
- *Waste Management and Resource Efficiency:*
 - Mechanical Recycling and reuse of solid waste, especially plastics, steel, aluminum, glass, and e-waste (accompanied by robust waste management processes);
 - Mechanical Biological Treatment of organic solid waste (food, beverage, yard waste, pulp & paper waste, feedstock) for municipal and consumer applications;
 - Pollution mitigation services related to incidents in particular truck tipping and operational disasters that go beyond regulatory requirements;
 - Soil remediation from emergency responses for our clients; and
 - Prevention systems for air pollution.
- *Green Building:*
 - Buildings that have received certification to the following programs and levels: LEED Gold & Platinum; EDGE certification; Aqua HQE certification, Excellent Level and above.
- *Climate Change mitigation and adaption solutions:*
 - Installation of climate observation and data systems or infrastructure designed to protect against flooding or extreme climate events; and
 - Development of climate observation to improve response actions.

Note: Both project installation and development must undergo a vulnerability assessment followed by an adaptation plan.
- *Circular economy adapted products, production technologies and processes:*
 - Research and development of reusable, recyclable and refurbished materials, components, and products.

Excluded Activities

We will not knowingly allocate proceeds from any ESG-FI, including the Notes, to Eligible Green Projects of Eligible Mergers and Acquisition for Green Projects that involve exploitation of human rights, modern slavery (e.g., forced labor or human trafficking), child labor and fossil fuel-related operations, or any other activity that we determine is ineligible for allocation of proceeds at the time of allocation.

We believe that the ESG Financing Framework will enable us to further contribute to the development of sustainable financing solutions, raising funds for new and existing investments with environmental and/or social benefits.

Management of Proceeds

So long as the Notes remains outstanding, our internal records will show, the portion of an amount equal to the net proceeds from the Notes as allocated to Eligible Green Projects of Eligible Mergers and Acquisition for Green Projects. In case, for any reason whatsoever, the value of our investment is lower than the total value of the the Notes, we commit to invest the difference in cash or cash equivalents on a temporary basis.

Process for Eligible Green Project Selection and Evaluation

Selected members of our Sustainability Department and the Sustainability Committee will be responsible for (i) selecting the Eligible Green Projects and Eligible Mergers and Acquisitions for Green Projects in accordance with our ESG Financing Framework, (ii) carrying out an opportunity and risk analysis to confirm such investments' eligibility under the ESG Financing Framework, and (iii) allocating the net proceeds from the offering to such investments.

Reporting

We intend to publish an annual report (the "Allocation Report") with respect to all outstanding ESG-FIs, including the Notes, until the net proceeds from such ESG-FIs have been fully allocated, describing all relevant details as we deem practicable based on commercial, confidentiality and other relevant considerations, including, among other information, (i) the amounts allocated to the Eligible Green Projects and Eligible Mergers and Acquisitions for Green Projects; (ii) the percentage of net proceeds allocated to Eligible Green Projects and Eligible Mergers and Acquisitions for Green Projects; and (iii) the proportion of financed versus refinanced Eligible Green Projects and Eligible Mergers and Acquisitions for Green Projects. We expect the Allocation Report to be reviewed by an independent accountant or an independent third-party consultant with experience in ESG research and analysis. We may also publish information, where feasible, regarding the expected environmental or social impact of the Eligible Green Projects and Eligible Mergers and Acquisitions for Green Projects, among other eligible investments to the extent applicable.

Neither we nor the initial purchasers make any assurances as to (i) whether the Notes will meet th criteria and expectations of investors regarding environmental impact and sustainability performance, (ii) whether the net proceeds (or an amount equal to the net proceeds) will be used for Eligible Green Projects or Eligible Mergers and Acquisitions for Green Projects, or (iii) the characteristics of the Eligible Green Projects and Eligible Mergers and Acquisitions for Green Projects, including their environmental and sustainability criteria. See *"Risk Factors—Risks Relating to the Notes, the Note Guarantees and Our Indebtedness—The Notes may not be a suitable investment for all investors seeking exposure to assets with sustainability characteristics."*

The information and materials contained on, or accessible through, our website, in the Allocation Reports and ESG Financing Framework are not incorporated in, and are not part of, this offering memorandum. Neither the Notes nor the indenture governing the Notes requires us to use the net proceeds from the sale of the Notes as described above, and any failure to comply with the foregoing will not constitute a breach of or default under the Notes or the indenture governing the Notes. The above description of the use of the proceeds from the sale of the Notes is not intended to modify or add any covenant or other contractual obligation undertaken by us under the Notes or the indenture governing the Notes and it will not be a breach or event of default under the Notes for failure to use and monitor the net proceeds as described herein. See *"Risk Factors—Risks Relating to the Notes, the Note Guarantees and Our Other Indebtedness—There can be no assurance that we will make disbursements for projects with the specific characteristics described in the "Use of Proceeds" section in an amount equal to the proceeds from the sale of the Notes."*

CAPITALIZATION

The following table sets forth our current and non-current loans and financing, current and non-current debentures, total equity and total capitalization (defined as the sum of current and non-current loans and financing, current and non-current debentures and total equity) as of September 30, 2023, derived from our consolidated financial statements:

- on an actual historical basis; as adjusted to give effect to the issuance of 54,106,281 common shares under the Follow-On Offering and the application of the net proceeds of R\$704.2 million (US\$140.6 million) therefrom; and
- as further adjusted to give effect to the issuance of the Notes in this offering in an aggregate principal amount of US\$750.0 million and the application of the net proceeds from this offering of US\$723.8 million (after deducting the initial purchasers' discount and estimated expenses payable by us pursuant to this offering).

	As of September 30, 2023					
	Actual		As adjusted ⁽¹⁾		As further adjusted ⁽²⁾	
	(in millions of US\$) ⁽³⁾	(in millions of R\$)	(in millions of US\$) ⁽³⁾	(in millions of R\$)	(in millions of US\$) ⁽³⁾	(in millions of R\$)
Current loans and financing.....	70.2	351.7	70.2	351.7	70.2	351.7
Current debentures.....	96.8	484.8	96.8	484.8	19.2	96.2
Non-current loans and financing.....	358.1	1,793.2	358.1	1,793.2	358.1	1,793.2
Non-current debentures	888.1	4,447.2	888.1	4,447.2	241.9	1,211.3
Notes offered hereby ⁽⁴⁾	—	—	—	—	723.8	3,624.5
Total loans and financing and debentures.....	1,413.2	7,076.9	1,413.2	7,076.9	1,413.2	7,076.9
Total equity.....	343.9	1,722.0	484.5	2,426.2	484.5	2,426.2
Total capitalization	1,757.1	8,798.9	1,897.7	9,503.1	1,897.7	9,503.1

- (1) As adjusted to give effect to the issuance of 54,106,281 common shares under the Follow-On Offering and the application of the net proceeds of R\$704.2 million (US\$140.6 million) therefrom;
- (2) As further adjusted to give effect to the issuance of the Notes in this offering in an aggregate principal amount of US\$750.0 million and the application of the net proceeds from this offering of US\$723.8 million (after deducting the initial purchasers' discount and estimated expenses payable by us pursuant to this offering).
- (3) Solely for the convenience of the reader, we have translated the *real* amounts using an exchange rate of R\$5.0076 to US\$1.00, as reported by the Central Bank as of September 30, 2023. The U.S. dollar equivalent information presented in this offering memorandum is provided solely for the convenience of investors and should not be construed as implying that the amounts in *reais* represent, or could have been or could be converted into, U.S. dollars at this rate or any other rate.
- (4) The Notes have been reflected in their aggregate principal amount of U.S.\$723.8 million, net of the initial purchasers discount and estimated offering expenses payable by us (corresponding to U.S.\$26.2 million).

You should read this table in conjunction with “*Use of Proceeds*,” “*Summary Financial and Other Information*,” “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and our consolidated financial statements, which are included elsewhere in this offering memorandum.

Other than as described above, there have been no material changes to our total capitalization since September 30, 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following analysis and discussion of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements as of September 30, 2023 and for the nine month-period ended September 30, 2023 and 2022, our audited consolidated financial statements as of and for the years ended December 31, 2022, 2021 and 2020 and related notes thereto, included elsewhere in this offering memorandum, as well as the information under "Presentation of Financial and Other Information" and "Summary Financial and Other Information." This section contains discussions regarding estimates and forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those discussed in these estimates and forward-looking statements as a result of various factors, including, without limitation, those described in "Forward-Looking Statements" and "Risk Factors."

Overview

We believe we are one of the leading environmental, emergency response and industrial field service providers in Brazil serving over 15,000 clients in more than 40 countries across the world. Through our international platform, our sophisticated special equipment and our highly qualified personnel, we provide our customers with a full suite of environmental, emergency response and industrial field services.

Established in Brazil in 1995, over the years, we have successfully implemented our strategy of focusing on strategic acquisitions to increase our geographic reach, gain market share and integrate complementary services into our portfolio. We believe we are pioneers in offering several environmental and industrial field services across the value chain, in addition to being a market leader for innovation and the use of cutting-edge environmental technologies. Our diversified customer base ranges from local to blue chip and multinational companies operating in a wide variety of industries, including chemicals, pulp and paper, mining, oil and gas, logistics, power, steel, cement, pharmaceuticals, cosmetics, food and beverages, among others, with long-term contracts (with average terms of five years in the Environment segment and four years in the Response segment) and high potential for organic growth.

In the nine-month period ended September 30, 2023, we had net operating revenue of R\$3,526.9 million (R\$2,599.4 million in the nine-month period ended September 30, 2022), of which (i) R\$1,674.4 million, or 47.6%, was generated by the Environment segment (R\$1,545.4 million, or 59.5%, for the nine-month period ended September 30, 2022) and (ii) R\$1,849.4 million, or 52.4%, was generated by the Response segment (R\$1,052.6 million, or 40.5%, for the nine-month period ended September 30, 2022).

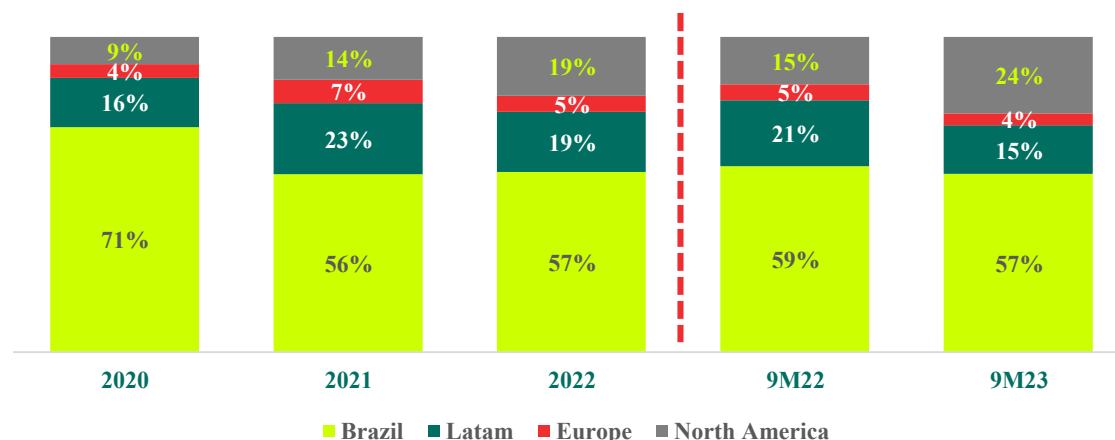
For the year ended December 31, 2022, we had net operating revenue of R\$3,789.8 million (R\$1,916.3 million in 2021), of which (i) R\$2,102.8 million, or 55.5%, was generated by the Environment segment (R\$1,092.8 million, or 57.0%, in 2021) and (ii) R\$1,684.9 million, or 44.5%, was generated by the Response segment (R\$822.2 million, or 42.9%, in 2021).

In the nine-month period ended September 30, 2023, we had EBITDA of R\$915.6 million (R\$697.2 million in the nine-month period ended September 30, 2022), of which (i) R\$561.5 million, or 61.3%, was generated by the Environment segment (R\$420.6 million, or 60.3%, for the nine month period ended September 30, 2022) and (ii) R\$351.7 million, or 38.4%, was generated by the Response segment (R\$275.9 million, or 39.6%, for the nine-month period ended September 30, 2022). From 2018 to the third quarter of 2023, our EBITDA grew at a 71.4% compound annual growth rate ("CAGR").

For the year ended December 31, 2022, we had EBITDA of R\$1,046.8 million (R\$517.0 million in 2021), of which (i) R\$597.0 million, or 57.1%, was generated by the Environment segment (R\$284.6 million, or 55.0%, in 2021) and (ii) R\$448.8 million, or 42.9%, was generated by the Response segment (R\$238.2 million, or 46.1%, in 2021).

Our gross revenue is geographically diversified. We are present in all continents, and our main markets are Brazil, Latin America (excluding Brazil), Europe and North America.

Geographic Distribution of Revenue



Business Segments Overview

We operate across two complementary business segments, as described below.

Environment Segment

Through our Environment segment, we offer comprehensive solutions acting as a waste valorization and circular economy platform for the recovery of industrial waste, post-consumption, recycling, co-processing, reverse manufacturing and other services related to waste management and recovery to more than 5,000 clients in over 170 on-site bases located throughout Latin America. We foster our clients' shift to a circular economy by sharing, reusing, repairing and recycling existing materials and products, thus extending their life cycle, and assist them with putting environmental, social and governance ("ESG") principles into practice. As of September 30, 2023, we have processed, recycled, reused and reinserted more than 1.7 million tons of waste.

To fight climate change, our production processes focus on reducing greenhouse gas ("GHG") emissions, such as carbon dioxide ("CO₂"). We also invest in conservation, reforestation and restorage projects, as well as sustainable agricultural management, which in turn generate carbon credits, enabling us to monetize our business with the sale of such credits.

Among our environmental solutions, we also offer social and environmental software solutions using artificial intelligence, digital waste traceability processes, environmental due diligence services, ESG training, complex waste valuation, manufacturing of recycled products, polyethylene terephthalate ("PET") recovery services, collecting machines for post-consumer recyclable packaging, mining production waste reuse solutions, development of projects related to Reduction of Emissions from Deforestation and Forest Degradation ("REDD+"), and Nature-Based Solutions ("NBS") carbon programs.

Within our Environment segment, we operate five business units that, combined, allow us to provide a one-stop-shop service to help our clients transition from the linear economy to the circular economy. These five business units are: (i) waste management and valorization; (ii) circular economy; (iii) decarbonization; (iv) ESG consulting and compliance and (v) hazmat logistics.

The table below shows the percentage of gross revenues generated from each business unit for the periods indicated:

	For the nine months ended September 30,		For the year ended December 31,		
	2023	2022	2022	2021	2020
			<i>(in percentage)</i>		
Waste Management and Valorization	61.3%	69.3%	68.0%	76.1%	69.6%
Circular Economy.....	26.8%	19.9%	21.3%	12.6%	8.7%
Decarbonization.....	2.8%	1.1%	1.0%	0.9%	0.0%
ESG Consulting and Compliance.....	1.8%	1.5%	1.5%	2.6%	2.4%
Hazmat Logistics	7.2%	8.0%	8.1%	7.8%	19.2%

Response Segment

We have operated in the Response segment since 2008. Through this segment, we conduct prevention, training and emergency response activities across all transportation modes. Our portfolio includes a broad variety of services such as environmental remediation, industrial field services, industrial cleaning of chemical and non-chemical products and of hazardous and non-hazardous waste, consulting services focused on accident prevention and environmental licensing. We have already supported more than 11,000 clients in prevention, training and emergency response activities. We have obtained four ISO certifications that attest our quality in all these activities.

Our broad and recurrent portfolio includes services contracted through our subscription model (with contracts having a four-year average duration), such as emergency response services for highway accidents, industrial chemical spills and dry port emergencies, as well as services contracted through spot agreements, such as gas decommissioning, industrial silo cleaning and underground gas tanking cleaning. The industrial services we offer are recurring and based on a contractual schedule, with an average term of between two and three years. For emergency events, subscription contracts have a higher retention rate and a low turnover rate, with an average duration of 36 months.

In the Response segment, we offer a one-stop-shop platform of standardized emergency and industrial field services rendered at scale and organized within four business units, namely (i) industrial field services; (ii) emergency response; (iii) consulting services focused on accident prevention and environmental licensing; and (iv) training services.

Principal Factors Affecting Our Results of Operations

Macroeconomic Conditions in Latin America, mainly Brazil, and North America

Our operations and operating and financial results are affected by changes in macroeconomic conditions in the markets in which we operate, in particular Brazil, the rest of Latin America and North America.

Our operations in Brazil represented 56.6% and 59.0% of our consolidated gross revenue for the nine months ended September 30, 2023 and 2022, respectively, and 57.2%, 56.5% and 71.4% of our consolidated gross revenue for the years ended December 31, 2022, 2021 and 2020, respectively. Accordingly, our results of operations, cash flow and financial condition, as well as our customers' results of operations, cash flow and financial condition, are affected by general economic conditions in Brazil, in particular, interest rates, employment and income levels, inflation, foreign exchange rates, gross domestic product ("GDP") growth, employment and wage levels, consumer confidence and spending and credit availability. The Brazilian economic environment has been characterized by significant variations in economic growth, inflation and currency exchange rates.

The following table sets forth selected Brazilian economic indicators for the periods indicated:

	For the twelve months ended September 30,	For the year ended December 31,		
	2023	2022	2021	2020
GDP growth (reduction) ⁽¹⁾	3.2%	2.9%	5.0%	(4.1)%
Inflation (IGP-M) ⁽²⁾	5.96%	5.46%	17.78%	23.14%
Inflation (IPCA) ⁽³⁾	5.19%	5.79%	10.06%	4.52%
Interbank loan rate – CDI ⁽⁴⁾	13.4%	12.38%	4.42%	2.75%
Exchange rate at the end of the period—R\$/US\$1.00 ⁽⁵⁾	R\$5.01	R\$5.22	R\$5.58	R\$5.20
Average exchange rate—R\$/US\$1.00 ⁽⁵⁾	R\$5.07	R\$5.20	R\$5.40	R\$5.16
Appreciation (depreciation) of the <i>real</i> against the U.S. dollar ⁽⁶⁾	2.5%	7.0%	(7.4)%	(22.4)%

Sources: Brazilian Institute of Geography and Statistics (*Instituto Brasileiro de Geografia e Estatística*) (“IBGE”), Brazilian Central Bank (*Banco Central do Brasil*) (“Central Bank”), Brazilian Stock Exchange (*B3 S.A. – Brasil, Bolsa, Balcão*) (“B3”), and Getúlio Vargas Foundation (*Fundação Getúlio Vargas*) (“FGV”).

- (1) Brazilian GDP as published by the IBGE, representing the cumulative data for each period.
- (2) Inflation as per the General Market Price Index (*Índice Geral de Preços-Mercado*) (“IGP-M”), as measured by FGV, representing the cumulative data for each period.
- (3) Inflation as per the Brazilian broad consumer price index (*Índice de Preços ao Consumidor-Amplio*) (“IPCA”), measured by the IBGE, representing the cumulative data for each period.
- (4) CDI rate is the average rate for overnight interbank loans in Brazil (*certificados de depósito interbancário*) (“CDI”), annualized on the last day of the corresponding period (using the accumulated rate).
- (5) PTAX exchange rate (sell) reported by the Central Bank at the end of the last day of the period. PTAX is the exchange rate measured at the end of each day by the Central Bank; it is the average rate of all trades carried out in U.S. dollars on a specific date in the interbank foreign exchange market.
- (6) Comparing the PTAX exchange rate (sell) at the end of the last day of the period with that of the day immediately preceding the first day of the period under discussion.

In the first half of 2020, Brazil’s GDP decreased 5.9% compared to the same period in 2019, mainly due to the impacts of the COVID-19 pandemic with quarantines imposed by governments around the world to flatten the contagion curve of the pandemic resulting in recession. Governments and central banks worldwide subsequently announced a series of stimulus measures to provide support during the crisis. In Brazil, the stimulus package and the flattening of the contagion curve of the pandemic resulted in positive effects on the economy, with the Brazilian Central Bank’s data demonstrating a 7.7% increase in GDP in the third quarter of 2020 compared to the second quarter of 2020. In the fourth quarter of 2020, Brazil’s GDP increased by 3.2% compared to the third quarter of 2020. However, even with this recovery, the full-year 2020 GDP decrease was the worst since 1990.

In the first quarter of 2021, Brazil’s GDP grew by 1.2% year-over-year, mainly boosted by agricultural exports despite the worsening of the COVID-19 pandemic. In the second quarter of 2021, Brazil’s GDP decreased 0.3% compared to the first quarter of 2021 driven by a retraction of agriculture, industry and investments, and by stagnation in household consumption. In the third quarter of 2021, Brazil’s GDP decreased 0.1% compared to the second quarter of 2021 mainly driven by a retraction of agriculture. In the fourth quarter of 2021, Brazil’s GDP increased 0.5% compared to the third quarter of 2021 mainly driven by an increase in services and industry. The full-year 2021 GDP increased 4.6% compared to 2020.

In 2022, Brazil’s GDP grew by 2.9%, mainly driven by the services sector, which contributed with over 80% of the positive performance.

In the third quarter of 2023, Brazil’s GDP grew by 3.2% year-over-year, mainly driven by an increase in the agricultural sector.

Our activities in North America are mainly conducted in the United States, a growing market that is essential for our financial performance. North America represented 24.3% and 15.0% of our consolidated gross revenue for the nine months ended September 30, 2023 and 2022, respectively, and 18.6%, 13.5% and 8.6% of our consolidated gross revenue for the years ended December 31, 2022, 2021 and 2020, respectively. According to statistics published by the Bureau of Economic Analysis, the real GDP of the United States of America grew at an annual rate of 4.9%, 2.1% and 5.9% in the third quarter of 2023 and in 2022 and 2021, respectively. In 2020, real GDP decreased 3.5% due to the COVID-19 pandemic.

Our activities in Latin America (excluding Brazil) are mainly conducted in Chile and Peru. Latin America (ex. Brazil) represented 15.4% and 20.9% of our consolidated gross revenue for the nine months ended September 30, 2023 and 2022, respectively, and 19.1%, 22.5% and 15.6% of our consolidated gross revenue for the years ended December 31, 2022, 2021 and 2020, respectively. According to statistics published by the International Monetary Fund, the real GDP of Latin America and the Caribbean grew at an annual rate 4.0% and 7.0% in 2022 and 2021, respectively. In 2020, real GDP decreased 6.8% due to the COVID-19 pandemic.

Acquisitions

We have historically expanded our operations through both large strategic acquisitions, such as the acquisition of Witt O'Brien's in October 2022, as well as smaller bolt-on acquisitions, thereby expanding our revenue streams. Our results of operations during the periods under review have been affected by such acquisitions, which may make it more difficult for investors to evaluate the historical performance of our business by comparing period-over-period results. These acquisitions were financed through a mix of debt instruments and cash on hand.

Many of the acquisitions we completed in recent years were aimed at increasing the density of our network in our existing markets, diversifying into, or consolidating our position in, specific business sectors and enhancing our geographic coverage. Most of our acquisitions during the periods under review have been revenue and EBITDA accretive within limited turnaround time, while some have required greater management time and resources to complete their turnaround.

Our acquisition strategy is now focused on selective and strategic targets, in particular for the Response Segment and in North America. For the execution of our acquisition strategy in various geographies, we apply a methodology that uses specific qualitative and quantitative criteria to identify and carefully select targets, which results in the identification of companies, the acquisition of which we believe would have a high probability of creating value. Our U.S. acquisition strategy contemplates as key elements finding local targets with solid reputations in local markets, passionate and experienced management teams, entrepreneurs and business owners who share our vision for long-term growth, sustainable value creation and strong corporate culture.

Acquisitions impact our results of operations in a variety of ways. First, our results for the period during which an acquisition takes place are affected by the inclusion of the results of the acquired business in our consolidated results. Because we record the results of acquired businesses as from the date of completion of each relevant acquisition, their full impact is only reflected in our financial statements in the subsequent period. Furthermore, acquisitions may result in the addition of new service centers and the closure of existing ones as we seek to optimize our fleet management and streamline our operations, which can have a significant impact on our revenue from one period to the next.

For additional information regarding acquisitions we completed in the periods under review, please see “*Business—Overview*.”

The WOB Acquisition

On September 13, 2022, Ambipar Holding USA, Inc., a wholly-owned subsidiary of Response (“Ambipar USA”), entered into a purchase and sale agreement (the “WOB SPA”) with ORM Holdings Inc. and ORM Holdings II LLC (the “WOB Sellers”), as sellers, and Seacor Holdings Inc. (“Seacor”), as parent of the WOB Sellers and Witt O'Brien's, LLC (collectively with its subsidiaries, “Witt O'Brien's”), to acquire all of the issued and outstanding membership interests in Witt O'Brien's, LLC from the WOB Sellers (the “WOB Acquisition”).

The closing of the WOB Acquisition took place on October 24, 2022. In consideration for the transferred membership interests, Ambipar USA paid to Seacor at closing an aggregate of \$154.1 million (R\$833.0 million) in cash, subject to certain adjustment provisions set forth in the WOB SPA. After the consummation of the WOB Acquisition, Witt O'Brien's, LLC became an indirect wholly-owned subsidiary of Response.

O'Brien's Response Management Inc. (“O'Brien's Response”), a wholly-owned subsidiary of Witt O'Brien's, owned a 50% ownership interest in O'Brien's do Brasil Consultoria em Emergências e Meio Ambiente

S.A. (“O’Brien’s do Brasil”), a joint venture with Environpact Consultoria em Engenharia e Meio Ambiente Ltda. (“Environpact”), a wholly-owned subsidiary of OceanPact Serviços Marítimos S.A. (“OceanPact”), through which Witt O’Brien’s conducted certain of its operations in Brazil. As part of the integration of Witt O’Brien’s’ operations with our business, Environpact, as purchaser, O’Brien’s Response, as seller, and Witt O’Brien’s and OceanPact, as intervening-consenting parties, entered into a sale and purchase agreement on January 17, 2023, pursuant to which, subject to customary closing conditions, including regulatory approvals, O’Brien’s Response agreed to sell the totality of its ownership interest in O’Brien’s do Brasil to Environpact for the amount of R\$11.0 million, thus terminating the joint venture upon closing. The transaction closed on February 23, 2023. Environpact has ceased to use the O’Brien’s brand, which we will continue to use as part of our activities in Brazil and worldwide.

Effects of inflation in the price of inputs and wage adjustments

The principal factor affecting our results is the effect of inflation on our costs and inputs (e.g., workforce, fuel, equipment, and various materials used in our business), as measured by the IPCA, as well as wage adjustments (*recomposição salarial*) indexes applicable to the compensation of our personnel. Our agreements with customers set forth an annual readjustment provision to account for variations in IPCA and wage adjustments, which impact the economic conditions of our contracts and affect the direct costs of our services.

	For the nine months ended September 30,	For the year ended December 31,		
	2023	2022	2021	2020
			(%)	
IPCA	5.19%	5.78%	10.06%	4.52%
Collective bargaining agreement ^(*)	N.A	4.05%	4.51%	2.46%

(*) Average readjustment applied to our services agreement to account for wage adjustments in the compensation of the workforce allocated to provide services in connection with such services agreement.

Effects of Fluctuations in Exchange Rates between the Brazilian Real and Other Currencies

Because the reporting currency of our consolidated financial statements is the Brazilian *real*, our results of operations and financial condition have been, and will continue to be, affected by the depreciation or appreciation of the Brazilian *real* against other foreign currencies, primarily the U.S. dollar, Chilean peso and pound sterling given that:

- a substantial part of our net operating revenue is denominated in or linked to U.S. dollars, Chilean pesos and pound sterling;
- a substantial part of our supplier costs is incurred in, or linked to, U.S. dollars, Chilean pesos and pound sterling;
- we have operating expenses that are denominated in or linked to U.S. dollars, Chilean pesos and pound sterling; and
- we have U.S. dollar-denominated liabilities incurred to finance our working capital that require us to make principal and interest payments in U.S. dollars.

Income and expense items of subsidiaries located outside Brazil are translated at average exchange rates for the year. Balance sheet items are translated at the closing rate at the balance sheet date and all resulting exchange differences are recognized in a separate line in equity.

In addition, our current and non-current loans and financing in foreign currency were R\$461.6 million as of September 30, 2023, representing 6.5% of our total current and non-current loans and financing and debentures, all of which were denominated in U.S. dollars. When the Brazilian *real* depreciates against the U.S. dollar:

- the interest expenses we incur in connection with our indebtedness denominated in U.S. dollars increases in reais, adversely affecting our financial result;
- the volume of our indebtedness denominated in U.S. dollars increases in reais, and our total liabilities and debt service obligations in reais increase, adversely affecting our financial condition; and
- net financial expenses tend to increase as a result of foreign exchange losses that we must record.

An appreciation of the *real* against the U.S. dollar usually has opposite effects.

However, most of the income and expenses of our foreign subsidiaries is denominated in the local functional currency of the country in which these subsidiaries are located and, for this reason, we have less exposure to risks arising from exchange rate fluctuations and benefit from a natural hedge against our U.S. dollar-denominated debt obligations. We also enter into hedging agreements to protect our cash flows linked to U.S. dollars.

Level of Indebtedness and Interest Rates

As of September 30, 2023, our total outstanding indebtedness on a consolidated basis, consisting of current and non-current loans and financing and current and non-current debentures, was R\$7,076.9 million. As a result of the level of our indebtedness, we incur significant financial expenses that are reflected in our statements of income. Financial expenses consist of interest rate expense, interests over right of use assets, tax on financial operations (IOF), exchange rate losses, and other items as set forth in note 20 to our unaudited interim financial statements and note 20 to our audited financial statements. In the nine months ended September 30, 2023 and 2022, we recorded financial expenses of R\$832.3 million and R\$439.2 million, respectively, including R\$751.9 million and R\$377.5 million, respectively, of interest expense related to our loans and financing and debentures. In the years ended December 31, 2022 and 2021, we recorded financial expenses of R\$665.4 million and R\$144.4 million, respectively, including R\$564.6 million and R\$109.3 million, respectively, of interest expense related to our loans and financing and debentures. The interest rates of our indebtedness depend on a variety of factors, including the prevailing Brazilian and international market interest rates, any collateral and risk assessments of our company, the condition of our industry and the Brazilian, Latin American, U.S., UK and European Union major economies, potential purchasers of our debt securities and the assessment of rating agencies that assess our company and debt securities.

Our results of operations and financial income suffered no material impact for the nine months ended September 30, 2023 and 2022 and the years ended December 31, 2022, 2021 and 2020 resulting from inflation, fluctuations in prices for main inputs and products, exchange rates and interest rates.

Principal Components of Our Statement of Income

The main components of our consolidated revenue for the nine months ended September 30, 2023 and 2022 and the years ended December 31, 2022, 2021 and 2020 are described below:

	For the nine months ended September 30,		For the year ended December 31,		
	2023	2022	2022	2021	2020
	(unaudited)		(in millions of R\$)		
Gross revenue.....	3,913.3	2,935.1	4,242.6	2,197.5	800.4
Cancellations	(27.3)	(16.4)	(22.8)	(16.3)	(7.0)
Taxes	(359.0)	(319.4)	(430.0)	(264.8)	(91.8)
Net operating revenue.....	3,526.9	2,599.4	3,789.8	1,916.3	701.6

Gross Revenue

Gross revenue comprises revenue from the rendering of services by our subsidiaries in the Environment and Response segments, as well as other operations, as detailed below.

	For the nine months ended September 30,		For the year ended December 31,		
	2023	2022	2022	2021	2020
	(unaudited)		(in millions of R\$)		
Environment segment	1,919.4	1,788.0	2,426.9	1,276.8	391.4
Response segment	1,990.1	1,145.5	1,813.3	920.6	409.0
Others	3.8	1.6	2.4	—	—
Gross revenue	3,913.3	2,935.1	4,242.6	2,197.5	800.4

We recognize revenue in accordance with CPC 47 – Revenue from customer contracts, which establishes a five-step model to determine how and when revenue will be recognized and measured, provided that revenues and costs can be measured reliably. Revenue from the provision of services is recognized based on the services performed during the period up to the balance sheet date.

Cancellations

Cancellations comprise the invoices canceled by us after the period in which the services were provided, mainly due to late billing / collections, typically as a result of our customers' internal policies.

Taxes

Taxes comprise taxes levied upon the amount due for the rendering of services by our subsidiaries.

Our Operating Segments

Our business is organized in three operating segments: Environment, Response and Others.

Through our Environment segment, we offer comprehensive solutions acting as a waste valorization and circular economy platform for the recovery of industrial waste, post-consumption, recycling, co-processing, reverse manufacturing and other services related to waste management and recovery. We foster our clients' shift to a circular economy by sharing, reusing, repairing and recycling existing materials and products, thus extending their life cycle, and assist our clients with putting environmental, social and governance, or ESG, principles into practice.

Through our Response segment, we conduct prevention, training and emergency response activities across all transportation modes. Our portfolio includes a broad variety of services such as environmental remediation, industrial field services, industrial cleaning of chemical and non-chemical products and of hazardous and non-hazardous waste, consulting services focused on accident prevention and environmental licensing.

Our Environment and Response segments are equally significant to our operations. In the nine months ended September 30, 2023, Response represented 52.4% of our net operating revenue (compared to 40.5% for the nine months ended September 30, 2022), while Environment represented 47.6% of our net operating revenue (compared to 59.5% for the nine months ended September 30, 2022). In the year ended December 31, 2022, Response represented 44.5% of our net operating revenue (compared to 42.9% in the year ended December 31, 2021) and Environment represented 55.5% of our net operating revenue (compared to 57.0% in the year ended December 31, 2021).

Others include certain businesses carried out by our parent company, mainly related to technology and innovation. Others did not have a significant impact on our results for the first nine months of 2023 and 2022 and for fiscal years 2022, 2021 and 2020.

For additional information on our segment reporting, see note 17 to our unaudited interim financial statements and note 17 to our audited financial statements included elsewhere in this offering memorandum.

Non-GAAP Financial Measures

We consider EBITDA, EBITDA Margin, NOPAT and ROIC to be key measures in analyzing our business. EBITDA, EBITDA Margin, NOPAT and ROIC are non-GAAP financial measures. A non-GAAP financial measure is generally defined as a numerical measure of historical or future financial performance, financial position, or cash flow that excludes or includes amounts that would not be adjusted in the most comparable IFRS measure.

We use these non-GAAP financial measures for decision-making purposes and to assess our financial and operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. We believe that the disclosure of our non-GAAP measures provides useful supplemental information to investors and financial analysts and other interested parties in their review of our operating performance. Additionally, we believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance and facilitates period-to-period comparisons of results of operations. Even though the non-GAAP financial measures are used by management to assess our financial position, financial results and liquidity and these types of measures are commonly used by investors, they have important limitations as analytical tools, and you should not consider them in isolation or as a substitute for the IFRS measures of earnings, cash flows, or indicators of liquidity.

Additionally, our calculations of EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, NOPAT and ROIC may be different from the calculation used by other companies, including our competitors in the industry, and therefore, our measures may not be comparable to those of other companies. For a reconciliation of EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, NOPAT and ROIC to the most directly comparable IFRS measure, see “*Summary Financial and Other Information—Reconciliation of Non-GAAP Financial Measures.*”

The table below sets forth certain of our financial information for the periods indicated:

	For the nine months ended September 30,			For the year ended December 31,			
	2023	2023	2022	2022	2022	2021	2020
	(in millions of US\$, except %) ⁽¹⁾			(unaudited) (in millions of US\$, except %) ⁽¹⁾	(in millions of R\$, except %)		
EBITDA ⁽²⁾⁽⁹⁾	182.8	915.6	697.2	209.0	1,046.8	517.0	197.5
Environment segment.....	112.2	561.5	420.6	119.2	597.0	284.6	91.9
Response segment	70.2	351.7	275.9	89.6	448.8	238.2	112.4
EBITDA Margin ⁽³⁾⁽⁸⁾	26.0%	26.0%	26.8%	27.6%	27.6%	27.0%	28.1%
Environment segment.....	33.5%	33.5%	27.2%	28.4%	28.4%	26.0%	27.3%
Response segment	19.0%	19.0%	26.2%	26.6%	26.6%	29.0%	30.8%
Adjusted EBITDA ⁽⁴⁾⁽⁹⁾	206.8	1,035.4	697.2	209.0	1,046.8	517.0	197.5
Response segment	70.2	351.7	275.9	89.6	448.8	238.2	112.4
Adjusted EBITDA Margin ⁽⁵⁾⁽⁹⁾	29.4%	29.4%	26.8%	27.6%	27.6%	27.0%	28.1%
Response segment	25.5%	25.5%	26.2%	26.6%	26.6%	29.0%	30.8%
NOPAT ⁽⁶⁾⁽⁹⁾	138.5 ⁽⁷⁾	693.5 ⁽⁷⁾	N/A	99.5	498.3	230.1	90.4
ROIC ⁽⁸⁾⁽⁹⁾	25.0% ⁽¹⁰⁾	25.0% ⁽¹⁰⁾	N/A	22.7%	22.7%	19.6%	20.1%

Financial Measures—Reconciliation of Non-GAAP Financial Measures—Reconciliation of EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin to Net Income for the Period.”

- (6) We calculate NOPAT as operating income before financial result plus extraordinary expenses and non-cash from Response's NYSE American listing *minus* income tax adjustment. Income tax adjustment is defined as (i) operating income before financial result plus extraordinary expenses and non-cash from Response's NYSE American listing multiplied by (ii) a tax rate of 30%. For a reconciliation of our NOPAT to our operating income before financial result, see “*Summary Financial and Other Information—Unaudited Non-GAAP Financial Measures—Reconciliation of Non-GAAP Financial Measures—Reconciliation of NOPAT and ROIC to Operating Income Before Financial Result.*”
- (7) NOPAT for September 30, 2022 and September 30, 2023 considers operating income before financial result and income tax adjustment for the twelve preceding months.
- (8) We calculate ROIC as NOPAT divided by invested capital. We define invested capital as total equity plus current and non-current loans and financing plus current and non-current debentures minus cash and cash equivalents minus current and non-current marketable securities minus intangible assets. For a reconciliation of our ROIC to our operating income before financial result, see “*Summary Financial and Other Information—Unaudited Non-GAAP Financial Measures—Reconciliation of Non-GAAP Financial Measures—Reconciliation of NOPAT and ROIC to Operating Income Before Financial Result.*”
- (9) Our definition of EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, NOPAT and ROIC are specific to our business and you should not assume that these definitions are comparable to similarly titled financial measures of other companies. These financial measures should be viewed as supplemental to, and not substitutive for, our consolidated financial statements included elsewhere in this offering memorandum. Because this financial information is not prepared in accordance with IFRS, you are cautioned not to place undue reliance on this information.
- (10) ROIC for September 2022 considers NOPAT for the twelve months ending September 30, 2022 and invested capital as of September 30, 2022. Likewise, ROIC for September 2023 considers NOPAT for the twelve months ending September 30, 2023 and invested capital as of September 30, 2023.

Results of Operations

Nine months ended September 30, 2023 compared to the nine months ended September 30, 2022

	For the nine months-period ended September 30,		
	2023	2022	Variation
	(unaudited)		
	(in millions of R\$)		(%)
Net operating revenue	3,526.9	2,599.4	35.7
Cost of services rendered	(2,694.8)	(2,035.6)	32.4
Gross profit	832.1	563.8	47.6
General, administrative and selling expenses	(115.5)	(112.0)	(3.1)
Other operating revenues / (expenses), net	(97.3)	8.6	1233.0
Operating income before financial results	619.3	460.4	34.5
Financial income	263.8	109.2	141.6
Financial expenses	(832.3)	(439.2)	89.5
Net income before income tax and social contribution	50.9	130.4	61.0
Income tax and social contribution			
Current	(100.3)	(55.0)	82.6
Deferred	(2.8)	10.5	(126.6)
Net income for the period	(52.3)	86.1	N.M.

Net operating revenue

The table below shows the breakdown of our net operating revenue by segment for the nine months ended September 30, 2023 and 2022.

	For the nine months ended September 30,		
	2023	2022	Variation
	(unaudited)		
	(in millions of R\$)		(%)
Net operating revenue			
Environmental	1,674.4	1,545.3	8.3%
Response	1,849.4	1,052.6	75.7%
Others	3.1	1.5	106.7%
Total	3,526.9	2,599.4	35.7%

Net operating revenue increased by 35.7%, or R\$927.5 million, to R\$3,526.9 million in the nine months ended September 30, 2023, from R\$2,599.4 million in the nine months ended September 30, 2022, primarily due to the growth in our Response segment, mainly as a result of increased market share, geographic breadth, and service offerings in Brazil and North America. Our Environment segment's revenue also grew as a result of an increase in our contracts in sales in our industrial recycling facilities and the results of the Decarbonization business unit. Both Response and Environment segments grew in line with the increased awareness of the importance of corporate sustainability and environmental compliance.

Cost of services rendered

Cost of services rendered increased by 32.4%, or R\$659.2 million, to R\$2,694.8 million in the nine months ended September 30, 2023, from R\$2,035.6 million in the nine months ended September 30, 2022, primarily due to (i) the consolidation of acquisitions carried out over the last twelve months (in the Environment segment, we acquired companies that operated core businesses relating to recycled materials that are complementary to our ecosystem and portfolio of products and services, whereas in the Response segment, acquisitions were made mainly in the North America region, thus contributing to our business capillarity); (ii) the increase in costs related to contractual termination of employees from discontinued operations, due to the non-renewal of less profitable contracts in the Total Waste Management business unit of our Environment segment; and (iii) the increase in third party costs due to a greater use of third party providers in North America to provide services in remote locations where we have limited capacity.

Gross profit

As a result of the foregoing, gross profit increased by 47.6%, or R\$268.3 million, to R\$832.1 million, representing a gross margin of 23.6%, in nine months ended September 30, 2023, from R\$563.8 million, representing a gross margin of 21.7%, in the nine months ended September 30, 2022.

Other operating (expenses), revenues, net

In the nine months ended September 30, 2023, we recorded R\$97.3 million in other operating expenses, net, compared to other operating revenues, net of R\$8.6 million in the nine months ended September 30, 2022. This variation is primarily due to the extraordinary non-cash expenses of R\$100.9 million relating to the business combination expenses we incurred in connection with our combination with HPX, resulting in the listing of our subsidiary, Response, on the NYSE. This non-cash expense arose from the difference of share prices issued from Ambipar Response to HPX relative to HPX net assets, and was consequently recognized in our statement of income.

Operating income before financial result

As a result of the foregoing, operating income before financial result increased by 34.5%, or R\$158.9 million, to R\$619.3 million in the nine months ended September 30, 2023, from R\$460.4 million in the nine months ended September 30, 2022.

Financial income

Financial income increased by 141.6%, or R\$154.6 million, to R\$263.8 million in the nine months ended September 30, 2023, from R\$109.2 million in the nine months ended September 30, 2022, primarily due to (i) the net proceeds raised with the business combination of Emergencia and HPX Corp., which resulted in an increase in revenues from interest-earning bank deposits, and (ii) higher returns on our financial investments given the increase in interest rates during the period.

Financial expenses

Financial expenses increased by 89.5%, or R\$393.1 million, to R\$832.3 million in the nine months ended September 30, 2023, from R\$439.2 million in the nine months ended September 30, 2022, primarily due to (i) an increase in interest on loans and financing and debentures, mainly as a result of borrowings under a loan agreement with Itau BBA International PLC to finance the WOB Acquisition and Ambipar's fourth issuance of debentures in August 2022, Emergencia's second issuance of debentures in September 2022, Environmental ESG's second issuance of debentures in December 2022, as well the issuance of commercial notes in December 2022, and (ii) an increase in expenses to service our debt, as a result of the increase in the average SELIC rate during the period.

Net income before income tax and social contribution

As a result of the foregoing, we recorded a profit before income tax and social contribution of R\$50.9 million in the nine months ended September 30, 2023, compared to a profit before income tax and social contribution of R\$130.4 million in nine months ended September 30, 2022.

Income tax and social contribution (current and deferred)

Income tax and social contribution (current and deferred) increased by 132.2%, or R\$58.7 million, to R\$103.1 million in the nine months ended September 30, 2023, from R\$44.4 million in the nine months ended September 30, 2022, primarily due to higher income before taxes reported in the operating subsidiaries in the nine months ended September 30, 2023 compared to the same period in 2022.

Net income for the period

As a result of the foregoing, our net income for the year decreased R\$138.4 million, to a loss of R\$52.3 million, representing a net margin of 1.5%, in nine months ended September 30, 2023, from an income of R\$86.1 million, representing a net margin of 3.3%, in the nine months ended September 30, 2022.

Year ended December 31, 2022 compared to the year ended December 31, 2021

	For the year ended December 31,		
	2022	2021	Variation
	(in millions of R\$)		(%)
Net operating revenue	3,789.8	1,916.3	97.8%
Cost of services rendered.....	(2,949.2)	(1,499.8)	96.6%
Gross profit	840.6	416.6	101.8%
General, administrative and selling expenses	(150.3)	(103.9)	44.6%
Equity in earnings of controlled companies.....	3.6	—	N/A
Other operating revenues/(expenses)net	17.9	16.1	11.6%
Operating income before financial results	711.9	328.7	116.5%
Financial results.....	156.1	38.3	307.8%
Financial expenses.....	(665.4)	(144.4)	361.0%
Net income before income tax and social contribution	202.5	222.7	(9.0)%
Income tax and social contribution			
Current.....	(109.5)	(47.1)	132.6%
Deferred.....	15.7	(6.7)	(332.6%)
Net income for the year	108.7	168.9	(35.6)%

Net operating revenue

The table below shows the breakdown of our net operating revenue by segment for the years ended December 31, 2022 and 2021.

	For the year ended December 31,		
	2022	2021	Variation
	(in millions of R\$)		(%)
Net operating revenue			
Environment.....	2,102.8	1,092.8	92.4%
Response.....	1,684.9	822.2	104.9%
Others	2.1	1.4	50.0%
Total	3,789.8	1,916.3	97.8%

Net operating revenue increased by 97.8%, or R\$1,873.5 million, to R\$3,789.8 million in the year ended December 31, 2022, from R\$1,916.3 million in the year ended December 31, 2021, primarily due to our organic and inorganic growth, mainly within the Total Waste Management and Circular Economy sub-segments of the

Environment segment and the acquisitions we concluded in the North America and Brazil sub-segments of the Response segment.

Cost of services rendered

Cost of services rendered increased by 96.6%, or R\$1,449.4 million, to R\$2,949.2 million in the year ended December 31, 2022, from R\$1,499.8 million in the year ended December 31, 2021, primarily due to the increase in our customer base and the consolidation of acquisitions carried out throughout the year.

Gross profit

As a result of the foregoing, gross profit increased by 101.8%, or R\$424.0 million, to R\$840.6 million, representing a gross margin of 22.2%, in the year ended December 31, 2022, from R\$416.6 million, representing a gross margin of 21.7%, in the year ended December 31, 2021.

General, administrative and selling expenses

General, administrative and selling expenses increased by 44.6%, or R\$46.4 million, to R\$150.3 million in the year ended December 31, 2022, from R\$103.9 million in the year ended December 31, 2021, primarily due to the integration of acquisitions carried out throughout 2022.

Equity in earnings of controlled companies

Equity in earnings of controlled companies for the year ended December 31, 2022 amounted to R\$3.6 million, compared to nil in the year ended December 31, 2021 as a result of earnings arising from operations of O'Brien's do Brasil, a joint venture with Environpact, a wholly-owned subsidiary of OceanPact, through which Witt O'Brien's conducted certain of its operations in Brazil in 2022. As part of the integration of Witt O'Brien's operations with our business, we sold the totality of our ownership interest in O'Brien's do Brasil to Environpact on February 23, 2023 for the amount of R\$11.0 million, thus terminating the joint venture. For additional information, see “—Principal Factors Affecting Our Results of Operations—Acquisitions—The WOB Acquisition.”

Operating income before financial results

As a result of the foregoing, operating income before financial results increased by 116.5%, or R\$383.2 million, to R\$711.9 million in the year ended December 31, 2022, from R\$328.7 million in the year ended December 31, 2021.

Financial income

Financial income increased by 307.8%, or R\$117.8 million, to R\$156.1 million in the year ended December 31, 2022, from R\$38.3 million in the year ended December 31, 2021, primarily due to higher returns in our financial investments given the increase in interest rates during the period.

Financial expenses

Financial expenses increased by 361.0%, or R\$521.0 million, to R\$665.4 million in the year ended December 31, 2022, from R\$144.4 million in the year ended December 31, 2021, primarily due to (i) an increase in interest on loans and financing and debentures, mainly as a result of borrowings under a loan agreement with Itau BBA International PLC to finance the WOB Acquisition in August 2022, Ambipar's third and fourth issuances of debentures in January and August 2022, respectively, Emergencia's first and second issuances of debentures in February and September 2022, respectively, Environmental ESG's second issuance of debentures in December 2022, as well the issuance of commercial notes in December 2022, and (ii) an increase in expenses to service our debt, as a result of the increase in the average SELIC rate during the period.

Net income before income tax and social contribution

As a result of the foregoing, our net income before income tax and social contribution decreased by 9.0%, or R\$20.2 million, to R\$202.5 million in the year ended December 31, 2022, from R\$222.7 million in the year ended December 31, 2021.

Income tax and social contribution (current and deferred)

Income tax and social contribution (current and deferred) increased by 74.3%, or R\$40.0 million, to R\$93.8 million in the year ended December 31, 2022, from R\$53.8 million in the year ended December 31, 2021, primarily due to indebtedness incurred by certain of our subsidiaries, namely ESG Environmental Participações S.A. and Ambipar Emergency Response, which resulted in increased costs to service debt that were not deductible from the taxable income base of our operating subsidiaries, thereby impacting our consolidated results.

Net income for the year

As a result of the foregoing, net income for the year decreased by 35.6%, or R\$60.1 million, to R\$108.7 million, representing a net margin of 2.9%, in the year ended December 31, 2022, from R\$168.9 million, representing a net margin of 8.8%, in the year ended December 31, 2021.

Year ended December 31, 2021 compared to the year ended December 31, 2020

	For the year ended December 31,		
	2021	2020	Variation
	(in millions of R\$)		(%)
Net operating revenue	1,916.3	701.6	173.1%
Cost of services rendered	(1,499.8)	(542.8)	176.3%
Gross profit	416.6	158.8	162.3%
General, administrative and selling expenses	(103.9)	(31.2)	233.5%
Other operating revenues/(expenses), net	16.1	1.5	983.1%
Operating income before financial results	328.7	129.1	154.6%
Financial income	38.3	14.6	162.2%
Financial expenses	(144.4)	(69.2)	108.5%
Net income before income tax and social contribution	222.7	74.5	198.9%
Income tax and social contribution			
Current	(47.1)	(12.4)	278.8%
Deferred	(6.7)	(12.6)	(46.3)%
Net income for the year	168.9	49.5	241.0%

Net operating revenue

The table below shows the breakdown of our net operating revenue by segment for the years ended December 31, 2021 and 2020.

	For the year ended December 31,		
	2021	2020	Variation
	(in millions of R\$)		(%)
Net operating revenue			
Environment	1,092.8	336.4	224.9%
Response	822.2	365.2	125.1%
Others	1.4	—	N/A
Total	1,916.3	701.6	173.1%

Net operating revenue increased by 173.1%, or R\$1,214.7 million, to R\$1,916.3 million in the year ended December 31, 2021, from R\$701.6 million in the year ended December 31, 2020, primarily due to our organic and inorganic growth, mainly from the Total Waste Management and Circular Economy sub-segments of the Environment segment and our international expansion in the Response segment.

Cost of services rendered

Cost of services rendered increased by 176.3%, or R\$957.0 million, to R\$1,499.8 million in the year ended December 31, 2021, from R\$542.8 million in the year ended December 31, 2020, primarily due to the increase in our customer base.

Gross profit

As a result of the foregoing, gross profit increased by 162.3%, or R\$257.8 million, to R\$416.6 million, representing a gross margin of 21.7%, in the year ended December 31, 2021, from R\$158.8 million, representing a gross margin of 22.6%, in the year ended December 31, 2020.

General, administrative and selling

General, administrative and selling expenses increased by 233.5%, or R\$72.7 million, to R\$103.9 million in the year ended December 31, 2021, from R\$31.2 million in the year ended December 31, 2020, primarily due to the increase in expenses with personnel, maintenance and outsourced services mainly arising from the integration of companies acquired throughout 2021.

Operating income before financial results

As a result of the foregoing, operating income before financial result increased by 154.6%, or R\$199.6 million, to a profit of R\$328.7 million in the year ended December 31, 2021, from a profit of R\$129.1 million in the year ended December 31, 2020.

Financial income

Financial income increased by 162.2%, or R\$23.7 million, to R\$38.3 million in the year ended December 31, 2021, from R\$14.6 million in the year ended December 31, 2020, primarily due to higher returns in our financial investments given the increase in interest rates during the period.

Financial expenses

Financial expenses increased by 108.5%, or R\$75.2 million, to R\$144.4 million in the year ended December 31, 2021, from R\$69.2 million in the year ended December 31, 2020, primarily due to (i) an increase in interest on loans and financing and debentures, mainly as a result of Ambipar's second issuance of debentures in July 2021 and Environmental ESG's first issuance of debentures in June 2021, and (ii) an increase in expenses to service our debt, as a result of the increase in the average CDI rate during the period.

Net income before income tax and social contribution

As a result of the foregoing, net income before income tax and social contribution increased by 198.9%, or R\$148.2 million, to R\$222.7 million in the year ended December 31, 2021, from R\$74.5 million in the year ended December 31, 2020.

Net income tax and social contribution (current and deferred)

Income tax and social contribution (current and deferred) increased by 115.3%, or R\$28.8 million, to R\$53.8 million in the year ended December 31, 2021, from R\$25.0 million in the year ended December 31, 2020, primarily due to the increase in our taxable income.

Net income for the year

As a result of the foregoing, net income for the year increased by 241.0%, or R\$119.3 million, to a profit of R\$168.9 million, representing a net margin of 8.8%, in the year ended December 31, 2021, from R\$49.5 million, representing a net margin of 7.1%, in the year ended December 31, 2020.

Liquidity and Capital Resources

The following discussion of our liquidity and capital resources is based on the financial information derived from our unaudited interim financial statements and audited consolidated financial statements, and the notes thereto, included elsewhere in this offering memorandum.

We regularly evaluate opportunities to enhance our financial flexibility through a variety of methods, including, without limitation, through third party financing. As a result of any of these actions, we may be subject to restrictions and covenants in the agreements governing these transactions that may place limitations on us, and we may be required to pledge collateral to secure such instruments. See “—*Material Loans and Financing Agreements*” for additional information.

Our principal sources of liquidity are cash and cash equivalents and cash flow from financing activities. Our cash and cash equivalents include cash on hand, immediate demand deposits with financial institutions and other short-term highly liquid investments, which have an immaterial risk of change in value. As of September 30, 2023 and December 31, 2022, our cash and cash equivalents and short-term investments amounted to R\$2,561.4 million and R\$2,910.3 million, respectively. Third party financing includes working capital loans, investment financing for the acquisition of heavy vehicles and machinery and fixed-rate financing agreements, as well as the issuance of debentures. As of September 30, 2023 and December 31, 2022, our current loans and financing and debentures amounted to R\$836.4 million and R\$928.6 million, respectively. During the nine months ended September 30, 2023 and the year ended December 31, 2022, net cash generated from financing activities were R\$201.9 million (compared to R\$2,345.6 million in the nine months ended September 30, 2022) and R\$3,722.7 million (compared to R\$1,891.9 million in the year ended December 31, 2021), respectively.

As of September 30, 2023 and December 31, 2022, our non-GAAP general liquidity ratio (calculated as total assets, *minus* property, plant and equipment and intangible assets, *divided* by current liabilities *plus* non-current liabilities) was 0.55x and 0.54x, respectively, and (ii) our current liquidity ratio (calculated as current assets *divided* by current liabilities) was 2.30x and 2.41x, respectively.

Our management believes that the proceeds from this offering, along with our current available cash and cash equivalents and financial investments, and the cash flows from our operating activities, will be sufficient to meet our working capital requirements and capital expenditures in the ordinary course of business and to meet our obligations for the next 12 months. This estimate is based on our current business plan and expectations and assumptions in light of current macroeconomic conditions. However, we cannot guarantee that our liquidity assumptions will prove to be correct, and we could exhaust our available financial resources sooner than we currently expect.

Our future capital requirements will depend on many factors, including our growth rate, the timing and extent of spending to support research and development efforts, the expansion of sales and marketing activities, and the cost of any future acquisitions of businesses or machinery, equipment and vehicles. In the event that additional financing is required from outside sources, we may be unable to raise the funds on acceptable terms, if at all. We may seek additional capital through equity and/or debt financings depending on market conditions, particularly if the cash generated from operating activities is not in accordance with our expectations. The terms of debt securities or borrowings could impose significant restrictions on how we handle our operations. The credit market and immediate demand deposits financial services industry have in the past, and may in the future, experience periods of uncertainty that could impact the availability and cost of equity and debt financing.

The following table sets forth information on our total debt and leverage as of September 30, 2023 and December 31, 2022, 2021 and 2020:

	As of September 30,	As of December 31,		
	2023	2022	2021	2020
	(unaudited)			
	(in millions of R\$, except percentages)			
Current loans and financing	351.7	489.1	267.9	44.9
Current debentures	484.8	439.5	74.2	—
Current lease liability	47.6	41.0	26.2	7.6
Non-current loans and financing	1,793.2	1,598.2	1,007.6	162.3
Non-current debentures	4,447.2	4,574.7	1,318.0	—
Non-current lease liability	64.5	66.7	50.0	20.7
Gross Debt	7,189.0	7,209.2	2,743.9	235.5
Total equity	1,722.0	1,299.6	1,304.7	1,225.8

Consolidated Statements of Cash Flows

	For the Nine Months Ended September 30,		For the Year ended December 31,		
	2023	2022	2022	2021	2020
	(unaudited)				
	(in millions of R\$)				
Net cash from (invested in) operating activities	6.2	94.9	380.5	164.6	9.5
Net cash from (used in) investing activities	(593.6)	(785.6)	(1,954.4)	(1,836.5)	(196.5)
Net cash from (used in) financing activities	201.9	2,345.6	3,722.7	1,891.9	697.9
Increase in cash and cash equivalents	(385.5)	1,654.9	2,148.9	220.0	510.9

Net cash from (invested in) operating activities

Net cash used in operating activities amounted to R\$6.2 million in the nine months ended September 30, 2023, compared to a net cash from operating activities of R\$94.2 million in the nine months ended September 30, 2022. This variation is primarily due to extraordinary IPO listing costs and expenses as well as interest expenses, which increased due to the increase in the base interest rates in every market in which we have debts outstanding.

Net cash from operating activities increased to R\$380.5 million in the year ended December 31, 2022, from R\$164.6 million in the year ended December 31, 2021, primarily due to an increase in the accrual of interests over loans and financing and debentures and depreciation in the period.

Net cash from operating activities increased to R\$164.6 million in the year ended December 31, 2021, from R\$9.5 million in the year ended December 31, 2020, primarily due to interest over loans and financing and debentures and depreciation in the period.

Net cash from (used in) investing activities

Net cash used in investing activities decreased to R\$593.6 million in the nine months ended September 30, 2023, from R\$785.6 million in the nine months ended September 30, 2022, primarily due to the reduction in cash used in acquisition of property, plant and equipment and intangible assets and the reduction in acquisitions during the first half of 2023 compared to the first half of 2022.

Net cash used in investing activities increased to R\$1,954.4 million in the year ended December 31, 2022, from R\$1,836.5 million in the year ended December 31, 2021, primarily due to an increase in investments in property, plant and equipment and to the mergers and acquisitions transactions we consummated in 2022, including the WOB Acquisition.

Net cash used in investing activities increased to R\$1,836.5 million in the year ended December 31, 2021, from R\$196.5 million in the year ended December 31, 2020, primarily due to the mergers and acquisitions we consummated in 2021.

Net cash from (used in) financing activities

Net cash from financing activities decreased to R\$201.9 million in the nine months ended September 30, 2023, from R\$2,345.6 million in the nine months ended September 30, 2022, primarily due to the increase in the payment of third party financing as part of our process of deleveraging, partially offset by the capital contribution of minority investors to Response in connection with the business combination of Emergencia and HPX Corp.

Net cash from financing activities increased to R\$3,722.7 million in the year ended December 31, 2022, from R\$1,891.9 million in the year ended December 31, 2021, primarily due to the net proceeds we received from the issuance of debentures in 2022 in the aggregate amount of R\$3,641.1 million (compared to R\$1,400.0 million in 2021).

Net cash from financing activities increased to R\$1,891.9 million in the year ended December 31, 2021, from R\$697.9 million in the year ended December 31, 2020, primarily due to the net proceeds we received from the issuance of debentures in 2021 in the aggregate amount of R\$1,400.0 million (compared to nil in 2020).

Capital Expenditures

Our capital expenditures are related primarily to (1) purchasing equipment and technology or (2) acquisition of companies according to our inorganic growth strategy. Our capital expenditures are financed with cash flows from our operating activities and third party financing.

For the nine months ended September 30, 2023 and 2022, our total capital expenditures amounted to R\$534.9 million and R\$461.8 million, respectively, representing 15.2% and 17.8% of our net operating revenue, respectively. For the years ended December 31, 2022, 2021 and 2020, our total capital expenditures amounted to R\$714.6 million, R\$400.9 million and R\$89.4 million, respectively, representing 12.7%, 20.9% and 18.9% of our net operating revenue respectively.

We expect to maintain our capital expenditures for 2024 at the same level of the first half of 2023 to support the organic and inorganic growth in our business and operations. Our management believes that our current available cash and cash equivalents and financial investments, and the cash flows from our operating activities, will be sufficient to meet our capital expenditures in the ordinary course of business for the next 12 months. This estimate is based on our current business plan and expectations and assumptions in light of current macroeconomic conditions. However, we cannot guarantee that our liquidity assumptions will prove to be correct, and we could exhaust our available financial resources sooner than we currently expect. Our future capital requirements will depend on several factors, including those described above in “— *Liquidity and Capital Resources*” as well as in “*Risk Factors*” in this offering memorandum.

Indebtedness

As of September 30, 2023, we had R\$2,144.9 million in outstanding loans and financing (compared to R\$2,087.3 million as of December 31, 2022) and R\$4,932.0 million in outstanding debentures (compared to R\$5,014.2 million as of December 31, 2022). We believe that our indebtedness profile is appropriate given our commitments and cash generation, and we believe we are prepared and have the ability to obtain new funding in the market if and as needed.

We are currently evaluating incurring indebtedness under a potential syndicated loan facility in an aggregate principal amount of up to U.S.\$300.0 million. As of the date of this offering memorandum, no definitive determination has been made with respect to any such syndicated loan. A determination regarding any such syndicated loan will be based on the proposed terms of such loan, market conditions and the interest of select financial institutions, among other considerations. We currently anticipate that we will use the proceeds of any such syndicated loan to repay outstanding indebtedness.

The table below shows the main characteristics of our loans and financing agreements and debentures as of September 30, 2023.

			As September 30, 2023 (in millions of R\$)	
	Charges	Maturity	Current	Non-current
Working capital	4.39% p.a. + CDI	May 2029	94.3	925.5
Working capital foreign currency	2.37% p.a. + CDI	March 2028	67.9	393.6
Investment financing	13.97% p.a.	June 2033	153.5	392.8
Finance lease	14.36% p.a.	November 2027	35.9	81.2
Debentures	CDI + 2.75% to 3.1%	July 2027	484.8	4,447.2
Total			836.4	6,240.3

Payment schedule of installments of loans and financing and debentures

The table below summarizes the payment schedule of installments of our loans and financing and debentures:

	As of September 30, 2023 (in R\$ millions)
Year of maturity⁽¹⁾:	
2023	220.8
2024	755.0
2025	1,021.6
2026	1,807.8
2027	1,853.1
2028	1,168.5
2029	250.0
Total loans and financing and debentures	7,076.9

(1) 2024 comprises short-term maturity dates between July 2023 and June 2024, with the same successive periods applicable for the long-term maturity dates from 2025 to 2029.

Material Loans and Financing Agreements

Working Capital Loans

We and our subsidiaries enter into *real*-denominated working capital loans in the ordinary course of business, which are guaranteed by us or certain of our subsidiaries. As of September 30, 2023, our working capital loans had fixed interests with a weighted average interest rate of the CDI plus 4.39% per year and maturity dates from October 2023 to May 2029. As of September 30, 2023, the outstanding balance of these loan agreements was R\$1,019.8 million.

In March 2023, Environmental ESG entered into a US\$111.9 million loan agreement with Banco Santander (Brasil) S.A., Luxembourg Branch. Interest under this loan agreement accrues at an annual rate of 8.09%. Principal will be repaid in three installments due March 23, 2026, March 22, 2027 and March 21, 2028, with interest paid in five consecutive annual installments, commencing in March 2024. As of September 30, 2023, the outstanding balance of this loan agreement was R\$384.8 million. Environmental ESG entered into a swap agreement with Banco Santander (Brasil) S.A. for the same amount and with the same maturity date as the loan agreement, to hedge against the US\$-R\$ exchange rate fluctuation and granting the credit rights under the swap transaction as security for the obligations under the loan agreement.

In August 2022, Ambipar Holding USA, a subsidiary of our Response segment, as borrower, and Emergencia, as guarantor, entered into a US\$90.0 million loan agreement with Itau BBA International PLC. Interest under this loan agreement accrues at an annual rate of 6.36% per year. Principal is due September 13, 2027 with

interest paid in 9 consecutive monthly installments, having commenced in March 2023. As of September 30, 2023, the outstanding balance of this loan agreement was R\$423.4 million.

In May 2022, we entered into a US\$6.2 million loan agreement with Banco ABC Brasil S.A., guaranteed by us and our controlling shareholder. Interest under this loan agreement accrues at an annual rate of 2.75% plus the currency fluctuation. Principal was paid on May 26, 2023 with interests to be paid in two installments, the first one having been paid on November 28, 2022 and the second due May 26, 2024. We entered into a swap agreement with Banco ABC Brasil S.A. for the same amount and with the same maturity date as the loan agreement, to hedge against the US\$-R\$ exchange rate fluctuation and granting the credit rights under the swap transaction as security for the obligations under the loan agreement. As of September 30, 2023, the outstanding balance of this loan agreement was R\$31.3 million.

In June 2021, our subsidiary Environmental ESG entered into a US\$9.9 million loan agreement with Banco Bocom BBM S.A. Nassau Branch, guaranteed by us and our controlling shareholder. Interest under this loan agreement accrues at an annual rate of 2.13% plus the currency fluctuation. Principal and interest are due in 12 consecutive monthly installments, having commenced in May 2022. Environmental ESG entered into a swap agreement with Banco BBM S.A. for the same amount and with the same maturity date as the loan agreement, to hedge against the US\$-R\$ exchange rate fluctuation and granting the credit rights under the swap transaction as security for the obligations under the loan agreement. As of September 30, 2023, the outstanding balance of this loan agreement was R\$35.9 million.

Investment financing through FINAME (Fundo de Financiamento para Aquisição de Máquinas e Equipamentos Industriais)

We and our subsidiaries entered into investment financing agreements with various banks enrolled with the Brazilian development bank (*Banco Nacional de Desenvolvimento - BNDES*) under the FINAME (*Fundo de Financiamento para Aquisição de Máquinas e Equipamentos Industriais*) program, for the acquisition of Brazilian-made heavy vehicles and machinery used for our operations. Financing with FINAME funds is secured by the financed assets. Interest under the FINAME agreements accrue at an average annual fixed rate of 14.36%. Principal is amortized monthly, with the last installment due June 2033. As of September 30, 2023, the outstanding balance of the FINAME agreements was R\$546.3 million.

Financial lease

We entered into certain financial lease agreements with weighted average interest rate of 10.15% per year. Principal under these agreements is amortized monthly, with the last installment due November 2027. As of September 30, 2023, the outstanding balance of these financial lease agreements was R\$117.2 million.

Ambipar's second issuance of debentures

On July 15, 2021, we issued R\$500.0 million in aggregate principal amount of a single series of 500,000 unsecured, non-convertible debentures due July 15, 2027, guaranteed by our subsidiaries Environmental ESG and Emergencia. The debentures bear interests corresponding to 100% of the CDI plus 2.75% per year, which are paid semiannually on each January 15 and July 15, having commenced on January 15, 2022. Principal will be amortized in four consecutive annual installments on each July 15, commencing on July 15, 2024. As of September 30, 2023, the outstanding balance of these debentures was R\$497.3 million.

Ambipar's third issuance of debentures

On January 10, 2022, we issued R\$750.0 million in aggregate principal amount of a single series of 750,000 unsecured, non-convertible debentures, due January 10, 2028, guaranteed by Environmental ESG and Emergencia. The debentures bear interests corresponding to 100% of the CDI plus 2.75% per year, which are paid semiannually on each January 10 and July 10, having commenced on July 10, 2022. Principal will be amortized in four consecutive annual installments on each January 10, commencing on January 10, 2025. As of September 30, 2023, the outstanding balance of these debentures was R\$724.1 million.

Ambipar's fourth issuance of debentures

On August 25, 2022, we issued R\$1,000 million in aggregate principal amount of a single series of 1,000,000 unsecured, non-convertible sustainable debentures due August 15, 2028, guaranteed by our subsidiary Environmental ESG. The debentures bear interests corresponding to 100% of the CDI plus 2.85% per year, which are paid semiannually on each February 25 and August 25, having commenced on February 25, 2023. Principal will be amortized in three consecutive annual installments on each August 25, commencing on August 25, 2026. As of September 30, 2023, the outstanding balance of these debentures was R\$972.9 million.

Ambipar's fifth issuance of debentures

On April 17, 2023, we issued R\$300.0 million in aggregate principal amount of a single series of 300,000 unsecured, non-convertible sustainable debentures due April 17, 2026, guaranteed by our subsidiary Environmental ESG. The debentures bear interests corresponding to 100% of the CDI plus 2.85% per year, which are paid semiannually on each April 17 and October 17, having commenced on October 17, 2023. As of September 30, 2023, the outstanding balance of these debentures was R\$301.5 million.

Commercial Notes

On December 20, 2022, we issued R\$300.0 million in aggregate principal amount of a single series of first issuance structural commercial notes due December 20, 2028. The commercial notes bear interests corresponding to CSI plus 3.05% per year, which are paid semiannually on each June 20 and December 20, having commenced on June 20, 2023. As of September 30, 2023, the outstanding balance of these commercial notes was R\$303.9 million.

Emergencia's first issuance of debentures

On February 15, 2022, our subsidiary Emergencia issued an aggregate principal amount of R\$335.5 million in a single series of 335,500 unsecured, non-convertible debentures due February 15, 2028, guaranteed by us and Environmental ESG. The debentures bear interests corresponding to 100% of the CDI plus 3.5% per year, which are paid semiannually on each February 15 and August 15, having commenced on August 15, 2022. Principal will be amortized in six installments, with the first installment having been paid on August 15, 2023, the second due on February 15, 2024 and the remaining installments due on each February 15 of the next consecutive four years. As of September 30, 2023, the outstanding balance of these debentures was R\$279.3 million.

Emergencia's second issuance of debentures

On September 20, 2022, our subsidiary Emergencia issued an aggregate principal amount of R\$250.0 million in a single series of 250,000 unsecured, non-convertible debentures due September 20, 2028, guaranteed by us. The debentures bear interests corresponding to 100% of the CDI plus 2.65% per year, which are paid semiannually on each March 20 and September 20, having commenced on March 20, 2023. Principal will be amortized in four consecutive annual installments on each September 20, commencing on September 20, 2025. As of September 30, 2023, the outstanding balance of these debentures was R\$243.8 million.

Environmental ESG's first issuance of debentures

On June 25, 2021, our subsidiary Environmental ESG issued R\$900.0 million in aggregate principal amount of 900,000 secured, non-convertible debentures, due June 2026, guaranteed by us, Ambipar Environmental Solutions – Soluções Ambientais Ltda. and Ambipar Response S.A. The debentures bear interests corresponding to 100% of the CDI plus 2.85% per year, which are paid quarterly on each March 25, June 25, September 25 and December 25, having commenced on September 25, 2021. Principal is amortized in 15 consecutive quarterly installments on each March 25, June 25, September 25 and December 25, having commenced on December 25, 2022. The debentures are secured by (i) a pledge (*alienação fiduciária*) of shares of Ambipar held by Mr. Tercio Borlenghi and of shares of Suatrans Chile and Disal Ambiental held by Environmental ESG, and (ii) a pledge of receivables under certain current and investment accounts of Environmental ESG. As of September 30, 2023, the outstanding balance of these debentures was R\$619.5 million.

Environmental ESG's second issuance of debentures

On December 10, 2022, our subsidiary Environmental ESG issued an aggregate principal amount of R\$1,000 million in a single series of 1,000,000 unsecured, non-convertible sustainable debentures due December 10, 2029, guaranteed by us. The debentures bear interests corresponding to 100% of the CDI plus 3.10% per year, which are paid semiannually on each June 10 and December 10, having commenced on June 10, 2023. Principal will be amortized in four consecutive annual installments on each December 10, commencing on December 10, 2026. As of December 30, 2023, the outstanding balance of these debentures was R\$989.7 million.

Restrictive Covenants

We are subject to certain restrictive covenants present in the deeds governing our debentures and the loan agreement entered into with Itau BBA International PLC.

The deeds governing our debentures contain certain termination provisions, triggered by events such as, among others, the following:

- default by the issuer or any guarantors of any non-pecuniary obligation set forth in the deed;
- default in the payment of any pecuniary obligations deriving from any loans, anticipations, derivatives, issuance of securities or similar transactions, including the non-payment of any obligation that has become due or any obligation to pay, in any capacity, either as a main obligor or guarantor, by the issuer or any of the guarantors and/or any company directly or indirectly controlled by it, either separately, individually, in either the national or international markets;
- sale or transfer at any title of relevant assets of the issuer or the guarantors that may result in a decrease in revenues of 15% of Ambipar's revenues; and
- failure by the issuer to maintain for two consecutive verification periods or any three verification periods certain net debt to EBITDA ratios ranging from 2.5 to 4.0.

Early termination upon the occurrence of the events described above is subject to the applicable grace periods set forth in the deeds governing the debentures, and further requires the calling of a general meeting of the debenture holders to resolve on the acceleration of the debt.

The loan agreement entered into with Itau BBA International PLC also contains certain restrictive covenants, as follows:

- restrictions on corporate reorganizations, except to the extent approved by the lender or that do not result in a direct or indirect change of control;
- prohibition on the creation, incurrence or assumption of liens upon the whole or any part of the borrower and guarantor(s) respective undertaking, property, assets or revenues whether owned or acquired, except for: (i) any lien created or arising over any real or personal property which is acquired, constructed or created by the borrower, or by the guarantor(s), on or after the date of the agreement; or (ii) any lien arising solely by operation of law;
- not to sell, transfer or otherwise dispose of any substantial part of their assets including (without limitation) substantially all assets constituting the business of a division, branch or other unit of operation which has a market value equal to or higher than 15% of the guarantor's gross operational income; and
- compliance with certain financial ratios.

As of September 30, 2023, we were in compliance with all of our restrictive covenants.

Quantitative and Qualitative Disclosures about Market Risks

We are exposed to market risks in the ordinary course of our business, including the effects of interest rate risk, credit risk and liquidity risk. Information relating to quantitative and qualitative disclosures about these market risks is described below:

Interest rate risk

Interest rate risk arises from the portion of our debt pegged to the long-term interest rate — TJLP and CDI and interest earning bank deposits at the CDI rate, which may affect our financial revenues or expenses in the event an unfavorable change in interest or inflation rates takes place. Loans issued at variable rates expose us to cash flow interest rate risk.

Loans issued at fixed rates expose us to fair value risk associated with interest rates. Considering that a substantial part of our loans is linked to fixed rates, our management believes that the risk of material changes in income and cash flows is low.

Sensitivity Analysis

We set forth below three scenarios (probable, possible and remote) for simulation. In the probable scenario, the rates disclosed by the BM&F (*Bolsa de Mercadorias e Futuros*) were set forth by our management and the possible and remote scenario, a 25% and 50% deterioration on interest rates, respectively, in the variables to estimate an impact of the interest rate on our net exposure. Our net exposure has been calculated using the amounts presented in the notes to the audited consolidated financial statements for cash and cash equivalents and loans and financing:

	As of September 30, 2023 (in R\$ millions)	Scenario I – Probable	Scenario II – Possible (25%) (in R\$ millions)	Scenario III – Remote (50%)
Index risk				
CDI – Financial investments - immediate liquidity	1,364.9	172.7	215.8	259.0
CDI – Financial investments	895.9	113.3	141.7	170.0
CDI – Loans and Financing	(2,144.8)	(271.3)	(339.1)	(407.0)
CDI – Debentures	(4,932.0)	(623.9)	(779.9)	(935.8)
Net exposure.....	(4,816.1)	(609.2)	(761.5)	(913.8)

Due to the nature, complexity, and isolation of a single variable, the estimates presented above may not faithfully represent the value of the loss, if the variable in question has the deterioration shown.

Foreign currency fluctuation risk

Foreign currency fluctuation risk is the risk that we incur losses due to exchange rate fluctuations that reduce the nominal amounts of our net operating revenue or increase the amount of third party financing.

Our subsidiary Environmental ESG hedges its obligations under the loan agreements with Banco Bocom BBM S.A. Nassau Branch and Banco Santander (Brasil) S.A., Luxembourg Branch under respective swap agreements, taking into consideration the amount, interest rate and term of each such agreements, and replacing the exchange rate risk with a fixed rate equal to 100% of the CDI.

We also hedge our obligation under our loan agreement with Banco ABC S.A. – Cayman Islands Branch under a swap agreement, taking into consideration the amount, interest rate and term of such agreement, and replacing the exchange rate risk with a fixed rate equal to 100% of the CDI.

For additional information about our exposure to foreign currency fluctuation risk, see note 3.1 of our unaudited interim financial statements.

Hedging Transactions and Exposures

In an attempt to minimize the effects of the volatility of exchange rates on our cash flows and results of operations, we may engage in hedging transactions involving exchange rate futures. We intend to hedge up to the full amount of the principal and the interest of the Notes against foreign exchange rate fluctuations.

We also may engage in interest rate-related hedging transactions from time to time. Hedging transactions expose us to the risk of financial loss in situations where the counterparty to the hedging contract defaults on its contract or there is a change in the expected differential between the underlying price in the hedging agreement and the actual price of commodities or exchange rate.

We may incur significant hedging-related losses in the future. Alternatively, we may choose not to engage in hedging transactions in the future, which could materially adversely affect our financial performance during periods in which foreign exchange rates fluctuate.

Credit risk

Credit risk is the risk that we incur a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises mainly from our receivables from customers and investments in debt securities. Credit risk also arises from cash and cash equivalents, deposits in banks and other financial institutions, and exposure to client credit. For banks and financial institutions, we only purchase securities of issuers with a prime rating.

When analyzing credit risk, our management evaluates the client's creditworthiness by taking into account their financial position, past experience and other factors. Individual risk limits are determined based on internal or external classifications in accordance with limits determined by our management. The use of credit limits is regularly monitored. See note 5 to our audited consolidated financial statements for additional information.

Liquidity risk

Liquidity risk is the risk associated with the difficulty in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial assets. Our objective when managing liquidity is to ensure, to the extent possible, that we will have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation and our business.

The cash flow forecast is carried out by our management. Our management monitors the continuous forecasts of our liquidity requirements to ensure we have enough cash to satisfy operating needs. This forecast takes into consideration our debt financing plans, compliance with financial covenants, expected earnings and cash flows and, if applicable, external or legal regulatory requirements — for example, currency restrictions.

We hold surplus cash in excess of amounts we need for working capital, in checking accounts that accrue interest, as well as in term deposits and short-term deposits, choosing instruments with appropriate maturities and sufficient liquidity to provide sufficient margin as determined by the aforementioned forecasts. As of September 30, 2023, our cash and cash equivalents amounted to R\$1,686.8 million, compared to R\$2,853.1 million as of December 31, 2022.

For additional information about our exposure to liquidity risk, see note 3.1 of our unaudited interim financial statements.

Dividend Policy

We distribute our net income in accordance with Law No. 6,404, of December 15, 1976, as amended (the “Brazilian Corporations Law”) and our bylaws.

Accordingly, our net income is allocated as follows: (i) 5% of the net profits is applied to the constitution of the legal reserve, which shall not exceed 20% of the share capital; and (ii) the portion corresponding to 25% of the net income, (a) as reduced by the amount allocated for the constitution of the legal reserve and (b) as reduced or increased from the values allocated to the creation or reversal of any contingency reserves, will be distributed to shareholders as mandatory minimum dividend.

Our dividend policy is also in accordance with the provisions of the Brazilian Corporations Law. We may, upon resolution of the Board of Directors, declare intermediary dividends, on account of accumulated profits or cash reserves recorded in the prior annual or semi-annual balance sheet.

At the Company’s general shareholders’ meeting held on May 4, 2022, management approved, after the constitution of the legal reserve and mandatory minimum dividends, the retention of the net income, as “Reserve for unrealized profits” in the amount of R\$102.7 million, which may be realized when the profits attributed to the result of equity investments are realized, for example, with the receipt of dividend from subsidiaries.

On July 5, 2022, the Company distributed dividends in the amount of R\$34.2 million, as mandatory minimum dividends for the year of 2021.

At the Company’s general shareholders’ meeting held on April 28, 2023, management approved, after the constitution of the legal reserve and mandatory minimum dividends in the amount of R\$15.1 million, the retention of the net income for the year of 2022 as “Reserve for unrealized profits” in the amount of R\$45.5 million, which may be realized when the profits attributed to the result of equity investments are realized, for example, with the receipt of dividend from subsidiaries.

For more information regarding our history of payments of dividends, see note 16 to our unaudited interim financial statements.

INDUSTRY

Overview

We operate mainly through two segments which encompass a significant array of products for our clients across various segments.

Through our Environment segment, we act in the management and total recovery of waste in the plants of our clients, focusing on the valorization and RD&I (Research, Development and Innovation). We develop specific projects that meet the needs of our customers, helping them to stay focused on their core activities, based on safety, quality and efficiency, through Circular Economy, Consultancy and ESG Compliance, Decarbonization, and Hazmat Logistics solutions.

Our Circular Economy business unit provides reprocess, recycling and reutilization solutions for post-consumer and post-industrial waste. We capture and transform waste consumed and discarded into raw material and inputs for industries of various sectors or new recycled products (e.g., tarpaulins, benches, utensils). The capture of these materials is carried out through partnerships with waste pickers' cooperatives and agreements for collection of recyclables.

Our ESG Consulting and Compliance business unit provides consulting, auditing and ESG compliance services. Our services ensure that our clients' operations are in regulatory compliance, preventing them from suffering penalties or fines as a result of non-compliance with extensive socio-environmental legislation. We also offer software for compliance management and ESG indicators. We also offer training aimed at employees that help our clients implement a sustainability agenda through the measurement, management and improvement of ESG indicators.

Our Decarbonization business unit provides solutions for management, reduction, and compensation of greenhouse gas emissions, as well as originating and brokering the negotiation of carbon credits. By the nature of our activities, we are carbon credit generators through: (a) recovery processes, with the creation of products from waste with carbon capture and emission reduction; (b) recycling or reuse of waste as raw material to the production chain (Circular Economy/Logistics and reverse manufacturing); (c) replacement of energy matrix in co-processing plants; and (d) Nature-Based Solutions, a concept that includes: (i) Reduction of Emissions from Deforestation and Forest Degradation (REDD+), (ii) agricultural management (ALM); (iii) reforestation (ARR); and (iv) legal reserve compensation (CRL) for rural properties that have a Legal Reserve deficit.

Finally, Environment's Hazmat Logistics business unit acts in the transportation, storage, handling and disposal of hazardous materials ("Hazmat") in a safe manner and in compliance with environmental legislation.

Our Response segment operates primarily in emergency cases involving accidents with chemicals and other pollutant materials in highways, railroads, airports, ports, mines, pipelines, natural disasters, among others. Response's services are mainly divided into: (i) Accident Prevention and Trainings; (ii) Response to Emergencies; and (iii) Disinfection of Environments.

Our emergency response and industrial field services comprise the response to accidents involving hazardous and non-hazardous chemical and non-chemical products and waste and natural disasters (fire, flood, and hurricanes), as well as tank cleaning, silo cleaning, asbestos removal, vessel and container cleaning, waste transportation and disposal, soil remediation, turnaround, and decommissioning. We also provide biological emergency management and response services, including in relation to epidemics and pandemics such as the COVID-19 pandemic. Over the years, we have been called to remediate significant environmental accidents, such as the 2019 Brumadinho mining dam collapse in Brazil, and the 2015 fire in Port of Santos in Brazil, which lasted 10 days, as well as the Callao oil spill at the Peruvian shoreline, characterized by the Peruvian Ministry of Foreign Affairs as one of the worst climate disasters in recent times. In addition, we supported containment efforts relating to the COVID-19 pandemic in the United Kingdom, in conjunction with the British army, and in Brazil at office buildings, schools, and in aircraft, buses, and other locations. Considering our prominent role in emergency

situations, we have been recognized as a point of reference by public authorities in Brazil, such as the Brazilian Marines, which sent a number of its Marines to train at our training grounds in Nova Odessa, Brazil.

Our consulting services include highly complex accident prevention and environmental impact studies for various industries to mitigate accident risks and ensure client compliance with the requirements under the applicable environmental licensing processes. Over the past 16 years, we have performed several consulting projects to clients in sectors such as oil and gas, mining, energy, infrastructure and logistics, ports and terminals, sanitation, steel, petrochemicals, beverages and pulp and paper. Our consulting business operates via a Global Environmental Solutions (GES) platform, offering complete and innovative environmental products and services to our customers, with a portfolio including studies of locational alternatives for projects, environmental licensing, construction management and HSE (Health, Safety and Environment) as well as the execution of environmental programs, management of contaminated areas, effluents and contaminant waste.

In addition, we offer more than 40 professional training programs related to preventing, fighting and remediating emergencies. These services are supported by our proprietary multimodal training centers, in which we perform real-world simulations and provide periodic training to customers, as well as our employees and government agents that cooperate with us in the field, such as environmental agencies, firefighters, policemen, the army and the navy, in each case from countries such as the United Kingdom, Portugal, Brazil, Chile and Argentina, among others. As of September 30, 2022, we had four training centers in North and South America. We seek to innovate the technical delivery of our products and services, through the development of technological solutions that optimize results using digital tools and geotechnologies. These initiatives culminated in the formation of a partnership with the Environmental Systems Research Institute – ESRI.®

Moreover, we participate in technical cooperation programs with several high-profile environmental agencies, which include the publishing of technical articles on emergency protocols to governmental authorities as well as the attendance of meetings and audiences with various governmental authorities and non-governmental associations, including the Brazilian Association of Technical Standards (*Associação Brasileira de Normas Técnicas* — ABNT) in Brazil and the National Fire Protection Association — NFPA in the United States, to contribute our expertise to the development of supporting materials and of technical standards. For example, in line with changes in the legislation regulating the storage and transportation of dangerous products, we have published a Guide on Self-Protection of Dangerous Products, which is currently in its 16th edition. In 2019, we launched the first edition of the Environmental Emergency Prevention and Readiness Guide in Ports, Marinas and Terminals.

Environment Segment

Circular Economy

Circular Economy is a concept that associates economic development with better use of natural resources, through new business models and optimization of manufacturing processes with less dependence on raw materials, prioritizing more durable, recyclable, and renewable inputs.

It is a proposal for adding and retaining the value of resources, and regeneration of the environment, which seeks to produce without depleting natural resources, and without polluting the environment, consequently preserving our planet.

The Circular Economy goes beyond the scope and focus of waste management and recycling actions, aiming at a broader scope that encompasses the redesign of processes, products and business models, to the optimization of the use of resources. Within the Circular Economy environment, we are one of the few to provide a wider range of services, with activities ranging from the recycling market to the sale of carbon credits.

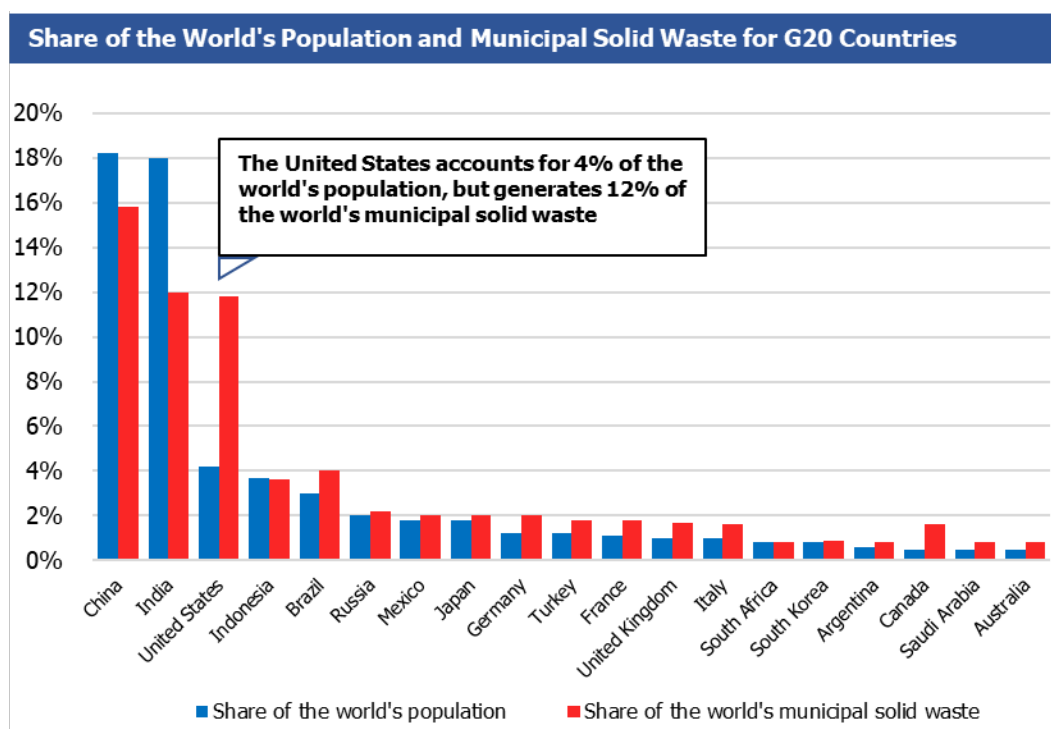
Brazil plays a crucial role in the global Circular Economy segment, being the 4th largest waste generator globally. Coupled with its high fragmentation profile, the Brazilian Circular Economy market provides clear growth and consolidation opportunities for players, which is further fueled by clients' increasing needs for environmental services.

Global Waste Generation and Recycling

The rate at which the global population extracts raw materials from finite resources to produce goods has increased exponentially to satisfy growing demands. In addition, the rate of extraction of raw materials *per capita* has also increased, as consumers have increasingly demanded greater quantities of products. Waste streams also diversified during this period, introducing previously unknown categories such as plastics and electronic waste. The result is a society that produces more waste in absolute terms, more waste *per capita*, and a greater variety of waste types.

For the U.S. market, which was responsible for a significant portion of our revenue in 2021, the Environmental Business Journal estimated in 2019 that, for 2020, the total revenue of the remediation and industrial field services market would be \$14.6 billion, with the two leading players having less than 5% of the total market share in terms of revenue, calculated as the sum of such leading companies' revenue for the field and emergency response services segment for the year ended December 31, 2020 *divided by* the total revenue for 2020 of the estimated U.S. remediation and industrial services market, according to publicly available information of such players.

In the chart below, the G20 countries are ranked by their share of the global population. The respective share of global municipal solid waste in each country is also shown. While China and India together represent more than 36% of the global population, they generate approximately 27% of global municipal solid waste. On the other hand, the United States represents only 4% of the global population but generates 12% of global solid waste.



Source: Verisk Maplecroft, 2019.

In a survey conducted by Verisk Maplecroft in 2019 it was estimated that more than 2.1 billion tons of solid waste are generated globally every year, enough to fill 822,000 Olympic-sized swimming pools. However, only 16%, or 323 million tons, is recycled annually, while 46%, or 950 million tons is discarded unsustainably.

The difference between what is produced and what is recycled is creating a major challenge for governments and populations alike. Companies are increasingly required to take responsibility for the treatment and correct disposal of waste generated by them, seeking more sustainable solutions.

Considering the generation of 2.1 billion tons of solid urban waste annually in the world and that according to the same survey only 16% of this waste is recycled, there is a considerable market to be explored for proper waste treatment. Even considering the still low percentage of treated waste, the size of the US market for environmental services of US\$25 billion reflects the significant potential of the sector.

The addressable waste management market is expected to grow to US\$375.5 billion in 2025, and growth is particularly expected in developing countries, such as Brazil, as highlighted in the table below.

Solid Waste Generation by Country – Current Data and Projection for 2025								
Country	Income Level	Current Data			Projection for 2025			
		Total Urban Population	Solid Waste Generated ⁽¹⁾	Total Solid Waste Generated ⁽²⁾	Total Population	Urban Population	Solid Waste Generated ⁽¹⁾	Total Solid Waste Generated ⁽²⁾
Uganda	Low	3,450,140	0.34	1,179	54,011,000	9,713,000	0.65	6,313
United Arab Emirates	High	2,526,336	1.66	4,192	6,268,000	5,092,000	2.00	10,184
United Kingdom	High	54,411,080	1.79	97,342	65,190,000	59,738,000	1.85	110,515
United States	High	241,972,393	2.58	624,700	354,930,000	305,091,000	2.30	701,709
Uruguay	Medium-high	3,025,161	0.11	329	3,548,000	3,333,000	0.60	2,000
Vanuatu	Medium-high	33,430	3.28	110	328,000	113,000	3.00	339
Venezuela	Medium-high	22,342,983	1.14	25,507	35,373,000	34,059,000	1.50	51,089
Vietnam	Low	24,001,081	1.46	35,068	106,357,000	40,505,000	1.80	72,909
Zambia	Low	4,010,708	0.21	842	16,539,000	6,862,000	0.55	3,774
Zimbabwe	Low	4,478,555	0.53	2,356	15,969,000	7,539,000	0.70	5,277

Source: World Bank.

(1) In kg/inhabitant/day.

(2) In tons/day.

Within the sectors that comprise the addressable waste management market, the chemical industry, aluminum industry, cement industry, electronics industry, automotive industry, and food industry are of particular importance. In 2018, the chemical industry alone had estimated net sales of US\$127.9 billion, according to ABIQUIM data, and was the most significant market for waste treatment.

The aluminum industry generates a variety of waste that must be treated and transported at different stages of processing, from extraction to completion of the metal manufacturing process.

Solid Waste Generated in the Aluminum Industry	
Bauxite mining and residues	7 kinds of residue: oil, mud, crust, whitewash, alumina residues, ceramic fibers
Primary aluminum production	12 kinds of residue: refractive materials, anodine paste, dross, sludge, scrap, coal, oils, etc.
Secondary alloy production	5 kinds of residue: sludge, exhaustion residues, refractive melting pot residues, oils, draws

Solid Waste Generated in the Aluminum Industry	
Lamination	8 kinds of residue: sludge, refiles, refractive materials, solvents, oils, diatomaceous earth
Extrusion	11 kinds of residue: sludge, soda, refractive materials, graphite oils, scrap, effluents
Wire drawing	4 kinds of residue: rubber scrap, oil sludge, lubricating oil, polychlorinated biphenyl (PCB)
Casting	4 kinds of residue: sludge, refractive melting pot residues, foundry sand, lubricating oils

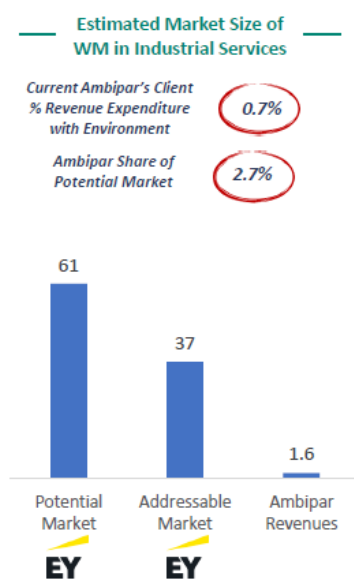
Source: ABAL (Brazilian Association of Aluminum).

Industrial waste management processes, according to ABAL sources, have brought significant benefits to companies and the environment, according to a published summary.

Aluminum Industry and Good Solid Waste Management Practices	
Alcoa	86% of residues previously sent to landfill are now sustainably disposed of (2013)
Alumar	Production of 120 thousand tons of ashes now used for cement production (2009)
Alumar (MA)	Refractive bricks replaced by pavement bricks now used in internal pavement (2013)
Novelis	124 tons of aluminum residues from wells used as inputs for foundries (2014)
Novelis	1,550 tons of paper, cardboard, plastic, wood, packaging residues and treated wires yielded R\$73 thousand (2013)
Votorantim Metals	1.5 thousand tons of residues previously sent to landfill are now transformed into aluminum coke and used as an alternative energy source for electrolytic tanks
Votorantim Metals	Trim liquor, extracted from bauxite, is treated and reused for aluminum production
General Bable	Improved waste management processes reduced solid waste sent to landfill by 30%
Prolind	Improved waste management processes reduced caustic soda used in extrusion tools cleaning by 60%

Source: ABAL (Brazilian Association of Aluminum).

The industrial waste management segment also poses massive growth potential, mainly through complementary solutions and products offered to customers. According to an EY study dated as of March 31, 2023, the estimated size for waste management in industrial services has the potential to reach R\$61 billion in the coming years, on top of the current R\$37 billion market. Segment's notorious fragmentation, further boosts Ambipar's ability to grow and consolidate the segment in the future.



Source: EY study dated as of March 31, 2023.

Another segment that has showed significant potential is the cement industry, as evidenced by Brazil's standing as the fourth largest consumer cement market, according to data released by Brazilian Association of Portland Cement, or ABCP.

Currently, 17 industrial groups operate in Brazil with 87 production units, 51 of which are integrated (oven and mill) and 36 grinding units throughout Brazil, predominantly in Southern and Southeastern Brazil. Brazil's nominal production capacity is 86 thousand of cement tons per year, according to data from the same source.

The production process involves the calcination of raw materials (limestone and clay) in rotary kilns at high temperature, generating clinker as a product, which, when combined with plaster and other additions, will result in cement. The manufacturing of cement makes intensive use of energy and non-renewable natural resources. According to Cembureau, the sector's representative organization in Europe, for each ton of clinker produced, 1.5 to 1.7 tons of raw material are needed, and for each ton of cement, 60 to 130 kg of fuel oil or its equivalent are needed.

Waste management is of strategic importance in this process to optimize expended resources and avoid disposal in landfills, or in nature, when co-processing is necessary.

The Brazilian Association of the Electro-Electronics Industry, or ABINEE, an entity with a significant presence in the electronics industry, has made available materials showing that its role in implementing reverse logistics policies in certain industries (batteries, household batteries and electronics, as well as their components) is strong. In 2016, the disposal of consumer electronics in Brazil was 7.2 kg per inhabitant. This is the result of the high speed of adoption of new products and new technologies in the market, which greatly shortened the useful life of electronics, and consequently the need to adopt solid waste management policies that are increasingly efficient and organized.

Each year, 1.2 billion industrial and household batteries are sold in Brazil, based on data from 2016. About 15% of the material collected corresponds to industrial batteries and household batteries from more than 200 brands sold. Consumers and industries are aware of the importance of reverse logistics and increasingly implement management systems to correctly dispose of solid waste, including electronics.

In 2018, 2,880,724 new vehicles were manufactured in Brazil, a 6.7% increase over the previous year. Currently, 26 vehicle manufacturers operate in Brazil, located in 10 different states, alongside 624 auto parts factories, of which 419 are located in the State of São Paulo, representing 67% of all auto parts factories in Brazil, with auto parts factories in Southeastern Brazil representing 81% of all auto parts factories in Brazil.

According to a study on vehicle manufacturers in the city of Curitiba, in the State of Paraná, an average of 56,052 kg of solid waste output and 105.01 kg of scrap metal waste per vehicle was produced in 2009, resulting in a total of 161.06 kg of solid waste per vehicle produced. If this average is applied to all units produced in Brazil in 2018, the automotive industry would have produced 463 million tons per year of solid industrial waste in that year.

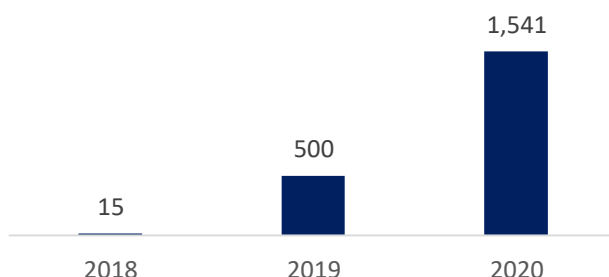
Carbon Credit Market

Although recent, the carbon credit market has become increasingly relevant and, as a result, has shown consistently high growth rates. In 2015, the Paris Agreement was signed under the United Nations Framework Convention on Climate Change, governing measures to reduce greenhouse gas emissions from 2020, in order to contain global warming below 2°C, preferably at 1.5°C, and strengthen the country's capacity to respond to the challenge, in a context of sustainable development.

One of the ideas established to encourage low-carbon projects and help neutralize greenhouse gases is the carbon credit market, which has been progressively modernizing. As many industries are not able to adapt in an agile way, one of the most suitable solutions in the short term is neutralization: companies that are unable to reduce

their emissions can buy carbon credits from companies that are certified to issue them so that total emissions are neutralized. In this way, those who save on emissions or create actions that avoid spending on CO₂ can sell these credits.

Number of Companies with Voluntary Commitments



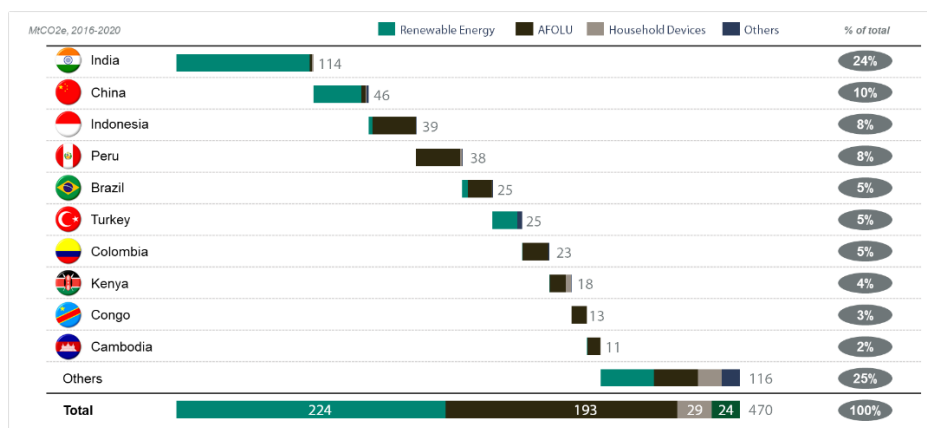
Source: UN and New Climate Institute.

In response, many companies have begun to place strong commitments to becoming carbon neutral. According to the UN, in 2018, 15 companies announced a voluntary commitment to become carbon neutral by 2030. In 2019, that number increased to 500 and in 2020 it passed the milestone of 1,500 companies with this commitment.

A McKinsey study released in 2021 shows estimates that demand for carbon credits, which in 2020 reached the 100 megatons of CO₂, will reach 200 megatons in 2030 and will reach the 2,000 megatons in 2050, based on commitments that have already been made.

Each carbon credit corresponds to one ton of CO₂ equivalent (CO₂e) and, in order to issue a carbon credit, the project needs to be validated and verified by specialized independent agents. The carbon credit market is divided into two categories: the Voluntary market (practiced in Brazil as of the date of this offering memorandum), and the regulated market (practiced in California and Europe).

Voluntary Market Breakdown by Country and Category between 2016 and 2020 (MtCO₂e)



Source: VCS, Gold Standard

Within the voluntary market, in which the price is dictated by supply and demand and varies by contract, year and by type of project generating the carbon credit, Brazil is ranked as the fifth largest carbon credit issuer, contributing with a total 25 MtCO₂e. A large part of these emissions come from the AFOLU market (Agriculture, Forestry and Other Land Use).

The main classifications of certified projects for carbon credit generation are:



(1) Reducing emissions from deforestation and forest degradation

In August 2021, the largest companies issuing carbon credits in Brazil are those that are looking to reduce their own emissions. Thus, this generated credit ends up not being sold. This positions us as a pioneer in the emissions market, as we develop projects that will be verified and certified. Our performance in the market through the sale of environmental services focused on the management and conservation of forests, collection, decontamination and co-processing of waste, eco-products and other services makes us strategically positioned to take advantage of this growing market.

Response Segment

Environmental Services Overview

The global environmental services sector represents a massive US\$25 billion market, of which emergency response represents US\$14.0 billion. Demand for environmental services remains steady and resilient, driven by strict regulations, corporate sustainability initiatives, and climate change concerns.

The environmental response segment is also highly segmented, counting with over 1,000 in the U.S. alone. Sector's price-inelastic demand, wide variety of solutions and presence, act as the key drivers for sector's fragmentation.

Regulatory Overview

Our business has benefited substantially from increased government regulation. In addition, the environmental services industry itself is the subject of extensive and evolving regulation by federal, state, provincial and local authorities in all countries in which we operate. We are constantly monitoring the regulatory environment in the different jurisdictions in which we operate, which regulatory environment is often influenced by changes in leadership at the federal, state, provincial and local levels. We make a continuing effort to anticipate regulatory, political and legal developments that might affect our operations and/or strategic initiatives, but cannot guarantee that we are always able to do so successfully. In addition, we cannot predict the extent to which any legislation or regulation that may be enacted or enforced in the future may affect our operations.

As a result of the complex regulatory environment, companies encounter difficulties in adapting to legal requirements internally, often looking to outsource waste management. Rigorous waste management inspection in Brazil and globally has resulted in a significant potential market for response services.

Below is a summary of the most relevant regulations applicable to our activities in our principal markets in terms of revenue and size of operations.

U.S. regulation applicable to our activities

Our properties and operations in the United States are subject to regulation under a broad range of federal, State and local laws and regulations relating to the protection of the environment, natural resources and worker and public health and safety. In addition to environmental, health and safety obligations imposed under statutory laws or governmental regulations, our United States properties and operations are also impacted by obligations and liabilities imposed under common law, including regarding potential common law liability for personal injuries related to exposure to hazardous materials.

United States environmental, health and safety laws are subject to change and have, in general, become more stringent over the passage of time. The most significant United States federal environmental laws affecting us are the Comprehensive Environmental Response, Compensation and Liability Act (the “Superfund Act”) and the Resource Conservation and Recovery Act (“RCRA”). The laws of the individual States in which we operate often have State law analogues to the Superfund Act and RCRA, which in some circumstances are more stringent than the similar federal laws.

The Superfund Act is the primary federal statute regulating the cleanup of inactive hazardous substance sites and imposing liability for damages caused in connection with such cleanup on the responsible parties. The statute provides for strict and, in certain cases, joint and several liability of the parties involved in the generation, transportation and disposal of hazardous substances for the cost of these responses and for the cost of damages to natural resources. Under the Superfund Act, by reason of our business activities, including the management and performance of contaminated site remediations, we may be deemed liable as a generator or transporter of a hazardous substance which is released into the environment, as a person who arranged for the disposal of a hazardous substance, or as the owner or operator of a facility at or from which there has been a release of a hazardous substance into the environment.

RCRA is the principal federal statute governing hazardous waste generation, treatment, transportation, storage and disposal. Pursuant to RCRA, the United States Environmental Protection Agency has established a comprehensive “cradle-to-grave” system for the management of a wide range of materials identified as hazardous waste. Hazardous wastes generated in connection with our business operations may be subject to stringent regulation under RCRA and State law analogues. Additionally, certain wastes which may be generated in connection with our operations, but which may not be subject to regulation under the federal Superfund Act or RCRA, such as certain nonhazardous wastes or petroleum or petroleum-impacted material, can nevertheless be stringently regulated under other State and local environmental laws.

To the extent that our operations impact water bodies, including wetlands, or the atmosphere, we are subject to regulation under, respectively, the federal Clean Water Act (“CWA”) and the federal Clean Air Act (“CAA”). The laws of the individual States in which we operate often have State law analogues to the CWA and CAA, which in some circumstances are more stringent than the similar federal laws. The CWA prohibits the discharge of pollutants into the waters of the United States without government authorization and regulates the discharge of pollutants into surface waters and sewers from a variety of sources, including remediation sites, disposal sites and treatment facilities. The CAA regulates the emission of pollutants into the air, including, in some instances, air emissions generated during remedial activities. To the extent that our operations involve the remediation or management of polychlorinated biphenyls — PCBs or materials contaminated by PCBs, we are also subject to regulation under the federal Toxic Substances Control Act.

Brazilian regulation applicable to our activities

Transportation of waste and hazardous products in Brazil

The transportation of hazardous waste is regulated by the Brazilian Road Transport National Agency (ANTT) Resolution No. 5947/2021, which requires, in addition to technical requirements for the transport of these materials, the registration of transporters of hazardous products on highways and certain classifications for each type of waste, schedules of risk precedence, limited quantity transport, and identification of packaging, among others.

We are also subject to NBR 7500 issued by the Brazilian Association of Technical Norms — ABNT, which sets forth specific technical requirements related to risk labels and safety panels during loading, transportation, unloading, transshipment, cleaning and decontamination of hazardous products, as well as to NBR norms 9735 and 14619 issued by the ABNT, which set forth technical requirements and proceedings for the identification of land transportation and safety equipment.

Environmental laws and regulations

Environmental laws and regulations set forth strict liability regimes, and their breach can give rise to administrative, criminal and civil liabilities. In administrative matters, penalties such as fines of up to R\$50 million may be applied, which may also be doubled or tripled in the event of a repeated offense, in addition to an embargo and suspension of activities. The violation of environmental norms can also subject violators to criminal liability, with jail time or restrictive rights as penalties.

In civil matters, the law sets forth joint and several liability among the agents that are responsible, directly or indirectly, for the activity that caused environmental damage. The obligation to repair damages to the environment is not subject to a statute of limitations.

Brazilian market with strict regulation and inspection practices

The Brazilian regulatory environment is characterized by strict rules and constant inspection, supported by a variety of laws, decrees, rules and resolutions that reinforce the importance of waste management in the Brazilian economy.

The principal laws and regulations governing waste management are: (i) Federal Law No. 12,305/2010, which created goals that contribute to the elimination of dumps and instituted solid waste management planning instruments; (ii) Federal Law No. 9,433/1997, which created instruments for the management of water resources in the federal domain through a new National Water Resources Management System; (iii) Federal Law No. 9,605/1998, which provides for criminal and administrative sanctions for conduct and activities harmful to the environment; (iv) Federal Decree No. 96,044/1988, which regulates the transport of dangerous goods by road; (v) State Law No. 22,805/2017, which establishes measures related to accidents in the transportation of dangerous products or waste in the State of Minas Gerais; (vi) Federal Law No. 6,938/1981, which regulates the National Environmental Policy; and (vii) Federal Law No. 11,445/2007, as amended by Law No. 14,026/2020 which defines the competences and obligations regarding the coordination and performance of the various agents involved in the planning and execution of the federal basic sanitation policy in the country.

High number of accidents in Brazil

In addition to the current regulatory landscape, recent environmental accidents are also factors that drive companies to increase their concern with accident prevention as well as emergency and remediation controls. Recent events in Brazil include the rupture of the dam in the city of Brumadinho in the State of Minas Gerais in 2019, the leakage of chemicals during a fire in the State of São Paulo in 2019, the gas leak in the port of Santos in the State of São Paulo in 2016, the rupture of a dam in the city of Mariana in the State of Minas Gerais in 2015 and a fire in fuel tanks in the city of Santos in 2015.

Data on work-related accidents recorded in Brazil point to a relevant number of relevant events: there were more than 1.5 million work-related accidents in 2017 alone, of which more than 500,000 were related to biological materials or chemical substances.

Work-Related Injuries in Brazil Registered with the Social Welfare System	
Serious work-related injuries	703,193
Work-related injuries caused by exposure to biological materials	466,137
Work-related injuries caused by exogenous intoxication (chemical substances)	50,841

Less serious work-related injuries	329,253

Source: Fundacentro, 2017.

The Brazilian National Transport Confederation, or CNT, reports that an average of 50 thousand road accidents occur per year, with an average of 20% of the occurrences involving cargo vehicles. In 2018, 18,239 accidents were recorded on Brazilian federal highways involving at least one truck.

In the State of São Paulo, the predominant mode of transport consists of road transport. This also applies to the transport of dangerous cargo, which takes place on more than 11.6 thousand km of municipal roads, 22.0 thousand km of state roads and 1.1 thousand km of federal roads.

This high concentration of roads, as shown in the table below, potentially increases the likelihood of accidents.

Mode of Transport	Brazil (%)	State of São Paulo (%)
Road	59.0%	93.1%
Rail	24.0%	5.3%
Waterway	13.0%	0.5%
Air	0.3%	0.3%
Duct	3.7%	0.8%

Source: FIESP (Federation of Industries of the State of São Paulo).

Chilean regulation applicable to our activities

Chilean Supreme Decree 298 sets forth the terms and conditions applicable to the transportation of products that are considered dangerous or pose risks to public health, public safety or the environment. Under this decree, among other requirements, vehicles that transport dangerous products must not be older than 15 years, in addition to meeting the necessary technical conditions to be able to support loading, unloading and transshipment operations. The transporter is responsible for ensuring compliance with these conditions.

Chilean Supreme Decree 43/78 sets forth safety requirements for facilities storing dangerous substances. Under this regulation, any storage facility for dangerous substances exceeding ten tons of flammable substances or 12 tons of other classes of non-flammable dangerous substances must maintain an operating license.

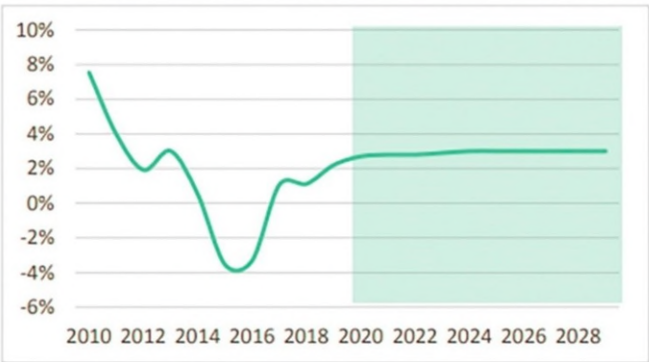
Chilean Supreme Decree 148 establishes the minimum sanitary and safety conditions to which the generation, possession, storage, transportation, treatment, reuse, recycling, final disposal and other forms of disposal of hazardous waste are subject. Under the terms of this decree, hazardous waste must be identified and labeled according to the classification and type of risk established by Chilean Official Standard NCh 2,190/93.

Additionally, we are accredited and certified by the Chilean Armed Forces as an Oil Spill Responder, and are therefore authorized to respond to emergencies arising from oil spills.

Economic and industrial growth

Brazil’s current economic growth outlook points to long-term sustainable growth, reaching an average annual growth rate of 2.9% as shown in the chart below.

BRAZIL - EVOLUTION OF THE EXPECTED GDP GROWTH RATE

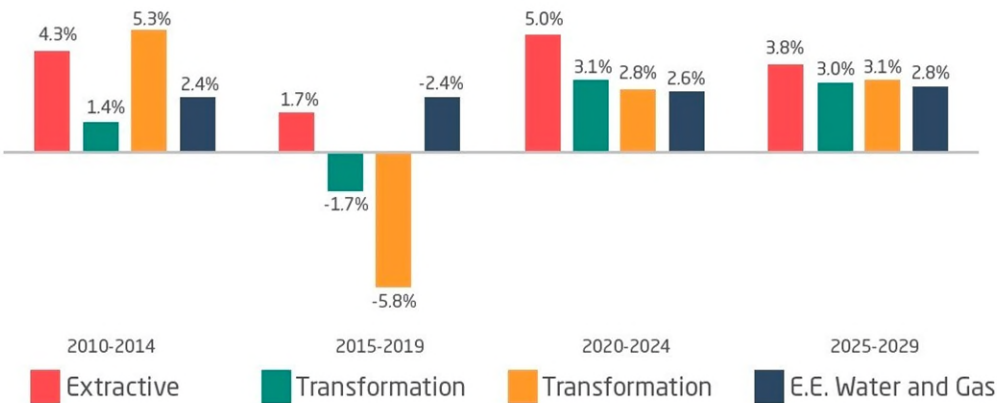


Source: IBGE (historical) and EPE (projection).

Currently, Brazil has approximately 20 million companies. With a focus on the private segment, Brazil’s economic growth and the sectors in which we operate contribute to our growth. In this scenario, the positive outlook for industrial growth stands out, primarily due to pent-up demand, in technological areas and investments in processes and consumption improvements, which are expected for the next ten years.

The chart below sets forth the IBGE and EPE estimates for future growth of several industrial segments in Brazil.

HISTORICAL EVOLUTION OF THE GROWTH ACHIEVED AND EXPECTED FOR THE MAIN INDUSTRIAL SEGMENTS IN BRAZIL FOR THE NEXT 10 YEARS



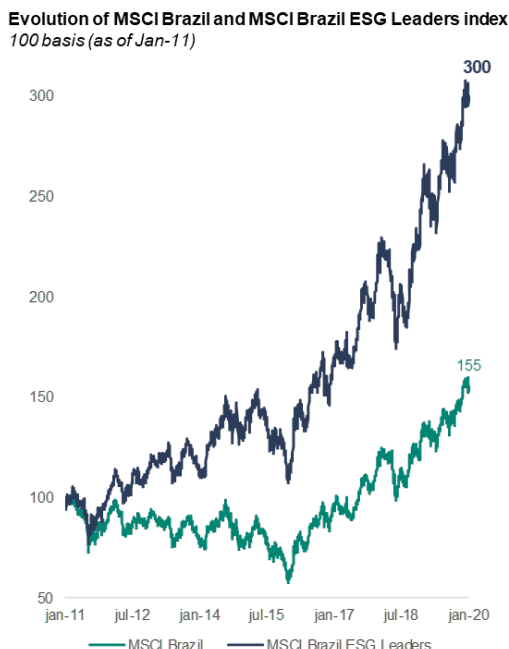
Source: IBGE (historical) and EPE (projection).

Increased sustainability awareness

Sustainability awareness is growing worldwide, resulting in significant reputational and regulatory risks for companies that do not meet sustainability requirements.

As a result, certain governments worldwide have adopted measures that seek to promote environmental, social and governance, or ESG, issues when making investment decisions. In Brazil, in 2018, the National Monetary Council published Resolution No. 4,661/18, which revised the investment rules for occupational pension funds, requiring that ESG practices be taken into account in the investment decision-making process.

In the United States, nine of the largest ESG multimarket funds performed above the S&P 500 in the last year, with seven of them reaching the benchmark in the last five years. The same trend has been seen in Brazil when we compare the evolution of MSCI Brazil versus the leading MSCI ESG index in Brazil.



Source: MSCI Brazil.

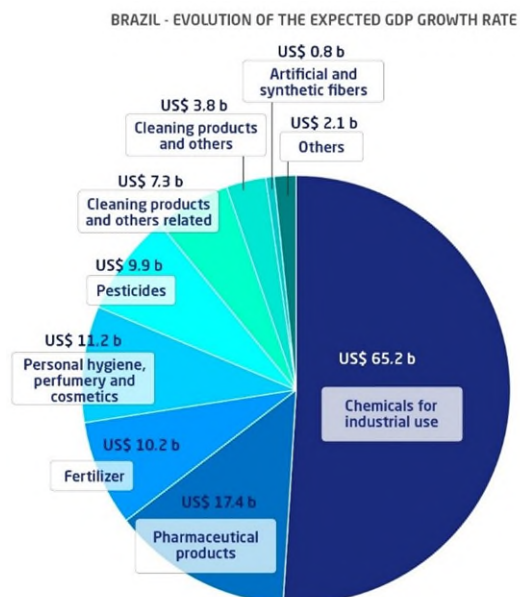
Large companies and countries have announced measures in favor of sustainable development. For example, BlackRock announced that it will focus its US\$7 trillion equity strategy on sustainable assets, China announced measures to ban disposable plastic by 2025, and France announced measures to ban the destruction of items such as unsold clothing and its goal of rendering all plastic in France recyclable by 2025. It is evident, therefore, that companies have been under pressure not only by regulatory bodies, but also by shareholders, creditors, consumers and other stakeholders to adopt stricter sustainability standards.

This new global scenario has increased the concern of companies in relation to possible accidents that can occur at any point in their production and distribution lines. This increased concern creates a potential market for Ambipar Response, which is responsible for providing training, creating emergency plans and protocols to prevent accidents and, in the last instance, acting to contain accidents and reduce the risks of companies.

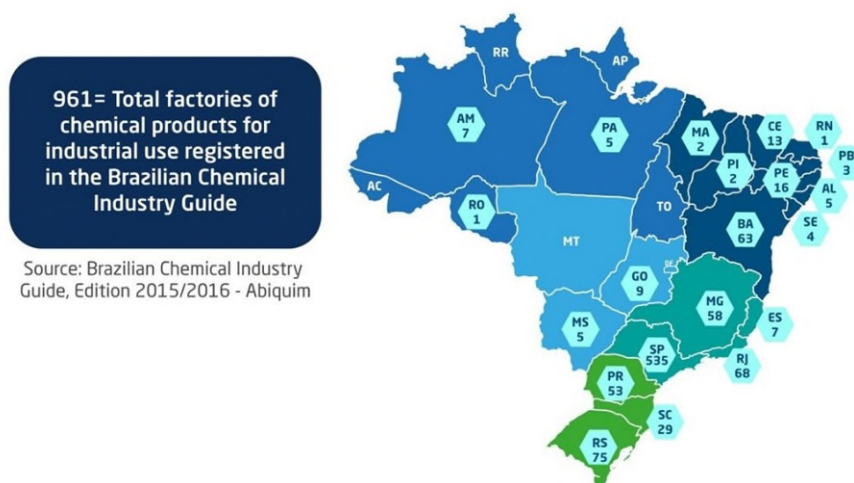
Sector drivers

Considering all segments of the chemical industry (industrial chemicals, pharmaceuticals, fertilizers, personal hygiene, perfumery and cosmetics, pesticides, soaps and detergents, paints, enamels and varnishes, artificial and synthetic fibers, and others), the chemical industry had, in 2018, estimated net sales of US\$127.9 billion, according to data from ABIQUIM. The net sales of the industrial chemicals segment, monitored by Abiquim, totaled an estimated US\$65.2 billion. In terms of net sales, the national chemical industry is the sixth

largest in the world. The comparison is based on figures for the year 2017 and refers to the chemical industry as a whole.



Totalling 961 plants distributed throughout Brazil, the chemical industry is of potential and strategical importance for our expansion in Brazil. With 535 factories, the State of São Paulo concentrates 56% of Brazil's total chemical factories.



In addition, the Brazilian oil and gas sector has showed a positive outlook for growth in production, contributing to the growth of our response segment.

Competition

Competition within our industry varies by locality and by type of service rendered, and competitors include several major national and regional environmental services firms, as well as numerous smaller local firms, including outsourcing companies, though no one competitor directly competes with our full suite of offerings.

The principal competitive factors applicable to our services are quality of performance, price, breadth of service portfolio, operational efficiency and reliability of services, availability of specialized equipment and latest technologies, skilled, technical, and professional personnel, customer-service oriented culture, regulatory compliance and safety record, industry reputation and brand name recognition.

We believe that we are competitive in all markets we serve and that we offer a unique mix of services, including niche technologies and services that favorably distinguish us from competitors. We also believe that our strong brand name recognition, compliance and safety record, customer service reputation and positive relations with regulators, government agents and local communities enhance our competitive position.

BUSINESS

Overview

We believe we are one of the leading environmental, emergency response and industrial field service providers in Brazil serving over 15,000 clients in more than 40 countries across the world. Through our international platform, our sophisticated special equipment and our highly qualified personnel, we provide our customers with a full suite of environmental, emergency response and industrial field services.

Established in Brazil in 1995, over the years, we have successfully implemented our strategy of focusing on strategic acquisitions to increase our geographic reach, gain market share and integrate complementary services into our portfolio. We believe we are pioneers in offering several environmental and industrial field services across the value chain, in addition to being a market leader for innovation and the use of cutting-edge environmental technologies. Our diversified customer base ranges from local to blue chip and multinational companies operating in a wide variety of industries, including chemicals, pulp and paper, mining, oil and gas, logistics, power, steel, cement, pharmaceuticals, cosmetics, food and beverages, among others, with long-term contracts (with average terms of five years in the Environment segment and four years in the Response segment) and high potential for organic growth.

In the nine-month period ended September 30, 2023, we had net operating revenue of R\$3,526.9 million (R\$2,599.4 million in the nine-month period ended September 30, 2022), of which (i) R\$1,674.4 million, or 47.6%, was generated by the Environment segment (R\$1,545.4 million, or 59.5%, for the nine-month period ended September 30, 2022) and (ii) R\$1,849.4 million, or 52.4%, was generated by the Response segment (R\$1,052.6 million, or 40.5%, for the nine-month period ended September 30, 2022).

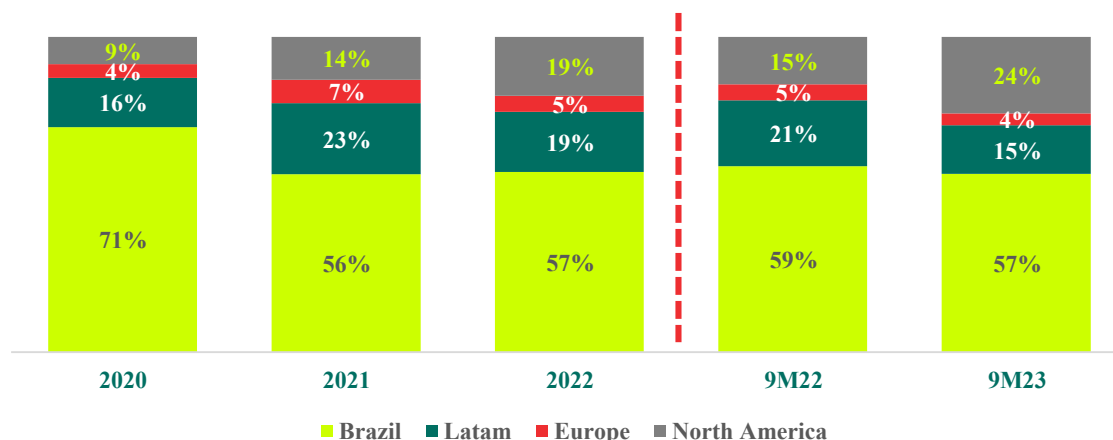
For the year ended December 31, 2022, we had net operating revenue of R\$3,789.8 million (R\$1,916.3 million in 2021), of which (i) R\$2,102.8 million, or 55.5%, was generated by the Environment segment (R\$1,092.8 million, or 57.0%, in 2021) and (ii) R\$1,684.9 million, or 44.5%, was generated by the Response segment (R\$822.2 million, or 42.9%, in 2021).

In the nine-month period ended September 30, 2023, we had EBITDA of R\$915.6 million (R\$697.2 million in the nine-month period ended September 30, 2022), of which (i) R\$561.5 million, or 61.3%, was generated by the Environment segment (R\$420.6 million, or 60.3%, for the nine month period ended September 30, 2022) and (ii) R\$351.7 million, or 38.4%, was generated by the Response segment (R\$275.9 million, or 39.6%, for the nine-month period ended September 30, 2022). From 2018 to the third quarter of 2023, our EBITDA grew at a 71.4% compound annual growth rate ("CAGR").

For the year ended December 31, 2022, we had EBITDA of R\$1,046.8 million (R\$517.0 million in 2021), of which (i) R\$597.0 million, or 57.1%, was generated by the Environment segment (R\$284.6 million, or 55.0%, in 2021) and (ii) R\$448.8 million, or 42.9%, was generated by the Response segment (R\$238.2 million, or 46.1%, in 2021).

Our gross revenue is geographically diversified. We are present in all continents, and our main markets are Brazil, Latin America (excluding Brazil), Europe and North America.

Geographic Distribution of Revenue



Business Segments Overview

We operate across two complementary business segments, as described below.

Environment Segment

Through our Environment segment, we offer comprehensive solutions acting as a waste valorization and circular economy platform for the recovery of industrial waste, post-consumption, recycling, co-processing, reverse manufacturing and other services related to waste management and recovery to more than 5,000 clients in over 170 on-site bases located throughout Latin America. We foster our clients' shift to a circular economy by sharing, reusing, repairing and recycling existing materials and products, thus extending their life cycle, and assist them with putting environmental, social and governance ("ESG") principles into practice. As of September 30, 2023, we have processed, recycled, reused and reinserted more than 1.7 million tons of waste.

To fight climate change, our production processes focus on reducing greenhouse gas ("GHG") emissions, such as carbon dioxide ("CO₂"). We also invest in conservation, reforestation and restorage projects, as well as sustainable agricultural management, which in turn generate carbon credits, enabling us to monetize our business with the sale of such credits.

Among our environmental solutions, we also offer social and environmental software solutions using artificial intelligence, digital waste traceability processes, environmental due diligence services, ESG training, complex waste valuation, manufacturing of recycled products, polyethylene terephthalate ("PET") recovery services, collecting machines for post-consumer recyclable packaging, mining production waste reuse solutions, development of projects related to Reduction of Emissions from Deforestation and Forest Degradation ("REDD+"), and Nature-Based Solutions ("NBS") carbon programs.

Within our Environment segment, we operate five business units that, combined, allow us to provide a one-stop-shop service to help our clients transition from the linear economy to the circular economy. These five business units are: (i) waste management and valorization; (ii) circular economy; (iii) decarbonization; (iv) ESG consulting and compliance and (v) hazmat logistics.

The table below shows the percentage of gross revenues generated from each business unit for the periods indicated:

	For the nine months ended September 30,		For the year ended December 31,		
	2023	2022	2022	2021	2020
			(in percentage)		
Waste Management and Valorization	61.3%	69.3%	68.0%	76.1%	69.6%
Circular Economy.....	26.8%	19.9%	21.3%	12.6%	8.7%
Decarbonization.....	2.8%	1.1%	1.0%	0.9%	0.0%
ESG Consulting and Compliance.....	1.8%	1.5%	1.5%	2.6%	2.4%
Hazmat Logistics	7.2%	8.0%	8.1%	7.8%	19.2%

Waste Management and Valorization

Our Waste Management and Valorization business unit helps industrial clients move towards the circular economy, reducing carbon emissions and oftentimes cutting costs. This business unit's activities include waste recovery, co-processing, waste collection, conditioning, decontamination, logistics and reverse manufacturing, and waste treatment and disposal. We manage our customers' waste, seeking to reduce, reuse and recycle it to reach "zero landfill" (i.e., reducing or eliminating disposal in sanitary landfills), thus reducing carbon dioxide emissions, generating carbon credits and improving sustainability indices. The processes used in these activities use embedded proprietary waste recovery technology and patents. Our clients are mainly in the industrial sector, and we do not serve the public sector. We operate more than 5,000 waste management contracts that accounted for over 260,000 tons of waste treated in the last twelve months.

Circular Economy

Our Circular Economy business unit reinserts industrial and urban waste into the economy while promoting decarbonization and increasing income for independent garbage collectors. We provide recycling and reuse solutions for post-consumer and post-industrial waste. We source and transform post-consumer material into inputs for industries in various sectors or into new recycled products. Post-consumer material is obtained through partnerships with cooperatives of garbage collectors and agreements with clients for the collection of their recyclables. This market is fragmented, thus allowing for rapid growth and consolidation opportunities.

Decarbonization

The Decarbonization business unit provides decarbonizing services through mitigation in addition to the origination and commercialization of carbon credits within the voluntary market.

We provide solutions for managing, reducing and offsetting GHG emissions, driving clients' operations towards becoming carbon neutral. We generate and intermediate the negotiation of carbon credits. We generate carbon credits through: (a) residue processing, as the creation of products from residues reduces emissions; (b) recycling or reusing waste as raw material for supply chains; (c) replacing the energy matrix in co-processing plants; and (d) offering nature-based solutions, including: (i) the mitigation of deforestation and forest degradation combined with social, climate and biodiversity activities (REDD+), (ii) agricultural management (ALM); (iii) afforestation/reforestation (ARR) and (iv) legal reserve compensation (CRL) for rural properties that have a legal reserve deficit.

To reduce GHG emissions, we offer reverse manufacturing (re-utilization of processed waste as raw material for new products) and other solutions, such as the production of soil fertilizer from organic waste.

ESG Consulting and Compliance

In the ESG Consulting and Compliance business unit, we provide ESG consulting, auditing and compliance services to ensure that our clients' operations are compliant with applicable ESG rules and regulations. We also offer bespoke and integrated software solutions for managing compliance with labor, health and environmental

regulations and best practices and tracking ESG indicators. In addition, we offer corporate training to help our clients implement a sustainability agenda through the measurement, management and improvement of ESG indicators. We have more than 1,300 active monthly contracts and high customer retention period (averaging five years) across all sectors we serve, given that the use of our software has a low monthly average ticket. As of September 2023, our clients' average ticket in this business unit was approximately R\$9,000.00.

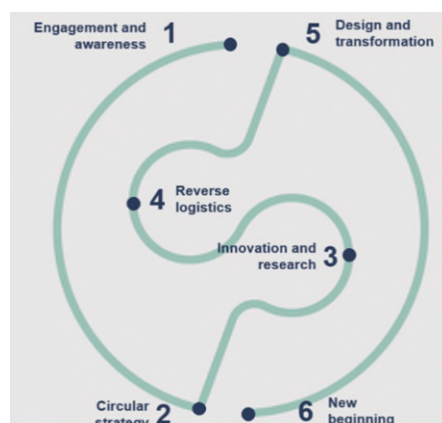
Hazmat Logistics

In our Hazmat Logistics business unit, we connect Latin America's hazardous materials ("Hazmat") supply chains by transporting, storing, handling and disposing of Hazmat in accordance with the strongest safety standards and in compliance with environmental legislation. We have transported chemicals and non-chemicals for over 25 years across Brazil and Latin America. We believe we are a trusted partner for major Brazil chemical and beverages industrial companies. We cover the main corridors in the Brazilian roadway supply chain and have operations in Uruguay, Paraguay, Argentina and Chile with MERCOSUL compliance accreditation.

We also have a "sustainable corridor" operation (i.e., all of our vehicles are powered with renewable energy sources), which reduces our GHG emissions by 18%.

With the support of our state-of-the-art center for research, development and innovation ("RD&I"), we develop disruptive technologies and processes to treat waste at its source and turn it into raw material to be reused in our clients' production chain. By reincorporating waste into production processes, our clients improve sustainability while generating savings and optimizing resources.

Value proposition ecosystem



Source: Company.

The diversity of our business units provides our clients with a broader service offering when compared to our competitors:

Line of Business	ambipar [®] environment	Landfill Operators	Niche Operators
Waste Management	✓	✓	✓
Circular Economy	✓	✓	✗
Decarbonization	✓	✓	✗
ESG Consulting	✓	✗	✗
Hazmat Logistics	✓	✗	✗

Source: Company.

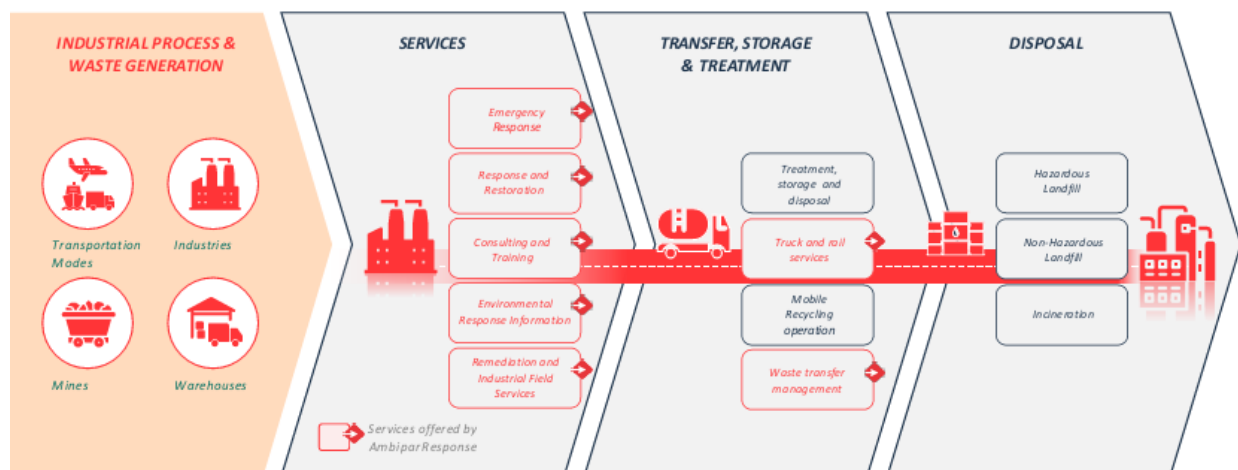
As a result of our innovative sustainable technologies, our RD&I has received more than 40 sustainability innovation awards, including the FIESP Environmental Merit Award (*Prêmio FIESP de Mérito Ambiental*) (2016, 2017 and 2018), the Brazilian Chamber of Construction Industry Award for Innovation and Sustainability (*Prêmio da Câmara Brasileira da Indústria da Construção de Inovação e Sustentabilidade*) (2014 and 2019) and the 1st International Business Exchange for Green Economy BM&FBOVESPA 2011 (*1ª Bolsa Internacional de Negócios de Economia Verde BM&FBOVESPA 2011*), as well as the Best for the World Award – B Corp (2018, 2019 and 2021), in the Environmental category.

Response Segment

We have operated in the Response segment since 2008. Through this segment, we conduct prevention, training and emergency response activities across all transportation modes. Our portfolio includes a broad variety of services such as environmental remediation, industrial field services, industrial cleaning of chemical and non-chemical products and of hazardous and non-hazardous waste, consulting services focused on accident prevention and environmental licensing. We have already supported more than 11,000 clients in prevention, training and emergency response activities. We have obtained four ISO certifications that attest our quality in all these activities.

Our broad and recurrent portfolio includes services contracted through our subscription model (with contracts having a four-year average duration), such as emergency response services for highway accidents, industrial chemical spills and dry port emergencies, as well as services contracted through spot agreements, such as gas decommissioning, industrial silo cleaning and underground gas tanking cleaning. The industrial services we offer are recurring and based on a contractual schedule, with an average term of between two and three years. For emergency events, subscription contracts have a higher retention rate and a low turnover rate, with an average duration of 36 months.

Response offers several solutions for industrial process and waste generation challenges, including transfer, storage, treatment and disposal of hazardous and non-hazardous waste materials at all levels of the supply chain.



In the Response segment, we offer a one-stop-shop platform of standardized emergency and industrial field services rendered at scale and organized within four business units, namely (i) industrial field services; (ii) emergency response; (iii) consulting services focused on accident prevention and environmental licensing; and (iv) training services.

Emergency Response and Industrial Field Services

Through our emergency response and industrial field services we respond to accidents involving hazardous and non-hazardous chemical and non-chemical products and waste and natural disasters (fire, flood and hurricanes), and also perform tank cleaning, silo cleaning, asbestos removal, vessel and container cleaning, waste transportation and disposal, soil remediation, turnaround and decommissioning. We also provide biological emergency management and response services, including in relation to epidemics and pandemics such as the COVID-19 pandemic. Over the years, we have been called to remediate significant environmental accidents, such as the 2019 Brumadinho mining dam collapse in Brazil, and the 2015 fire in Port of Santos in Brazil, which lasted 10 days, as well as the Callao oil spill at the Peruvian shoreline, characterized by the Peruvian Ministry of Foreign Affairs as one of the worst climate disasters in recent times. In addition, we supported containment efforts relating to the COVID-19 pandemic in the United Kingdom, in conjunction with the British army, and in Brazil at office buildings, schools, and in aircraft, buses and other locations. Considering our prominent role in emergency situations, we have been recognized as a point of reference by public authorities in Brazil, such as the Brazilian Marines, which sent a number of its Marines to train at our training grounds in Nova Odessa, Brazil.

In order to serve our customers efficiently and expeditiously, we operate through a broad network of service centers (some of which are dedicated to specific customers), which are strategically distributed across South America, North America, Europe, Africa and Antarctica. These service centers are equipped with high-quality assets that are subject to frequent preventive maintenance to keep them in optimal condition, and we follow standard procedures for each hazardous material category in accordance with the safety guidelines set forth by the United Nations. As of September 30, 2023, we had 236 service centers across six continents.

Our service centers are linked to four regional fully automated centralized operations centers — one in Brazil operating nationwide and in Antarctica, one in Chile serving countries in Latin America other than Brazil, one in the United Kingdom serving Europe and Africa, and one in the United States serving North America. These operation centers manage emergency response services and other jobs by centralizing the strategic decisions involved in our client service processes. They are responsible for operating a 24/7/365 dedicated hotline that responds to our customers' orders for emergency response and industrial field services, both subscription and spot services, and, when required, promptly send the appropriate commands to the service center that is closest to the

location where the service will be rendered. These operations centers can track assets in real time by using geographic information system — GIS and geoprocessing tools—and therefore allow for a fast and efficient deployment of equipment and personnel to handle the relevant service.

Consulting Services Focused on Accident Prevention and Environmental Licensing

Our consulting services include highly complex accident prevention and environmental impact studies for various industries to mitigate accident risks and ensure client compliance with the requirements under the applicable environmental licensing processes. Over the past 16 years, we have performed several consulting projects for clients in sectors such as oil and gas, mining, energy, infrastructure and logistics, ports and terminals, sanitation, steel, petrochemicals, beverages and pulp and paper. Our consulting business operates via a Global Environmental Solutions (GES) platform, offering complete and innovative environmental products and services to our customers, with a portfolio including studies of locational alternatives for projects, environmental licensing, construction management and HSE (Health, Safety and Environment) as well as the execution of environmental programs, management of contaminated areas, effluents and contaminant waste. We seek to innovate the technical delivery of our products and services, through the development of technological solutions that optimize results using digital tools and geotechnologies. These initiatives culminated in the formation of a partnership with the Environmental Systems Research Institute—ESRI®.

Training Services

In addition, we offer more than 40 professional training programs related to preventing, fighting and remediating emergencies. These services are supported by our proprietary multimodal training centers, in which we perform real-world simulations and provide periodic training to customers, as well as our employees and government agents that cooperate with us in the field, such as environmental agencies, firefighters, policemen, armies and navies, in each case from countries such as the United Kingdom, Portugal, Brazil, Chile and Argentina, among others. As of September 30, 2023, we had four training centers in North and South America.

We participate in technical cooperation programs with several high-profile environmental agencies. In connection with these programs, we publish technical articles on emergency protocols to governmental authorities as well as participate in meetings and surveys with various governmental authorities and non-governmental associations, including the Brazilian Association of Technical Standards (*Associação Brasileira de Normas Técnicas—ABNT*) in Brazil and the National Fire Protection Association—NFPA in the United States—to contribute our expertise to the development of supporting materials and of technical standards. For example, in line with changes in legislation regulating the storage and transportation of hazardous products, we publish a Hazardous Products Self-Protection Manual, which is currently in its 16th edition. In 2019, we launched the first edition of the Manual for the Environmental Emergency Prevention and Readiness in Ports, Marinas and Terminals.

As of September 30, 2023, Response employed more than 5,000 people, including trained responders, who are trained to follow applicable regulatory guidelines and rigorous safety protocols.

Our Competitive Strengths

We believe we are a leading environmental, emergency response and industrial field service provider in Brazil with a strong and growing global presence. We plan to build on our core strengths to continue serving a wide range of important customers across the world.

Competitive advantages in a substantially fragmented market.

The global market for environmental, emergency response and industrial field services is substantially fragmented with approximately 1,000 players in the aggregate. In addition, on a global level, there are only few competitors with the capabilities to offer their services globally and, as a result, we believe that our value proposition to offer a diversified portfolio of environmental, emergency response and industrial field services covering an extensive geographical area across the supply chain has a strong appeal for customers, in particular clients that operate globally such as multinational petrochemical and commodities companies. Moreover, we believe

that our exclusive focus on environmental, emergency response and industrial field services in multiple countries sets us apart from our competitors. Typically, in a fragmented market such as ours, most players are local, covering small geographies and covering particular niche services. We are one of the very few companies with an international reach as well as specialized personnel on the ground to service local markets, enabling us to act at the local, national and international levels. For the U.S. market, which is responsible for a significant portion of our revenue, the Environmental Business Journal estimated in 2019 that, for 2020, the addressable market related to environmental services would be US\$25.0 billion, of which Emergency Response would address US\$14.6 billion, with the two leading players having less than 5% of the total market share in terms of revenue, calculated as the sum of such leading companies' revenue for the field and emergency response services segment for the year ended December 31, 2020 *divided by* the total revenue for 2020 of the estimated U.S. remediation and industrial services market, according to publicly available information of such players.

Entering and expanding internationally in a market such as ours requires significant financial resources, operating expertise and a qualified workforce to build profitable operations. We believe that our leading position in Brazil together with our long history in the marketplace, international scale and proficiency, safety profile, comprehensive service capabilities, capillarity, and highly-skilled and trained personnel serve as solid competitive advantages, which we believe help us foster and maintain customer loyalty and mitigate the risks of competitive pressure.

Standardized services rendered at large scale.

We rendered high-quality environmental, emergency response and industrial field services over 43,000 times in 2022 through our network of service centers spread across six continents and furnished with state-of-the-art equipment, which are linked to our four regional, fully automated centralized operations centers that expedite our response to customer demand. We carefully select the locations of our service centers to optimize our network. The density of our network helps us stay close to our clients and increase our client base. In addition, our multimodal training centers ensure that our staff receives what we believe to be industry-leading training in order to best serve our customers following the highest quality and safety standards. In addition, by hiring and training our technical staff in Brazil to serve customers across the world, we believe that we can take advantage of our scale and know-how to deliver superior services at a lower cost than players who operate only in developed countries, thus improving our margins. For instance, with the acquisition of Controlpar Participações S.A. in 2021, we increased our staff of highly-qualified technical employees located in Brazil, who create customized solutions to support our customers' needs for sustainability, environment, oceanography, geoprocessing, outsourced technical personnel, and managing system at a global scale.

Large and diversified customer base with long-standing relationships.

We serve more than 15,000 clients in more than 40 countries (including Antarctica), many of which have decade-long relationships with us and several of which have been using our services on a recurring basis for more than five years. Our contracts have a cost pass-through structure, which we believe enhances profitability and returns.

Our customer base consists of a broad mix of clients, spanning from local transport companies to multinational mining companies. Our clients operate in a variety of industries, such as chemicals, pulp and paper, mining, oil and gas, logistics, power, steel, meatpacking, and cement, among others. The breadth of our offering allows us to become deeply embedded within our clients, who rely on us to undertake an essential role for their core business, and creates cross-selling opportunities. Our capabilities and customized solutions allow us to build strong client relationships that grow and expand over time. We believe that our long-standing customer relationship and diverse customer base limits our credit exposure to any one customer and potential cyclicity in any one industry.

In addition, we believe that our listing in the Brazilian stock exchange in 2020 and the listing of Response on the NYSE American will continue to enhance and expand our relationship with blue-chip companies, which rely on high compliance and governance standards required from publicly listed companies.

Solid financial performance and consistent organic and inorganic growth.

We have demonstrated our ability to grow our business through a combination of organic growth, accretive acquisitions and tight cost control, while remaining resilient through slow economic cycles such as during the COVID-19 pandemic, with operating ROIC of 22.7% and 19.6% in 2022 and 2021, respectively.

Our track record of profitable growth is largely a result of a disciplined strategy of pursuing accretive acquisitions and our ability to integrate companies of different sizes. Since our IPO in 2020, we have completed 58 acquisitions (29 in each segment), which had a transformational effect on our business.

Our experience in identifying suitable targets, acquiring them on what we believe are relatively attractive terms and integrating them successfully into our business has generated solid profit and cash flow. Our business model enables us to leverage our position to optimize the purchase price paid for these acquisitions while using our acquired network to generate synergies and benefits of scale. We seek to capture operational and financial synergies, ensuring quality, operational efficiency and sustainable growth. We also benefit from the expertise brought by the targets in their niche services. For example, with our acquisitions in the United States, we have added asbestos cleaning to our portfolio of services, and by acquiring Lehan Environmental and Industrial Services Limited in Ireland, we integrated their technology and expertise in tank cleaning. We then incorporate the target's expertise to expand our offering in all of our markets. By bringing new expertise into our offerings, we improve our portfolio and increase customer retention.

Further, the success of our international expansion demonstrates our strong ability to enter into new markets through acquisitions. The specialization and ability to provide services at scale allows us to be competitive internationally. For further information about our recent acquisitions, see "*Business—Overview*."

In addition, we have built a business which we believe will achieve a strong organic growth, which is based on four pillars consisting of (i) operating through standardized service centers, (ii) building and operating centralized emergency operation centers, (iii) offering hazardous materials training centers and (iv) participating in relevant technical committees across the jurisdictions where we operate. The combination of these pillars allows us to be a one-stop-shop for emergency and industrial services, which has translated into a historical organic growth in its client base, an increase in services provided and consequently an increase in net operating revenue and net income over the years.

Real environmental and social impact as part of our core business.

ESG values are at the core of our business, and we endeavor not only to improve our clients' sustainability practices but also to positively impact stakeholders and society as a whole. For instance, our Circular Economy business unit in the Environment segment developed a recycling business accelerator, through which we partner with more than 102 recycling cooperatives, helping bring waste collectors to the formal economy. As of December, 2022, a total of 2,059 cooperative members benefited from our arrangements.

In addition, through our Return Machine Project, we partner with governments and third parties to install machines in recycling delivery points spread across Brazil that allow for individuals to dispose of post-consumer packaging. By disposing of recyclable packaging, they can gain benefits such as cell phone recharge, bookstore credit, and discounts on energy bills, among others. As part of this project, we have recycled 2.4 million tons of polypropylene and other plastics in our factories in the south of Brazil, increasing volumes through automation and investments in recycling factory lines.

Further, through our Decarbonization business unit in the Environment segment, we have helped preserve the Amazon rainforest. As a recognition of our preservation efforts, we won "The Best Project Developer, Forest and Land Use" award of the EF Annual Voluntary Carbon Market Rankings offered by Environmental Finance four times (2015, 2018, 2019 and 2020), one of the publications around the world on environmental asset markets.

Leadership with synergistic services, supported by our proprietary RD&I structure.

We have a vast synergistic and complementary portfolio of environmental services and response services for chemical and pollution emergencies. These services are supported by a shared service center, or SCC, commercial and operational cross-selling teams and a recognized research and development center. Therefore, we believe that we are well positioned for the expansion that we believe will occur in this sector. Our track record of success also stems from the excellence and capacity of our researchers and managers. We have in our DNA a driver for ongoing development and environmental innovations to offer complete solutions to our customers. A significant part of our projects is presented in the form of a business plan for the client with the purpose of introducing sustainable products or green bonds in the economy. The R&D area further our internal strategies, developing products that prioritize alternatives that can generate value and positively impact our ESG performance. We believe that we are uniquely positioned in our market and prepared for the expansion that we believe will occur in the waste recovery sector.

Increased commitment to sustainable practices under a favorable regulatory environment.

We are committed to integrating sustainability into our business practices. One of our main goals is to help our clients adopt and improve their ESG practices and mitigate adverse environmental impacts of their operations on communities. We believe that our services are conducive to long-term sustainability, and that the global transition towards sustainable practices presents an attractive business opportunity within our industry. In 2020, we joined the United Nations Global Compact, the largest corporate sustainability initiative in the world organized by the United Nations, and committed to joining efforts to advance all 17 of the United Nations' sustainable development goals – SDGs - including developing inclusive and sustainable industrialization, supporting affordable and clean energy, fighting climate change, restoring and protecting life below water and on land, ending extreme poverty, improving gender equality and reducing other inequalities, among other goals. By joining the Global Compact, we took an important step towards the full alignment of our business with social and environmental sustainability standards and reinforced our commitment to these values, which we also seek to transmit to our customers.

Sustainability is not only a priority to us, but increasingly also to our clients. Businesses across the globe continue to realize that a focus on sustainability is ever more important to meeting the increasing demands and expectations of customers and stakeholders for environmental responsibility. In addition to market demand, sustainable practices are prompted by a new and stricter regulatory framework together with increasing regulatory oversight, incentivizing or mandating green practices. In Brazil and elsewhere, applicable rules and regulations assign criminal liability to environmental damages. As a result, it is increasingly essential for businesses to have a global, trustworthy and recognized environmental, emergency response and industrial field services provider like us to help them navigate the complex compliance rules as well as adopt appropriate procedures to respond to sustainability challenges. We believe that, as the ESG regulatory framework further develops, we will be well positioned to benefit from a recurring demand for environmental, emergency response and industrial field services.

Highly experienced management technical team and well-established corporate governance practices.

We believe our operations are well-structured to facilitate the effective execution of our growth plan. The principal managers of our technical teams have more than 20 years of experience in our industry and more than 7 years of experience, on average, working with us. Our experienced team has already demonstrated its ability to grow our business both organically and inorganically.

Our management team is supported by our internal compliance and audit committees and organized under strict corporate governance policies and guidelines, which are in the center of all our actions. Excellence in corporate governance is fundamental to how we manage and operate our company, from our everyday business to ESG issues. Ambipar is also listed on the *Novo Mercado* segment of the B3, which has the strictest governance requirements on the B3.

Our Strategy

We are excited about our future and believe we can continue to scale our business and expand our footprint well into the future. We aim to continue strengthening our market position by implementing the key strategies set forth below.

Strengthen market share in Brazil and in other markets by capitalizing on market growth opportunities, with strong tailwind from ESG compliance.

We expect that the remediation and industrial field services market will grow faster than global GDP growth in the short- to medium-term. We understand that the remediation and industrial field services market growth is generally driven by nominal GDP growth and increased demand for compliance with stricter ESG regulations. A stronger GDP is associated with increased transportation of hazardous materials, an increase in industrial activity and, thus, increased events which demand service expertise. In addition, our industry has seen a global outsourcing trend, which is driven by the need for specialization and lower costs to clients. We intend to leverage our position as a leading environmental, emergency response and industrial field services provider in Brazil with a broad geographic footprint to benefit from the expected market growth and gain market share in the several markets we serve. We believe that a business strategy that bundles extensive geographic coverage with a broad portfolio of standardized services constitutes a strong value proposition for customers. We are continuously looking for new possibilities to expand and innovate our business model, our footprint and product offering. We intend to capitalize on our difficult-to-replicate combination of standardized services to provide a one-stop-shop for emergency response and industrial field services. We believe our focus on sustainability, workforce safety and innovation, as well as our passionate commitment to customer service, provides for a long-term sustainable business model. In addition to organic growth initiatives, the fragmentation in our market offers significant opportunities for consolidation through M&A activity, and we will continue to pursue acquisition opportunities to expand our geographic reach, service lines and customer base.

Invest in our commercial team to increase cross-selling and in business development with potential customers.

As we expand our geographical footprint and services portfolio of acquired companies, we seek to benefit from our scale and the breadth of our services to increase cross-selling and ultimately drive incremental volume into our services. Cross-selling is driven largely by our capability of sharing know-how and technology developed among our businesses in different markets to our clients globally. In Brazil, for example, we did not customarily offer industrial services. We are now offering industrial cleaning services, including the cleaning of contaminant products and confined environments to our Brazilian clients, an expertise we gained from the North American companies that we acquired. In addition, the acquisition of Witt O'Brien's LLC (the "WOB Acquisition") has provided us with a new and complementary customer base and has created and we believe will further create meaningful commercial synergy opportunities that we expect will be materialized through cross-selling initiatives between Witt O'Brien's consulting services that we do not currently offer, such as post-emergency mitigation planning and applications development, and our current offering of large-scale emergency response services.

As part of this strategy, we intend to further develop relationships with multinational, blue chip clients that require extensive geographic coverage, both organically and inorganically. Our commercial team is an essential part of our organic business development strategy. From 2019 to 2022, we opened 66 service centers only in Brazil. We plan to invest in new commercial offices as well as in training our commercial team and those of acquired companies to strengthen our relationship with existing customers and attract new customers. In addition, we seek to leverage our acquired companies' client portfolio by generating business leads through the recommendation of complementary services to those already provided to these clients by the acquired companies.

Invest in certified carbon credits.

Due to the nature of our waste recovery and forest preservation activities, we generate carbon credits on a recurring basis. We believe that these carbon credits have significant trading potential based on their certification by the Verified Carbon Standard, or VCS, and by the Community Climate and Biodiversity, or CCB, which are both linked to the Verified Carbon Standard, or Verra, a renowned project certifier of carbon credits in the global

voluntary carbon market. Certified carbon credits can be sold to companies that seek to neutralize carbon emissions from their activities as well as in the form of “tokens” registered in block chain and sold to offset and neutralize carbon emissions by individuals or businesses. With that goal, we have developed Ambify, a carbon credit generation platform to sell carbon credits to the B2B and B2B2C markets.

History

We were founded in 1995 by Mr. Tercio Borlenghi Junior, our Chief Executive Officer, member of our board of directors and our controlling shareholder. In the beginning, our operations were centered in two waste treatment units, already focused on enhancing the value of residues collected and investments in research and development. A year later, the scope of our business expanded to include transportation, management and valorization of residues for large companies and industries. We also began providing services throughout Brazil.

In 2008, we started responding to environmental emergencies.

In 2010, Ambipar Participações was incorporated. With its creation the group underwent a corporate reorganization to operate our two business segments (Environment and Response segments) under a single holding entity. At that time, the group was also rebranded and all Ambipar group companies were renamed to make an explicit reference to the trademark Ambipar so that clients could have an integrated perception of all of our operations.

From 2010 to 2020, we grew both organically and inorganically. Over the years, we successfully implemented our strategy of focusing on strategic acquisitions to increase our geographic reach, gain market share and integrate complementary services into our portfolio. We sought to consolidate as a waste management and valorization company, through our Environment segment, and environmental emergencies, through our Response segment. During this period, we began rendering services abroad, notably in Chile and Peru, initiating our international expansion.

In 2020, we completed our initial public offering through which we raised R\$1.1 billion. We were the first environment management company to be listed on B3. As a result of our initial public offering, our shares were listed on B3 under the ticker symbol “AMBP3” and under the listing segment with the highest corporate governance standards.

Our initial public offering allowed us to pursue strategic and bolt-on acquisitions in the following years, and we spread our operations in the United States, Canada, Europe and Latin America. Since our IPO, we completed 29 acquisitions in the Environment segment and 29 acquisitions in the Response segment.

In the Environment segment, we started to offer not only waste management and valorization services, but also circular economy, decarbonization and ESG compliance solutions throughout Brazil and Latin America.

In the Response segment, we implemented our international expansion strategy, particularly in North America and today we operate in more than 40 countries and have expanded our services in the industrial, maritime and environmental sectors.

On March 6, 2023, our Response segment completed the business combination of Emergencia, a subsidiary of Response, with HPX Corp, a special purpose acquisition company formed by HPX Capital Partners LLC. The merger strengthened our Response segment by combining our expertise in emergency response and environmental management with HPX Corp.’s financial and strategic partnership. Response’s Class A ordinary shares and warrants are listed and trading on the NYSE American under the ticker symbols “AMBI” and “AMBIWS.”

Since our IPO in 2020, more than R\$2.5 billion of equity has been injected in the group.

Our Services and Operations

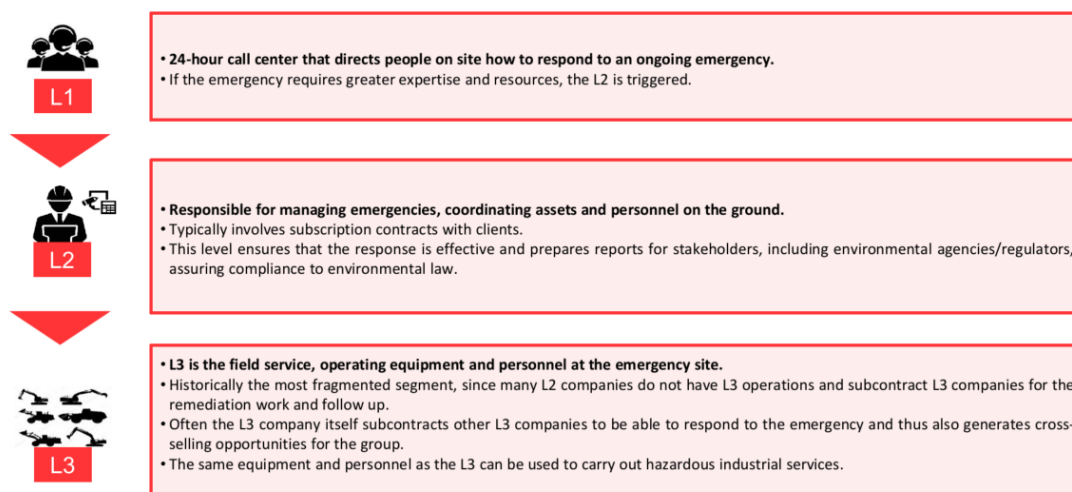
Response Segment

In our Response segment, we serve customers from various industries, including logistics (highways, railways, airports, ports and port terminals), chemical, oil and gas, mining, energy, infrastructure, agribusiness and construction. We have already supported more than 11,000 clients in prevention, training and emergency response activities.

We organize our services within four main business units: (i) industrial field services; (ii) emergency response; (iii) consulting services focused on accident prevention and environmental licensing; and (iv) training services.

Emergency Response and Industrial Field Services

Our emergency response services comprise the response to accidents involving hazardous and non-hazardous chemical and non-chemical products and waste and natural disasters (fire, flood, and hurricanes), including level 1 (24-hour remote emergency response by telephone), level 2 (consulting and subcontracting of level-3 responders) and level 3 (field or on the ground service) services, as illustrated below:



Source: Company.

Our wide range of industrial field services includes tank cleaning, silo cleaning, asbestos removal, vessel and container cleaning, waste transportation and disposal, soil remediation, turnaround, and decommissioning. We also provide biological emergency management and response services, including in connection with epidemics and pandemics such as the COVID-19 outbreak.

Our emergency services can be contracted by subscription or at spot:

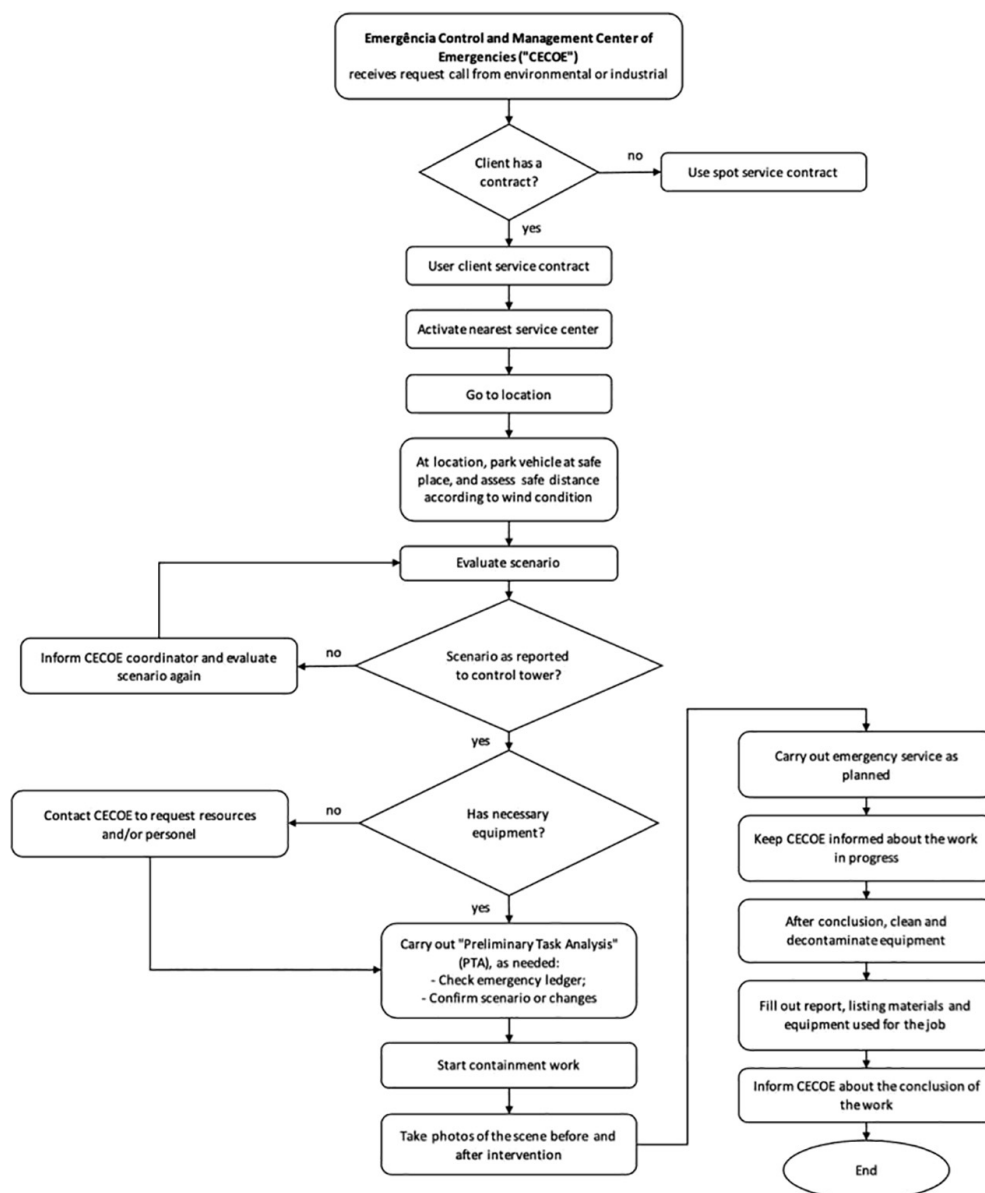
- (i) customers who subscribe to our services pay a monthly fee to rely on our emergency assistance on a stand-by basis 24 hours a day, benefit from our services for environmental regulation compliance, and have the optionality to pay the costs related to occasional emergencies at an advantageous price; and
- (ii) customers who hire our services at spot are charged variable one-time fees depending on the costs related to the emergency, which are higher than those charged to customers with subscription contracts.

To serve our customers efficiently and expeditiously, we operate through a broad network of service centers (some of which are dedicated to specific customers), which are strategically distributed across South America, North America, Europe, Africa and Antarctica. Each of these service centers is furnished with sophisticated equipment, including a fleet of embedded tech vehicles with a unique arrangement of equipment and materials that guarantees power autonomy and a fluid transfer system for various chemical products, such as flammable gases, corrosive and flammable liquids and viscous liquids, among others. Compressors and generators ensure air and power supply within the vehicles.

The teams operating these centers are composed of highly skilled employees, including natural science professionals holding master's degrees and PhDs; environmental, chemical and occupational health engineers; chemists; oceanographers, biologists, environmental managers; chemistry, environment and nursing technicians; firefighters and rescuers. They receive frequent trainings in our training centers with respect to several matters such as working at heights, working in confined spaces, working with flammables and fuel, among others.

We also have four regional fully automated centralized operations centers located in Brazil serving that country and Antarctica, Chile serving countries in Latin America other than Brazil, the United Kingdom serving Europe and Africa and the United States serving North America, with phone and power backups to mitigate outage risk. Through our free-of-charge call centers, the operations centers receive phone calls from customers in their respective regions requesting our services either under a subscription agreement or at spot. Based on information received on the call, the applicable operations center maps the emergency scenario, in case of emergency response services, and communicates with the nearest center to provide logistics and resources to assist the customer in a quick and effective way. The operations centers receive the technical support of our engineering team to identify the appropriate emergency support resources, any vulnerable areas, and any available public support agencies by using the database from a geographic information system — GIS and geoprocessing tools. For industrial field services, the operations centers receive requests through phone calls and schedules and organizes the team that will provide the service in the relevant customer's facilities. The high degree of specialization of our operations centers allowed us to enter into a technical partnership with the Brazilian Chemical Industry Association (*Associação Brasileira da Indústria Química — ABIQUIM*) in 2015 to operate their emergency center, Pro-Química.

The chart below shows the workflow of our Control Tower emergency response and industrial field services operations (other than in the United States, which is still in the process of rollout):



Since 2006, we have adopted the American standard for emergency responses, which we view as the golden standard for emergency responses. We comply with the 470 requirements set forth by the National Fire Protection Association — NFPA’s Standard for Competence of Responders to Hazardous Materials/ Weapons of Mass Destruction Incidents, and we are the only foreign company that is part of the NFPA’s technical committee, which is comprised of governmental authorities and legal entities involved in the chemical industry.

Given our know-how in emergency response services, Latin American clients often rely on us to develop dedicated emergency response centers including centers such as a 24-hour emergency response management center, and centers for civil and industrial firefighters, and industrial plants, railway and mining emergency specialists.

The Response segment offers many cross-selling opportunities. These opportunities typically relate to emergencies generated by level 2 contracts or level 3 companies with complementary skills and that outsource its services to other level 3 companies. We have adapted our business model to generate synergies at all three levels.

Consulting services focused on accident prevention and environmental licensing

We provide highly complex accident prevention and environmental impact studies for various industries with the purpose of mitigating accident risks and ensuring client compliance with the requirements under applicable environmental licensing processes. These studies include:

- (i) **Risk Analysis:** We provide in-depth analyses of client processes to identify the main accident risks, their causes and consequences. For example, in 2019, we carried out a risk analysis of the iron ore runoff railway system that runs from the Carajás mines, in the state of Pará, Brazil, to the port of Ponta da Madeira, in the state of Maranhão, comprising over 1,100 km. In 2021, we carried out a risk analysis study for the Port of Santos, the main port of Brazil and the largest port complex in Latin America.
- (ii) **Risk Management Program (RMP):** We develop risk management programs for our clients' operations that flow through their entire processes in order to ensure the safety of their operations. Such programs include maintenance and safeguarding the integrity of critical systems as well as human resources training. Since 2019, we have developed risk management programs for more than 1,200 carriers to meet hazardous substance transportation standards in compliance with applicable technical rules.
- (iii) **Emergency Action Plan (EAP):** We develop emergency response structure plans, which include guidance on the appropriate administrative and operational actions in case of accidents. For example, in 2021, we developed emergency action plans to ports in the South, Southeast, Northeast and North regions of Brazil.
- (iv) **Drills:** We simulate the implementation of emergency action plans (EAP) with our clients by identifying all relevant risk scenarios, developing a communication plan with stakeholders and testing the clients' emergency response structure. For example, we simulate explosions of industrial boilers and practice the evacuation of facilities and surrounding areas.
- (v) **Environmental Impact Report:** We prepare environmental impact reports that are required from customers that are in the process of obtaining environmental licenses for their operations. We prepare environmental programs for our clients including education programs, waste management programs, biodiversity rescue programs, and programs related to the investigation and remediation of contaminated areas. For example, in 2021, we developed a mining environmental monitoring plan for one of our clients.

In addition, we assist our clients in obtaining the several environmental licenses that are required for their respective activities with governmental authorities. This assistance includes preparing the technical documentation required under the legislation governing the storage and transportation of hazardous substances, which are subject to inspection.

Training Services

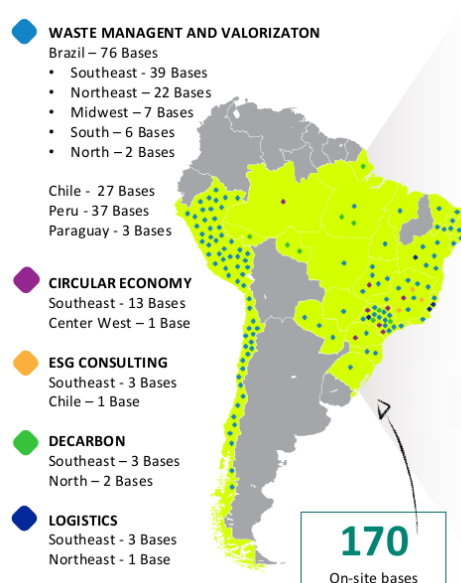
We offer a set of more than 40 professional training programs related to preventing, fighting and remediating emergencies. Over the last 16 years, thousands of people have completed our programs, including governmental authorities' staff such as firefighters and policemen of several Brazilian states, United Kingdom, Portugal, Chile and Argentina, as well as members of the Brazilian army, the Brazilian navy, and the Brazilian federal and state environmental authorities. These authorities rely on our renowned technical capacity in matters related to emergency response and risk analysis. We offer training programs in our multimodal training center located in the city of Nova Odessa, State of São Paulo, Brazil, which is one of the largest and finest training centers in Latin America, with more than 23 thousand square meters, as well as in our training centers located in Chile and Peru. More recently, as a result of our technical capacity and know-how, we were selected by ENSCO, Inc. to lead emergency response and hazardous materials trainings at the Federal Railway Administration's (FRA) Transportation Technology Center (TTC) in Pueblo, Colorado, United States, the largest chemical emergency

training center in the world. ENSCO, Inc. is a Washington, D.C. based international technology company offering engineering, scientific and cutting- edge technology solutions to governments and private companies across the globe in the defense, transportation, aerospace, and intelligence sectors.

We also offer in-house training, with our training team located in the United Kingdom assisting clients located in various countries in Europe, the Middle East and Africa. Our structure enables us to provide training by simulating a variety of accidents, including leaks in energy pipelines and dam collapse.

Environment Segment

Through our Environment segment, we offer comprehensive set of solutions acting as a waste valorization and circular economy platform for the recovery of industrial waste, post-consumption, recycling, co-processing, reverse manufacturing and other services related to waste management and recovery, to more than 5,000 clients in over 170 on-site bases located throughout Latin America, as pictured below.



Source: Company data as of September 30, 2023.

We foster our clients’ shift to a circular economy by sharing, reusing, repairing and recycling existing materials and products, thus extending their life cycle, and assist them with putting ESG principles into practice.

To fight climate change, our production processes focus on reducing GHG emissions, such as CO₂. We also invest in conservation, reforestation and restorage projects, as well as sustainable agricultural management, which, on their turn, generate carbon credits, enabling us to monetize our business with the sale of such credits.

Among our environmental solutions, we also offer social and environmental software solutions using artificial intelligence, digital waste traceability processes, environmental due diligence services, ESG training, complex waste valuation, manufacturing of recycled products, PET recovery services, collecting machines for post-consumer recyclable packaging, mining production waste reuse solutions, development of projects related to Reduction of Emissions from Deforestation and Forest Degradation (“REDD+”) and NBS carbon programs.

Our environment services contracts have a minimum internal rate of return determined at the beginning of the contract and contemplate provisions providing for the economic-financial rebalancing of the agreement. The

contracts provide flexibility to the client, allowing it to broaden the scope of work we provide throughout the contractual term.

Within our Environment segment, we operate five business units that, combined, allow us to provide a one-stop-shop service to help our clients transition from the linear economy to the circular economy. These five business units are further described below.

Waste Management and Valorization

Managing waste is a fundamental step in the production chain and it is essential that companies handle this process correctly, avoiding exposure to environmental liabilities.

Our Waste Management and Valorization business unit helps industrial clients move towards the circular economy, reducing carbon emissions and oftentimes cutting costs.

The activities of this business unit include waste recovery, co-processing, waste collection, conditioning, decontamination, logistics and reverse manufacturing, and waste treatment and disposal. We manage our customers' waste seeking at reducing, reusing and recycling it to reach "zero landfill" (i.e., reducing or eliminating disposal in sanitary landfills), thus reducing carbon dioxide emissions, generating carbon credits and improving sustainability indexes. The processes used in these activities have embedded proprietary waste recovery technology and patents. Our clients are mainly in the industrial sector, and we do not serve the public sector. We operate more than 5,000 waste management contracts that reached over 260,000 tons of waste treated in the last twelve months. These contracts have a minimum investment rate of return ("IRR") target threshold of 26%.

For further reference, the Waste Management and Valorization activities are basically divided in 5 main stages:

- (i) **On Site Waste Management.** After carrying out studies that identify the type of residues generated by the client based on its physical and chemical characteristics, our team, making use of our own laboratory facilities, develop solutions for the waste generated in facilities, seeking to develop new and marketable products. After this initial assessment, our team of engineers, composed by specialized professionals with multiple backgrounds, provides the technical support in the dimensioning and development of projects involving waste valorization facilities. Accordingly, we have already developed composting plants of organic, organic-mineral and industrial materials, as well as facilities for the processing of mineral waste. When we are able to create a new product, such as Ecosolo (organic fertilizer for agricultural activities) and Ecobase (cement artifacts and sub-base for road paving), we register and patent it.
- (ii) **Waste Collection, Transportation and Reverse Logistics.** We have a specialized fleet for the transportation of different types of discharged materials, including solid, liquid, bulk or fractioned waste from on site management operations. Those materials are transported to waste recovery centers, where they are processed. We also offer reverse logistics solutions for the disassembly and mischaracterization of products for reuse, recycling and sale. As such, we help our clients to reduce their exposure to environmental liabilities arising from the inappropriate disposal of waste. We have well-structured reverse logistics operations with manufacturers, importers, distributors and traders of batteries, lubricating oils and electronic products.
- (iii) **Waste Valorization.** We add value to different types of waste from either inside or outside of our clients' industrial facilities. These units process the waste taking into account its main characteristics.
- (iv) **Sustainable Products.** Our RD&I team develops innovative products based on materials processed and recovered. Through this service, high-quality products have already been developed, and have given rise to green patents registered in Brazil. The development of commercial activities linked to these products and attribution of responsibility for such efforts are

jointly determined with our clients. We provide the necessary technology and the client may market the products.

- (v) **Treatment and Final Disposal of Residues.** We carry out the final disposal of small volumes of residues that offer no economic feasibility. Final disposal is made to appropriate locations, in compliance with local environmental regulations. We issue electronic certificates and manifests of mandatory waste transport (MTR), ensuring the traceability of processes. Traceability is one of the most important factors within waste management. The process is carried out to ensure that all material is being sent correctly and that nothing is diverted to the parallel market. This can be done through software and artificial intelligence technologies.

Circular Economy

Circular economy consists on reintroducing waste into the production chain rather than discarding it. In other words: insert it into the process, turning it into raw material for the manufacture of new items. As a result, the amounts of waste and the extraction of natural resources are reduced. By associating economic development with the responsible use of resources, this format aims at using durable, recyclable and renewable inputs instead of virgin raw materials and natural resources.

Our Circular Economy business unit reinserts industrial and urban waste in the economy, while promoting decarbonization and increasing income for independent garbage collectors. We provide recycling and reuse solutions for post-consumer and post-industrial waste. We source and transform post-consumer material into inputs for industries in various sectors or into new recycled products. Post-consumer material is obtained through partnerships with cooperatives of garbage collectors and agreements with clients for the collection of their recyclables. This market is fragmented, offering rapid growth and consolidation opportunities.

We have highly trained professionals and specialists that carry out studies and develop circular economy projects, enabling our clients to reduce costs, generate revenue and reintroduce waste into the production chain.

Decarbonization

The Decarbonization business unit provides decarbonizing services through mitigation in addition to the origination and commercialization of carbon credits within the voluntary market.

We provide solutions for managing, reducing and offsetting GHG emissions, driving clients' operations towards becoming carbon neutral. We generate and intermediate the negotiation of carbon credits.

Our carbon credits are generated through: (a) residue processing, since the creation of products from residues effectively serve to reduce GHG emissions; (b) recycling or reusing waste as raw material for supply chains; (c) replacing the energy matrix in co-processing plants; and (d) offering nature-based solutions, including: (i) avoided deforestation and forest degradation combined with social, climate and biodiversity activities (REDD+), (ii) agricultural management (ALM); (iii) afforestation/reforestation (ARR) and (iv) legal reserve compensation (CRL) for rural properties that have a legal reserve deficit.

To reduce GHG emissions, we offer reverse manufacturing (re-utilization of processed waste as raw material for new products) and other solutions such as the production of soil fertilizer from organic waste.

ESG Consulting and Compliance

In the ESG Consulting and Compliance business unit, we provide ESG consulting, auditing and compliance services to ensure that our clients' operations are compliant with applicable ESG rules and regulations. We also offer bespoke and integrated software solutions for managing compliance with labor, health and environmental regulations and best practices and tracking ESG indicators. In addition, we offer corporate training to help our clients implement a sustainability agenda through the measurement, management and improvement of ESG indicators. We have more than 6,000 active monthly users and a high customer retention period (56-month average

retention period) across all sectors we serve, given that the use of our software has a low monthly average ticket. For the nine-month period ended September 30, 2023, the average client ticket was approximately R\$9,000.00.

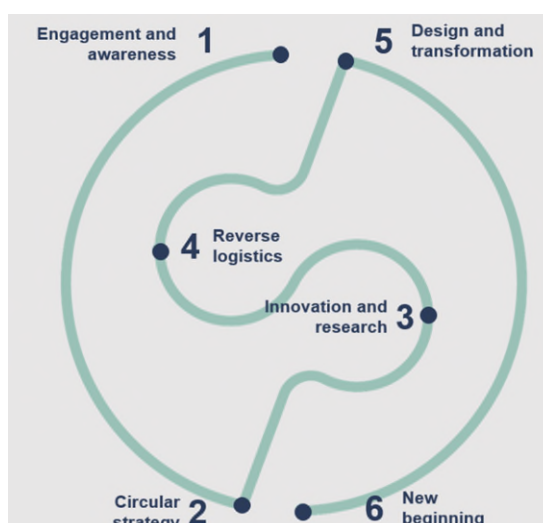
Hazmat Logistics

In our Hazmat Logistics business unit, we connect Latin America’s hazardous materials (“Hazmat”) supply chains by transporting, storing, handling and disposing of Hazmat in accordance with the highest safety standards and in compliance with environmental legislation.

We also have the “sustainable corridor” operation (i.e., all of our vehicles are powered with renewable energy sources), which reduces our GHG emissions by 18%.

With the support of our state-of-the-art center for RD&I, we develop disruptive technologies and processes to treat waste at its source and turn it into raw material to be reused in our clients’ production chain. By reincorporating waste into production processes, our clients improve sustainability while generating savings and optimizing resources.

Value proposition ecosystem



Source: Company.

As a result of our innovative sustainable technologies, our RD&I has received more than 40 sustainability innovation awards, including the FIESP Environmental Merit Award (Prêmio FIESP de Mérito Ambiental) (2016, 2017 and 2018), the Brazilian Chamber of Construction Industry Award for Innovation and Sustainability (Prêmio da Câmara Brasileira da Indústria da Construção de Inovação e Sustentabilidade) (2014 and 2019) and the 1st International Business Exchange for Green Economy BM&FBOVESPA 2011 (1ª Bolsa Internacional de Negócios de Economia Verde BM&FBOVESPA 2011), as well as the Best for the World Award – B Corp (2018, 2019 and 2021), in the Environmental category.

Suppliers

We maintain a long-term relationship with our suppliers, which we periodically evaluate based on financial and technical criteria. We have implemented supplier management processes, including methodology for approving the contracting of suppliers based not only on the quality of the product and its price, but also on the reputation of the suppliers, their financial condition, delivery guarantees and product availability. There is no relevant

concentration of suppliers, measured as a percentage of costs or related revenues attributable to products and/or services provided by suppliers.

Competition

Competition within the Response segment varies by locality and by type of service rendered, and competitors include several major national and regional environmental services firms, as well as numerous smaller local firms, including outsourcing companies, though no one competitor directly competes with our full suite of offerings.

However, we believe that we stand out in comparison with these competition because, in addition to providing one-stop-shop solutions that target the entire supply chain, we also offer unique waste recovery solutions, transforming waste into products that can be reinserted into the production chain.

The principal competitive factors applicable to our services are quality of performance, price, breadth of service portfolio, operational efficiency and reliability of services, availability of specialized equipment and latest technologies, skilled, technical, and professional personnel, customer-service oriented culture, regulatory compliance and safety record, industry reputation and brand name recognition.

We believe that we are competitive in all markets we serve and that we offer a unique mix of services, including niche technologies and services that favorably distinguish us from competitors. We also believe that our strong brand name recognition, compliance and safety record, customer service reputation and positive relations with regulators, government agents and local communities enhance our competitive position.

Our Customers

As of September 30, 2023, we served approximately 15,000 customers worldwide. No customer accounted for more than 10% of total revenue for the nine months ended September 30, 2023 and the years ended December 31, 2022, 2021 or 2020.

Our People

As of September 30, 2023, our staff included 15,000 full-time employees, the majority of which is located in Brazil. A substantial portion of these employees are represented by labor unions, through collective bargaining agreements. In 2022, our monthly average turnover rate was 4.08%.

Sales Channels and Marketing Efforts

We seek to expand market awareness of the breadth of our service offerings to current and future customers through targeted marketing opportunities, including:

- Direct sales pipeline development and management;
- Maintain an online presence through our website and social media channels by utilizing video, written content and social implementations to create awareness;
- Speaking engagements at industry conferences;
- Networking within our established channels;
- Direct sales channel management programs including both inbound and outbound programs and client referrals; and
- Public relations campaigns.

Our direct sales channel is core to our go-to-market strategy. We believe that regional, vertical, and broader domain expertise, as well as continued client management, are critical to our sales success. Our regional sales teams respond to our chief operating officer and are located in the United States, Canada, Latin America and Europe. Our regional sales teams augments direct sales capabilities by cultivating existing relationships and identifying cross-sell and up-sell opportunities of additional solutions.

We focus our sales and marketing efforts on generating leads to develop our sales pipeline, building brand and vertical awareness, scaling our network of partners, and growing our business from our existing client base and that of acquired companies. Our sales leads primarily come through inbound digital channels including our website, content marketing efforts, lead generation and account-based marketing tactics, phone calls, virtual events, and industry trade shows and associations.

We typically follow a “land-and-expand” strategy as our clients engage with us on more than one solution as we grow our partnership. For example, multinational clients who initially engage with us locally tend to rely on our scalability to adopt a full-suite enterprise solution. Once our clients experience the depth of our ability to handle their multi-faceted environmental needs, our regional sales teams are able to successfully cross-sell and up-sell other solutions, creating a large avenue of revenue generation with minimal incremental acquisition cost.

Research and Development

Our competitiveness depends on, among other things, our ability to anticipate trends and to identify and respond to new and changing consumer preferences. We therefore devote significant resources to various research and development activities to design, create and develop new solutions.

Seasonality

Our revenue and income can vary from quarter to quarter or year to year for factors that we do not control. Therefore, past financial performance may not be a reliable indicator of future performance.

In the Environment Segment, for example, we note that clients tend to contain their budget in the first months of every year and are willing to contract more services and incur in expenses towards the end of their fiscal years.

In the Response Segment, demand for our services can be affected by the commencement and completion of cleanup of major spills and other events, clients’ decisions to undertake remedial projects, seasonal fluctuations due to weather and budgetary cycles influencing the timing of clients’ spending for remedial activities. Seasonal impacts related to weather conditions could become more significant if climate change results in an increase in the frequency or severity of adverse weather events.

In addition to the foregoing, in both segments, our performance may also be affected by the timing of regulatory decisions relating to hazardous waste management projects, changes in regulations governing the management of hazardous waste, trends in the waste processing industry towards waste minimization, the propensity for delays in the demand for remedial services, and changes in governmental regulations relevant to our diverse operations.

Environmental Social and Governance, or ESG

Environmental, organizational and financial sustainability initiatives have been key components of our success since we were founded in 2008. We continuously monitor and evaluate new technologies and investments that can enhance our commitment to the environment, to the safety of our employees and to the communities we serve. These investments align with our focus on value creation for all stakeholders and we remain committed to expanding these efforts as our industry and technology continue to evolve.

In 2020, we adhered to the United Nations Global Compact, the largest corporate sustainability initiative in the world organized by the United Nations, and committed to join efforts to advance all 17 sustainable development

goals — SDGs, including developing inclusive and sustainable industrialization, supporting affordable and clean energy, fighting climate change, restoring and protecting life below water and on land, ending extreme poverty, improving gender equality and reducing other inequalities, among other goals. By joining the Global Compact, we took an important step towards the full alignment of our business with social and environmental sustainability standards and reinforced our commitment to these values, which we carry over to our customers.

We publish an annual sustainability report that contains targets to meet ESG criteria, which targets include the reduction of greenhouse gas emissions, reinforcing actions to validate our commitment to fighting climate change, technology projects, innovation, and diversity initiatives.

We recognize the importance of disclosure surrounding these initiatives and strive to become increasingly transparent through the continued use and adoption of new ESG frameworks, expansion of ESG-related data points, as well as participation at ESG-related industry events and other investor engagements.

Quality, Safety and Management

Safety is a core value in our company. A large number of our employees work as drivers, heavy equipment operators and sorters and are exposed to the inherent risks of on-field work. We rely on incident and accident indicators such as total recordable incident rate — TRIR, fatality rate, disabling injury rate, frequency rate and severity rate, which are constantly monitored, and apply methodologies for action plans. To guide safety management, we use an integrated management system, which is used to perform operation analyses related to health, safety at work, environment and quality, establishing guidelines for achieving the outlined objectives.

All operations are conducted based on risk management and undergo environmental risk assessment, including mechanical, physical, chemical, ergonomic, and biological assessment to minimize risks in our operations and for our customers. For the analysis of these qualitative or quantitative risks, we adopt national and international regulatory standards.

We strive to fully comply with environmental legislation and health and safety standards, in accordance with the quality standards applicable to our business.

Employees learn safety best practices through new-hire and ongoing technical, legal, security and operational training. Our trainings are directed at teams according to their specific needs. All employees undergo regulatory training and refresher trainings from time to time.

As part of our efforts to apply the highest quality, safety and management standards, we have obtained the following certificates: ISO 9001 (quality management system), ISO 14001 (environmental management system), ISO 45001 (occupational health and safety management system) and ISO 22320 (emergency management).

Intellectual Property

We own relevant brands, domain names, trademarks and copyrights linked to our activities in Brazil, Colombia, the United States and the United Kingdom, which we are entitled to use. Technology, sophisticated deep learning methodologies, human capital, unpatented trade secrets, pending trademarks and domain names are key to our success.

As of the date of this offering memorandum, our trademark portfolio included 249 registrations. We have also applied and are in the process of obtaining a total of 38 trademarks in Argentina, Canada, Chile, the European Union, Paraguay, Peru and Uruguay, which are relevant to our business.

Our main trademarks are “Ambipar,” “Ambipar Response,” “Ambipar Environmental” and “Ambipar Participações”, which we have registered or are in the process of registering in all of the countries in which we operate. We entered into a trademark licensing agreement with Response under which we formally granted Response with a non-exclusive, non-assignable, non-sublicensable and non-transferable license to use the

trademarks “Ambipar Response,” “Grupo Ambipar” and “Ambipar” in any country or territory where Response and its affiliates operate and do business, for an indefinite period of time.

As of the date of this offering memorandum, we own the domain name <https://ambipar.com>, which is registered with the Registro.br (the Brazilian internet domain name registry) as well as 177 other domain names duly registered by us with Registro.br or other internet domain name registries in foreign jurisdictions.

As of the date of this offering memorandum, we are also the owners of 10 patents granted and patent applications filed with the INPI. In Brazil, the invention of a new technology, whether for a product or a process, is entitled to a patent. A patent is a property title that grants its holder the property right, against third parties, over an invention or utility model, for a period of 20 or 15 years, counted from the filing date, non-extendable, being that the term of validity of a patent cannot be less than 10 years for the patent of invention and seven years for the utility model, the latter counted from the date the patent was granted. In order to be granted, invention patents must meet the requirements of novel inventive activity and industrial application, while utility models, as they are objects of practical use or parts thereof that present a new form or arrangement, they must meet the requirements of industrial application and novelty.

As of the date of this offering memorandum, we hold 2 industrial designs duly registered with the INPI. Industrial design, as defined in art. 95 of the Law No. 9,279/1996, or the Industrial Property Law, is the ornamental plastic form of an object or the ornamental set of lines and colors that can be applied to a product, providing a new and original visual result in its external configuration and that can serve as a type of industrial manufacture. Ownership of the industrial design is acquired through registration validly granted by the INPI, granting the holder the right to prevent third parties from using, producing or offering for sale without their consent.

As of the date of this offering memorandum, we have 3 proprietary software registered with the INPI. In Brazil, software is protected by copyright rules, essentially the Berne Convention on Copyright, ratified in Brazil through the publication of Decree No. 75,699/75 and Law No. 9,610/98, or the Copyright Law, in conjunction with the Software Law, so that the protection of rights in certain software is independent of registration. However, the software registration granted by the INPI is the safest way to guarantee the ownership of software and obtain a high level of legal certainty as to its authorship and, also, against any undue or unauthorized uses, as well as acts of competition unfair practices by third parties. After the granting of the software registration by the INPI, the software registration is valid for a period of 50 years, counted from January 1st of the year following its publication or, in the absence thereof, of its creation, in all 176 member countries of the Berne Convention.

We also enter into software license agreements with third parties and enter into service agreements for the use of software to perform our services. Under our employment contracts, except when otherwise provided, all industrial designs and software developed by employees as part of their employment relationship with us remain our exclusive property.

We devote significant resources to the protection and enhancement of our intellectual property assets and actively monitor the market for infringements or abuses of our trademarks and product designs. We are also active in enforcing our rights against third-party infringements. In addition, we monitor third-party applications for registration of trademarks that could be confused with our trademarks, and file oppositions against the applications for, or the registration of such trademarks in accordance with the laws and regulations of the relevant jurisdictions and cooperate with competent authorities worldwide to fight the counterfeiting of our products.

Legal and Administrative Proceedings

From time to time, we may become involved in legal proceedings or be subject to claims arising in the ordinary course of business, including labor and civil proceedings. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management time and resources, reputation and other factors.

For instance, certain of our subsidiaries within the Environment segment, including Ambitec S.A., as well as certain of our directors and executive officers, including Mr. Tércio Borlenghi Junior and Ms. Alessandra Bessa

Alves de Melo (who are members of our Board), are defendants in a criminal lawsuit, including the Brazilian proceeding No. 0003361-86.2015.8.08.0006.

Brazilian proceeding No. 0003361-86.2015.8.08.0006 relates to a criminal lawsuit filed by the Public Prosecutor's Office of the State of Espírito Santo ("MP-ES") on May 12, 2015. Mr. Tércio Borlenghi Junior is a named party in the lawsuit as he was a shareholder to Ambitec S.A. at the time. The criminal matter concerns facts that allegedly occurred in 2007 and 2008, involving alleged irregularities in public tenders for hiring public cleaning services in the Municipality of Aracruz. The complaint is based on telephone interceptions that were not included in the records, nor located by MP-ES. The case is pending the production of evidence by MP-ES.

Proceeding No. 0015593-38.2012.8.08.0006 relates to an improbity action filed by the MP-ES with the District Court of the city of Aracruz, state of Espírito Santo, against several defendants, including Ambitec S.A., Débora Lemos Borlenghi and Daniela Borlenghi Iglesias Balseiro, on July 19, 2012. According to the MP-ES, Ambitec S.A. was involved in an illicit scheme related to the payment of bribes to City Councilors of Aracruz, as a way to avoid the inspection and auditing of its government contracts by the Municipality. The accusation was grounded in a plea bargain entered into between the former City Councilman of the Municipality of Aracruz, George Coutinho, and the MP-ES. The District Court granted the injunction relief requested by the MP-ES determining the following measures against Ambitec S.A.: (i) freezing of assets up to the limit of R\$1.0 million; (ii) breach of tax secrecy for the period from January 1, 2009 to July 19, 2012; and (iii) prohibition on contracting with the Brazilian government, as well as participating in any bidding process. In order to avoid the freezing of its assets, Ambitec S.A. deposited R\$1.0 million with the court. On January 30, 2013, the District Court accepted MP-ES' complaint. The parties were summoned to be heard regarding certain amendments to the improbity law. The judge is now expected to decide the impact of the amended law on the case. Should Ambitec S.A. be convicted, it could be subject to several sanctions, such as disgorgement, fines and debarments (blacklisting), including a prohibition on contracting with public authorities or receiving tax or credit benefits or incentives, either directly or indirectly. The Lower Court of Aracruz denied MP-ES' request to include Tércio Borlenghi Junior and Ambipar Participações e Empreendimentos S.A. in the lawsuit. However, the MP-ES filed an interlocutory appeal challenging the decision that dismissed the lawsuit in favor of Tércio Borlenghi Junior and Ambipar Participações e Empreendimentos S.A., which had been granted by the court. Therefore, based on the abovementioned information, Tércio Borlenghi Junior and Ambipar Participações e Empreendimentos S.A. would be defendants, although they were never formally notified.

Proceeding No. 0006131-88.2009.8.26.0288 relates to an improbity action filed by the Public Prosecutor's Office of the State of São Paulo ("MP-SP") against Ambitec Ltda. and Lúcio Adalberto Lima Machado, on December 18, 2009, on the grounds that Ambitec Ltda. was awarded a government contract arising from an illegal public bid. MP-SP claims that the Municipality's public administration failed to comply with all aspects of applicable bidding laws. The MP-SP claims that Ambitec Ltda. was preferred due to alleged nullities in the bidding process. The government contract governed the provision of medical and home waste collection and transport services, in the Municipality of Ituverava. According to Ambitec Ltda., the services were effectively provided without any complaints by the Municipality of Ituverava. The case is pending (a) the production of evidence by MP-SP; and (b) decision regarding the interim statute of limitation provided by the amendments on the improbity law, as claimed by Ambitec Ltda. Should Ambitec Ltda. be convicted, it could be subject to several sanctions, such as disgorgement, fines and debarments (blacklisting), including a prohibition on contracting with public authorities or receiving tax or credit benefits or incentives, either directly or indirectly.

Proceeding No. 000259278.2015.8.08.0006 relates to an improbity action filed by the MP-ES against several defendants, including Ambitec S.A., Débora Lemos Borlenghi and Daniela Borlenghi Iglesias Balseiro, on April 1, 2015. According to the MP-ES, the defendants were allegedly engaged in unlawful acts within the scope of the execution of amendments to Service Agreement No. 354/2008 entered into between Ambitec S.A. and the Municipality of Aracruz. The agreement governed the provision of manual and mechanical cleaning and sweeping services in the Municipality of Aracruz. The MP-ES alleges irregularities in the increase in the scope of the services and the prices charged by Ambitec under the amendment. On July 5, 2017, the MP-ES' complaint was dismissed by the Lower Court of the Municipality of Aracruz, State of Espírito Santo. Nonetheless, this decision was annulled by the Court of Appeals of Espírito Santo. Against the annulment decision, Ambitec S.A. filed a special appeal on August 25, 2021, which was denied by the Court of Appeals of Espírito Santo. Against this decision, Ambitec S.A.

filed an appeal to the Superior Court of Justice, which is pending judgment. Should Ambitec S.A. be convicted, it could be subject to several sanctions, such as disgorgement, fines and debarments (blacklisting), including a prohibition on contracting with public authorities or receiving tax or credit benefits or incentives, either directly or indirectly.

Although we believe that the likelihood of members of our management or our or our subsidiaries losing any of these proceedings is remote, we cannot guarantee that the results of any such proceedings will be favorable to them or any such other defendants, as applicable, or that the liabilities arising from them will be adequately provisioned. See *“Risk Factors—Risks Relating to our Business and Industry—We, our subsidiaries, affiliates, direct and indirect controlling shareholder and members of our management, or companies with which members of our management have been involved with in the past, have been in the past and may in the future be subject to legal, administrative or arbitration disputes or investigations. Any disputes or investigations may adversely affect our results of operations, financial condition and reputation.”*

We believe that we are not presently a party to any legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, financial condition or cash flows. As of September 30, 2023, we recorded a provision for contingencies in the amount of R\$2.2 million. For additional information, see note 14 to our unaudited interim financial statements included elsewhere in this offering memorandum.

Compliance

We regard compliance with applicable regulations as a critical component of our overall operations. We strive to maintain the highest professional standards in our compliance activities.

Our Code of Conduct & Compliance has been effective since 2017 and was updated in 2020. It applies to employees, suppliers, representatives, service providers, and business partners. It establishes our non-negotiable ethical and moral principles - for example, respect for human rights, diversity, inclusion, fighting against corruption, money laundering, unfair competition, underage workers, and slavery conditions.

Our Code of Conduct & Compliance and our policies (including, among others, our anti-corruption and anti-money laundering policy, our sponsorship and donation policy, our related party transaction policy and our supplier relationship policy) intend to promote transparency and standardization for the daily dynamics in the company in Brazil and worldwide, and they are valid for all brands and companies in the Ambipar Group.

We have a dedicated team responsible for the facilities’ permitting and regulatory compliance, compliance training, transportation compliance and related record keeping. In order to ensure the effectiveness of our regulatory compliance program, our dedicated team also monitors our facilities’ operations are monitored.

Our facilities are frequently inspected and audited by regulatory agencies, as well as by customers. We believe that each of our facilities is currently in substantial compliance with applicable permit requirements.

With the acquisition of new companies and presence in different countries and regions in the world, with different cultures and customs, legislation, and standard procedures, it is increasingly necessary to observe and register the conduct baselines for our businesses, aligning ethical and transparency standards for the entire Company as indispensable pillars for the Ambipar Group.

In line with the Ambipar Group’s Corporate Governance improvement process, all our Policies, the Code of Conduct & Compliance, and other corporate documents are undergoing an intensive review process, which began at the end of 2022 and is expected to be completed in 2023.

MANAGEMENT

Pursuant to our bylaws and the Brazilian Corporations Law, we are managed by a board of directors (*Conselho de Administração*) and a board of executive officers (*Diretoria Estatutária*). Our bylaws also provide for a nonpermanent fiscal council, to be established at the request of our shareholders. As of the date of this offering memorandum, our fiscal council has not been established. We also have an audit committee and a sustainability committee, which are advisory bodies to our board of directors.

We are also subject to certain additional requirements established by *Novo Mercado* regulations. Pursuant to the rules of the *Novo Mercado* and to our bylaws, the members of our board of directors, board of executive officers and fiscal council (if established) must comply with the arbitration clause of the *Novo Mercado* during their terms of office to formally accept their appointment.

We have a formal policy in place to nominate the members of our board of directors, committees and executive officers established under our bylaws, or Nomination Policy. Our Nomination Policy was approved by our board of directors on February 17, 2020.

Board of Directors

Our board of directors is responsible, among others, for establishing our general business policies and electing our executive officers, as well as overseeing the management activities of our executive officers. In addition to the matters provided under law, our board of directors is responsible for resolving on the topics described in our bylaws.

Our board of directors comprises at least five members, shareholders or not, resident or not in Brazil, elected by our shareholders, for a unified term of office of two years. Reelection is permitted. Our shareholders' meeting may also dismiss the members of our board of directors.

Pursuant to the *Novo Mercado* listing rules, at least two members or 20% of the members of our board of directors, whichever is greater, must be independent.

The characterization of the persons appointed to the board of directors as independent directors should be deliberated at the shareholders' meeting electing them. Brazilian Corporations Law further provides that holders of our voting shares representing at least 15% of our voting capital stock are entitled to appoint and dismiss one director and corresponding alternate by separate election, outside the general directors' election at the shareholders' meeting (if we had outstanding nonvoting preferred shares this threshold would be of 10%).

Our board of directors holds ordinary meetings on a quarterly basis and extraordinary meetings to discuss any matter under its responsibility.

The names, positions and dates of election of the members of our board of directors are presented in the following table:

Name	Position	Date of Election
Carlos Augusto Leone Piani	Chairman	March 28, 2023
Tércio Borlenghi Junior	Director	May 4, 2022
Alessandra Bessa Alves de Melo	Director	May 4, 2022
José Carlos de Souza	Independent Director	May 4, 2022
Marcos de Mendonça Peccin	Independent Director	May 4, 2022

Below is a brief biography of each member of our board of directors:

Carlos Augusto Leone Piani. Mr. Piani has served as our Chairman since March 2023. He is also an independent member of Response's board. Mr. Piani served as the Chief Executive Officer and Chief Financial

Officer and a director of HPX Corp. from its inception until the closing of the business combination with Emergencia in March 2023. Mr. Piani has over 20 years of investment and operational experience and a depth of investment and mergers and acquisitions experience in a wide range of industries. Besides serving on our board, Mr. Piani is currently the Chairman of Equatorial Energia S.A. (B3:EQTL3), a Brazilian utilities company, and serves on the board of directors of Vibra S.A., previously known as Petrobras Distribuidora S.A. (B3:VBBR3), one of Brazil's largest fuel distribution company. Mr. Piani served as Head of Strategic Initiatives and Mergers & Acquisitions in 2019 at Kraft Heinz and Zone President of Kraft Heinz Canada from 2015 to 2018. Prior to joining Kraft Heinz, Mr. Piani served as Chief Executive Officer of PDG Realty S.A. Empreendimentos e Participações (B3:PDGR3), a real estate company, from August 2012 to August 2015. Previously, he served as Co-Head of Private Equity of Vinci Partners, an independent asset management firm, from April 2010 to August 2012, as Chief Executive Officer of CEMAR, an electricity distribution company in Brazil, from March 2006 to April 2010, and as Chief Executive Officer of Equatorial Energia S.A., CEMAR's controlling shareholder, from March 2007 to April 2010. From 1998 to 2004, Mr. Piani served at Banco Pactual S.A. (now known as BTG Pactual Investment Banking Ltda.), initially as an investment banking analyst and later as an Associate Partner of the Principal Investment Group, where he managed a multi-million dollar venture capital fund focused on Brazilian technology companies. Mr. Piani has a bachelor's degree in computer science from *Pontifícia Universidade Católica do Rio de Janeiro* (PUC/RJ) and a bachelor's degree in business from IBMEC/ RJ. He has also completed the Owner and President Management Program at Harvard Business School and is a Chartered Financial Analyst by CFA Institute.

Tércio Borlenghi Junior. Mr. Borlenghi Junior founded Ambipar in 1995. He has served on our board of directors since 2020, having occupied the position of Chairman from 2020 to 2023. Mr. Borlenghi Junior also serves as our Chief Executive Officer since June 2023 and as chairman of Response's board of directors since March 2023. Mr. Borlenghi Junior holds a bachelor's degree in law and has significant experience in commercial, operational and administrative areas.

Alessandra Bessa Alves de Melo. Ms. Melo has served as the chief legal officer of Ambipar since 2015 and as a member of Response's board since March 2023. Ms. Melo joined the Ambipar Group in 2003 and has served in various roles in our legal department since then. Prior to joining the Ambipar Group, Ms. Melo worked as a lawyer in private practice from 1995 to 2002. Ms. Melo holds a bachelor's degree in law from Universidade Paulista and an MBA in Business Management from *Fundação Getúlio Vargas* — FGV, as well as a postgraduate degree in Tax Law and a specialization certificate in Contract Law, both from *Centro de Extensão Universitária* — CEU.

José Carlos de Souza. Mr. Souza is an independent member of our board since 2020. Mr. Souza has also served as a director at Aunde do Brasil S.A., a textile company that manufactures vehicle fabrics, since 2000. Previously, he worked as a manager at Klabin Fabricadora de Papel e Celulose S.A., as a credit and collections analyst at Anderson Clayton S.A., and as an administrative assistant at Banco Novo Mundo S.A. Mr. Souza holds a bachelor's degree in economics from *Universidade São Judas Tadeu*, an MBA degree from the *Universidade de São Paulo* and a master's degree in Controllershship and Strategic Accounting from FECAP.

Marcos de Mendonça Peccin. Mr. Peccin has been an independent member of our board since 2022. Since May 2019, he has served as executive director of M. Peccin Auditoria e Consultoria Ltda., an auditing and consulting services founded by him. Since June 1999, Mr. Peccin has also served as manager of the internal audit department at Companhia Energética de São Paulo — CESP. Previously, he also worked as a senior auditor at Pepsico Inc, as an auditor at Touche Ross & Cia S/C Auditores Independentes and as an administrative clerk at Banco Itaú S.A. Mr. Peccin is currently the chair of the deliberative council of Fundação CESP, representing the Sponsor CESP 2000/2019, in addition to being a member of the Institute of Internal Auditors of Brazil, the Regional Board of Directors, the Regional Council of Accounting, the Brazilian Institute of Corporate Governance and the Institute of Independent Auditors of Brazil. He holds a degree in business administration from *Universidade Mackenzie* and a postgraduate degree in expert accounting evaluations from the *Faculdade de Ciências Econômicas de São Paulo*. Mr. Peccin also holds a degree in accounting sciences from *Universidade Paulista* (UNIP), an MBA degree in internal auditing from the Coimbra Business School, and a certificate in management of energy companies from *Universidade de São Paulo*. He also holds a professional certificate in social security from the ICSS with an emphasis on business administration.

Board of Executive Officers

The members of the board of executive officers are our legal representatives, who are primarily responsible for our daily management and for implementing policies and general guidelines established by our board of directors.

Our board of executive officers consists of at least three and up to five members, with a term of office of three years, reelection permitted. The rules on the operation of the board of executive officers, as well as the duties and specific powers of the executive officers, are provided for in our bylaws, or in the relevant resolutions.

Our board of executive officers has the powers to perform all acts necessary for our regular operations and the achievement of our corporate purpose, in compliance with the relevant legal or statutory provisions, as well as to implement our business plans, operating budgets and capital budgets as approved by our shareholders.

The names, positions and dates of election of our executive officers are presented in the following table:

Name	Position	Date of Election
Tércio Borlenghi Junior	Chief Executive Officer	June 27, 2023
Thiago da Costa Silva	Chief Financial Officer and Investor Relations Officer	January 19, 2023
Guilherme Patini Borlenghi	Chief Operating Officer	June 27, 2023
Luciana Freire Barca Nascimento	Deputy Officer	January 19, 2023

Below is a brief biographical description of our executive officers:

Tércio Borlenghi Junior. See “—Board of Directors.”

Thiago da Costa Silva. Mr. da Costa Silva has served as our Chief Financial Officer and investor relations officer since 2020 and as Response’s director since 2022. Mr. da Costa Silva has extensive experience in accounting, tax, planning and finance. Prior to joining Ambipar in 2014, Mr. da Costa Silva served as controllership consultant at Camargo Corrêa S.A. from 2012 to 2014, as a senior accounting analyst at the Camargo Corrêa Group from 2007 to 2012, and as an accounting analyst at Dispan Indústria e Comércio Ltda. from 2003 to 2007. Mr. da Costa Silva holds a bachelor’s degree in accounting from Centro Universitário Salesiano de São Paulo — UNISAL and a graduate degree in strategic accounting management and international accounting from Pontifícia Universidade Católica de Campinas — PUC/Campinas.

Guilherme Patini Borlenghi. Mr. Borlenghi has served as our Chief Operating Officer since June 2023, and as Response’s Chief Operating officer since March 2023. Since 2009, he has worked in various roles in our financial department. Since 2020, he has also served as chief executive officer of Ambipar Response S.A. Mr. Borlenghi graduated from the business school of Fundação Armando Alvares Penteado — FAAP.

Luciana Freire Barca Nascimento. Ms. Nascimento has been a member of our management since 2012, acting as deputy officer and assisting our Chief Executive Officer in his duties. Ms. Nascimento holds a degree in business administration from *Universidade de São Paulo*.

Audit Committee

We have an audit committee that reports to our board of directors.

Our audit committee comprises at least three members, including at least one independent board member and at least one member with prior experience in corporate accounting. All of the members are appointed or removed by the board of directors. At all times the majority of the members of the audit committee must be independent.

The audit committee meets ordinarily at least every two months. All of the accounting information is always reviewed prior to its release, or extraordinarily, whenever called by the coordinator of the committee or by written request by any of its members.

Annually, the audit committee approves a timetable of activities to be carried out in the respective fiscal year. In the performance of its duties, the audit committee may demand the presence of specialists or retain external consultants for the analysis and discussion of matters under its responsibility, with the appropriate level of confidentiality that the circumstance may demand to ensure the integrity of its activities.

The audit committee is responsible for, among other attributions:

- Reviewing and monitoring our risk exposure, including in connection with our financial statements, related party transactions and other material financial transactions and internal audit;
- The implementation of our compliance program;
- Advising on the hiring and dismissal of the independent auditor;
- Advising, at the request of the board of directors, on potential improvements to our policies and internal controls;
- Reviewing on a quarterly basis the intermediary statements and financial statements;
- Preparing an annual report to be presented jointly with the financial statements, summarizing its activities, results and conclusions reached and recommendations made and any situation in which there is a material discrepancy on the understanding of our management, independent auditors and the audit committee in relation with our financial statements;
- Reviewing, monitoring and recommending to the board of directors the correction or improvements to our internal policies, including the one referring to transactions with related parties.

The table below sets forth the name, position and most recent election date of the current members of our audit committee:

Name	Position	Date of Election
José Carlos de Souza	Member	May 29, 2023
Marcos de Mendonça Peccin.....	Member	May 29, 2023
Marco Antonio Zanini	Member	May 29, 2023

Below is a brief biographical description of the members of our audit committee:

José Carlos de Souza. See “—Board of Directors.”

Marcos de Mendonça Peccin. See “—Board of Directors.”

Marco Antonio Zanini. Mr. Zanini has been providing auditing services at Zanini Auditoria Fisco Contábil since 1986. From 2002 to 2012, he worked at Reratex Comercial e Imobiliária Ltda. Mr. Zanini holds a degree in accounting from the *Pontifícia Universidade Católica de Campinas* (PUC-Campinas) and a law degree from the *Universidade Metodista de Piracicaba*.

Family Relationships among Our Directors and Executive Officers

Our chief operational officer, Mr. Guilherme Patini Borlenghi, is the son of our chief executive officer, member of our board of directors and controlling shareholder, Mr. Tércio Borlenghi Junior.

Compensation

The following table sets forth the breakdown of the amounts accounted as total compensation of our directors and executive officers for the periods indicated:

	Year ended December 31,			
	2023 ⁽¹⁾	2022	2021	2020
		<i>(in millions of R\$)</i>		
Board of directors.....	4.1	2.7	2.4	1.0
Board of executive officers	4.2	2.6	2.0	1.6
Total	8.3	5.3	4.4	2.6

(1) Estimated amount.

Share-Based Compensation

We have a Share-Based Compensation Policy, which was approved by our shareholders on April 8, 2020 (the “Policy”). The Policy sets forth the applicable rules for the granting of restricted shares to the beneficiaries of the restricted share programs under the Policy.

Members of our management and employees (i) selected and approved by our board of directors; and (ii) who have expressed their willingness to adhere to the Policy and the respective program, upon execution of the respective share grant agreement, may become beneficiaries of the Policy and receive restricted shares.

Programs for the granting of restricted shares under the Policy may be created, approved and/or canceled by our board of directors. Such programs must contain specific conditions related to the granting of restricted shares to beneficiaries pursuant to a share grant agreement to be entered into with such beneficiary.

The Policy and its programs are managed by our board of directors and may be extinguished, at any time, by decision of our shareholders. In such case, any grants of restricted shares prior to the termination of the Policy will remain in effect.

Shares representing a maximum of 3% of our total capital stock on the Policy approval date may be delivered to beneficiaries. Such amount may be adjusted in case of changes in the total number of outstanding shares as a result of bonuses, splits and groupings, among others.

As of September 30, 2023, no restricted shares were awarded under the Policy.

D&O Insurance

As of the date of this offering memorandum, we do not hold a directors and officers or civil liability insurance for members of our management.

PRINCIPAL SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Principal Shareholders

The Issuer

The Issuer is a wholly-owned subsidiary of Ambipar Participações e Empreendimentos S.A. and was incorporated under the laws of Luxembourg as a private limited liability company (*société à responsabilité limitée*) on July 20, 2023, and is registered with the Luxembourg Register of Commerce and Companies under number B279448. The registered office of the Issuer is at 17, boulevard F.W. Raiffeisen, L-2411, Luxembourg, Grand Duchy of Luxembourg.

Ambipar Participações e Empreendimentos S.A.

Ambipar Participações e Empreendimentos S.A. issued and outstanding share capital is R\$1,868.5 million as of the date of this offering memorandum. The following table sets forth information relating to the beneficial ownership of Ambipar Participações e Empreendimentos S.A. as of the date of this memorandum:

Type and Class of Shares	As of the date of this offering memorandum	
	Shares	Share Capital (%)
Tércio Borlenghi Junior.....	69,080,928	41.4%
Cristhianne Borlenghi Donadio ⁽¹⁾	900	0.0%
Everest – FIP Multiestratégia Investimento no Exterior ⁽²⁾	42,264,151	25.3%
Other	55,695,890	33.3%
Treasury shares.....	0	0.0%
Total	167,041,869	100.0%

(1) Mrs. Cristhianne Borlenghi Donadio is Mr. Tércio Borlenghi Junior's sister.

(2) Mr. Tércio Borlenghi Junior is the ultimate beneficial owner of Everest – FIP Multiestratégia Investimento no Exterior.

Related Party Transactions

On February 17, 2020 our Board of Directors approved the Related Party Transactions Policy. The purpose of this policy is to ensure that all resolutions, especially those involving related party transactions and other situations potentially representing a conflict of interest, be made taking into account the best interest of the company and its shareholders, market conditions, and consistently with the best corporate governance practices and transparency standards.

Our Related Party Transactions Policy is in accordance with (i) Brazilian Corporations Law, (ii) applicable accounting rules, (iii) CVM regulations, (iv) the rules of the *Novo Mercado* and (v) our corporate documents, in particular but not limited to, our bylaws, and code of ethics.

Brazilian Corporations Law prohibits shareholders, directors and officers from (i) entering into any gratuitous transaction relating to our assets to our detriment, (ii) receiving any personal advantage as a result of their position, without an authorization from our bylaws or from our shareholders, gathered at a shareholders' meeting, and (iii) voting in any corporate transaction in which they have a conflict of interest with the Company, or in the deliberations made by other board members related to this transaction.

The Related Party Transactions Policy objectively defines the concept of related party and related party transactions, and sets forth minimum requirements for the release of information concerning such transactions.

Our shareholders, directors, officers and alternates, as well as their respective spouses or partners, children, children of their spouses or partners, their dependents or dependents of their spouses or partners must report to our legal department any transactions between them and us that they are aware.

Whenever reviewing a related party transaction, our officers, or, as applicable, board of directors must verify, for example, whether the terms and conditions of the transaction are consistent with market practices, investigate whether there are clear reasons to justify carrying out the related party transaction, consider the conclusions of evaluations carried out by a specialized and independent company, if any, assess the competitiveness surrounding the transaction and general compliance with our Related Party Transactions Policy.

The following transactions involving related parties are forbidden:

- Transactions with terms inconsistent with market conditions; and
- The direct granting of loans or rendering of guarantees (a) to officers, board members and members of any committees, their alternates, as well as respective spouses, partners, descendants or descendants of their respective spouses or companions; (b) to relatives up to the second degree of the individual mentioned in (a) above; (c) to shareholders, natural or legal entities, or legal entities in which they hold more than 5% of the capital stock, any managers and their respective alternates, as well as their spouses, companions, descendants or descendants of their respective spouses or companions and their respective relatives up to the second degree.

The participation of directors, officers or any employee in private or personal businesses that interfere or conflict with our interests or that may result in the misappropriation of confidential information is also prohibited.

The following is a description of our material related party transactions:

Lease Agreement with Amazônia Incorporação e Participação S.A.

On September 5, 2021, Ambipar Environmental Solutions - Soluções Ambientais Ltda. and Ambipar Response S.A. entered into separate lease agreements with their affiliate Amazônia Incorporação e Participação S.A. (“Amazonia”). Amazonia is controlled by our controlling shareholder. The agreements govern the lease by Ambipar Environmental Solutions - Soluções Ambientais Ltda. and Ambipar Response S.A. from Amazonia of the unit used by the Shared Solutions Center – CSC, located in the State of São Paulo, for the total aggregate amount of R\$772,206.98 per month. The agreement is valid for 5 years, and there are currently no amounts past due under the leases.

Intercompany Loans

On July 5, 2022, Ambipar and Emergencia entered into an intercompany loan agreement, pursuant to which we formalized the disbursement to Emergencia of an aggregate amount of R\$317.1 million. At the closing of the business combination of Emergencia, Ambipar converted R\$263.0 million (US\$50.5 million considering the PTAX rate published by the Brazilian Central Bank of one day prior the closing of the business combination) into Response’s equity, as consideration for the subscription and purchase of 5,050,000 Class B Ordinary Shares of Response.

As a result of this offering, Ambipar may enter into an intercompany loan with Response to apply a portion of the proceeds from the offering of the Notes to finance or refinance Eligible Green Projects through Response. See “*Use of Proceeds.*”

In the ordinary course of business, certain companies within the Ambipar Group have outstanding balances and credits deriving from intercompany loans under a corporate cash pooling arrangement that seeks to optimize the management of the cash resources of the group. For additional information see note 15.1 to the unaudited interim financial statements.

Cost Sharing Agreement

Our parent company, Emergencia and certain of Emergencia's subsidiaries entered into a cost sharing agreement, dated as of March 3, 2023, pursuant to which Ambipar agreed to provide certain support services to Emergencia and certain of its subsidiaries under and pursuant to the terms and conditions set forth therein, including information technology, controllership, organization and corporate support activities, marketing, invoicing, debt collection, facilities, human resources, accounting documentation, archive, compliance, fleet management, project assessment, quality assurance, labor safety, investor relations, sustainability advisory services, treasury and legal services. Under the cost sharing agreement, Emergencia will pay in advance, or cause each of the Recipients (as defined in the Cost Sharing Agreement) to pay in advance, to Ambipar, the Monthly Ambipar Response Expenses (as defined in the Cost Sharing Agreement) for such month in accordance with the pro-rata participation of each of the Recipients in the net operating revenue generated by Emergencia. For the calendar year 2023, the Ambipar Response Expenses (as defined in the Cost Sharing Agreement) are expected to total approximately R\$20.0 million.

Trademark Licensing Agreement

Emergencia entered into a trademark licensing agreement with our parent company, dated as of March 3, 2023 (the "Trademark Licensing Agreement") under which our parent company formally granted Emergencia, Emergencia's subsidiaries and controlling shareholder with a non-exclusive, non-assignable, non-sublicensable and non-transferable license to use the trademarks "Ambipar Response," "Grupo Ambipar" and "Ambipar" in any country or territory where Emergencia and its affiliates operate and do business, for an indefinite period of time. As compensation for the right to use Ambipar's trademarks, Emergencia will pay royalties in the total amount of US\$30,000 per year to Ambipar.

Under the Trademark Licensing Agreement, Emergencia is required to use the licenses in accordance with the specific instructions provided by Ambipar, and only in connection with the emergency response services provided by Ambipar's affiliates, in Brazil or abroad. The Trademark Licensing Agreement may be terminated (i) by mutual agreement of the parties, (ii) by any of the parties through written notice delivered at least 90 days in advance, (iii) by any party (a) in the event of a breach of the Trademark Licensing Agreement by the other party which is not remedied within 30 days from delivery of notice of such breach, or (b) in the event of insolvency, voluntary or involuntary liquidation or bankruptcy of the other party, or (iv) by Emergencia if Ambipar ceases, for any reason, to be the owner of all possible rights, titles and interests in and to the licensed trademarks or uses the licensed trademarks in any way that may harm and impair Emergencia's image and reputation.

DESCRIPTION OF THE NOTES

The following summary describes certain provisions of the Notes and the Indenture. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to the provisions of, the Indenture and the Notes. You should read the Indenture in its entirety. Copies of the Indenture are available as described under “Listing and General Information.” Certain terms used in this description are defined under the subheading “—Certain Definitions.”

The Notes are to be issued under and governed by an Indenture (the “Indenture”), among Ambipar Lux S.à r.l. (formerly known as Corkrys Theta S.à r.l.), a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg, with registered address at 17, boulevard F.W. Raiffeisen, L-2411 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg *Registre de Commerce et des Sociétés* under number B279448, as Issuer (the “Issuer”), Ambipar Participações e Empreendimentos S.A. (“Ambipar”), Environmental ESG Participações S.A. (“Environmental ESG”) and Ambipar Emergency Response (“Response”) (each, of Environmental ESG and Response a “Subsidiary Guarantor”, and each of Ambipar and the Subsidiary Guarantors and any future Subsidiary Guarantor, a “Guarantor”), The Bank of New York Mellon, as trustee (the “Trustee”), registrar, transfer agent and paying agent.

Definitions of capitalized terms used in this section can be found under “—Certain Definitions.” For purposes of this section of this offering memorandum, references to the “Issuer” refer only to Ambipar Lux S.à r.l., and references to “Ambipar” refer only to Ambipar Participações e Empreendimentos S.A. and to “Guarantor” refer to each of the Guarantors, and any successor obligor on the Notes, and in each case, not to any of their respective subsidiaries (unless otherwise specified).

General

The Notes will:

- mature on February 6, 2031, unless earlier redeemed in accordance with the terms of the Notes (see “—Optional Redemption” below);
- be unsecured unsubordinated obligations of the Issuer, ranking equally in right of payment with all other existing and future unsecured and unsubordinated obligations of the Issuer;
- be irrevocably Guaranteed by each Guarantor, which Note Guarantee will rank equally in right of payment with all other existing and future unsecured and unsubordinated obligations of each such Guarantor;
- be effectively subordinated to all existing and future secured indebtedness of the Issuer and the Guarantors that is secured by Liens on their respective assets, to the extent of the value of the assets securing such indebtedness;
- be structurally subordinated to all existing and future indebtedness of Ambipar’s subsidiaries that are not Subsidiary Guarantors (other than the Issuer);
- be initially issued in an original aggregate principal amount of US\$750,000,000, in minimum denominations of US\$200,000 and integral multiples of US\$1,000 above such amount, subject to our ability to issue Additional Notes;
- bear interest commencing the date of issue at 9.875% *per annum*, payable semiannually on each February 6 and August 6 of each year, commencing on August 6, 2024 to holders of record on the February 1 and August 1 immediately preceding the corresponding Interest Payment Date (each, a “Record Date”), as the case may be, whether or not a Business Day; and
- bear interest on overdue principal, and pay interest on overdue interest, at 1% *per annum* higher than the *per annum* rate set forth on the cover of this offering memorandum.

Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Issuer will make payments of principal and interest on the Notes to the paying agent (as identified on the inside back cover page of this offering memorandum), which will pass such funds to the Trustee or to the holders. Upon any issuance of definitive Notes, the Issuer will appoint and maintain a paying agent in Singapore for so long as the Notes are listed on the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and the rules of such exchange so require. In such event, an announcement shall be made through the SGX-ST and will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption. Upon any change in the paying agent or registrar, the Issuer will make an announcement through the SGX-ST and may publish a notice in a leading daily newspaper of general circulation in Singapore (which is expected to be *The Business Times*), for so long as the Notes are listed on the SGX-ST and the rules of such exchange so require. See “*Form of the Notes—Individual Definitive Notes.*”

Payments of principal, premium, if any, and interest in respect of each certificated Note will be made at the specified office or agency of one or more paying agents in New York City. At the Issuer’s option, interest on Notes issued in certificated form may be paid by U.S. dollar check drawn on a bank in New York City and mailed to the holder of such Note at its registered address. Upon application by the holder to the specified office of any paying agent not less than 15 days before the due date for any payment in respect of a Note, such payment may be made by transfer to a U.S. dollar account maintained by the payee with a bank in New York City. Payments in respect of global Notes will be made to DTC in accordance with its applicable procedures.

All payments will be subject in all cases to any applicable tax or other laws and regulations, but without prejudice to the provisions of “—Payments of Additional Amounts.” No commissions or expenses will be charged to the holders in respect of such payments.

Subject to applicable law, the Trustee and the paying agent will pay to the Issuer or Ambipar upon request any monies held by them for the payment of principal or interest that remains unclaimed for two years after the applicable payment date, and, thereafter, holders entitled to such monies must look to the Issuer or Ambipar for payment. After the return of such monies by the Trustee or the paying agent to the Issuer, neither the Trustee nor the paying agent will be liable to the holders in respect of such monies.

Note Guarantees

The Obligations of the Issuer pursuant to the Indenture and the Notes, including, the full and prompt payment of and interest on the Notes, when and as the same become due and payable, whether at maturity, upon redemption or repurchase, by declaration of acceleration or otherwise, including any Additional Amounts required to be paid in connection with certain Taxes, will be fully and unconditionally Guaranteed, jointly and severally, on an unsecured basis, by each of Ambipar and the Subsidiary Guarantors (each, a “Note Guarantee”); *provided, however*, that the Subsidiary Guarantee provided by Response (and by any future Subsidiary Guarantor that is a Subsidiary of Response), shall be limited to (a) the lower of (i) U.S.\$200.0 million, which is the U.S. dollar equivalent of the aggregate principal amount of intercompany loans by Ambipar to Response either outstanding on the Issue Date or to be made in connection with this offering of the Notes and (ii) the aggregate principal amount of Notes then outstanding, plus (b) the amount of interest and other payment obligations under the Indenture in the same proportion as such aggregate principal amount in clause (a) bears to the aggregate principal amount of Notes then outstanding (the “Response Guarantee Limit”).

The terms of the Notes limit the Note Guarantee by Response and by any future Subsidiary Guarantor that is a Subsidiary of Response to the Response Guarantee Limit. Any claim against Response or any such future Subsidiary Guarantor in excess of the Response Guarantee Limit will be structurally subordinated to the claim of other creditors of Response or any such future Subsidiary Guarantor. See “*Risk Factors—Risks Relating to the Notes, the Note Guarantees and Our Other Indebtedness—The terms of the Notes limit the Note Guarantee by Response to a specific amount of principal, interest, and additional amounts and payments, proportional to what Ambipar lends to Response through an intercompany loan from the proceeds of the Notes.*”

Subsidiary Guarantees

Environmental ESG and Response (subject to the Response Guarantee Limit) will be the sole Subsidiary Guarantors at the time of the issuance of the Notes and none of their Subsidiaries will provide a Note Guarantee. The Notes and the Note Guarantees will be effectively subordinated to claims of creditors of Ambipar's Subsidiaries other than the Subsidiary Guarantors.

If, at any time after the Issue Date, any of Ambipar's Subsidiaries (other than Unrestricted Subsidiaries) constitutes a Significant Subsidiary and such Subsidiary Incurs any Debt (other than intercompany Debt with Ambipar or any Restricted Subsidiary) after the Issue Date in excess of US\$10.0 million in principal amount, then Ambipar shall promptly cause such Significant Subsidiary to provide a Note Guarantee, on an unsecured basis, of all of the Obligations of the Issuer under the Notes and the Indenture by executing a supplemental indenture; *provided, however*, that any such Subsidiary Guarantor that is a Subsidiary of Response shall be subject to the Response Guarantee Limit.

Notwithstanding the foregoing, such Significant Subsidiary will not be required to Guarantee the Issuer's Obligations under the Notes and the Indenture:

(A) to the extent such Subsidiary Guarantor is prohibited from providing a Note Guarantee by any requirement of law or the applicable governmental or regulatory authorities do not approve its Note Guarantee; *provided* that Ambipar has used commercially reasonable efforts to obtain such approval to the extent legally permissible;

(B) such Significant Subsidiary is prohibited by any applicable contractual requirement from Guaranteeing the Notes on the Issue Date or at the time such Significant Subsidiary becomes a Significant Subsidiary (to the extent such contractual requirement was (x) not entered into in or incurred in connection with becoming a Restricted Subsidiary and (y) not entered into in contemplation of the requirement to provide a Guarantee in accordance with the terms hereof); or

(C) if the other Guarantors at the time of determination would (1) hold at least 80% of Ambipar's Consolidated Total Assets as of the most recent quarterly balance sheet and (2) generate net revenues of at least 80% of Ambipar's consolidated net revenues for the 12-month period ending on the date of Ambipar's most recent quarterly consolidated statement of income.

Each Subsidiary Guarantee will be limited to the maximum amount that (1) would not render such Subsidiary Guarantor's Obligations subject to avoidance under applicable law, including applicable fraudulent conveyance laws or fraudulent transfer or similar laws affecting the rights of creditors generally or (2) would not result in a breach or violation by such Subsidiary Guarantor of any then-existing agreement to which it is a party; *it being understood that* such agreement was not entered into in contemplation of the requirement to provide a guarantee of the Notes. By virtue of these limitations, a Subsidiary Guarantor's Obligation under its Subsidiary Guarantee could be significantly less than amounts payable with respect to the Notes, or a Subsidiary Guarantor may have effectively no Obligation under its Subsidiary Guarantee. See "*Risk Factors—Risks Relating to the Notes, the Note Guarantees and Our Other Indebtedness—Fraudulent conveyance laws and other laws for the protection of creditors may void the Notes and/or the Note Guarantees or subordinate the Notes and/or the Note Guarantees.*"

Release of Guarantees

The Note Guarantee of a Guarantor will be automatically and unconditionally released and discharged:

(i) in the case of a Subsidiary Guarantor, upon a sale or other disposition (including by way of consolidation or merger) by Ambipar, directly or indirectly, of all or a portion of the Capital Stock of such Subsidiary Guarantor, or the sale or disposition of assets of such Subsidiary Guarantor, in each case following which such Subsidiary Guarantor is no longer a Restricted Subsidiary;

(ii) upon payment in full of principal, interest and all other Obligations of the Issuer and the Guarantors under the Indenture and the Notes or the legal defeasance or discharge of the Notes and the Indenture, as described

in “Defeasance and Discharge”;

(iii) upon the designation of a Subsidiary Guarantor as an Unrestricted Subsidiary; or

(iv) with the consent of the holders in accordance with the provisions under the caption “—Amendments and Waivers”;

provided that any such transaction is carried out pursuant to, and in accordance with, all other applicable provisions of the Indenture.

In addition, a Subsidiary Guarantor may be released from its Note Guarantee and its Obligations under the Indenture if such Subsidiary Guarantor ceases to be or is otherwise no longer a Significant Subsidiary; *provided* that, after such release, the remaining Guarantors would directly (1) hold at least 80% of the Ambipar’s Consolidated Total Assets as of the most recent quarterly balance sheet and (2) generate net revenues of at least 80% of Ambipar’s consolidated net revenues for the 12-month period ending on the date of Ambipar’s most recent quarterly consolidated statement of income.

Ranking

The Notes will be unsecured and unsubordinated obligations of the Issuer and will rank equally in right of payment with any and all other existing and future unsecured and unsubordinated obligations of the Issuer.

Each Note Guarantee will be an unsecured, unsubordinated obligation of its respective Guarantor, ranking equally with all of its other existing and future unsecured and unsubordinated obligations.

The Notes and each Note Guarantee will effectively rank junior to all existing and future secured debt of the Issuer and the Guarantors to the extent of the value of the assets securing that debt and will be subordinated to liabilities preferred by statute. Although the Indenture contains limits on the ability of the Issuer and each Guarantor to incur secured debt, the limitation is subject to a number of significant exceptions. See “—*Certain Covenants—Limitation on Liens.*”

Only Ambipar’s Subsidiaries that are Subsidiary Guarantors will provide a Note Guarantee and, in the case of Response or any of its Subsidiaries that becomes a Subsidiary Guarantor, subject to the Response Guarantee Limit. As a result, the Notes and the Note Guarantees will rank structurally subordinated to all existing and future indebtedness of each Subsidiary that is not a Subsidiary Guarantor (other than the Issuer).

As of September 30, 2023, on an as adjusted basis to give effect to the Follow-on Offering and this offering and the application of the net proceeds from both offerings as described under “Use of Proceeds” in this offering memorandum Ambipar’s outstanding consolidated Debt would be R\$ 7,076.9 million (or US\$1,413.2 million), of which R\$865.2 million (US\$172.7 million) would be secured.

For more information regarding our indebtedness, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Indebtedness.*”

Additional Notes

Subject to the covenant described under “—*Certain Covenants—Limitation on Debt and Disqualified Equity Interests,*” the Issuer may issue an unlimited principal amount of additional Notes having identical terms and conditions as the Notes (the “Additional Notes”), except that the issue price, issue date, the initial Interest Payment Date and the first date from which interest will accrue may differ. Such Additional Notes may be issued in one or more series and with the same or a different CUSIP number and ISIN from the Notes; *provided, however,* that such Additional Notes will be issued under a separate CUSIP number and ISIN if such Additional Notes are not fungible with the Notes offered hereby for U.S. federal income tax purposes. The Notes and the Additional Notes, if any, will be treated as a single class for all purposes under the Indenture, including waivers, amendments, redemptions and offers to purchase. Unless the context otherwise requires, for all purposes of the Indenture and this “Description of the Notes,” references to the Notes include any Additional Notes actually issued.

Payment of Additional Amounts

All payments by the Issuer in respect of the Notes or any Guarantor in respect of its Note Guarantee will be made free and clear of and without withholding or deduction for or on account of any Taxes imposed or levied by or on behalf of any jurisdiction in which the Issuer or any Guarantor is organized, incorporated or is a resident for tax purposes or conducts business, or any other jurisdiction from or through which any payments under the Notes or the Note Guarantees are made by or on behalf of the Issuer or any Guarantor, or any political subdivision thereof, or governmental authority thereof having power to tax (a “Relevant Jurisdiction”), unless such withholding or deduction is required by law or the official interpretation thereof. In such event, the Issuer or Guarantor, as applicable, will make such deduction or withholding, make payment of the amount so withheld to the appropriate governmental authority and pay such additional amounts as may be necessary to ensure that the net amounts receivable by holders of Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Notes in the absence of such withholding or deduction (“Additional Amounts”). No such Additional Amounts shall be payable:

- to, or to a third party on behalf of, a holder or beneficial owner who is liable for such Taxes in respect of such Note by reason of the existence of any present or former connection between such holder or beneficial owner (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over, such holder or beneficial owner, if such holder or beneficial owner is an estate, a trust, a partnership, a limited liability company or a corporation) and the Relevant Jurisdiction, including, without limitation, such holder or beneficial owner (or such fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over, such holder or beneficial owner) being or having been a citizen or resident or national thereof or being or having been engaged in a trade or business or present therein or having, or having had, a permanent establishment therein, other than the mere holding of the Note, enforcement of rights or the receipt of payments with respect to the Note;
- in respect of Notes surrendered (if surrender is required) more than 30 days after the Relevant Date (as defined below) except to the extent that the holder of such Note would have been entitled to such Additional Amounts, on surrender of such Note for payment on the last day of such period of 30 days;
- to, or to a third party on behalf of, a holder or beneficial owner who is liable for such Taxes by reason of such holder’s or beneficial owner’s failure to comply with any certification, identification, or other information reporting requirement concerning the holder’s or beneficial owner’s nationality, residence, identity or connection with the Relevant Jurisdiction, if, in either case, (1) compliance is required by the Relevant Jurisdiction, as a precondition to exemption from, or reduction in the rate of, the Tax, and (2) the Issuer or Guarantor, as applicable, has given the holders or beneficial owner, as the case may be, at least 30 days’ notice that holders or beneficial owners will be required to comply with such requirement; *provided* that such certification, identification, or other information reporting requirement is not materially more onerous to comply with in form, procedure, or substance, than a U.S. Internal Revenue Service Form W-8BEN-E;
- in respect of any estate, inheritance, gift, sales, transfer, capital gains, excise or personal property or similar Taxes;
- in respect of any Tax that is not payable by way of deduction or withholding from payments of principal of or interest on the Note or by direct payment by the Issuer or any Guarantor in respect of claims made against the Issuer or any Guarantor;
- in respect of any Tax imposed in connection with a Note presented for payment (where presentation is permitted or required for payment) by or on behalf of a holder or beneficial owner who would have been able to avoid that withholding or deduction by presenting the relevant Note to another paying agent in a member state of the European Union;
- in respect of any Tax imposed pursuant to Sections 1471 through 1474 of the Code (or any amended or successor version), any current or future regulations thereunder or official interpretations thereof, any agreements entered into pursuant to Section 1471(b) of the Code and any intergovernmental agreements (and related legislation or official administrative guidance) implementing the foregoing (collectively, “FATCA”);

- in respect of any Tax imposed pursuant to the Luxembourg law of 23 December 2005 as amended (“Relibi Law”); or
- in respect of any combination of the above.

In addition, no Additional Amounts shall be paid with respect to any payment on a Note to a holder who is a fiduciary, a partnership, a limited liability company or other than the sole beneficial owner of that payment to the extent that payment would be required by the applicable laws of the Relevant Jurisdiction to be included in the income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of the partnership, an interest holder in the limited liability company or a beneficial owner who would not have been entitled to the Additional Amounts had that beneficiary, settlor, member, interest holder or beneficial owner been the holder.

“Relevant Date” means, with respect to any payment on a Note, whichever is the later of: (i) the date on which such payment first becomes due; and (ii) if the full amount payable has not been received by the Trustee on or prior to such due date, the date on which notice is given to the holders that the full amount has been received by the Trustee. The Notes are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation. Except as specifically provided above, neither the Issuer nor any Guarantor shall be required to make a payment with respect to any Taxes imposed by any government or a political subdivision or taxing authority thereof or therein.

If any deduction or withholding for or on account of any Tax shall be required with respect to any payment made on any Note or Note Guarantee, at least ten Business Days prior to the date of such payment, the Issuer or applicable Guarantor, as the case may be, will furnish the Trustee and each such paying agent with an Officers’ Certificate which specifies the amount required to be deducted or withheld on such payment to holders of the Notes and such other information as is necessary to enable a paying agent to pay such Additional Amounts to the holders of the Notes on the relevant payment date and certifies that the Issuer or applicable Guarantor, as the case may be, shall pay any amounts deducted or withheld to the applicable taxing jurisdiction (unless such obligation to pay Additional Amounts arises less than 30 days prior to the relevant payment date, in which case the Issuer or applicable Guarantor, as the case may be, may deliver such Officers’ Certificate as promptly as practicable after the date that is ten Business Days prior to the relevant payment date). The Issuer or applicable Guarantor, as the case may be, will make any such withholding or deduction and remit the full amount deducted or withheld to the Relevant Jurisdiction in accordance with applicable law. Any Officers’ Certificate required by the Indenture to be provided to the Trustee and any paying agent for these purposes shall be deemed to be duly provided if delivered by electronic mail to the Trustee and such paying agent.

The Issuer or applicable Guarantor, as the case may be, shall furnish to the Trustee the official receipts (or a certified copy of the official receipts) evidencing payment of any tax (or other evidence of payment reasonably satisfactory to the Trustee) within 30 days after the date the payment of any Taxes so deducted or withheld is due pursuant to applicable law. Certified copies of such receipts or other evidence of payment shall be made available to holders of the Notes upon request.

The Issuer and each Guarantor shall promptly pay when due (and indemnify each holder and beneficial owner for) any present or future stamp, court or documentary Taxes, value-added or any other excise or property Taxes, charges or similar levies, and any penalties, additions to tax or interest due with respect thereto, that may be imposed in any jurisdiction from the creation, execution or enforcement, issue, offering, delivery or registration of the Notes, the Indenture or any other document or instrument referred to herein or therein, or in connection with any enforcement action, excluding (i) any such taxes, charges or similar levies imposed by any jurisdiction outside of Brazil or the jurisdiction of incorporation of each Guarantor other than those resulting from, or required to be paid in connection with, the enforcement of the Notes following the occurrence of any Default or Event of Default, and (ii) any such taxes, charges or similar levies payable in connection with a registration by a holder of any Notes, the Indenture or any other document or instrument referred to herein or therein in the Grand Duchy of Luxembourg if such registration is not necessary to enforce the rights of the holder under the Notes, the Indenture or any other document or instrument referred to herein or therein.

In the event that Additional Amounts actually paid with respect to the Notes described above are based on rates of deduction or withholding of withholding Taxes in excess of the appropriate rate applicable to the holder or beneficial owner of such Notes, and, as a result thereof such holder or beneficial owner is entitled to make claim for

a refund or credit of such excess from the authority imposing such withholding tax, then such holder or beneficial owner shall, by accepting such Notes or an interest therein, be deemed to have assigned and transferred all right, title, and interest to any such claim for a refund or credit of such excess to the Issuer; provided that this shall create no obligation on such holder or beneficial owner to take any further action to seek or claim such refund or participate in any contest with the governmental authority related thereto.

Any reference in this offering memorandum, the Indenture or the Notes to principal, interest or any other amount payable in respect of the Notes or the Note Guarantees will be deemed also to refer to any Additional Amount, unless the context requires otherwise, that may be payable with respect to that amount under the Obligations referred to in this subsection.

The foregoing obligation will survive termination or discharge of the Indenture, payment of the Notes and/or the resignation or removal of the Trustee or any agent under the Indenture, and will apply mutatis mutandis to any jurisdiction in which any successor is organized, incorporated, engaged in business or resident for Tax purposes, or any political subdivision or taxing authority or agency thereof or therein.

Optional Redemption

Optional Redemption with a Make-Whole Premium

Prior to February 6, 2027 (the “First Call Date”), the Issuer may on any one or more occasions, at its option, upon notice as provided below, redeem at any time all or a portion of the Notes, at a “make-whole” redemption price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of:

- (i) 100% of the principal amount of the Notes to be redeemed; and
- (ii) (a) the sum of the present values of each remaining scheduled payment of principal and interest thereon discounted to the redemption date (assuming the notes matured on the First Call Date) on a semi-annual basis (assuming a 360-day year comprised of twelve 30-day months) using a discount rate equal to the Treasury Rate *plus* 50 basis points less (b) interest accrued to, but excluding, the date of redemption.

plus, in either case, accrued and unpaid interest on the principal amount of the Notes being redeemed and Additional Amounts, if any, to, but excluding, the redemption date. The Trustee shall have no obligation to calculate or verify any redemption price, make-whole premium or any component thereof.

“*Treasury Rate*” means, with respect to any redemption date, the yield determined by Ambipar in accordance with the following two paragraphs.

The Treasury Rate shall be determined by Ambipar after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third Business Day preceding the redemption date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as “Selected Interest Rates (Daily) - H.15” (or any successor designation or publication) (“H.15”) under the caption “U.S. government securities—Treasury constant maturities—Nominal” (or any successor caption or heading). In determining the Treasury Rate, Ambipar shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the redemption date to the First Call Date (the “Remaining Life”); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the following two yields: (x) one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than the Remaining Life, and (y) one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life – and shall interpolate to the First Call Date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the redemption date.

If on the third Business Day preceding the redemption date, H.15 or any successor designation or publication is no longer published, Ambipar shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m., New York City time, on the second Business Day preceding such redemption date of the U.S. Treasury security maturing on, or with a maturity that is closest to, the First Call Date, as applicable. If there is no U.S. Treasury security maturing on the First Call Date but there are two or more U.S. Treasury securities with a maturity date equally distant from the First Call Date, one with a maturity date preceding the First Call Date and one with a maturity date following the First Call Date, Ambipar shall select the U.S. Treasury security with a maturity date preceding the First Call Date. If there are two or more U.S. Treasury securities maturing on the First Call Date or two or more U.S. Treasury securities meeting the criteria of the preceding sentence, Ambipar shall select from among these two or more U.S. Treasury securities the U.S. Treasury security that is trading closest to par based upon the average of the bid and asked prices for such U.S. Treasury securities at 11:00 a.m., New York City time. In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable U.S. Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m., New York City time, of such U.S. Treasury security, and rounded to three decimal places.

Ambipar's actions and determinations in determining the redemption price shall be conclusive and binding for all purposes, absent manifest error.

At least three Business Days prior to such redemption, the Issuer shall deliver to the Trustee an Officers' Certificate specifying the calculation of such make-whole amount as of the specified redemption date. In the event Ambipar shall incorrectly compute the make whole amount payable in connection with the Notes to be redeemed, the holders of the Notes shall not be bound by such incorrect computation, but instead, shall be entitled to receive an amount equal to the correct make-whole amount computed in compliance with the terms of the Indenture.

Optional Redemption without a Make-Whole Premium

On and after the First Call Date, the Issuer may on any one or more occasions redeem the Notes, at its option, in whole or in part, at the following redemption prices (expressed as a percentage of principal amount), *plus* accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed to, but excluding, the applicable redemption date (subject to the right of holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date that is on or prior to the applicable redemption date), if redeemed during the 12-month period commencing on February 6 of the years set forth below:

Year	Redemption Price
2027	104.938%
2028	102.469%
2029	101.234%
2030 and thereafter.....	100.000%

Optional Redemption Upon Eligible Equity Offerings

At any time, or from time to time, prior to February 6, 2027, the Issuer may, at its option, use an amount not to exceed the net cash proceeds of one or more Eligible Equity Offerings of Ambipar or any of the Guarantors to redeem up to 35% of the aggregate principal amount of the outstanding Notes (including any Additional Notes) at a redemption price equal to 109.875% of the principal amount on the redemption date, *plus* any accrued and unpaid interest to, but excluding, the redemption date (subject to the right of holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date that is on or prior to the applicable redemption date); provided that:

- after giving effect to any such redemption at least 65% of the aggregate principal amount of the Notes (including any Additional Notes) issued under the Indenture remains outstanding; and
- the Issuer makes such redemption not more than 90 days after the consummation of such Eligible Equity Offering.

Selection and Notice of Redemption

The Issuer will give each holder of the Notes written notice of each optional redemption at least 10 days but not more than 60 days (or in the case of a redemption described under “—Optional Redemption—Redemption for Taxation Reasons” below, at least 30 days but not more than 90 days) prior to the date fixed for such redemption, at such holder’s registered addresses, or with respect to global Notes in accordance with the procedures of DTC, except that redemption notices may be mailed or delivered more than 60 days (or 90 days, as applicable) prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture. Each such notice shall specify the redemption price, the principal and interest to be paid on the redemption date, and, if applicable, the formula for calculating the make-whole amount due in connection with such redemption. If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount thereof to be redeemed. For so long as the Notes are listed on the SGX-ST and the rules of the exchange require, the Issuer will cause notices of redemption to also be published as described in “—Notices” below.

If the Issuer is redeeming less than all the Notes at any time, selection of certificated, non-global Notes (or portions of certificated Notes) for redemption will be made by the Trustee on a *pro rata* basis; provided, however, that Notes held in global form shall be selected for redemption in accordance with the applicable procedures of DTC.

No Notes of a principal amount of US\$200,000 or less may be redeemed in part and portions of Notes redeemed must be in integral multiples of US\$1,000 in excess of US\$200,000 principal amount only.

In the case of certificated Notes, upon surrender of any Note redeemed in part, the Issuer will issue a new certificated Note in a principal amount equal to the unredeemed portion of the original certificated note in the name of the holder upon cancellation of the original certificated Note.

Subject to any satisfaction of any conditions, Notes called for redemption become due on the date fixed for redemption. The Issuer will pay the redemption price for any Notes together with accrued and unpaid interest thereon (including Additional Amounts, if any) to, but excluding, the redemption date. On and after the redemption date, interest will cease to accrue on the Notes or portions of them called for redemption, unless the Issuer defaults in the payment of the redemption price. Upon redemption of any Notes by the Issuer, such redeemed Notes will be cancelled or remain outstanding as instructed in each case by the Issuer.

Except as otherwise provided under “—Optional Redemption—Redemption for Taxation Reasons” below, any redemption notice may, at the Issuer’s discretion, be subject to the satisfaction or waiver of one or more conditions precedent, including completion of an Eligible Equity Offering, a debt financing or other corporate transaction. In addition, if such redemption is subject to satisfaction or waiver of one or more conditions precedent, such notice shall state that, in the Issuer’s discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied or waived, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied or waived by the redemption date, or by the redemption date so delayed. The Issuer shall provide written notice to the Trustee of any election to rescind any redemption or delay any redemption date at least two Business Days prior to the redemption date (or the redemption date so delayed). Upon the Trustee’s receipt of such notice, (i) the notice of redemption shall be automatically rescinded and the Issuer shall have no obligation to redeem the Notes called for redemption or (ii) the redemption date shall automatically be delayed until the new redemption date specified in such notice, as applicable. Promptly after receipt of such notice, the Trustee shall provide a copy thereof to each holder of Notes in the same manner in which the notice of redemption was given.

If holders of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes in connection with any tender offer or other offer to purchase the Notes (including pursuant to an Offer to Purchase in connection with a Change of Control Repurchase Event or an Offer to Purchase with the proceeds from any Asset Sale) and the Issuer, or any other Person making such offer in lieu of the Issuer, purchases all of the Notes validly tendered and not validly withdrawn by such holders, the Issuer will have the right, upon not less than 10 nor more than 60 days’ prior notice, to redeem all Notes that remain outstanding following such purchase at a redemption price in cash equal to the applicable price paid to holders in such purchase, plus accrued and unpaid interest, if any, to, but excluding, the redemption date (subject to the right of holders of record on the relevant Record Date to receive interest due on an Interest Payment Date that is on or prior to the date of redemption).

Redemption for Taxation Reasons

If as a result of any change in or amendment to the applicable laws or treaties (or any rules or regulations thereunder) of any Relevant Jurisdiction affecting taxation, or any amendment to or change in or introduction of an official interpretation, administration or application of such laws, treaties, rules, or regulations (including a holding, judgment or order by a court of competent jurisdiction or a change in public official written administrative practice), which change or amendment becomes effective or, in the case of a change in official position, is announced in writing on or after the Issue Date or, if later, on or after the date a jurisdiction becomes a Relevant Jurisdiction (each, a “Change in Tax Law”), the Issuer or any Guarantor in respect of a Note or a Note Guarantee, as applicable, has or will become obligated to pay Additional Amounts as described above under “—Payment of Additional Amounts” in excess of (i) in the case of Additional Amounts other than Additional Amounts payable in respect of Brazilian Taxes (as defined below), 0%, or (ii) in the case of Additional Amounts payable in respect of Taxes imposed or levied by or on behalf of Brazil or any political subdivision thereof or governmental authority thereof having power to tax (“Brazilian Taxes”), the Additional Amounts that would be required if payments were subject to withholding or deduction for any Taxes determined without regard to any interest, fees, penalties or other additions to tax, at a rate of 15% (or at a rate of 25% in case the holder of the Notes is resident in a tax haven jurisdiction, i.e., countries which do not impose any income tax or which impose it at a maximum rate lower than 20%, or 17% from January 1, 2024) (such rates in (i) and (ii), each, a “Minimum Withholding Level”), the Issuer may, at its option, redeem all, but not less than all, of the Notes, at a redemption price equal to 100% of their principal amount, together with interest accrued to, but excluding, the date fixed for redemption, upon irrevocable notice to the holders not less than 30 days nor more than 90 days prior to the date fixed for redemption. No notice of such redemption may be given earlier than 90 days prior to the earliest date on which the Issuer or Guarantor, as applicable, would, but for such redemption, be obligated to pay the Additional Amounts above the Minimum Withholding Level. Notwithstanding the foregoing, the Issuer shall not have the right to so redeem the Notes unless: (i) it cannot avoid payment of Additional Amounts above the Minimum Withholding Level by taking reasonable measures available to it (including, for the avoidance of doubt, the appointment of a new paying agent where this would be commercially reasonable); and (ii) it has complied with all applicable regulations to legally effect such redemption.

(1) In the event that the Issuer elects to so redeem the Notes, prior to delivery of notice of redemption to the holders, it will deliver to the Trustee: (1) an Officers’ Certificate stating that the Issuer is entitled to redeem the Notes pursuant to their terms and setting forth a statement of facts showing that the condition or conditions precedent to the right of the Issuer to so redeem have occurred or been satisfied; and (2) an opinion of nationally recognized counsel to the effect that the Issuer or Guarantor, as applicable, has or will become obligated to pay Additional Amounts in excess of the Additional Amounts payable at the Minimum Withholding Level as a result of such Change in Tax Law, that the Issuer cannot avoid payment of such excess Additional Amounts by taking reasonable measures available to it and that all governmental approvals necessary for the Issuer to effect the redemption have been obtained and are in full force and effect. The Trustee shall accept such Officers’ Certificate and opinion of counsel as sufficient evidence of satisfaction of the conditions precedent described above, in which case, it shall be conclusive and binding upon the holders.

No Mandatory Redemption or Sinking Fund

There will be no mandatory redemption or sinking fund payments for the Notes.

Open Market Purchases

The Issuer, the Guarantors or their respective Affiliates may at any time purchase the Notes in the open market or otherwise at any price; provided that any such purchased Notes will not be resold, except in compliance with applicable requirements or exemptions under the relevant securities and laws. Any Notes repurchased by the Issuer, a Guarantor or any Affiliate may, at the option of the Issuer, continue to be outstanding or be cancelled.

Certain Covenants

The Indenture contains covenants that impose limitations and restrictions on the Issuer and the Guarantors and also sets forth covenants that will be applicable to Ambipar and its Restricted Subsidiaries, including, among others, the following:

Limitations and Restrictions on the Issuer

The Indenture limits and restricts the Issuer from taking the following actions or engaging in the following activities or transactions:

- (a) engaging in any business or entering into, or being a party to, any transaction or agreement except for:
 - (1) the issuance, sale and redemption of the Notes, Additional Notes, if any, and any other Debt permitted to be incurred pursuant to the Indenture and activities incidentally related thereto;
 - (2) the entering into of affiliate loans and cash management transactions, including import and export financing and/or trading transactions, with regards to proceeds from the Notes (including any Additional Notes), and any activities reasonably related thereto;
 - (3) the entering into of Hedging Agreements in the ordinary course of business for the purpose of limiting risks associated with the business of the Issuer and not for speculation;
 - (4) in order to maintain its existence as a private limited liability company (*société à responsabilité limitée*);
 - (5) any financing transaction structured as a “back-to-back” financing or similar transaction, directly or indirectly, with respect to the proceeds from any financing; and
 - (6) other activities required by law;
- (b) acquiring or owning any subsidiaries or other assets or properties, except (i) an interest in Hedging Agreements relating to its indebtedness and instruments evidencing interests in the foregoing; (ii) cash, Cash Equivalents or Marketable Securities; (iii) any assets related to the intercompany loans, including Debt and import and export financing transactions; and (iv) the Notes;
- (c) Incurring any additional Debt, except for additional Debt that is permitted to be incurred under “—Certain Covenants—Limitation on Debt and Disqualified Equity Interests”;
- (d) creating, assuming, incurring or suffering to exist any Lien upon any properties or assets whatsoever, except for any liens imposed by law, it being understood, for the avoidance of doubt, that the Issuer may not create, assume, incur or suffer to exist any Liens, including Liens which would otherwise constitute Permitted Liens in the case of Ambipar or any Restricted Subsidiary;
- (e) entering into any consolidation, merger, amalgamation, joint venture, or other form of combination with any Person, or selling, leasing, conveying or otherwise disposing of any of its assets or receivables, except to the extent that it complies with the conditions set forth in “—Consolidation, Merger or Sale of Substantially All Assets by Ambipar” (substituting “Issuer” for “Ambipar” therein); and
- (f) amending, supplementing, waiving or otherwise modifying certain specified provisions of the documents relating to the Issuer’s rights or benefits under its organizational documents without the written consent of the holders of a majority in principal amount of the Notes then outstanding.

In addition, Ambipar will covenant that the Issuer will continue to be its Wholly-Owned Subsidiary.

Limitation on Debt and Disqualified Equity Interests

- (a) Ambipar:
 - (1) will not, and will not permit any of its Restricted Subsidiaries to, Incur any Debt (including Acquired Debt); and
 - (2) will not, and will not permit any Restricted Subsidiary to, Incur any Disqualified Equity Interests (other than Disqualified Equity Interests of Restricted Subsidiaries held by Ambipar or a Restricted

Subsidiary, so long as it is so held);

provided that Ambipar or any of its Restricted Subsidiaries may Incur Debt and Disqualified Equity Interests if, on the date of the Incurrence, after giving pro forma effect to the Incurrence and the receipt and the application of the proceeds therefrom, the Net Debt to EBITDA Ratio does not exceed (i) 3.75 to 1.0 if such Incurrence occurs after the Issue Date and on or prior to the first anniversary of the Issue Date, (ii) 3.50 to 1.0 if such Incurrence occurs after the first anniversary of the Issue Date and on or prior to the second anniversary of the Issue Date, (iii) 3.25 to 1.0 if such Incurrence occurs after the second anniversary of the Issue Date and on or prior to the third anniversary of the Issue Date and (iv) 3.00 to 1.0 if such Incurrence occurs after the third anniversary of the Issue Date (the “Ratio Test”).

- (b) Notwithstanding the foregoing, Ambipar, and to the extent provided below, any Restricted Subsidiary may Incur the following (“Permitted Debt”):
- (1) intercompany Debt between or among Ambipar and any Restricted Subsidiary or between or among Restricted Subsidiaries; *provided, however*, that:
 - (i) if the Issuer or any Guarantor is the obligor on such Debt Incurred and the obligee is a Person other than the Issuer or any Guarantor, such Debt must be expressly subordinated in right of payment to the Notes; and
 - (ii) any subsequent issuance or transfer of Capital Stock or any other event that results in any such Debt being held by a Person other than Ambipar or a Restricted Subsidiary and any sale or other transfer of any such Debt to a Person that is neither Ambipar nor a Restricted Subsidiary will be deemed, in each case, to constitute an Incurrence of such Debt by Ambipar or such Restricted Subsidiary, as the case may be;
 - (2) Debt of the Issuer pursuant to the Notes (other than Additional Notes) and Debt of each Guarantor pursuant to the Note Guarantees (other than in respect of Additional Notes);
 - (3) Guarantees by (i) the Issuer or any Guarantor of Debt permitted to be incurred by the Issuer or a Guarantor in accordance with the provisions of the Indenture; *provided* that in the event such Debt being Guaranteed is Subordinated Debt to the Notes or the Note Guarantees, then the related Guarantee shall be Subordinated Debt to the Notes or the Note Guarantees, as the case may be, and (ii) Non-Guarantor Subsidiaries of Debt permitted to be incurred by Non-Guarantor Subsidiaries in accordance with the provisions of the Indenture;
 - (4) Debt of Ambipar or a Restricted Subsidiary constituting an extension or renewal of, replacement of, or substitution for, or issued in exchange for, or the net proceeds of which are used to repay, redeem, repurchase, refinance or refund, including by way of defeasance or discharge (all of the above, for purposes of this clause, “refinance”) then outstanding Debt of Ambipar or any Restricted Subsidiary existing on the Issue Date or Incurred in compliance with the Indenture, in a principal amount (or accreted value, if applicable, or if issued with original issue discount, an aggregate issue price) not to exceed the principal amount of the Debt so refinanced (or accreted value, if applicable, or if issued with original issue discount, the aggregate accreted value at the time of the refinancing), *plus* premiums, fees and expenses; *provided* that (“Permitted Refinancing Debt”):
 - (i) in case the Debt to be refinanced is subordinated in right of payment to the Notes, the Permitted Refinancing Debt, by its terms or by the terms of any agreement or instrument pursuant to which it is outstanding, is expressly made subordinate in right of payment to the Notes, at least to the extent that the Debt to be refinanced is subordinated to the Notes;
 - (ii) in case the Debt to be refinanced is subordinated in right of payment to the Notes, (a) if the Stated Maturity of the Debt being refinanced is earlier than the Stated Maturity of the Notes, the Permitted Refinancing Debt does not have a Stated Maturity prior to the Stated Maturity of the Debt to be refinanced, or (b) if the Stated Maturity of the Debt being refinanced is later than the Stated Maturity of the Notes, the Permitted Refinancing Debt has a Stated Maturity at least 91 days later than Stated Maturity of the Notes;

- (iii) The Average Life of the Permitted Refinancing Debt at the time of Incurrence is at least equal to the shorter of (a) the remaining Average Life of the Debt to be refinanced and (b) 91 days after the Average Life of the Notes, and
 - (iv) only Debt (other than Debt owed to Ambipar or any Restricted Subsidiary) Incurred pursuant to paragraph (a) or pursuant to clauses (2), (4), (7), (8) and (9) under this paragraph (b) of this covenant “Limitation on Debt and Disqualified Equity Interests” may be refinanced pursuant to this clause;
- (5) Hedging Agreements of Ambipar or any Restricted Subsidiary entered into in the ordinary course of business for the purpose of limiting risks associated with the business of Ambipar and its Restricted Subsidiaries and not for speculation (as determined in good faith by the Board of Directors or a member of senior management of Ambipar);
- (6) Debt of Ambipar or any Restricted Subsidiary with respect to (i) letters of credit and bankers’ acceptances, deposits, promissory notes, self-insurance obligations, completion guarantees, *seguro garantia*, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other similar Tax or similar bonds or Guarantees and reimbursement obligations in respect thereof, in each case, Incurred in the ordinary course of business or for governmental or regulatory requirements, including letters of credit supporting performance, surety or appeal bonds, and (ii) any customary cash management, cash pooling or netting or setting-of arrangements Incurred in the ordinary course of business;
- (7) Acquired Debt; *provided* that after giving effect to the Incurrence thereof, Ambipar could Incur at least US\$1.00 of Debt under the Ratio Test set forth in paragraph (a) of this covenant or on a *pro forma* basis the Net Debt to EBITDA Ratio would not be higher than such ratio immediately prior to giving effect to the Incurrence of such Acquired Debt;
- (8) Debt of Ambipar or any Restricted Subsidiary outstanding on the Issue Date, excluding Debt permitted under clause (1) of this definition of Permitted Debt;
- (9) Debt of Ambipar or any Restricted Subsidiary arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or Guarantees or letters of credit, surety bonds or performance bonds securing any obligations of Ambipar or any Restricted Subsidiary pursuant to such agreements, in any case Incurred or assumed in connection with the disposition of any business, asset or Restricted Subsidiary (other than Guarantees of Debt Incurred by any Person acquiring all or any portion of such business, asset or Restricted Subsidiary for the purpose of financing such acquisition), so long as the amount does not exceed the gross proceeds, including the Fair Market Value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by Ambipar or any Restricted Subsidiary thereof in connection with such disposition;
- (10) Debt of Ambipar or any Restricted Subsidiary arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds or Debt in respect of netting services, automatic clearinghouse arrangements, overdraft protections and similar arrangements in connection with deposit accounts, in each case in the ordinary course of business; *provided, however*, that such Debt is extinguished within five (5) Business Days of its Incurrence;
- (11) Debt of Ambipar or any Restricted Subsidiary constituting letters of credit, bankers’ acceptance, guarantees or other similar instruments or obligations supporting trade payables and performance obligations issued in the ordinary course of business and consistent with past practices or industry practices or reimbursement obligations in respect thereof; *provided, however*, that such Debt is extinguished within thirty (30) days of its Incurrence;
- (12) Debt of Ambipar or any Restricted Subsidiary to the extent that the net proceeds thereof are promptly deposited to defease or to satisfy and discharge the Notes in accordance with the Indenture;

- (13) Debt of Ambipar or any Restricted Subsidiary for Taxes levied, assessments due and other governmental charges required to be paid as a matter of law or regulation in the ordinary course of business;
 - (14) Debt of Ambipar or any Restricted Subsidiary consisting of (i) the financing of insurance premiums or (ii) obligations (other than financing related obligations) contained in supply agreements, in each case in the ordinary course of business;
 - (15) Debt of Ambipar or any Restricted Subsidiary in connection with customer deposits and advance payments received from customers for the sale or payment of goods and services in the ordinary course of business;
 - (16) Debt of Ambipar or any Restricted Subsidiary, which may include Capitalized Lease Obligations, Incurred on or after the Issue Date of the Notes no later than 180 days after the purchase or completion of construction or improvement of Property (including Capital Stock), for the purpose of financing all or any part of the purchase price or cost of construction or improvement of Property, provided that the principal amount of any Debt incurred pursuant to this clause may not exceed, at any one time outstanding, the greater of (i) US\$50 million (or the equivalent in other currencies at the time of determination) and (ii) 5% of Ambipar's Consolidated Net Tangible Assets, plus any refinancing expenses incurred in connection with Permitted Refinancing Debt in respect thereof;
 - (17) Debt of Ambipar or any Restricted Subsidiary incurred to pay all or a portion of the purchase price of the acquisition or lease of equipment, vehicles and services used in the ordinary course of the business of Ambipar or its Restricted Subsidiaries, provided that the principal amount of any Debt Incurred pursuant to this clause may not exceed, at any one time outstanding, the greater of (i) US\$50 million (or the equivalent in other currencies at the time of determination) and (ii) 5% of Ambipar's Consolidated Net Tangible Assets, plus any refinancing expenses incurred in connection with Permitted Refinancing Debt in respect thereof;
 - (18) Non-Recourse JV Project Finance Debt; and
 - (19) Debt of Ambipar or any Restricted Subsidiary Incurred on or after the Issue Date which, together with any other outstanding Debt Incurred pursuant to this clause (19), and including any Permitted Refinancing Debt thereof, has an aggregate principal amount at any one time outstanding not to exceed the greater of US\$100 million (or the equivalent in other currencies at the time of determination) and 10% of Ambipar's Consolidated Net Tangible Assets, plus any refinancing expenses incurred in connection with Permitted Refinancing Debt in respect thereof.
- (c) Notwithstanding anything to the contrary in this covenant, the maximum amount of Debt that Ambipar and its Restricted Subsidiaries may Incur pursuant to this covenant shall not be deemed to be exceeded, with respect to any outstanding Debt, solely as a result of fluctuations in the exchange rate of currencies.
 - (d) For purposes of determining compliance with, and the outstanding principal amount of any particular Debt Incurred pursuant to and in compliance with, this covenant, in the event that any proposed Debt meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (19) of paragraph (b) above, or is entitled to be Incurred pursuant to paragraph (a) above, Ambipar and its Restricted Subsidiaries, in their sole discretion, will be permitted to classify such item of Debt at the time of its Incurrence in any manner that complies with this covenant (including in part by one provision and in part by one or more other provisions of this covenant permitting such Debt) or to later reclassify from time to time all or a portion of such item of Debt, and shall only be required to include the amount and type of such Debt in one of such clauses of paragraph (b) or in paragraph (a).
 - (e) Guarantees of, or obligations in respect of letters of credit relating to, or Liens securing, Debt which is otherwise included in the determination of a particular amount of Debt shall not be included.
 - (f) None of the Issuer or Guarantor may Incur any Debt that is subordinated in right of payment to other *pari passu* Debt of the Issuer or such Guarantor unless such Debt is also Subordinated Debt on substantially

identical terms.

- (g) The principal amount of any Disqualified Equity Interest of Ambipar or a Restricted Subsidiary will be equal to the greater of the maximum redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof.
- (h) The accrual of interest, the accretion or amortization of accreted value or original issue discount, the payment of regularly scheduled interest in the form of additional Debt of the same instrument or the payment of regularly scheduled dividends on Disqualified Equity Interests in the form of additional Disqualified Equity Interests with the same terms or the reclassification of commitments or obligations not treated as Debt due to a change in GAAP will not be deemed to be an Incurrence of Debt for purposes of this covenant; *provided* that any such outstanding additional Debt or Disqualified Equity Interests paid in respect of Debt Incurred pursuant to any provision of clause (b) above will be counted as Debt outstanding for purposes of any future Incurrence of Debt pursuant to clause (a) above.
- (i) The amount of Debt issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined in accordance with GAAP.
- (j) For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Debt, the U.S. dollar-equivalent principal amount of Debt denominated in a non-U.S. currency will be calculated based on the relevant currency exchange rate in effect on the date such Debt was Incurred or, in the case of revolving credit Debt, first borrowed; provided that if such Debt is Incurred to refinance other Debt denominated in a non-U.S. currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction will be deemed not to have been exceeded so long as the non-US currency principal amount of such Permitted Refinancing Debt does not exceed the non-US currency principal amount of such Debt being refinanced. The principal amount of any Debt Incurred to refinance other Debt, if Incurred in a different currency from the Debt being refinanced, will be calculated based on the currency exchange rate as calculated in the first sentence of this paragraph.

Limitation on Restricted Payments

- (a) Ambipar will not, and will not permit any Restricted Subsidiary to, directly or indirectly (the payments and other actions described in the following clauses (1) to (4) being collectively “Restricted Payments”):
 - (1) declare or pay any dividend or make any distribution on its Equity Interests, other than (i) dividends or distributions paid in the form of its Qualified Equity Interests, (ii) dividends, distributions or returns of capital or payments of interest on shareholders’ equity payable to Ambipar and/or a Restricted Subsidiary or (iii) dividends, distributions or returns of capital or payments of interest on shareholders’ equity made on a pro rata basis to Ambipar and its Restricted Subsidiaries, on the one hand, and the minority holders of Capital Stock, on the other hand (or on a less than pro rata basis to any minority holder);
 - (2) purchase, redeem or otherwise acquire or retire for value any Equity Interests of Ambipar held by Persons other than Ambipar or any of its Restricted Subsidiaries, other than in exchange for Qualified Equity Interests;
 - (3) repay, redeem, repurchase, defease or otherwise acquire or retire for value, or make any payment on or with respect to, any Subordinated Debt except:
 - (i) a payment of interest or principal at Stated Maturity, scheduled repayment or sinking fund payment;
 - (ii) Debt of Ambipar owing to and held by any Restricted Subsidiary or Debt of a Restricted Subsidiary owing to and held by Ambipar or any other Restricted Subsidiary permitted under sub-section (b)(1) of the covenant “—Limitation on Debt and Disqualified Equity Interests;” or

- (iii) the payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Debt purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement; or
- (4) make any Investment (other than Permitted Investments);
- (5) unless, at the time of, and after giving effect to, the proposed Restricted Payment:
 - (i) no Default or Event of Default has occurred and is continuing,
 - (ii) after giving pro forma effect to such Restricted Payment as if such Restricted Payment had been made at the beginning of the four-fiscal-quarter period, Ambipar could Incur at least US\$1.00 of Debt under the Ratio Test set forth in paragraph (a) of the covenant described above under the caption “—Limitation on Debt and Disqualified Equity Interests,” and
 - (iii) the aggregate amount of such Restricted Payment and all other Restricted Payments made on or after the Issue Date by Ambipar or a Restricted Subsidiary would not, subject to paragraph (c), exceed the sum of (without duplication):
 - (A) 50% of the aggregate amount of the Consolidated Net Income (or, if the Consolidated Net Income is a loss, minus 100% of the amount of the loss) accrued on a cumulative basis during the period, taken as one accounting period, beginning on the first day of the fiscal quarter in which the Issue Date occurs and ending on the last day of Ambipar’s most recently completed fiscal quarter for which financial statements have been provided (or if not timely provided, required to be provided) pursuant to the Indenture; *plus*
 - (B) 100% of the aggregate net cash proceeds, and the Fair Market Value of property other than cash, received by Ambipar or any Guarantor (other than from Ambipar or a Restricted Subsidiary) after the Issue Date from:
 - (x) the issuance and primary sale of, or the net payment in connection with the termination, redemption or settlement of, Qualified Equity Interests of Ambipar or any Guarantor, including by way of issuance of Disqualified Equity Interests or Debt, to the extent converted or exchanged into Qualified Equity Interests of Ambipar or any Guarantor, or
 - (y) as a contribution to its common equity; *plus*
 - (C) without duplication, the amount by which Debt of Ambipar or any of its Restricted Subsidiaries is reduced on Ambipar’s consolidated balance sheet, upon the conversion or exchange (including by means of a subscription) subsequent to the Issue Date of any such Debt for Qualified Equity Interests of Ambipar or any Guarantor; *plus*
 - (D) the cash return, and the Fair Market Value of property other than cash, received by Ambipar or any Restricted Subsidiary (other than from Ambipar or a Restricted Subsidiary) after the Issue Date and prior to the date of such Restricted Payment on any Restricted Investment made after the Issue Date as a result of any sale, disposition, repurchase, repayment (including by way of distributions or dividends), redemption, liquidating distribution or other realization, or from repayments of loans or advances or other transfers of assets, or unconditional release of any Guarantee, that constituted Restricted Investment (other than for reimbursement of tax payments); *provided* that no amount will be included under this clause (D) to the extent it is already included in Consolidated Net Income;

plus

- (E) 100% of the cash return, and the Fair Market Value of property other than cash, received by Ambipar or any Restricted Subsidiary (other than from Ambipar or a Restricted Subsidiary) in the case of redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries or the merger or consolidation of an Unrestricted Subsidiary with and into Ambipar or any of its Restricted Subsidiaries, or in case all of the assets of such Unrestricted Subsidiary are transferred to Ambipar or any of its Restricted Subsidiaries (valued in each case as provided in the definition of “Investment”); *plus*
- (F) to the extent not included in clause (5)(iii)(A) above, the amount equal to the net reduction in Restricted Investments made by Ambipar or any of its Restricted Subsidiaries in any Person resulting from:
 - (x) repurchases or redemptions of any Restricted Investments by such Person, cash proceeds realized by Ambipar or such Restricted Subsidiary upon the sale of such Restricted Investment to an unaffiliated purchaser, repayments of loans or advances or other transfers of assets (including by way of dividend or distribution) by such Person to Ambipar or any Restricted Subsidiary (other than for reimbursement of tax payments); or
 - (y) redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries or the merger or consolidation of an Unrestricted Subsidiary with and into Ambipar or any of its Restricted Subsidiaries, or in case all of the assets of such Unrestricted Subsidiary are transferred to Ambipar or any of its Restricted Subsidiaries (valued in each case as provided in the definition of “Investment”); *plus*
- (G) 100% of any dividends or distributions received by Ambipar or any of its Restricted Subsidiaries after the Issue Date from an Unrestricted Subsidiary; *provided* that no amount will be included under this clause (G) to the extent it is already included in Consolidated Net Income.

The amount expended in any Restricted Payment, if other than in cash, will be deemed to be the Fair Market Value of the relevant non-cash assets on the date of such Restricted Payment. The amount of any Restricted payment paid in cash will be its face amount.

(b) The foregoing will not prohibit any of the following (collectively “Permitted Payments”):

- (1) the payment of any dividend after the date of declaration thereof, or irrevocable redemption of any debt subordinated in right of payment to the Notes and the Note Guarantees, by Ambipar or any Restricted Subsidiary if, at the date of declaration or delivery of the notice of redemption, as applicable, such payment would comply with paragraph (a);
- (2) dividends or distributions by a Restricted Subsidiary payable, on a *pro rata* basis or on a basis more favorable to Ambipar, to all holders of any class of Capital Stock of such Restricted Subsidiary a majority of which is held, directly or indirectly through Restricted Subsidiaries, by Ambipar or if less than a majority is held, directly or indirectly through Restricted Subsidiaries, by Ambipar if such Restricted Subsidiary is controlled, directly or indirectly through Restricted Subsidiaries, by Ambipar in accordance with GAAP and is consolidated by Ambipar as a subsidiary for accounting purposes in accordance with GAAP;
- (3) the repayment, redemption, repurchase, refinancing, defeasance or other acquisition or retirement for value of Subordinated Debt with the proceeds of, or in exchange for, Permitted Refinancing Debt;

- (4) any Restricted Payment made in exchange for, by conversion into, or out of the proceeds of, a substantially concurrent primary offering of, Qualified Equity Interests of Ambipar or any Guarantor or of a cash contribution to the common equity of Ambipar or any Guarantor; *provided* that the amount of any such proceeds from the sale of such Qualified Equity Interests or such cash contribution, to the extent such proceeds are used for such Restricted Payment, will be excluded from clause (5)(iii)(B) of paragraph (a);
- (5) the declaration and payment of the Minimum Legally Required Dividends;
- (6) dividends on Disqualified Equity Interests of Ambipar or a Restricted Subsidiary incurred in compliance with the covenant described under “—Limitation on Debt and Disqualified Equity Interests;”
- (7) purchases, repurchases, redemptions, defeasance or other acquisition of Capital Stock deemed to occur upon the exercise, conversion or exchange of stock options, warrants, other rights to purchase Capital Stock or other convertible or exchangeable securities if such Capital Stock represents all or a portion of the exercise price thereof;
- (8) any payment of cash by Ambipar or any Restricted Subsidiary in respect of fractional shares of Capital Stock arising out of stock dividends, splits or combinations or business combinations, or upon the exercise, conversion or exchange of any stock options, warrants, other rights to purchase Capital Stock or other convertible or exchangeable securities;
- (9) any purchase, repurchase, redemption, defeasance, acquisition or other retirement for value of Subordinated Debt at a purchase or redemption price not greater than (A) 101% of the principal amount or accreted value, as applicable of such Subordinated Debt and accrued and unpaid interest thereon in the case of a Change of Control Repurchase Event or (B) 100% of the principal amount or accreted value, as applicable, of such Subordinated Debt and accrued and unpaid interest thereon in the event of an Asset Sale; *provided, however*, that (x) in the case of a Change of Control Repurchase Event, the Issuer and the Guarantors have first complied with and fully satisfied their obligations under the covenant described below under the caption “—Repurchase of Notes upon a Change of Control” and all the Notes validly tendered and not withdrawn have been purchased under an Offer to Purchase pursuant thereto; or (ii) in the case of an Asset Sale, the Issuer and the Guarantors have first complied with and fully satisfied their obligations under the covenant described below under the caption “—Limitation on Asset Sales;”
- (10) the payment of the deferred purchase price or earn-outs, including holdbacks (and the receipt of any corresponding consideration therefor), or payments with respect to fractional shares, in each case in connection with an acquisition to the extent such payment would have been permitted by the Indenture at the time of such acquisition;
- (11) Restricted Payments in an aggregate amount such that, after giving pro forma effect thereto, the Net Debt to EBITDA Ratio of Ambipar would not exceed 1.50 to 1.00; and
- (12) Restricted Payments in aggregate amount not to exceed the greater of (x) US\$50 million (or the equivalent thereof at the time of determination) or (y) 5.0% of Ambipar’s Consolidated Net Tangible Assets;

provided that, at the time of, and after giving effect to, any Restricted Payment permitted under clauses (11) and (12), no Default or Event of Default has occurred and is continuing or would occur as a result thereof.

- (c) In determining the aggregate amount of Restricted Payments made subsequent to the Issue Date, Restricted Payments permitted pursuant to clause (1), (2), (5), (9), (11) and (12) of paragraph (b) shall be included in

the calculation of the amount of Restricted Payments made pursuant to clause (5)(iii) of paragraph (a).

Limitation on Liens

Ambipar will not, and will not permit any Restricted Subsidiary to, directly or indirectly, Incur or permit to exist any Lien of any nature whatsoever on any of its properties or assets, whether owned at the Issue Date or thereafter acquired, other than Permitted Liens, without effectively providing that the Notes and the Note Guarantees are secured equally and ratably with (or, if the obligation to be secured by the Lien is subordinated in right of payment to the Notes or any Note Guarantee, prior to) the obligations so secured for so long as such obligations are so secured; *provided, however*, that any Lien created for the benefit of the holders of the Notes (and, if applicable, holders of such other indebtedness or obligations) pursuant to the foregoing shall provide by its terms that such Lien will be automatically and unconditionally released and discharged upon (i) release and discharge of the initial Lien or (ii) any sale, exchange or transfer to any Person (other than the Ambipar or any Restricted Subsidiary) of the Property or asset secured by such initial Lien, effected in compliance with the terms of the Indenture, or of all of the Capital Stock held by Ambipar or any Restricted Subsidiary in, or all or substantially all the assets of, any Restricted Subsidiary creating such initial Lien (in each case, effected in compliance with the terms of the Indenture).

Limitation on Sale and Leaseback Transactions

Ambipar will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction with respect to any Property unless Ambipar or such Restricted Subsidiary would be entitled to:

- (A) Incur Debt in an amount equal to the Attributable Debt with respect to such Sale and Leaseback Transaction pursuant to the covenant described under the heading “—Limitation on Debt and Disqualified Equity Interests,” and
- (B) create a Lien on such Property or asset securing such Attributable Debt without equally and ratably securing the Notes pursuant to the covenant described under the heading “—Limitation on Liens.”

in which case, the corresponding Debt and Lien will be deemed incurred pursuant to those provisions.

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

- (a) Except as provided in paragraph (b), Ambipar will not, and will not permit any of its Restricted Subsidiaries to, create or otherwise cause or permit to exist or become effective any encumbrance or restriction of any kind on the ability of any Restricted Subsidiary to:
 - (1) pay dividends or make any other distributions on any Equity Interests of the Restricted Subsidiary owned by Ambipar or any other Restricted Subsidiary;
 - (2) pay any Debt or other obligation owed to Ambipar or any other Restricted Subsidiary;
 - (3) make loans or advances to Ambipar or any other Restricted Subsidiary; or
 - (4) transfer any of its property or assets to Ambipar or any other Restricted Subsidiary.
- (b) The provisions of paragraph (a) do not apply to any encumbrances or restrictions:
 - (1) existing on the Issue Date as provided for in the Indenture, the Notes, the Note Guarantees or any other agreements in effect on the Issue Date, and any extensions, renewals, replacements or refinancings of any of the foregoing; provided that the encumbrances and restrictions in the extension, renewal, replacement or refinancing are, taken as a whole, no less favorable in any material respect to the holders of the Notes and the Note Guarantees than the encumbrances or restrictions being extended, renewed, replaced or refinanced;
 - (2) existing under or by reason of applicable law or any applicable rule, regulation or order;
 - (3) existing with respect to any Person, or to the Property or assets of any Person, at the time the Person

is acquired by Ambipar or any Restricted Subsidiary, which encumbrances or restrictions: (i) are not applicable to any other Person or the Property of any other Person other than the acquired Person's Subsidiaries; and (ii) were not put in place in anticipation of such event, and any extensions, renewals, replacements or refinancings of any of the foregoing; provided the encumbrances and restrictions in the extension, renewal, replacement or refinancing are, taken as a whole, no less favorable in any material respect to the holders of the Notes than the encumbrances or restrictions being extended, renewed, replaced or refinanced;

- (4) of the type described in clause (a)(4) arising or agreed to in the ordinary course of business (i) that restrict in a customary manner the leasing (including capital leasing), subletting, assignment or transfer of any Property or asset that is subject to a lease, sublease, license, sublicense, conveyance or similar contract, or (ii) by virtue of any Lien on, or agreement to transfer, option or similar right with respect to any Property or assets of Ambipar or any Restricted Subsidiary;
- (5) with respect to a Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or Property or assets of, the Restricted Subsidiary that is permitted by the covenant described under the heading "—Limitation on Asset Sales";
- (6) with respect to a Restricted Subsidiary and imposed pursuant to a customary provision in a joint venture or other similar agreement with respect to such Restricted Subsidiary that was entered into in the ordinary course of business;
- (7) imposed by the standard loan documentation in connection with loans from (a) *Banco Nacional de Desenvolvimento Econômico e Social-BNDES*, or any other Brazilian governmental development bank, fund or credit agency (including, but not limited to, *Agência Especial de Financiamento Industrial-FINAME*, the *Financiadora de Estudos e Projetos*—FINEP, *Banco da Amazônia S.A.*—BASA and *Banco do Nordeste do Brasil S.A.*—BNB) or (b) any international or multilateral development bank, fund or government-sponsored agency, government-sponsored agency (including, but not limited to the Inter-American Development Bank and International Finance Corporation) to any Restricted Subsidiary;
- (8) contained in the terms governing any other Debt or Disqualified Equity Interests of any Restricted Subsidiary that is permitted to be Incurred by the covenant "—Limitation on Debt and Disqualified Equity Interests" if any such encumbrances or restrictions (i) are ordinary and customary for a financing of that type and (ii) either (x) would not, at the time agreed to, be expected to materially adversely affect the ability of the Issuer or any Guarantor to make payments on the Notes or (y) in the case of any Permitted Refinancing Debt, are, taken as a whole, no less favorable in any material respect to the holders of the Notes than those contained in the agreements governing the Debt being extended, renewed, replaced or refinanced;
- (9) security agreements, mortgages or other purchase money obligations for Property acquired in the ordinary course of business and Capitalized Lease Obligations permitted under the Indenture, in each case that impose encumbrances or restrictions of the nature described in clause (4) of the paragraph (a) of this covenant on the Property so acquired;
- (10) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;
- (11) customary provisions restricting assignment of any agreement entered into in the ordinary course of business; and
- (12) required pursuant to the Indenture, the Notes and the Note Guarantees.

Repurchase of Notes upon a Change of Control

Not later than 30 days following a Change of Control Repurchase Event, the Issuer shall make an Offer to

Purchase all outstanding Notes at a purchase price equal to 101% of the principal amount *plus* accrued and unpaid interest to, but excluding, the date of purchase.

An “Offer to Purchase” must be made by written offer to all holders of Notes (a copy of which will be delivered to the Trustee), which will specify the principal amount of Notes subject to the offer and the purchase price. The offer must specify an expiration date (the “expiration date”) not less than 30 days or more than 60 days after the date the offer is mailed to holders or otherwise delivered in accordance with the applicable procedures of DTC and a settlement date for purchase (the “purchase date”) not more than five Business Days after the expiration date. The offer must include information concerning the business of Ambipar and its Restricted Subsidiaries which the Issuer in good faith believes will enable the holders to make an informed decision with respect to the Offer to Purchase. The offer will also contain instructions and materials necessary to enable holders to tender Notes pursuant to the offer.

A holder may tender all or any portion of its Notes pursuant to an Offer to Purchase, subject to the minimum denomination requirement and the requirement that any portion of a Note tendered must be in integral multiples of US\$1,000 in excess of US\$200,000 principal amount. Holders are entitled to withdraw Notes tendered up to the close of business on the expiration date. On the purchase date, the purchase price will become due and payable on each Note accepted for purchase pursuant to the Offer to Purchase, and interest on Notes purchased will cease to accrue on and after the purchase date unless the Issuer defaults in the payment of the purchase price and the purchase does not take place on the purchase date.

The Issuer will not be required to make an Offer to Purchase if (1) a third party makes the Offer to Purchase in the manner, at the price, times and otherwise in compliance with the requirements set forth in the Indenture applicable to an Offer to Purchase made by the Issuer and purchases all Notes validly tendered and not validly withdrawn under such Offer to Purchase, or (2) a notice of redemption for all outstanding Notes has been given, unless and until there is a default in payment of the applicable redemption price.

An Offer to Purchase may be made in advance of a Change of Control Repurchase Event, and conditioned upon the occurrence of a Change of Control Repurchase Event, if a definitive agreement is in place for the Change of Control at the time of making the Offer to Purchase.

The Issuer will comply with Rule 14e-1 under the Exchange Act (to the extent applicable) and all other applicable laws in making any Offer to Purchase, and the above procedures will be deemed modified as necessary to permit such compliance. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations described in the Indenture by virtue of the conflict.

The Issuer will agree in the Indenture to obtain all necessary consents and regulatory approvals under the laws of Luxembourg, Brazil and the Cayman Islands prior to making any Offer to Purchase. Any failure to obtain such consents and approvals will constitute an Event of Default.

Future debt of the Issuer may provide that a Change of Control is a default or require repurchase upon a Change of Control. Moreover, the exercise by the holders of the Notes of their right to require the Issuer to purchase the Notes could cause a default under other Debt, even if the Change of Control itself does not, due to the financial effect of the purchase on the Issuer. In addition, any remittance of funds outside of Brazil to holders of the Notes or the Trustee may require the consent of the Central Bank of Brazil, which may not be granted. The Issuer’s ability to pay cash to the holders of the Notes following the occurrence of a Change of Control Repurchase Event may be limited by the Issuer’s then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See *“Risk Factors—Risks Relating to the Notes, the Note Guarantees and Our Other Indebtedness —We may be unable to make a change of control offer required by the Indenture, which would cause a default under the indenture.”*

The phrase “all or substantially all,” as used with respect to the assets of Ambipar and its Restricted Subsidiaries taken as a whole in the definition of “Change of Control,” is subject to interpretation under applicable state law, and its applicability in a given instance would depend upon the facts and circumstances. As a result, there may be a degree of uncertainty in ascertaining whether a sale or transfer of “all or substantially all” the assets of Ambipar and its Restricted Subsidiaries taken as a whole has occurred in a particular instance, in which case a holder’s ability to obtain the benefit of these provisions could be unclear.

Except as described above with respect to a Change of Control Repurchase Event, the Indenture does not contain provisions that permit the holder of the Notes to require that the Issuer purchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The provisions under the Indenture relating to the Issuer's obligation to make an Offer to Purchase the Notes as a result of a Change of Control Repurchase Event may only be waived or amended prior to the time such obligation arises as described in "—Amendments and Waivers."

Limitation on Asset Sales

Ambipar will not, and will not permit any Restricted Subsidiary to, make any Asset Sale unless the following conditions are met:

- (1) The Asset Sale is for Fair Market Value, as determined in good faith by the Board of Directors of Ambipar.
- (2) At least 75% of the consideration of such Asset Sale and all other Asset Sales since the Issue Date on a cumulative basis consists of (i) cash or Cash Equivalents or (ii) Productive Assets, or any combination of the foregoing. For purposes of this clause (2), (i) the assumption by the purchasers of Debt or other obligations (other than Subordinated Debt) of Ambipar or a Restricted Subsidiary pursuant to a customary novation agreement, and (ii) instruments or securities received from the purchasers that are promptly, but in any event within 180 days of the closing, converted by Ambipar to cash, to the extent of the cash actually so received, in each case, shall be considered cash received at closing.
- (3) Within 360 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Net Cash Proceeds may be used for any combination of the following:
 - (A) to permanently repay Debt other than Subordinated Debt of Ambipar or any Restricted Subsidiary (and in the case of a revolving credit, permanently reduce the commitment thereunder by such amount), in each case owing to a Person other than Ambipar or any Restricted Subsidiary,
 - (B) to acquire all or substantially all of the assets of a Permitted Business, or a majority of the Voting Stock of another Person that thereupon becomes a Restricted Subsidiary engaged in a Permitted Business, or to make capital expenditures or otherwise acquire long-term assets that are to be used in a Permitted Business; *provided* that Ambipar or such Restricted Subsidiary will be deemed to have complied with its obligations under this paragraph if it enters into a binding commitment to acquire any such assets or Voting Stock prior to 360 days after the receipt of the applicable Net Cash Proceeds and such acquisition is consummated prior to 540 days after the date of receipt of the applicable Net Cash Proceeds; *provided, further*, that upon any abandonment or termination of such commitment, the Net Cash Proceeds not so applied shall constitute Excess Proceeds and be applied as set forth below; or
 - (C) to acquire Productive Assets for Ambipar or any of its Restricted Subsidiaries;

provided that pending the final application of any such Net Cash Proceeds in accordance with this clause (3), Ambipar or such Restricted Subsidiary may temporarily reduce Debt or otherwise invest such Net Cash Proceeds in cash or Cash Equivalents.
- (4) The Net Cash Proceeds of an Asset Sale not applied pursuant to clause (3) constitute "Excess Proceeds." Excess Proceeds of less than US\$50.0 million (or the equivalent thereof at the time of determination) will be carried forward and accumulated. When accumulated Excess Proceeds equals or exceeds such amount, Ambipar must, directly or indirectly through any of its Restricted Subsidiaries, within 30 days, make an Offer to Purchase Notes having a principal amount equal to:
 - (A) accumulated Excess Proceeds, multiplied by

- (B) a fraction (x) the numerator of which is equal to the outstanding principal amount of the Notes and (y) the denominator of which is equal to the outstanding principal amount of the Notes and all *pari passu* Debt similarly required to be repaid, redeemed or tendered for in connection with the Asset Sale, rounded down to the nearest US\$1,000.
- (5) The purchase price for the Notes will be 100% of the principal amount *plus* accrued and unpaid interest to, but excluding, the date of purchase. To the extent that the aggregate amount of Notes and *pari passu* Debt validly tendered and not properly withdrawn pursuant to an Offer to Purchase is less than the Excess Proceeds, Ambipar may use any remaining Excess Proceeds for general corporate purposes, subject to the other covenants contained in the Indenture. If the Offer to Purchase is for less than all of the outstanding Notes and Notes in an aggregate principal amount in excess of the purchase amount are tendered and not withdrawn pursuant to the offer, Ambipar will purchase Notes having an aggregate principal amount equal to the purchase amount on a *pro rata* basis, with adjustments so that only Notes in multiples of US\$1,000 principal amount will be purchased; *provided* that after a purchase from a holder in part, such holder shall hold US\$200,000 in principal amount of Notes or a multiple of US\$1,000 in excess thereof. Upon completion of the Offer to Purchase, Excess Proceeds will be reset at zero.
- (6) Ambipar will comply with the requirements of U.S. securities laws, to the extent applicable, and any other securities laws and regulations to the extent any such rule, laws and regulations are applicable in connection with the purchase of Notes pursuant to an Offer to Purchase, including all necessary consents and approvals from the Central Bank of Brazil for the remittance of funds outside Brazil prior to making any Offer to Purchase. Notwithstanding the above, to the extent that the provisions of any applicable laws or regulations conflict with the provisions under this “Limitation on Asset Sales” covenant of the Indenture, Ambipar will comply with these laws and regulations and will not be deemed to have breached its obligations under this “Limitation on Asset Sales” covenant of the Indenture by doing so.
- (7) Ambipar will not be required to make an Offer to Purchase following an Asset Sale if a Restricted Subsidiary or a third party makes the Offer to Purchase in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to an Offer to Purchase following an Asset Sale made by Ambipar or any Restricted Subsidiary and if such Person purchases all Notes validly tendered and not withdrawn under such Offer to Purchase.

Limitation on Transactions with Affiliates

- (a) Ambipar will not, and will not permit any Restricted Subsidiary to, directly or indirectly, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or Guarantee with, or for the benefit of Ambipar, any Affiliate of Ambipar or any Restricted Subsidiary (a “Related Party Transaction”), except upon fair and reasonable terms no less favorable to Ambipar or the Restricted Subsidiary than could be obtained in a comparable arm’s-length transaction with a Person that is not an Affiliate of Ambipar.
- (b) In any Related Party Transaction or series of Related Party Transactions with an aggregate value in excess of US\$15.0 million (or the equivalent thereof at the time of determination), Ambipar must first deliver to the Trustee an Officers’ Certificate to the effect that such transaction or series of related transactions are on fair and reasonable terms no less favorable to Ambipar or such Restricted Subsidiary than could be obtained in a comparable arm’s length transaction and is otherwise compliant with the terms of the Indenture. Prior to entering into any Related Party Transaction or series of Related Party Transactions with an aggregate value in excess of US\$30.0 million (or the equivalent thereof at the time of determination), in addition to such Officers’ Certificate, Ambipar must deliver to the Trustee a resolution of either the Board of Directors of Ambipar or the audit committee of the Board of Directors of Ambipar certifying that such transaction or series of related transactions have been approved by the majority of the disinterested members of the Board of Directors or the audit committee of Ambipar, as applicable.

- (c) The foregoing paragraphs do not apply to:
- (1) any transaction (including the issuance of Guarantees) between or among Ambipar and any Restricted Subsidiaries or between Restricted Subsidiaries;
 - (2) the payment of reasonable and customary regular fees to directors of Ambipar or any Restricted Subsidiary who are not employees of Ambipar or such Restricted Subsidiary;
 - (3) any Permitted Investments, Permitted Payments and Restricted Payments permitted by the covenant under the caption “—Limitation on Restricted Payments;”
 - (4) any grant, issuance or sale of Equity Interests of Ambipar (other than Disqualified Equity Interests) and the granting of registration rights or other customary rights in connection therewith;
 - (5) transactions or payments pursuant to any employee, officer or director compensation or benefit plans, severance arrangements or other customary arrangements, including any stock option or stock incentive plans, entered into by Ambipar or any Restricted Subsidiary in the ordinary course of business on market terms and consistent with past practice or industry norms;
 - (6) indemnities of officers, directors and employees of Ambipar or any Restricted Subsidiary of Ambipar pursuant to bylaws, statutory provisions or indemnification agreements or the purchase of indemnification insurance for any director or officer;
 - (7) transactions pursuant to agreements in effect on the Issue Date, as amended, modified, extended, renewed or replaced from time to time so long as the amended, modified, extended, renewed or new agreements, taken as a whole, are no less favorable to Ambipar and its Restricted Subsidiaries in any material respects than those in effect on the date of the Indenture;
 - (8) any Sale Leaseback Transaction otherwise permitted under the caption “—Limitation on Sale and Leaseback Transactions” if such transaction is on market terms;
 - (9) (A) transactions with customers, clients, distributors, suppliers or purchasers or sellers of goods or services (including through inter-company transactions), in each case in the ordinary course of business and on market terms, or (B) transactions with joint ventures or other similar arrangements entered into in the ordinary course of business, on market terms and consistent with past practice or industry norms, in each case, not to exceed (considering (A) and (B) of this clause (9) together) an aggregate amount of U.S.\$15.0 million;
 - (10) the provision of administrative services and reimbursement of expenses to any joint venture or any Unrestricted Subsidiary on standard market terms; and
 - (11) any transaction between any Person and an Affiliate of such Person existing at the time such Person is acquired by or merged into Ambipar or a Restricted Subsidiary; provided that such agreement was not entered into in contemplation of such acquisition or merger, and any amendment thereto, so long as any such amendment is not disadvantageous to the Holders in the good faith judgment of the Board of Directors of Ambipar, when taken as a whole, as compared to the applicable agreement as in effect on the date of such acquisition or merger.

Limitation on Designation of Unrestricted Subsidiaries

Ambipar may designate after the Issue Date any Subsidiary of Ambipar as an “Unrestricted Subsidiary” under the Indenture (a “Designation”) only if:

- (1) no Default or Event of Default has occurred and is continuing at the time of or after giving effect to such Designation;
- (2) any transactions between Ambipar or any of its Restricted Subsidiaries and such Subsidiary are in compliance with “—Limitation on Transactions with Affiliates;” and

- (3) Ambipar would be permitted to make an Investment in an Unrestricted Subsidiary at the time of Designation (assuming the effectiveness of such Designation and treating such Designation as an Investment in an Unrestricted Subsidiary at the time of Designation) as a Restricted Payment pursuant to clause (a) of “— Limitation on Restricted Payments” in an amount equal to the amount of Ambipar’s Investment in such Subsidiary on such date.

Ambipar may revoke any Designation of a Subsidiary as an Unrestricted Subsidiary (a “Revocation”) only if:

- (1) no Default or Event of Default has occurred and is continuing at the time of and after giving effect to such Revocation; and
- (2) all Debt and Liens of such Unrestricted Subsidiary outstanding immediately following such Revocation would, if Incurred at such time, have been permitted to be Incurred for all purposes of the Indenture.

The Designation of a Subsidiary of Ambipar as an Unrestricted Subsidiary will be deemed to include the Designation of all of the subsidiaries of such Subsidiary. All Designations and Revocations must be evidenced by a resolution of the Board of Directors of Ambipar and an Officers’ Certificate delivered to the Trustee certifying compliance with the preceding provisions.

Line of Business

Ambipar will not, and will not permit any of its Restricted Subsidiaries, to engage in any business other than a Permitted Business, except to an extent that so doing would not be material to Ambipar and its Restricted Subsidiaries, taken as a whole.

Financial Reports

- (a) The Issuer and Ambipar shall furnish to the Trustee and the holder of Notes in electronic format:
 - (1) as soon as available and in any event by no later than 120 days after the end of each fiscal year of Ambipar, annual audited consolidated financial statements in English of Ambipar prepared in accordance with GAAP and accompanied by an opinion of internationally recognized independent public accountants selected by Ambipar, which opinion shall be based upon an examination made in accordance with generally accepted auditing standards in Brazil; and
 - (2) as soon as available and in any event by no later than 60 days after the end of each of the first three fiscal quarters of each fiscal year of Ambipar, quarterly unaudited interim consolidated financial statements in English of Ambipar prepared in accordance with GAAP.

In addition, the Issuer and Ambipar will make the information and reports available to securities analysts and prospective investors upon request. If Ambipar makes available the reports described in clauses (1) and (2) on its website, it will be deemed to have satisfied the reporting requirement set forth therein.

Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee’s receipt thereof shall not constitute actual or constructive notice or knowledge of any information contained therein or determinable for information contained therein, including the Issuer’s, Ambipar’s and/or any other Person’s compliance with any of the covenants under the Indenture (as to which the Trustee is entitled to rely exclusively on Officers’ Certificates); provided that the Trustee shall have no obligation whatsoever to determine whether such information, documents or reports have been delivered as described above or posted on any website.

- (b) For so long as the Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, Ambipar will furnish to any holder of the Notes, or to any prospective purchasers designated by such holder of Notes, financial and other information described in paragraph (d)(4) of Rule 144A with respect to the Issuer and Ambipar.
- (c) Ambipar will deliver to the Trustee:

- (1) within 120 days after the end of each fiscal year an Officers' Certificate stating that Ambipar has fulfilled its Obligations under the Indenture or, if there has been a Default, specifying the Default and its nature and status; and
- (2) as soon as possible and in any event within 10 days after it becomes aware or should reasonably become aware of the occurrence of a Default, an Officers' Certificate setting forth the details of the Default, and the action which Ambipar proposes to take with respect thereto.

Listing

The Issuer will apply to the SGX-ST for permission to list the Notes on the main board of the SGX-ST. We cannot guarantee the listing will be obtained. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this offering memorandum. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Notes or the Issuer. On the main board of the SGX-ST, the Notes will be traded in a minimum board lot size of US\$200,000. Currently, there is no public market for the Notes.

Consolidation, Merger or Sale of Substantially all Assets by Ambipar

(a) Ambipar will not:

- (1) consolidate with or merge with or into any Person, or
- (2) sell, convey, transfer, or otherwise dispose of all or substantially all of its assets as an entirety or substantially an entirety, in one transaction or a series of related transactions, to any Person or
- (3) permit any Person to merge with or into Ambipar;

unless:

- (A) either: (x) Ambipar is the continuing Person; or (y) the resulting, surviving or transferee Person (if not Ambipar) is a Person organized and validly existing under the laws of the Federative Republic of Brazil or any political subdivision thereof, Luxembourg, the United States of America, any State thereof or the District of Columbia, the Cayman Islands, or any other country member of the Organization for Economic Co-operation and Development (OECD) and expressly assumes by supplemental indenture all of the Obligations of Ambipar under the Indenture and its Note Guarantee;
- (B) immediately after giving effect to the transaction, no Default or Event of Default has occurred and is continuing;
- (C) immediately after giving effect to the transaction on a *pro forma* basis, Ambipar or the resulting surviving or transferee Person could either Incur at least US\$1.00 of Debt under the Ratio Test set forth in paragraph (a) of the covenant described above under the caption "—Limitation on Debt and Disqualified Equity Interests" or the Net Debt to EBITDA Ratio under the Ratio Test would not be higher than such ratio immediately prior to such acquisition or merger;
- (D) each Subsidiary Guarantor (unless it is the other party to the transactions above, in which case the covenant "Consolidation, Merger or Sale of Substantially all Assets by a Subsidiary Guarantor" shall apply) shall have by supplemental indenture confirmed that its Subsidiary Guarantee shall apply to such Person's Obligations in respect of the Indenture and the Note Guarantee; and
- (E) Ambipar, or the surviving entity, as the case may be, delivers to the Trustee an Officers' Certificate and an opinion of counsel, each stating that the consolidation, merger or transfer and the supplemental indenture (if any) comply with the Indenture;

provided, that clauses (B) and (C) of this “Consolidation, Merger or Sale of Substantially all Assets by Ambipar” covenant shall not apply to (x) any consolidation or merger of Ambipar with or into a Wholly-Owned Subsidiary or (y) the consolidation or merger of a Wholly-Owned Subsidiary with or into Ambipar.

- (b) Ambipar shall not lease all or substantially all of its assets, whether in one transaction or a series of transactions, to one or more other Persons, except to the extent permitted under and subject to the obligations set forth in “—Limitation on Sale and Leaseback Transactions,” “—Limitation on Asset Sales” and “—Repurchase of Notes Upon a Change of Control.”
- (c) Upon the consummation of any transaction effected in accordance with these provisions, if Ambipar is not the continuing Person, the resulting, surviving or transferee Person will succeed to, and be substituted for, and may exercise every right and power of, Ambipar under the Indenture and its Note Guarantee with the same effect as if such successor Person had been named as Ambipar in the Indenture. Upon consummation of such transaction, unless the successor is one or more of Ambipar’s Restricted Subsidiaries, Ambipar will be released from its Obligations under the Indenture and its Note Guarantee.

Consolidation, Merger or Sale of Substantially all Assets by a Subsidiary Guarantor

- (a) Ambipar will not permit any Subsidiary Guarantor to:
 - (1) consolidate with or merge with or into any Person, or
 - (2) sell, convey, transfer, lease or otherwise dispose of all or substantially all of its assets as an entirety or substantially an entirety, in one transaction or a series of related transactions, to any Person; or
 - (3) permit any Person to merge with or into any Subsidiary Guarantor;unless:
 - (A) either (x) such Subsidiary Guarantor, as applicable, is the continuing Person or (y) the resulting, surviving or transferee Person (if not Ambipar, the Issuer or a Subsidiary Guarantor) shall be a Person organized and existing under the laws of the Federative Republic of Brazil or any political subdivision thereof, Luxembourg, the United States of America, any State thereof or the District of Columbia, the Cayman Islands, or any other country member of the Organization for Economic Co-operation and Development (OECD), and such Person expressly assumes by supplemental indenture all the obligations of the Subsidiary Guarantor, as applicable, under the Indenture and its Note Guarantee;
 - (B) immediately after giving effect to such transaction or transactions on a *pro forma* basis, no Default or Event of Default shall have occurred and be continuing; and
 - (C) such Subsidiary Guarantor delivers to the Trustee an Officers’ Certificate and an opinion of counsel, each stating that such consolidation, merger, conveyance, transfer or lease, and such supplemental indenture, if any, complies with the Indenture and that all conditions precedent set forth therein relating to such transaction have been satisfied.
- (b) Notwithstanding the foregoing, (i) any Restricted Subsidiary may merge with or into a Subsidiary Guarantor and (ii) any Subsidiary Guarantor may merge with or into or transfer all or part of its properties and assets to a Subsidiary Guarantor or a Restricted Subsidiary, so long as, in each case (i) or (ii), the resulting entity remains or becomes a Subsidiary Guarantor.
- (c) Upon the consummation of any transaction effected in accordance with these provisions, if a Subsidiary Guarantor is not the continuing Person, the resulting, surviving or transferee Person will succeed to, and be substituted for, and may exercise every right and power of, the substituted Subsidiary Guarantor under the Indenture and its Note Guarantee with the same effect as if such successor Person had been named as a Subsidiary Guarantor in the Indenture. Upon consummation of such transaction, such Subsidiary Guarantor will be released from its Obligations under the Indenture and its Note Guarantee.

Maintenance of Properties

Ambipar will cause all properties used or useful in the conduct of its business or the business of any of its Restricted Subsidiaries be maintained and kept in good condition, repair and working order as in the judgment of Ambipar may be necessary so that the business of Ambipar and its Restricted Subsidiaries may be properly and advantageously conducted at all times; provided that nothing shall prevent Ambipar or any Restricted Subsidiary from discontinuing the use, operation or maintenance of any of such properties or disposing of any of them, if such discontinuance or disposal is otherwise permitted under the Indenture and, in the judgment of Ambipar, desirable in the conduct of the business of Ambipar and its Restricted Subsidiaries taken as a whole.

Substitution of the Issuer

The Issuer may, without the consent of any holder of the Notes, be substituted by (a) Ambipar or (b) any Wholly-Owned Subsidiary of Ambipar as principal debtor in respect of the Indenture and the Notes (in that capacity, the “Substituted Issuer”); provided that the following conditions are satisfied:

- (1) such documents will be executed by the Substituted Issuer, the Issuer, the Guarantors and the Trustee as may be necessary to give full effect to the substitution, including a supplemental indenture under which the Substituted Issuer assumes all of the Issuer’s Obligations under the Indenture and the Notes (collectively, the “Issuer Substitution Documents”) and pursuant to which the Substituted Issuer shall undertake in favor of each holder and the Trustee to be bound by the terms and conditions of the Notes and the provisions of the Indenture as fully as if the Substituted Issuer had been named in the Notes and in the Indenture as the principal debtor in respect of the Notes in place of the Issuer (or any previous substitute) and pursuant to which each of the Guarantors shall unconditionally and irrevocably reaffirm its Note Guarantee in favor of the Trustee and each holder the payment of all sums payable by the Substituted Issuer as the principal debtor in respect of the Indenture and the Notes on the same terms *mutatis mutandis* as the Substituted Issuer;
- (2) the Issuer Substitution Documents will contain covenants (i) to ensure that each holder of the Notes has the benefit of a covenant in terms corresponding to the obligations of the Issuer in respect of the payment of Additional Amounts (but, if relevant, replacing references to the jurisdiction in which the Issuer is organized or resident for tax purposes with references to the jurisdiction in which the Substituted Issuer is organized or resident for tax purposes and (ii) to indemnify the Trustee, any paying agent and each holder of the Notes against all Taxes that (a) arise by reason of a law or regulation in effect or in reasonable contemplation thereof on the effective date of the substitution that are incurred or levied against the Trustee, any paying agent or such holder of the Notes as a result of the substitution and that would not have been so incurred or levied had the substitution not been made, and (b) are imposed on the Trustee, any paying agent or such holder of the Notes by any political subdivision or taxing authority of any country in which the Trustee, any paying agent or such holder resides or is subject to any such tax or duty and that would not have been so imposed had the substitution not been made; *provided, however*, that any holder of such Note making a claim with respect to such tax indemnity shall provide the Issuer or Ambipar with notice of such claim, along with supporting documentation, within the earlier of six years after the substitution of the Issuer becomes effective or the applicable statute of limitations for tax indemnity claims; *provided further*, that no indemnity payments shall be made pursuant to clause (a) or (b) above in respect of Taxes imposed pursuant to FATCA (for the avoidance of doubt, including the laws of Brazil, or Luxembourg or any other jurisdiction, in each case, implementing FATCA, or any agreement between the Issuer, Ambipar or any other person, and the United States or any authority thereof implementing FATCA);
- (3) the Substituted Issuer will, subject to any applicable legal reservation, deliver, or cause the delivery, to the Trustee of a legal opinion from a firm of lawyers in the country of incorporation of the Substituted Issuer, to the effect that the Issuer Substitution Documents were duly authorized and executed by the Substituted Issuer, and, where applicable, a capacity opinion as to Luxembourg law, as well as an Officers’ Certificate as to compliance with the provisions described under this section;
- (4) the Issuer will, subject to any applicable legal reservation, deliver, or cause the delivery, to the Trustee of a legal opinion from a firm of New York lawyers to the effect that the Issuer Substitution Documents constitute legal, valid and binding obligations of the parties thereto under New York law;

- (5) the Substituted Issuer shall have appointed a process agent in the Borough of Manhattan, the City of New York to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Indenture, the Notes or the Issuer Substitution Documents;
- (6) no Default or Event of Default has occurred or is continuing; and
- (7) the substitution will comply with all applicable requirements under the laws of the jurisdiction of organization of the Substituted Issuer, Luxembourg and Brazil.

Upon the execution of the Issuer Substitution Documents, and compliance with the other conditions set forth above, the Substituted Issuer will be deemed to be named in the Indenture and the Notes as the principal debtor in place of the Issuer and the Issuer, will be released from all of its obligations under the Notes and the Indenture.

Not later than ten Business Days after the execution of the Issuer Substitution Documents, the Substituted Issuer will give notice thereof to the holders of the Notes.

Notwithstanding any other provision of the Indenture, Ambipar (unless it is the Substituted Issuer) will do, and will cause each Subsidiary Guarantor to do, or cause to be done all acts and things and promptly execute and deliver any documents or instruments to promptly execute and deliver any documents or instruments, including any substitute Note Guarantee and a legal opinion of internationally recognized Brazilian or Cayman counsel, that may be required, or that the Trustee may reasonably request, to ensure that each Guarantor's Note Guarantee is in full force and effect for the benefit of the Trustee and the holders and Beneficial Owners of the Notes following the substitution.

Covenant Suspension

From and during any time that ("Suspension Date"):

- (a) the Notes have an Investment Grade Rating from any two Rating Agencies, and
- (b) no Default or Event of Default has occurred and is continuing, Ambipar and its Restricted Subsidiaries will not be subject to the following provisions of the Indenture:
 - "—Limitation on Debt and Disqualified Equity Interests;"
 - "—Limitation on Restricted Payments;"
 - "—Limitation on Sale and Leaseback Transactions;" "—Limitation on Asset Sales;"
 - "—Limitation on Transactions with Affiliates;"
 - "—Limitation on Line of Business;"
 - "—Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries;" and
 - clause 3(C) of paragraph (a) of "—Consolidation, Merger or Sale of Substantially all Assets by Ambipar" (collectively, the "Suspended Covenants").

In the event that Ambipar and its Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the foregoing, and on any subsequent date (the "Reversion Date"), the Notes cease to have an Investment Grade Rating from any two Rating Agencies, then Ambipar and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants. The period of time between the Suspension Date and the Reversion Date is referred to as the "Suspension Period." Notwithstanding that the Suspended Covenants may be reinstated, no Default or Event of Default will be deemed to have occurred as a result of a failure to comply with any of the Suspended Covenants during the Suspension Period (or upon termination of the Suspension Period or after that time based solely on events that occurred during the Suspension Period).

On the Reversion Date, all Debt incurred during the Suspension Period will be classified to have been incurred pursuant to paragraph (a) of "—Limitation on Debt and Disqualified Equity Interests" or one of the clauses set forth

in paragraphs (1) through (19) of paragraph (b) of “—Limitation on Debt and Disqualified Equity Interests” (to the extent such Debt would be permitted to be incurred thereunder as of the Reversion Date and after giving effect to the Debt incurred prior to the Suspension Period and outstanding on the Reversion Date). To the extent such Debt would not be permitted to be incurred pursuant to “—Limitation on Debt and Disqualified Equity Interests,” such Debt will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (8) of paragraph (b) of “—Limitation on Debt and Disqualified Equity Interests.” The Issuer or Ambipar will give the Trustee prompt written notification upon the occurrence of a covenant suspension. In the absence of such notice, the Trustee shall assume that the Suspended Covenants are in full force and effect. The Issuer or Ambipar will give the Trustee prompt written notification upon the occurrence of any Reversion Date. In the absence of such notice, the Trustee shall assume that the Suspension Period continues to remain in effect. The Trustee will have no obligation to (i) independently determine or verify if any of the events described in the preceding two paragraphs have occurred, (ii) make any determination regarding the impact of actions taken during the Suspension Period on Ambipar’s, the Issuer’s or any other Person’s future compliance with its covenants or (iii) notify the holders of the commencement of any Suspension Period or any Reversion Date.

Default and Remedies

Events of Default

An “Event of Default” occurs if

- (1) the Issuer defaults in the payment of the principal or any related Additional Amounts, if any, of any Note when the same becomes due and payable at maturity, upon acceleration or redemption, or otherwise (other than pursuant to an Offer to Purchase);
- (2) the Issuer defaults in the payment of interest or any related Additional Amounts, if any, on any Note when the same becomes due and payable, and the Default continues for a period of 30 days;
- (3) the Issuer fails to make an Offer to Purchase and thereafter to accept and pay for Notes tendered when and as required pursuant to the covenants described under the captions “—Repurchase of Notes Upon a Change of Control” or “—Limitation on Asset Sales,” or Ambipar fails to comply with the covenants described under the captions “—Consolidation, Merger or Sale of Substantially all Assets by Ambipar,” and “—Consolidation, Merger or Sale of Substantially all Assets by a Subsidiary Guarantor”;
- (4) the Issuer or Ambipar, as the case may be, defaults in, or breaches or fails to cause any of their Significant Subsidiaries to not default in, the performance of, or breaches any other of their covenants or agreements in, the Indenture or under the Notes and the Default or breach continues for a period of 60 consecutive days after written notice to the Issuer and/or Ambipar, as the case may be, by the Trustee or to the Issuer, Ambipar and the Trustee by the holders of 25% or more in aggregate principal amount of the outstanding Notes;
- (5) there occurs with respect to any Debt of Ambipar or any of its Significant Subsidiaries having an outstanding principal amount of US\$35.0 million (or the equivalent thereof at the time of determination) or more in the aggregate for all such Debt of all such Persons (i) an event of default that results in such Debt being due and payable prior to its Stated Maturity or (ii) failure to make a principal payment when due and such defaulted payment is not made, waived or extended within the applicable grace period;
- (6) one or more final and non-appealable judgments or orders for the payment of money are rendered against the Issuer, Ambipar or any of Ambipar’s Significant Subsidiaries and are not paid or discharged, and either (i) an enforcement proceeding has been commenced by any creditor upon such judgment or order and is not dismissed within 30 days following commencement of such enforcement proceedings or (ii) there is a period of 60 consecutive days following entry of the final and non-appealable judgment or order during which such judgment or order is not discharged, waived or the execution thereof stayed, in either case that causes the aggregate amount for all such final and non-appealable judgments or orders outstanding and not paid or discharged against all such Persons to exceed US\$35.0 million or the equivalent thereof at the time of determination (in excess of amounts which Ambipar’s insurance carriers have agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise,

is not in effect;

- (7) an involuntary case or other proceeding is commenced against the Issuer, Ambipar or any Significant Subsidiary with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a trustee, receiver, *administrador judicial*, liquidator, custodian or other similar official of it or any substantial part of its Property, and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 days; or a final order for relief is entered against the Issuer, Ambipar or any Significant Subsidiary under relevant bankruptcy laws as now or hereafter in effect, and such order is not being contested by the Issuer, Ambipar or such Significant Subsidiary, as the case may be, in good faith or has not been dismissed, discharged or otherwise stayed, in each case within 60 days of being made;
- (8) the Issuer, Ambipar or any Significant Subsidiary (i) commences a voluntary case or other proceeding seeking liquidation, dissolution, reorganization, *recuperação judicial* or *extrajudicial* or other relief with respect to itself or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (ii) consents to the appointment of or taking possession by a receiver, *administrador judicial*, liquidator, assignee, custodian, trustee, sequestrator or similar official of Ambipar or any Significant Subsidiary or for all or substantially all of the Property of Ambipar or any Significant Subsidiary or (iii) effects any general assignment for the benefit of creditors;
- (9) any event occurs that under the laws of Luxembourg or Brazil or any political subdivision thereof or any other country has substantially the same effect as any of the events referred to in any of clause (7) or (8) (an event of default specified in clause (7), (8) or (9), a “bankruptcy default”);
- (10) any Note Guarantee ceases to be valid or in full force and effect, other than in accordance with the terms of the Indenture, or any Guarantor denies or disaffirms its obligations under its Note Guarantee; or
- (11) all or substantially all of the undertaking, assets and revenues of Ambipar or any Significant Subsidiary is condemned, seized or otherwise appropriated by any Person acting under the authority of any national, regional or local government or Ambipar or any Significant Subsidiary is prevented by any such Person from exercising normal control over all or substantially all of the undertaking, assets and revenues of Ambipar or any Significant Subsidiary.

Consequences of an Event of Default

If an Event of Default, other than a bankruptcy default under clauses (7), (8) or (9) of “—Events of Default” with respect to the Issuer or Ambipar, occurs and is continuing under the Indenture, the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Issuer and to Ambipar (and to the Trustee if the notice is given by the holders), may, and the Trustee at the written request of such holders shall, declare the unpaid principal of and accrued interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal and interest will become immediately due and payable. If a bankruptcy default occurs, the unpaid principal of and accrued interest on the Notes then outstanding will become immediately due and payable without any declaration or other act on the part of the Trustee or any holder. In this case, Ambipar and the Subsidiary Guarantors will be required, and will agree in the Indenture, to duly comply with any and all then-applicable Central Bank regulations for remittance of funds outside of Brazil.

Subject to the exceptions noted below, the holders of a majority in principal amount of the outstanding Notes by written notice to the Issuer, Ambipar and to the Trustee may waive all past Defaults and rescind and annul a declaration of acceleration and its consequences if:

- (1) all existing Events of Default, other than the nonpayment of the principal of, premium, if any, and interest on the Notes that have become due solely by the declaration of acceleration, have been cured or waived;
- (2) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction; and
- (3) the Issuer or Ambipar has paid the Trustee its reasonable compensation and reimbursed the Trustee for

its reasonable expenses (including the fees and expenses of its counsel), disbursements and advances.

Except a Default in the payment of principal, interest, premium, if any, and Additional Amounts, if any, and except as otherwise provided in “—Amendments and Waivers— Amendments with Consent of Holders,” the holders of a majority in principal amount of the outstanding Notes may, by written notice to the Trustee, waive an existing Default and its consequences. Upon such waiver, the Default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured, but no such waiver will extend to any subsequent or other Default or impair any right consequent thereon.

Subject to the obligation to provide indemnity satisfactory to the Trustee, the holders of a majority in principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law, the Indenture, the Notes or any Note Guarantee, that may involve the Trustee in personal liability, or that the Trustee determines in good faith may be unduly prejudicial to the rights of holders of Notes not joining in the giving of such direction, and may take any other action it deems proper that is not inconsistent with any such direction received from holders of Notes.

A holder may not institute any proceeding, judicial or otherwise, with respect to the Indenture or the Notes, or for the appointment of a receiver or Trustee, or for any other remedy under the Indenture or the Notes, unless:

- (1) the holder has previously given to the Trustee written notice of a continuing Event of Default;
- (2) holders of at least 25% in aggregate principal amount of outstanding Notes have made written request to the Trustee to institute proceedings in respect of the Event of Default in its own name as Trustee under the Indenture;
- (3) holders have offered to the Trustee security or indemnity satisfactory to the Trustee against any costs, liabilities or expenses to be incurred in compliance with such request;
- (4) the Trustee within 60 days after its receipt of such notice, request and offer of security or indemnity has failed to institute any such proceeding; and
- (5) during such 60-day period, the holders of a majority in aggregate principal amount of the outstanding Notes have not given the Trustee a direction that, in the opinion of the Trustee, is inconsistent with such written request.

Notwithstanding anything to the contrary, the right of a holder of a Note to receive payment of principal of or interest on its Note on or after the Stated Maturity thereof, or to bring suit for the enforcement of any such payment on or after such dates, may not be impaired or affected without the consent of that holder. The time of validity of a holder to claim to payment of interest and repayment of principal is six years.

The Trustee is not to be charged with knowledge of any Default or Event of Default or knowledge of any cure of any Default or Event of Default, other than with respect to Events of Default under (1) or (2) in “—Events of Default” above, unless written notice of such Default or Event of Default has been given to a responsible officer of the Trustee with direct responsibility for the administration of the Indenture by the Issuer, Ambipar or any holder.

If any Event of Default occurs and is continuing and a responsible officer of the Trustee has received written notice thereof or it is an Event of Default described under (1) or (2) in “—Events of Default” above, the Trustee will send notice of the Event of Default to each holder within 90 days after the Trustee is deemed to have knowledge or has received notice thereof, unless the Event of Default has been cured; provided that, except in the case of a default in the payment of the principal of or interest on any Note, the Trustee may withhold the notice if and so long as a trust committee of trust officers of the Trustee in good faith determine that withholding the notice is in the interest of the holders.

No Liability of Directors, Officers, Employees, Incorporators, Members and Stockholders

No director (*gérant*), officer, employee, incorporator, member or stockholder of the Issuer or any Guarantor, as such, will have any liability for any obligations of the Issuer or Guarantor under the Notes, the Note Guarantees or the

Indenture or for any claim based on, in respect of, or by reason of, such obligations. Each holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. This waiver may not be effective to waive liabilities under U.S. securities laws and it is the view of the SEC that such a waiver is against public policy.

Amendments and Waivers

Amendments Without Consent of Holders

The Issuer, Ambipar, the Subsidiary Guarantors and the Trustee may amend or supplement the Indenture or the Notes without notice to or the consent of any holders of the Notes:

- (1) to cure any ambiguity, defect or inconsistency in the Indenture or the Notes;
- (2) to comply with the covenant described under the captions “—Consolidation, Merger or Sale of Substantially all Assets by Ambipar” and “—Consolidation, Merger or Sale of Substantially all Assets by a Subsidiary Guarantor”;
- (3) to comply with the covenant described under the caption “—Substitution of the Issuer”;
- (4) to evidence and provide for the acceptance of an appointment by a successor Trustee;
- (5) to provide for uncertificated Notes in addition to or in place of certificated Notes or at a place of payment in addition to that stated in the Notes;
- (6) to provide for any Note Guarantee, to secure the Notes or to confirm and evidence the release, termination or discharge of any Note Guarantee or of Lien securing the Notes when such release, termination or discharge is permitted by the Indenture;
- (7) to provide for or confirm the issuance of Additional Notes; or
- (8) to make any other change that does not materially, adversely affect the rights of any holder or to conform the Indenture, the Notes or the Note Guarantees to this “Description of the Notes.”

Amendments with Consent of Holders

- (a) Except as otherwise provided in “—Default and Remedies— Consequences of an Event of Default” or paragraph (b) below, the Issuer, Ambipar, the Subsidiary Guarantors and the Trustee may amend the Indenture and the Notes with the written consent of the holders of a majority in principal amount of the outstanding Notes and the holders of a majority in principal amount of the outstanding Notes may waive future compliance by the Issuer, Ambipar or the Subsidiary Guarantors with any provision of the Indenture or the Notes.
- (b) Notwithstanding the provisions of paragraph (a), without the consent of each holder affected, an amendment or waiver may not:
 - (1) reduce the principal amount of or change the Stated Maturity of any installment of principal of any Note;
 - (2) reduce the rate of or change the Stated Maturity of any interest payment on any Note;
 - (3) reduce the amount payable upon the redemption of any Note in respect of an optional redemption, the times at which any Note may be redeemed or, once notice of redemption has been given, the time at which it must thereupon be redeemed;
 - (4) after the time an Offer to Purchase is required to have been made, reduce the purchase amount or purchase price, or extend the latest expiration date or purchase date thereunder;
 - (5) make any Note payable in currency other than that stated in the Note or change the place of payment;

- (6) impair the right of any holder of Notes to receive any principal payment or interest payment on such holder's Notes, on or after the Stated Maturity thereof, or to institute suit for the enforcement of any such payment;
- (7) make any change in the percentage of the principal amount of the Notes required for amendments or waivers; or
- (8) modify or change any provision of the Indenture affecting the ranking of the Notes or a Note Guarantee in a manner adverse to the holders of the Notes.

It is not necessary for holders of the Notes to approve the particular form of any proposed amendment, supplement or waiver, but is sufficient if their consent approves the substance thereof.

Defeasance and Discharge

The Issuer may discharge its Obligations under the Notes and the Indenture by irrevocably depositing in trust with the Trustee U.S. dollars or U.S. Government Obligations (or a combination thereof) (which, in the case of the deposit of U.S. Government Obligations, is accompanied by an opinion of an independent public accounting firm) sufficient to pay principal of and interest on the Notes to maturity or redemption, subject to meeting certain other conditions.

The Issuer may also elect to:

- (1) discharge most of its Obligations in respect of the Notes and the Indenture, not including obligations related to the defeasance trust, the payment of Additional Amounts or to the replacement of Notes or its obligations to the Trustee ("legal defeasance"), or
- (2) discharge its obligations under most of the covenants and under clause (3)(B) and (3)(C) of paragraph (a) of the covenant described under the caption "—Consolidation, Merger or Sale of Substantially all Assets by Ambipar" (and the failure to comply with such obligations shall not constitute an Event of Default) ("covenant defeasance"),

in each case, by irrevocably depositing in trust with the Trustee U.S. dollars or U.S. Government Obligations (or a combination thereof) sufficient, in the opinion of an independent public accounting firm (which opinion shall be given to the Trustee), to pay principal of and interest on the Notes to maturity or redemption, and by meeting certain other conditions, including delivery to the Trustee of either a ruling received from the Internal Revenue Service or an opinion of counsel to the effect that the holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would otherwise have been the case. In the case of legal defeasance or discharge, such an opinion shall be, and shall state that it is, based on a change of law after the date of the Indenture. In addition, the Issuer must deliver to the Trustee an opinion of counsel in each of Luxembourg, the Federative Republic of Brazil, the Cayman Islands or any other jurisdiction in which the Issuer or any Guarantor is organized or is resident for tax purposes, and any other jurisdiction in which the Issuer or any Guarantor is conducting business in a manner which causes the holders of the Notes to be liable for Taxes on payments under the Notes for which they would not have been so liable but for such conduct of business in such other jurisdiction, to the effect that holders of the applicable Notes will not recognize income, gain or loss in the relevant jurisdiction (as applicable) as a result of such deposit and defeasance and will be subject to Taxes in the relevant jurisdiction (including withholding Taxes) (as applicable) on the same amounts, in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred. The defeasance would in each case be effective when 123 days have passed since the date of the deposit in trust.

In the case of either discharge or legal defeasance under clause (1) above, the Note Guarantees will terminate.

Concerning the Trustee

The Bank of New York Mellon is expected to be the Trustee under the Indenture.

Except during the continuance of an Event of Default, the Trustee need perform only those duties that are specifically set forth in the Indenture and no others, and no implied covenants or obligations will be read into the Indenture against the Trustee. In case an Event of Default has occurred and is continuing, the Trustee shall exercise those rights and powers vested in it by the Indenture and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. No provision of the Indenture will require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties thereunder, or in the exercise of its rights or powers, unless it receives indemnity satisfactory to it against any loss, liability or expense.

Paying Agent

The Bank of New York Mellon is expected to act as the paying agent for the Notes. The Issuer may appoint other paying agents in addition to the paying agent.

Transfer and Exchange

The Trustee will initially act as the transfer agent and registrar for the Notes. A holder may transfer or exchange Notes at the office designated by the Issuer for such purposes, which initially will be the corporate trust office of the Trustee in New York, New York. The registrar may require a holder, among other things, to furnish appropriate endorsements and transfer documents in the form provided and as specified in the Indenture. See "*Form of the Notes—Global Notes*" for a description of additional transfer restrictions applicable to the Notes. In the event the Notes are issued in certificated form, the registrar will send a copy of the Note register to the Issuer for informational purposes after any change to the Note register made by the registrar.

No service charge will be imposed in connection with any transfer or exchange of any Note, but the Issuer may in general require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith.

Notices

For so long as Notes in global form are outstanding, notices to be given to holders will be given to the depository, in accordance with its applicable policies as in effect from time to time. If Notes are issued in certificated form, notices to be given to holders will be deemed to have been given upon the mailing by first class mail, postage prepaid, of such notices to holders of the Notes at their registered addresses in the Note register maintained by the registrar. In addition, so long as the Notes are listed on the SGX-ST and the rules of such stock exchange so require, notices will also be given through the website of the SGX-ST and may be published in a leading English language newspaper having general circulation in Singapore (which is expected to be *The Business Times* (Singapore Edition)). Any such notice will be deemed to have been delivered on the date of first publication.

Neither the failure to give any notice to a particular holder, nor any defect in a notice given to a particular holder, will affect the sufficiency of any notice given to another holder.

Governing Law

The Indenture, the Notes and the Note Guarantees shall be governed by, and construed in accordance with, the laws of the State of New York. For the avoidance of doubt, the application of articles 470-1 to 470-19 (inclusive) of the Luxembourg law on commercial companies, dated August 10, 1915, as amended, is expressly excluded.

Consent to Jurisdiction

Each of the parties to the Indenture will irrevocably submit to the jurisdiction of any New York State or United States Federal court sitting in the City of New York in respect of any suit, action or proceeding arising out of or relating to the Indenture or any Note or Note Guarantee. Each of the parties to the Indenture will irrevocably waive, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding brought in such courts and any claim that any such suit, action or proceeding brought in such courts, has been brought in an inconvenient forum and any right to which it may be entitled on account of

place of residence or domicile. To the extent that the Issuer or any Guarantor has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process with respect to itself or its property, each of the Issuer and Guarantors has irrevocably waived such immunity in respect of (i) its Obligations under the Indenture and (ii) any Note or Note Guarantee. Each of the parties to the Indenture will agree that final judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding on them and may be enforced in any court to the jurisdiction of which each of them is subject by a suit upon such judgment; provided, that service of process is effected upon the Issuer in the manner specified in the following paragraph or as otherwise permitted by law.

As long as any of the Notes remain outstanding, the Issuer and each Guarantor will at all times have an authorized agent in the City of New York, upon whom process may be served in any legal action or proceeding arising out of or relating to the Indenture or any Note or Note Guarantee. Service of process upon such agent and written notice of such service mailed or delivered to the Issuer shall to the extent permitted by law be deemed in every respect effective service of process upon the Issuer or any Guarantor in any such legal action or proceeding. The Issuer and each Guarantor will appoint Cogency Global Inc. as their agent for such purpose, and covenants and agrees that service of process in any suit, action or proceeding may be made upon it at the office of such agent at 10 E. 40th Street, 10th floor, New York, NY, 10016, USA (or at such other address or at the office of such other authorized agent as the Issuer or each Guarantor may designate by written notice to the Trustee).

Judgment Currency

U.S. dollars are the sole currency of account and payment for all sums due and payable by the Issuer and each Guarantor under the Indenture, the Notes and the Note Guarantees. If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum due under the Indenture, the Notes or the Note Guarantees in U.S. dollars into another currency, the Issuer and each Guarantor will agree, to the fullest extent that they may legally and effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the recipient determines a Person could purchase U.S. dollars with such other currency in New York, New York, on the Business Day immediately preceding the day on which final judgment is given.

The obligation of each of the Issuer and each Guarantor in respect of any sum due to any holder of the Notes or the Trustee in U.S. dollars shall, to the extent permitted by applicable law, notwithstanding any judgment in a currency other than U.S. dollars, be discharged only to the extent that on the Business Day following receipt of any sum adjudged to be so due in the judgment currency such holder of the Notes or Trustee may in accordance with normal banking procedures purchase U.S. dollars in the amount originally due to such Person with the judgment currency. If the amount of U.S. dollars so purchased is less than the sum originally due to such Person, each of the Issuer and Guarantors agrees, jointly and severally, as a separate obligation and notwithstanding any such judgment, to indemnify such Person against the resulting loss; and if the amount of U.S. dollars so purchased is greater than the sum originally due to such Person, such Person will, by accepting a Note, be deemed to have agreed to repay such excess.

Issuer Right to Require Resale

Any purported sale or transfer of a Note (or beneficial interest therein) which is not made in compliance with the transfer restrictions set forth under “Transfer Restrictions” herein will be void and will not be honored by the Issuer. The Issuer has the right under the Indenture to require any holder of a Note (or beneficial interest therein) that is a U.S. person and is determined not to have been both a QIB and a QP at the time of acquisition of such note (or such beneficial interest therein) or is otherwise determined to be in breach, at the time given, of any of the representations and agreements set forth under “Transfer Restrictions” herein to sell such Note (or such beneficial interest therein), within 30 days after notice of the sale requirement is given, to a transferee acceptable to the Issuer who is able to and who does make all of the representations and agreement set forth in “Transfer Restrictions” herein. See “*Transfer Restrictions—Forced Sale for Non-QIBs/QPs.*”

Certain Definitions

“Acquired Debt” means Debt of a Person or any of its Subsidiaries existing at the time the Person is acquired by, or merges with or into or is consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) Ambipar or any of its Restricted Subsidiaries or becomes a

Restricted Subsidiary, and any Debt Incurred, including by Ambipar or any of its Restricted Subsidiaries, in connection with, or in contemplation of, any such merger, consolidation, amalgamation, consolidation or acquisition.

“Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. For purposes of this definition, “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”) with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“Asset Sale” means any sale, lease (other than an operating lease entered into in the ordinary course of business), transfer or other disposition of any assets by Ambipar or any Restricted Subsidiary, including by means of a merger, consolidation or similar transaction and including any sale or issuance of the Equity Interests of any Restricted Subsidiary (other than directors’ qualifying shares) (each of the above referred to as a “disposition”); provided that the following are not included in the definition of “Asset Sale”:

- (1) a disposition to Ambipar or a Restricted Subsidiary, including the sale or issuance by Ambipar or any Restricted Subsidiary of any Equity Interests to Ambipar or any Restricted Subsidiary;
- (2) the sale, lease, transfer or other disposition by Ambipar or any Restricted Subsidiary in the ordinary course of business of (i) cash and Cash Equivalents and Marketable Securities, (ii) inventory, (iii) damaged, worn out or obsolete equipment or (iv) rights granted to others pursuant to leases or licenses;
- (3) the licensing or sublicensing of intellectual property or other general intangibles and licenses, leases or subleases of assets by Ambipar or any of its Restricted Subsidiaries in the ordinary course of business;
- (4) the sale or discount of accounts receivable and related assets arising in the ordinary course of business in connection with the compromise or collection thereof;
- (5) transactions permitted by the covenant described under the captions “—Consolidation, Merger or Sale of Substantially all Assets by Ambipar” and “—Consolidation, Merger or Sale of Substantially all Assets by a Subsidiary Guarantor” or a transaction that constitutes a Change of Control;
- (6) a Restricted Payment permitted under the covenant described under the caption “—Certain Covenants—Limitation on Restricted Payments” or the making of any Permitted Payments or Permitted Investments;
- (7) a Sale and Leaseback Transaction otherwise permitted under “—Certain Covenants—Limitation on Sale and Leaseback Transactions”;
- (8) any issuance of Disqualified Equity Interests otherwise permitted under “—Certain Covenants—Limitation on Debt and Disqualified Equity Interests”;
- (9) the creation of a Lien not prohibited by the Indenture (but not the sale or disposition of the property subject to such Lien);
- (10) any surrender or waiver of contract rights pursuant to a settlement, release, recovery on or surrender of contract, tort or other claims of any kind;
- (11) any disposition of assets in a single transaction or a series of related transactions with an aggregate Fair Market Value, taken together with all other dispositions made in reliance on this clause on or after the Issue Date, not to exceed US\$5.0 million (or the equivalent thereof at the time of determination) in any given calendar year; and
- (12) the disposition of any Equity Interests of an Unrestricted Subsidiary.

“Attributable Debt” means, in respect of a Sale and Leaseback Transaction, the present value (discounted at the interest rate implicit in the Sale and Leaseback Transaction) of the total obligations of the lessee for rental payments during the remaining term of the lease in the Sale and Leaseback Transaction (including any period for which such lease has been extended), determined in accordance with GAAP; *provided, however*, that if such Sale and Leaseback

Transaction results in a Capitalized Lease Obligation, the amount of Debt represented thereby will be determined in accordance with the definition of “Capitalized Lease Obligation.”

“Average Life” means, with respect to any Debt, the quotient obtained by dividing (i) the sum of the products of (x) the number of years from the date of determination to the dates of each successive scheduled principal payment of such Debt and (y) the amount of such principal payment by (ii) the sum of all such principal payments.

“Beneficial Owner” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, or any successor provision thereto. The terms “Beneficially Owns” and “Beneficially Owned” have a corresponding meaning.

“Board of Directors” means: (1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board; (2) with respect to a partnership, the board of directors or other governing body of the general partner of the partnership or any committee thereof duly authorized to act on behalf of such board or governing body; (3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof or its board of managers, as applicable; and (4) with respect to any other Person, the board or committee of such Person serving such or a similar function, in each case, or the Person or body duly authorized by the applicable constitutive documents to form such or a similar function.

“Business Day” means any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in New York City, New York, Luxembourg, the Cayman Islands or São Paulo, Brazil.

“Capital Stock” means, with respect to any Person, any and all shares of stock of a corporation, shares of a company, partnership interests or other equivalent interests (however designated, whether voting or non-voting) in such Person’s equity, entitling the holder to receive a share of the profits and losses, and a distribution of assets, after liabilities, of such Person.

“Capitalized Lease Obligation” means an obligation that is required to be classified and accounted for as a capitalized lease under GAAP at the time any determination is to be made, except for any lease that would, solely due to the implementation of IFRS 16, be accounted for as a finance or capital lease; and the amount of Debt represented by such obligation shall be the capitalized amount of such obligation at that time, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

“Cash Equivalents” means:

- (1) Brazilian *reais*, United States dollars, Euros or money in other currencies received in the ordinary course of business that are readily convertible into United States dollars,
- (2) any evidence of Debt with a maturity of one year or less issued or directly and fully Guaranteed or insured by the Federative Republic of Brazil, the United States of America, Canada, the United Kingdom, the European Union or any member thereof or, in each case, any agency or instrumentality thereof; provided that the full faith and credit of such government is pledged in support thereof,
- (3) (i) demand deposits, (ii) time deposits, eurodollar time deposits and certificates of deposit with maturities of one year or less from the date of acquisition, (iii) bankers’ acceptances with maturities not exceeding one year from the date of acquisition, and (iv) overnight bank deposits, in each case with any bank, financial institution or trust company having capital, surplus and undivided profits in excess of US\$500.0 million whose short-term debt is rated “A-2” or higher by S&P or “P-2” or higher by Moody’s, or carrying an equivalent rating by a nationally recognized Rating Agency, if both of the two named Rating Agencies cease publishing ratings of investments,
- (4) repurchase obligations with a term of not more than seven days for underlying securities of the type described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above,
- (5) commercial paper rated at least “P-1” by Moody’s or “A-1” by S&P, or carrying an equivalent rating

by a nationally recognized Rating Agency, if both of the two named Rating Agencies cease publishing ratings of investments, and maturing within one year after the date of acquisition, and

- (6) money market funds at least 95% of the assets of which consist of investments of the type described in clauses (1) through (5) above.

“Change of Control” means:

- (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of Ambipar and its Restricted Subsidiaries taken as a whole to any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act or any successor provisions to either of the foregoing) other than Ambipar, a Restricted Subsidiary or a Permitted Holder;
- (2) (A) if any “person” or “group” (as defined above) (other than a Permitted Holder) is or becomes the Beneficial Owner, directly or indirectly, in the aggregate of more than 50% of the Voting Stock of Ambipar, measured by voting power rather than number of shares; and (B) the Permitted Holders beneficially own, directly or indirectly, in the aggregate a lesser percentage of the total Voting Stock, measured by voting power rather than number of shares, of the Issuer than such “person” or “group”; or
- (3) Ambipar consolidates with, or merges with or into, any “person” (as defined above), or any “person” consolidates with, or merges with or into, Ambipar, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of Ambipar or such other “person” is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Voting Stock of Ambipar outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock, measured by voting power rather than number of shares, of the surviving “person” immediately after giving effect to such transaction.

Notwithstanding the foregoing, a transaction effected to create a holding company of Ambipar (a) pursuant to which Ambipar becomes a Wholly-Owned Subsidiary of such holding company and (b) as a result of which the holders of Capital Stock of such holding company are substantially the same as the holders of Capital Stock of Ambipar immediately prior to such transaction, shall not be deemed to involve a “Change of Control”; *provided, further*, that following such a holding company transaction, references in this definition of “Change of Control” to Ambipar shall thereafter be treated as references to such holding company, and references to “Restricted Subsidiaries” shall include Ambipar.

“Change of Control Repurchase Event” means the occurrence of both a Change of Control and a Rating Downgrade Event.

“Code” means the U.S. Internal Revenue Code of 1986, as amended.

“Consolidated Net Income” means, for any period, the aggregate net income (or loss) of Ambipar and its Restricted Subsidiaries for such period determined on a consolidated basis in conformity with GAAP based on the most recent consolidated income statements of Ambipar delivered to the Trustee pursuant to the terms of the Indenture.

“Consolidated Net Tangible Assets” means Consolidated Total Assets minus (i) all current liabilities of Ambipar and its Restricted Subsidiaries on a consolidated basis and (ii) all goodwill, right-of-use software, trade names, trademarks, patents, unamortized debt discount and expense, know-how, non-compete and other like intangibles of Ambipar and its Restricted Subsidiaries on a consolidated basis as set forth on the consolidated balance sheet as of the most recent fiscal quarter, in each case, in accordance with GAAP and on a pro forma basis to give effect to any acquisition or disposition of Persons, divisions, lines of businesses or operations by Ambipar and its Restricted Subsidiaries subsequent to the date of the applicable balance sheet and on or prior to the applicable date of determination.

“Consolidated Total Assets” means the total amount of assets of Ambipar and the Restricted Subsidiaries on a consolidated basis as set forth on the consolidated balance sheet as of the most recent fiscal quarter, in each case in accordance with GAAP and on a pro forma basis to give effect to any acquisition or disposition of Persons, divisions,

lines of businesses or operations by Ambipar and its Restricted Subsidiaries subsequent to the date of the applicable balance sheet and on or prior to the applicable date of determination.

“CVM” means *Comissão de Valores Mobiliários*, the Brazilian securities commission.

“Debt” means, with respect to any Person on any date of determination (without duplication):

- (1) all indebtedness of such Person for borrowed money, including advances from customers and trading companies;
- (2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all reimbursement obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments, excluding obligations in respect of trade letters of credit or bankers’ acceptances issued in respect of trade accounts payables to the extent not drawn upon or presented, or, if drawn upon or presented, to the extent the resulting obligation of the Person is paid within 3 Business Days of Incurrence;
- (4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, all conditional sale obligations and all obligations of such person under any title retention agreement, excluding trade payables arising in the ordinary course of business;
- (5) all Capitalized Lease Obligations and all Attributable Debt of such Person;
- (6) the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the principal component or liquidation preference of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Equity Interest (but excluding accrued dividends);
- (7) all Debt of other Persons secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person;
- (8) to the extent not otherwise included in this definition, net obligations of such Person under Hedging Agreements; and
- (9) all obligations of the type referred to in clauses (1) through (8) of this definition of other Persons Guaranteed by such Person to the extent so Guaranteed;

if and to the extent any of the preceding items (other than Guarantees, letters of credit, or Debt under clause (7) of this definition) would appear as a liability upon the balance sheet of the specified Person in accordance with GAAP.

The amount of Debt of any Person will be deemed to be:

- (A) with respect to a revolving credit or similar facility, the total amounts of funds borrowed and then outstanding;
- (B) with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation;
- (C) with respect to Debt secured by a Lien on an asset of such Person but not otherwise the obligation, contingent or otherwise, of such Person, the lesser of (x) the Fair Market Value of such asset on the date the Lien attached and (y) the amount of such Debt;
- (D) with respect to any Debt issued with original issue discount, the face amount of such Debt less the remaining unamortized portion of the original issue discount of such Debt;
- (E) with respect to any Hedging Agreement, the net amount payable if such Hedging Agreement terminated at that time due to default by such Person reasonably determined by the Issuer on the basis of customary

“marked-to-market” methodology; and

(F) otherwise, the outstanding principal amount thereof.

The principal amount of any Debt or other obligation that is denominated in any currency other than United States dollars (after giving effect to any Hedging Agreement in respect thereof) shall be the amount thereof, as determined pursuant to the foregoing sentence, converted into United States dollars at the Spot Rate in effect on the date of determination.

“Default” means any event that is, or after notice or passage of time or both would be, an Event of Default.

“Development Project” means any development project in which Ambipar or any of its Restricted Subsidiaries participates and holds, directly or indirectly, an Equity Interest; *provided* that such project involves a Permitted Business.

“Disqualified Equity Interests” means Equity Interests that by their terms or upon the happening of any event:

- (1) mature or are mandatorily redeemable pursuant to a sinking fund obligation or otherwise;
- (2) are convertible or exchangeable for Debt or Disqualified Equity Interests; or
- (3) are redeemable at the option of the holder thereof, in whole or in part;

provided, that only the portion of Equity Interests which (i) so matures or is so mandatorily redeemable, (ii) is so convertible or exchangeable or (iii) is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Equity Interest; *provided further* that Equity Interests will not constitute Disqualified Equity Interests solely because of provisions giving holders thereof the right to require repurchase or redemption upon an “asset sale” or “change of control” occurring prior to the Stated Maturity of the Notes if those provisions

- (A) are no more favorable to the holders than the covenants described under the captions “—Certain Covenants—Limitation on Asset Sales” and “—Repurchase of Notes Upon a Change of Control,” and
- (B) specifically state that repurchase or redemption pursuant thereto will not be required prior to the Issuer’s repurchase of the Notes as required under the captions “—Certain Covenants—Limitation on Asset Sales” and “—Repurchase of Notes Upon a Change of Control.”.

“DTC” means The Depository Trust Company.

“EBITDA” means, for any period the amount equal to the sum of Consolidated Net Income for such period *plus* the following (without duplication), to the extent deducted in calculating such Consolidated Net Income:

- (1) consolidated net financial expenses for such period;
- (2) consolidated income and social contribution taxes for such period;
- (3) consolidated depreciation and amortization for such period;
- (4) consolidated minority interests or loss from non-controlling interests for such period;
- (5) consolidated non-cash asset and investment impairments; and
- (6) any non-recurring expenses;

as each such item is reported on the most recent consolidated financial statements delivered by Ambipar to the Trustee in accordance with the Indenture.

Notwithstanding the foregoing, any of the items described in clauses (1) through (6) above of any consolidated

Restricted Subsidiary of Ambipar will be added to Consolidated Net Income to compute EBITDA only to the extent (and in the same proportion) that the net income (loss) of such Restricted Subsidiary was included in calculating Consolidated Net Income in such period.

“Eligible Equity Offerings” means the issuance and sale of Equity Interests of Ambipar or any Guarantor for cash to any Person (other than a Restricted Subsidiary of Ambipar) pursuant to (i) a public offering in accordance with U.S. and Brazilian laws, rules and regulations and/or (ii) a private offering in accordance with Rule 144A, Regulation S or another exemption from registration under the Securities Act.

“Equity Interests” means all Capital Stock and all warrants or options with respect to, or other rights to purchase, Capital Stock, but excluding Debt convertible into equity to the extent it is Disqualified Equity Interest.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Fair Market Value” of any Property, asset, share of Capital Stock, other security, Investment or other item of a Person means, on any date, the fair market value of such Property, asset, share of Capital Stock, other security, Investment or other item on that date as determined in good faith by the Board of Directors of such relevant Person.

“Fitch” means Fitch, Inc., d/b/a Fitch Ratings and any successor thereto (including the surviving entity of any merger with another Rating Agency).

“GAAP” means accounting practices adopted in Brazil which comprise the International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (IASB”), in effect from time to time, applicable to any Person to the extent that such Person is subject to such rules.

“Guarantee” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for purposes of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof, in whole or in part. The term “Guarantee” used as a verb has a corresponding meaning.

“Hedging Agreement” means (i) any interest rate swap agreement, interest rate cap agreement or other agreement designed to protect against fluctuations in interest rates, (ii) any foreign exchange forward contract, currency swap agreement or other agreement designed to protect against fluctuations in foreign exchange rates or (iii) any puts, cap transactions, floor transactions, collar transactions, forward contract, commodity or raw material futures contract or any other agreement designed to protect against fluctuations in raw material prices.

“Hedging Obligations” means the obligations of any Person pursuant to any Hedging Agreement.

“Incur” means, with respect to any Debt or Capital Stock, to incur, create, issue, assume or Guarantee such Debt or Capital Stock. If any Person becomes a Restricted Subsidiary on any date after the date of the Indenture, the Debt and Capital Stock of such Person outstanding on such date will be deemed to have been Incurred by such Person on such date for purposes of the covenant described under the caption “—Certain Covenants—Limitation on Debt and Disqualified Equity Interests,” but will not be considered the sale or issuance of Equity Interests for purposes of the covenants described under the captions “—Certain Covenants—Limitation on Restricted Payments” or “—Certain Covenants—Limitation on Asset Sales.” Neither the accretion of original issue discount, payment of interest in kind nor the capitalization of interest on Debt will be considered an Incurrence of Debt. The term “Incurrence” when used as a noun shall have a correlative meaning.

“Interest Payment Date” means each February 6 and August 6 of each year, commencing on August 6, 2024.

“Investment” means:

- (1) any direct or indirect advance, loan or other extension of credit (including by way of Guarantee or similar arrangement) to another Person, but excluding any such advance, loan or extension of credit having a

term not exceeding 180 days arising in connection with the sale of inventory, equipment or supplies by that Person in the ordinary course of business,

- (2) any capital contribution to another Person, by means of any transfer of cash or other Property or in any other form,
- (3) any purchase or acquisition of Equity Interests, bonds, notes or other Debt, or other instruments or securities issued by another Person, any acquisitions of assets or substantially all the assets of a Person, including the receipt of any of the above as consideration for the disposition of assets or rendering of services, or
- (4) any Guarantee of any obligation of another Person.

For purposes of this definition, the term “Person” shall not include Ambipar or any Restricted Subsidiary or any Person who would become a Restricted Subsidiary as a result of any Investment. If Ambipar or any Restricted Subsidiary sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary so that, after giving effect to that sale or disposition, such Person is no longer a Restricted Subsidiary of Ambipar, all remaining Investments of Ambipar and the Restricted Subsidiaries in such Person shall be deemed to have been made at such time.

For purposes of the covenants described in the captions “—Certain Covenants—Limitation on Restricted Payments” and “—Certain Covenants—Limitation on Designation of Unrestricted Subsidiaries,” Ambipar will be deemed to have made an “Investment” in an Unrestricted Subsidiary at the time of its Designation, which will be valued at the Fair Market Value of the sum of the net assets of such Unrestricted Subsidiary at the time of its Designation and the amount of any Debt of such Unrestricted Subsidiary owed to Ambipar or any Restricted Subsidiary immediately following such Designation. Any property transferred to or from an Unrestricted Subsidiary will be valued at its Fair Market Value at the time of such transfer.

“Investment Grade Rating” means BBB- or higher by S&P, Baa3 or higher by Moody’s or BBB- or higher by Fitch, or the equivalent of such global ratings by S&P, Moody’s or Fitch.

“Issue Date” means the date on which the Notes are originally issued under the Indenture.

“Lien” means any mortgage, pledge, fiduciary assignment or transfer, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement, Sale and Leaseback Transaction or Capitalized Lease Obligation having substantially the same economic effect as any of the foregoing); *provided* that in no event shall an operating lease be deemed to constitute a Lien.

“Marketable Securities” means publicly traded debt or equity securities that are listed for trading on a national securities exchange and that were issued by a corporation with debt securities rated at least “AA-” from S&P or “Aa3” from Moody’s.

“Minimum Legally Required Dividends” means, for any Person and any period, an amount equal to the minimum dividend required to be distributed under applicable Brazilian law by such Person to holders of its Capital Stock during such period, which may be paid in the form of interest on shareholders’ equity.

“Moody’s” means Moody’s Investors Service, Inc. and any successor thereto (including the surviving entity of any merger with another Rating Agency).

“Net Cash Proceeds” means, with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash or Cash Equivalents (including (i) payments in respect of deferred payment obligations to the extent corresponding to, principal, but not interest, when received in the form of cash, and (ii) proceeds from the conversion of other consideration received when converted to cash), net of

- (1) brokerage commissions and other fees and expenses related to such Asset Sale, including fees and expenses of counsel, accountants and investment bankers;
- (2) taxes paid or payable and provisions for taxes as a result of such Asset Sale taking into account the

consolidated results of operations of Ambipar and its Restricted Subsidiaries;

- (3) payments required to be made to repay Debt (other than revolving credit borrowings) outstanding at the time of such Asset Sale that is secured by a Lien on the property or assets sold; and
- (4) appropriate amounts to be provided as a reserve, in accordance with GAAP, against liabilities associated with such Asset Sale, including pension and other post-employment benefit liabilities, liabilities related to environmental matters and indemnification obligations associated with such Asset Sale, with any subsequent reduction of the reserve other than by payments made and charged against the reserved amount to be deemed a receipt of cash.

“Net Debt” means, as of any date of determination, (i) the aggregate amount of Debt of Ambipar and its Restricted Subsidiaries under subclauses (1) (other than advances from customers and trading companies), (2), (5) (provided that, in the case of subclause (5), only to the extent such Debt bears interest), (7), (8) and (9) (provided that, in the case of subclause (9), only with respect to Guarantees of obligations of the type referred to in the foregoing subclauses), less (ii) the sum of consolidated (A) cash and Cash Equivalents and Marketable Securities recorded as current assets plus (B) with respect to any Hedging Agreement in respect of Debt of Ambipar or its Restricted Subsidiaries, the net positive amount payable to Ambipar or such Restricted Subsidiary, if such Hedging Agreement were to be terminated at such date, in all cases determined in accordance with GAAP and as set forth in the most recent consolidated balance sheet of Ambipar.

“Net Debt to EBITDA Ratio” means, on any date (each such date, a “transaction date”) (x) the aggregate amount of Net Debt at that time divided by (y) EBITDA for the four fiscal quarters immediately prior any transaction date for which internal financial statements are available (the “reference period”), *provided that*:

- (a) if since the beginning of such reference period, Ambipar or any Restricted Subsidiary shall have made any Asset Sale, the EBITDA for such reference period shall be calculated after giving *pro forma* effect to the EBITDA directly attributable to the assets that are the subject of such Asset Sale for such period as if such Asset Sale occurred on the first day of such reference period;
- (b) if since the beginning of such reference period, Ambipar or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Person that is merged with or into Ambipar or any Restricted Subsidiary (or any Person that becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction causing a calculation to be made hereunder, the EBITDA for such reference period shall be calculated after giving *pro forma* effect thereto (including the Incurrence of any Debt) as if such Investment or acquisition occurred on the first day of such reference period;
- (c) if since the beginning of such reference period, any Person (that subsequently became a Restricted Subsidiary or was merged or otherwise combined with or into Ambipar or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Sale or any Investment or acquisition of assets that would have required an adjustment pursuant to clause (a) or (b) above if made by Ambipar or a Restricted Subsidiary during such period, EBITDA for such reference period shall be calculated after giving *pro forma* effect thereto as if such Asset Sale, Investment or acquisition of assets occurred on the first day of such reference period; and
- (d) *pro forma* effect shall be given to any Debt Incurred (or repaid or redeemed), and the application of the proceeds thereof, since the most recently consolidated quarterly balance sheet of Ambipar. To the extent that *pro forma* effect is to be given, such *pro forma* calculation will be (i) based upon the most recent four full fiscal quarters for which the relevant financial information is available and (ii) determined in good faith by a financial or accounting officer of Ambipar.

“Non-Recourse JV Project Finance Debt” means any Debt:

- (1) which is issued, borrowed or raised to finance the ownership, acquisition, construction, development and/or operation of any asset or project where there is no recourse whatsoever to Ambipar or any Restricted Subsidiary for repayment thereof (other than recourse solely to (i) Liens in respect of the Equity Interests

of the joint venture or special purpose vehicle that owns the asset or project and borrows the Debt and (ii) such asset or such project's assets or properties, or any cash flow therefrom, for the purpose only of enabling amounts to be claimed in respect of any such Debt, *provided* that the extent of such recourse in this item (ii) is limited solely to the amount of any recoveries made on any such enforcement); and

- (2) with respect to which (as shall be expressly set forth in the relevant instruments governing such Debt), no default (including any rights that the holders thereof may have to take enforcement action against the obligor thereof) thereunder would, as such, constitute a default under any Debt of Ambipar or any Restricted Subsidiary (other than the borrower of the Debt).

“Obligations” means any principal (including reimbursement obligations with respect to letters of credit whether or not drawn), interest (including in the case of the Notes, all interest accrued thereon after the commencement of any action or proceeding described under subparagraphs (7) and (8) under the first paragraph of the caption “—Events of Default”, even if such interest is not enforceable, allowable or allowed as a claim in such proceeding), premium (if any), fees, indemnifications, reimbursements, expenses, damages and other liabilities payable under the documents governing any Debt.

“Officers’ Certificate” means a certificate signed by any two of the chief executive officer, the chief operating officer, the chief financial officer, the chief accounting officer, a director or manager, as applicable, an authorized signatory or, to the extent applicable, the general counsel of the Issuer, Ambipar or any of its Restricted Subsidiaries.

“Permitted Business” means any of the businesses in which Ambipar and its Restricted Subsidiaries are engaged on the Issue Date or are permitted to engage according to the corporate purpose established in their respective by-laws or other applicable corporate statutory documentation, and any business reasonably related, incidental, complementary or ancillary thereto.

“Permitted Holders” means Mr. Tercio Borlenghi Junior, any immediate family member and any of their respective heirs, and any Affiliate of any of such Persons.

“Permitted Investment” means:

- (1) an Investment by Ambipar or any Restricted Subsidiary in Ambipar or any Restricted Subsidiary;
- (2) an Investment by Ambipar or any Restricted Subsidiary in another Person if as a result of such Investment such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, Ambipar or a Restricted Subsidiary or becomes a Restricted Subsidiary;
- (3) Investments in cash, Cash Equivalents or Marketable Securities as determined in accordance with GAAP;
- (4) any Investment acquired from a Person which is merged with or into Ambipar or any Restricted Subsidiary, or any Investment of any Person existing at the time such Person becomes a Restricted Subsidiary and, in either such case, is not created as a result of or in connection with or in anticipation of any such transaction;
- (5) stocks, obligations or securities received in settlement of (or foreclosure with respect to) debts created in the ordinary course of business and owing to Ambipar or any Restricted Subsidiary or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of a debtor;
- (6) any Investment existing on, or made pursuant to written agreements existing on, the Issue Date, or an Investment consisting of any extension, modification or renewal of any Investment existing on the Issue Date; *provided that* such Investment does not increase the aggregate amount of the Investment so extended, modified or renewed;
- (7) Hedging Obligations permitted under clause (b)(5) of the covenant described under “—Certain Covenants—Limitation on Debt and Disqualified Equity Interests”;
- (8) Investments which are made exclusively with Equity Interests of Ambipar or any Subsidiary Guarantor (other than Disqualified Equity Interests); *provided* that the value of such Equity Interests of a Subsidiary

Guarantor shall not be included in clause (5)(iii)(B) of paragraph (a) of the covenant “—Certain Covenants—Limitation on Restricted Payments”;

- (9) any acquisition and holding of (a) Brazilian federal and state tax credits acquired solely to pay amounts owed by Ambipar or any Restricted Subsidiary to Brazilian tax authorities and (b) discounted obligations of any Brazilian governmental authority acquired solely to pay tax amounts owed by Ambipar or any Restricted Subsidiary to such Brazilian governmental authority;
- (10) Investments made as a result of the receipt of non-cash consideration from an Asset Sale that was made in compliance with the covenant described in “—Certain Covenants—Limitation on Asset Sales”;
- (11) receivables owing to Ambipar or any of its Restricted Subsidiaries, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; *provided* that such trade terms may include such trade terms as Ambipar or such Restricted Subsidiary deems reasonable under the circumstances;
- (12) prepayments and other credits or advances to suppliers, customers, utility providers, licensees, franchisees and other trade creditors made in the ordinary course of business for products or services;
- (13) loans and advances pursuant to any employee, officer or director compensation or benefit plans, customary indemnifications or arrangements entered into in the ordinary course of business; *provided, however*, that such loans and advances do not exceed US\$4.0 million in one or a series of related transactions;
- (14) Investments in connection with pledges, deposits, payments or performance bonds made or given in the ordinary course of business in connection with or to secure statutory, regulatory or similar obligations, including obligations under health, safety or environmental obligations;
- (15) so long as no Default or Event of Default shall have occurred or be continuing after giving *pro forma* effect to such Investment or Investments by Ambipar or any Restricted Subsidiary, (x) Investments by Ambipar or any Restricted Subsidiary in minority Equity Interests of companies in Permitted Businesses and (y) Investments in any Unrestricted Subsidiary engaged in Permitted Businesses for the purpose of funding all or a portion of a Development Project; *provided* that such Investments in clauses (x) and (y) may not exceed in the aggregate at any one time outstanding the greater of (i) US\$25.0 million (or the equivalent in other currencies at the time of determination) and (ii) 2.5% of Consolidated Net Tangible Assets.
- (16) repurchases of the Notes and the Note Guarantees; and
- (17) additional Investments by the Issuer or any of its Restricted Subsidiaries having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (17) that are at the time outstanding, not to exceed the greater of (i) US\$50 million (or equivalent in other currencies) and (ii) 5.0% of Ambipar’s Consolidated Net Tangible Assets at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value).

“Permitted Liens” means:

- (1) any Lien existing on the Issue Date and any extension, renewal or replacement thereof or of any Lien in clauses (2), (3) or (4) below; *provided, however*, that the total amount of Debt so secured is not increased (other than premiums, fees and expenses incurred in connection therewith);
- (2) any Lien on any Property or assets (including Capital Stock of any Person) securing Capitalized Lease Obligations, mortgage financings or purchase money obligations, or the payment of all or a part of the purchase price of, or other Debt Incurred solely for the purposes of financing or refinancing the acquisition, lease, construction or improvement of, such Property or assets after the Issue Date; *provided* that (a) the aggregate principal amount of Debt secured by the Liens will not exceed (but may be less than) the cost (i.e., purchase price) of the Property or assets so acquired, leased, constructed or improved and (b) the Lien is Incurred before, or within 365 days after the completion of, such acquisition, lease, construction or improvement and does not encumber any other property or assets of Ambipar or any Restricted Subsidiary;

provided, further, that to the extent that the Property or asset acquired is Capital Stock, the Lien also may encumber other Property or assets of the Person so acquired;

- (3) any Lien securing Debt for the purpose of financing all or part of cost of the acquisition or construction of a project; *provided* that the Liens in respect of such Debt are limited to assets (including Equity Interests of the project entity) and/or revenues of such project; *provided, further*, that the Lien is Incurred before, or within 365 days after the completion of, that acquisition, construction or development and does not apply to any other property or assets of Ambipar or any Restricted Subsidiary;
- (4) any Lien existing on any Property, assets or shares of stock of any Person before that Person's acquisition (in whole or in part) by, merger with or into or consolidation or amalgamation with, Ambipar or any Restricted Subsidiary after the Issue Date; *provided* that the Lien is not created in contemplation of or in connection with such acquisition, merger or consolidation;
- (5) any Lien imposed by law, including, without limitation, carriers', warehousemen's and mechanics' Liens and other similar encumbrances, arising in the ordinary course of business, in each case for sums not yet due or being contested in good faith by appropriate proceedings, or any liens in favor of tax and social security administrations or employees in accordance with applicable law;
- (6) any pledge or deposit made in connection with workers' compensation, unemployment insurance or other similar social security legislation, judgment Liens, any deposit to secure surety or appeal bonds in proceedings being contested in good faith to which Ambipar or any Restricted Subsidiary is a party, good faith deposits in connection with bids, tenders, contracts (other than for the payment of Debt) or leases to which Ambipar or any Restricted Subsidiary is a party or deposits as security for contested taxes or import or customs duties or for the payment of rent, in each case made in the ordinary course of business;
- (7) any Lien in favor of issuers of surety bonds or letters of credit issued pursuant to the request of and for the account of Ambipar or any Restricted Subsidiary in the ordinary course of business;
- (8) any Lien securing taxes, assessments and other governmental charges, the payment of which are not yet due or are being contested in good faith by appropriate proceedings and for which such reserves or other appropriate provisions, if any, have been established as required by GAAP;
- (9) minor defects, easements, rights-of-way, restrictions and other similar encumbrances Incurred in the ordinary course of business and encumbrances consisting of zoning restrictions, building codes, licenses or other restrictions on the use of Property or assets or minor imperfections in title that do not materially impair the value or use of the Property or assets affected thereby, and any leases and subleases of real property or Liens incidental to the conduct of business of a Person or to the ownership of its Properties that do not materially interfere with the ordinary conduct of the business of Ambipar or any Restricted Subsidiary, and which are made on customary and usual terms applicable to similar Properties;
- (10) rights of set-off, netting rights, bankers' liens or similar rights and remedies of any Person with respect to any deposit account of Ambipar or any Restricted Subsidiary arising in the ordinary course of business;
- (11) Liens under Ambipar or any Restricted Subsidiary's joint collateral accounts, concentration accounts, deposit accounts or other funds maintained with a depository institution or bank; provided that such deposit account is (a) not a dedicated cash collateral account and is not subject to restrictions against access by Ambipar or such Restricted Subsidiary other than governmental restrictions and (b) not intended by Ambipar or any Restricted Subsidiary to provide collateral to the depository institution or bank;
- (12) any Liens granted to secure borrowings, directly or indirectly through onlending (*repassé*), from *Banco Nacional de Desenvolvimento Econômico e Social-BNDES* or any other Brazilian governmental development bank, fund or credit agency (including, but not limited to, *Agência Especial de Financiamento Industrial-FINAME*) or (b) any international or multilateral development bank, fund or government-sponsored agency, export-import banks or official export-import credit insurer (including, but not limited to, the Inter-American Development Bank and International Finance Corporation);
- (13) any Liens on the inventory or receivables of Ambipar or any Restricted Subsidiary securing the obligations

of such person under any lines of credit, bankers' acceptances or working capital facility, including to facilitate the purchase, shipment or storage of such inventory; provided that the aggregate amount of receivables securing Debt shall not exceed 50% of Ambipar's aggregate outstanding consolidated inventory and receivables from time to time;

- (14) any Lien securing Hedging Agreements so long as such Hedging Agreements are entered into for bona fide, non-speculative purposes; and
- (15) Liens on cash, Cash Equivalents or other Property arising in connection with the discharge or redemption of Debt;
- (16) Liens on insurance policies and the proceeds thereof securing the financing of premiums with respect thereto; provided that such Liens shall not exceed the amount of such premiums so financed;
- (17) Liens in favor of Ambipar, the Issuer or a Subsidiary Guarantor;
- (18) leases, subleases, licenses or sublicenses to third parties not interfering in any material respect with the business of Ambipar or any Restricted Subsidiary;
- (19) Liens on carbon credits or certificates of emission reductions or Liens securing clean development mechanisms projects; and
- (20) in addition to the foregoing Liens set forth in clauses (1) through (19) above, Liens securing Debt of Ambipar or any Restricted Subsidiary (including, without limitation, Guarantees of Ambipar or any Restricted Subsidiary) which do not in aggregate principal amount, at any time of determination, exceed the greater of US\$100.0 million (or the equivalent in other currencies at the time of determination) or 10% of Ambipar's Consolidated Net Tangible Assets.

"Person" means an individual, a corporation, a partnership, a limited liability company, a joint venture, an association, a joint stock company, a trust, an unincorporated organization or any other entity, including a government or political subdivision or an agency or instrumentality thereof.

"Productive Assets" means assets or property (other than inventory or other short-term assets or property, but including Equity Interests or their substantial equivalent or other Investments) that are used or usable by Ambipar and its Restricted Subsidiaries in Permitted Businesses (or in the case of Equity Interests or their substantial equivalent or other Investments that represent direct, or indirect (via a holding company), ownership or other interests held by Ambipar or any Restricted Subsidiary in entities engaged in Permitted Businesses).

"Property" means (i) property, plant and equipment, including any land, buildings, machinery and other improvements and equipment located therein, and (ii) any intangible assets, including, without limitation, any brand names, trademarks, copyrights and patents and similar rights and any income (licensing or otherwise), proceeds of sale or other revenues therefrom.

"Qualified Equity Interests" means all Equity Interests of a Person other than Disqualified Equity Interests.

"Rating Agency" means S&P, Fitch or Moody's; or if S&P, Fitch or Moody's or any combination thereof are not making rating of the Notes publicly available, an internationally recognized U.S. rating agency or agencies, as the case may be, selected by Ambipar, which will be substituted for S&P, Fitch or Moody's or any combination thereof, as the case may be.

"Rating Downgrade Event" means that on any date during the period (the "Trigger Period") commencing on the date of the first public announcement of any Change of Control, or of Ambipar's intention, or that of any Person, to effect a Change of Control, and ending 60 days thereafter (which Trigger Period will be extended for so long as any of the Rating Agencies has publicly announced prior to the end of the Trigger Period that it is considering a possible ratings downgrade), (i) in the event the Notes are assigned an Investment Grade Rating by at least two of the Rating Agencies prior to such public announcement, the rating of the Notes by at least two of the Rating Agencies shall be below an Investment Grade Rating; (ii) in the event the Notes are assigned an Investment Grade Rating by one Rating Agency and rated below an Investment Grade Rating by at least one other Rating Agency, the rating of the Notes by

at least two of the Rating Agencies shall be decreased by one or more categories and both be below an Investment Grade Rating; or (iii) in the event the Notes are rated below an Investment Grade Rating by at least two of the Rating Agencies prior to such public notice, the rating of the Notes by at least two of the Rating Agencies shall be decreased by one or more categories; *provided* that any such Rating Downgrade Event is in whole or in part in connection with such Change of Control. Notwithstanding the foregoing, no Change of Control Repurchase Event will be deemed to have occurred in connection with any particular Change of Control unless and until such Change of Control has actually been consummated, it being understood and agreed that the Trustee has no responsibility to determine if and when a Rating Downgrade Event has occurred.

“Restricted Investment” means any Investment other than a Permitted Investment.

“Restricted Subsidiary” means any Subsidiary of Ambipar (including the Issuer and the Guarantors), whether existing on or after the Issue Date, other than an Unrestricted Subsidiary.

“S&P” means S&P Global Ratings, a division of S&P Global Inc., and any successors thereto (including the surviving entity of any merger with another Rating Agency).

“Sale and Leaseback Transaction” means, with respect to any Person, an arrangement whereby such Person enters into a lease of property previously transferred by such Person to the lessor (other than transactions among Ambipar and its Restricted Subsidiaries).

“SEC” means the United States Securities and Exchange Commission.

“Securities Act” means the United States Securities Act of 1933, as amended.

“Significant Subsidiary” of any Person means any Subsidiary that at the time of determination, either (i) had assets, which as of the date of such Person’s then-most recent consolidated quarterly balance sheet, constituted at least 10% of such Person’s total consolidated assets as of such date or (ii) represents more than 10% (positive) of the EBITDA of such Person for the immediately preceding four fiscal quarters for which financial statements are available, in each case, as calculated pursuant to the methodology of item 1-02(w) of Regulation S-X; *provided* that solely for purposes of section “—Subsidiary Guarantees” and “—Release of Guarantees,” the term “Significant Subsidiary” shall mean, solely, any Subsidiary that, at the time of determination, represents more than 20% (positive) of the EBITDA of such Person for the immediately preceding four fiscal quarters for which financial statements are available, as calculated pursuant to the methodology of item 1-02(w) of Regulation S-X.

“Spot Rate” means, for any currency, the spot rate at which that currency is offered for sale against United States dollars as published in *The Wall Street Journal* on the Business Day immediately preceding the date of determination or, if that rate is not available in that publication, as determined in any publicly available source of similar market data.

“Stated Maturity” means (i) with respect to any Debt, the date specified as the fixed date on which the final installment of principal of such Debt is due and payable or (ii) with respect to any scheduled installment of principal of or interest on any Debt, the date specified as the fixed date on which such installment is due and payable as set forth in the documentation governing such Debt, not including any contingent obligation to repay, redeem or repurchase prior to the regularly scheduled date for payment.

“Subordinated Debt” means any Debt of the Issuer, Ambipar or any Subsidiary Guarantor which is subordinated or junior in right of payment to the Notes or the Note Guarantees, as applicable, pursuant to a written agreement to that effect.

“Subsidiary” means with respect to any Person, any corporation, association or other business entity of which (i) more than 50% of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more Subsidiaries of such Person (or a combination thereof); or (ii) less than 50% of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more Subsidiaries of such Person (or a combination thereof) but is controlled, directly or indirectly, by such Person in accordance with GAAP and is consolidated by such Person as a subsidiary for accounting purposes in accordance with GAAP.

“Subsidiary Guarantee” means the Guarantee by any Subsidiary Guarantor of the Issuer’s obligations under the

Indenture and the Notes.

“Subsidiary Guarantor” means each Restricted Subsidiary of Ambipar on the Issue Date that is a party to the Indenture for purposes of providing a Subsidiary Guarantee with respect to the Notes, and each other Restricted Subsidiary that is required to or, at the election of Ambipar, does become a Subsidiary Guarantor by the terms of the Indenture after the Issue Date and their respective successors and assigns, in each case, until such Person is released from its Subsidiary Guarantee in accordance with the terms of the Indenture.

“Taxes” means any present and future taxes, levies, imposts, deductions, duties, assessments, fees, fines or other governmental charges of whatever nature, including any interest or penalties thereon and other liabilities with respect thereto, that are imposed or levied by any government or other taxing authority.

“Unrestricted Subsidiary” means any Subsidiary of Ambipar Designated as an Unrestricted Subsidiary pursuant to “—Certain Covenants—Limitation on Designation of Unrestricted Subsidiaries.” Any such Designation may be revoked in accordance with the provisions of such covenant.

“U.S. Government Obligations” means obligations issued or directly and fully guaranteed or insured by the United States of America or by any agent or instrumentality thereof, *provided* that the full faith and credit of the United States of America is pledged in support thereof.

“Voting Stock” means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

“Wholly-Owned Subsidiary” of any Person means a Subsidiary at least 95% of the outstanding Capital Stock of which (other than director’s or other similar qualifying shares) is owned by such Person or one or more Wholly-Owned Subsidiaries (or a combination thereof) of such Person.

FORM OF THE NOTES

Notes sold in offshore transactions in reliance on Regulation S will be represented by a permanent global note or Notes in fully registered form without interest coupons (the “Regulation S Global Note”) and will be registered in the name of a nominee of DTC and deposited with a custodian for DTC. Notes sold in reliance on Rule 144A will be represented by a permanent global note or notes in fully registered form without interest coupons (the “Restricted Global Note” and, together with the Regulation S Global Note, the “global notes”) and will be deposited with a custodian for DTC and registered in the name of a nominee of DTC.

The Notes will be subject to certain restrictions on transfer as described in “*Transfer Restrictions*.” On or prior to the 40th day after the later of the commencement of the offering and the closing date of this offering, a beneficial interest in the Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in the Restricted Global Note only upon receipt by the trustee of a written certification from the transferor (in the form provided in the Indenture) to the effect that such transfer is being made to a person whom the transferor reasonably believes to be a qualified institutional buyers that are also qualified purchasers (as defined in Section 2(a)(51) of the Investment Company Act) in reliance on Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction (a “Restricted Global Note Certificate”). After such 40th day, this certification requirement will no longer apply to such transfers. Beneficial interests in the Restricted Global Note may be transferred to a person who takes delivery in the form of an interest in the Regulation S Global Note, whether before, on or after such 40th day, only upon receipt by the trustee of a written certification from the transferor (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act (a “Regulation S Global Note Certificate”). Any beneficial interest in one of the global notes that is transferred to a person who takes delivery in the form of an interest in the other global note will, upon transfer, cease to be an interest in such global note and become an interest in the other global note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other global note for as long as it remains an interest.

Except in the limited circumstances described under “*Individual Definitive Notes*,” owners of the beneficial interests in global notes will not be entitled to receive physical delivery of individual definitive notes. The Notes are not issuable in bearer form.

Global Notes

Upon the issuance of the Regulation S Global Note and the Restricted Global Note, DTC will credit, on its internal system, the respective principal amount of the individual beneficial interests represented by such global note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the initial purchasers. Ownership of beneficial interests in a global note will be limited to persons who have accounts with DTC, or DTC Participants, or persons who hold interests through DTC Participants (including Euroclear and Clearstream Luxembourg). Ownership of beneficial interests in the global notes will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of DTC Participants) and the records of DTC Participants (with respect to interests of persons other than DTC Participants).

So long as DTC, or its nominee, is the registered owner or holder of a global note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such global note for all purposes under the Indenture and the Notes. No beneficial owner of an interest in a global note will be able to transfer that interest except in accordance with DTC’s applicable procedures (in addition to those under the Indenture referred to herein and, if applicable, those of Euroclear and Clearstream).

Investors may hold interests in the Global Note through Euroclear or Clearstream, if they are participants in such systems. Euroclear and Clearstream will hold interests in the Global Notes on behalf of their account holders through customers’ securities accounts in their respective names on the books of their respective depositories, which, in turn, will hold such interests in the Global Note in customers’ securities accounts in the depositories’ names on the books of DTC.

Payments of the principal of and interest on global notes will be made to DTC or its nominee as the registered owner thereof. Neither we, any initial purchaser, the trustee nor any agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the global notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

We anticipate that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a global note representing any Notes held by its nominee, will credit DTC Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such global note as shown on the records of DTC or its nominee. We also expect that payments by DTC Participants to owners of beneficial interests in such global note held through such DTC Participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC Participants.

Transfers between DTC Participants will be effected in accordance with DTC's procedures. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests in a global note to such persons may be limited. Because DTC can only act on behalf of DTC Participants, who in turn act on behalf of indirect participants, the ability of a person having a beneficial interest in a global note to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical individual definitive certificate in respect of such interest. Transfers between accountholders in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions available to the Notes described above, cross-market transfers between DTC participants, on the one hand, and directly or indirectly through Euroclear or Clearstream account holders, on the other hand, will be effected at DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depository; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with its rules and procedures and within its established deadlines. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf by delivering or receiving interests in the Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream account holders may not deliver instructions directly to the depositories for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream account holder purchasing an interest in a global note from a DTC Participant will be credited during the securities settlement processing day (which must be a business day for Euroclear or Clearstream, as the case may be) immediately following the DTC settlement date and such credit of any transactions in interests in a global note settled during such processing day will be reported to the relevant Euroclear or Clearstream accountholder on such day. Cash received in Euroclear or Clearstream as a result of sales of interests in a global note by or through a Euroclear or Clearstream account holder to a DTC Participant will be received for value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account only as of the business day following settlement in DTC.

DTC has advised that it will take any action permitted to be taken by holder of Notes (including the presentation of Notes for exchange as described below) only at the direction of one or more DTC Participants to whose account or accounts with DTC interests in the global notes are credited and only in respect of such portion of the aggregate principal amount of the Notes as to which such DTC Participant or DTC Participants has or have given such direction. However, in the limited circumstances described below, DTC will exchange the global notes for individual definitive notes (in the case of Notes represented by the Restricted Global Note, bearing a restrictive legend), which will be distributed to its participants. Holders of indirect interests in the global notes through DTC Participants have no direct rights to enforce such interests while the Notes are in global form.

The giving of notices and other communications by DTC to DTC Participants, by DTC Participants to persons who hold accounts with them and by such persons to holders of beneficial interests in a global note will be governed by arrangements between them, subject to any statutory or regulatory requirements as may exist from time to time.

DTC has advised as follows: DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the Uniform Commercial Code and a “Clearing Agency” registered pursuant to the provisions of Section 17A of the Exchange Act, DTC was created to hold securities for DTC Participants and to facilitate the clearance and settlement of securities transactions between DTC Participants through electronic book-entry changes in accounts of DTC Participants, thereby eliminating the need for physical movement of certificates. DTC Participants include security brokers and dealers, banks, trust companies and clearing corporations and may include certain other organizations. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly, or indirect participants.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of interests in the Regulation S Global Note and in the Restricted Global Note among participants and accountholders of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of us, the trustee or any agent will have any responsibility for the performance of DTC, Euroclear or Clearstream or their respective participants, indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

Individual Definitive Notes

If (i) DTC or any successor to DTC is at any time unwilling or unable to continue as a depository and a successor depository is not appointed by us within 90 days; or (ii) any of the Notes has become immediately due and payable in accordance with “Description of the Notes—Defaults and Remedies—Events of Default,” the Issuer will issue individual definitive notes in registered form in exchange for beneficial interests in the Regulation S Global Note and the Restricted Global Note, as the case may be. Upon receipt of such notice from DTC, we will use our best efforts to make arrangements with DTC for the exchange of interests in the global notes for individual definitive notes and cause the requested individual definitive notes to be executed and delivered to the trustee for authentication and delivery to the holders. Persons exchanging interests in a global note for individual definitive notes will be required to provide to DTC (for delivery to the trustee) (a) written instructions and other information required by us and the trustee to complete, execute and deliver such individual definitive notes and (b) in the case of an exchange of an interest in a Restricted Global Note, a certification that such interest is not being transferred or is being transferred only in compliance with Rule 144A under the Securities Act and the Investment Company Act. In all cases, individual definitive notes delivered in exchange for any global note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by DTC.

Upon any issuance of individual definitive notes, the Issuer will appoint and maintain a paying agent in Singapore. In such event, an announcement shall be made through the SGX-ST and will include all material information with respect to the delivery of the definitive notes, including details of the paying agent in Singapore. For so long as the Notes are listed on the SGX-ST and the rules of such exchange so require, the Issuer will also appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption. Upon any change in the paying agent or registrar, the Issuer will make an announcement through the SGX-ST and may publish a notice in a leading daily newspaper of general circulation in Singapore (which is expected to be The Business Times (Singapore Edition)).

In the case of individual definitive notes issued in exchange for the Restricted Global Note, such individual definitive notes will bear, and be subject to, the legend described in “*Transfer Restrictions*” (unless we determine otherwise in accordance with applicable law). The holder of a restricted individual definitive note may transfer such note, subject to compliance with the provisions of such legend, as provided in “*Transfer Restrictions*.” Upon the transfer, exchange or replacement of Notes bearing the legend, or upon specific request for removal of the legend on

a note, the Issuer will deliver only Notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to us such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by us that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Individual definitive notes will not be eligible for clearing and settlement through Euroclear, Clearstream or DTC.

TAXATION

The following discussion summarizes certain Luxembourg, Brazilian and U.S. federal income considerations that may be relevant to you if you invest in the Notes. This summary is based on laws, regulations, rulings and decisions now in effect in Luxembourg, Brazil and the United States, which, in each case, may change. Any change could apply retroactively and could affect the continued validity of this summary.

This summary does not describe all of the tax considerations that may be relevant to you or your situation, particularly if you are subject to special tax rules. You should consult your tax advisors about the tax consequences of holding the Notes, including the relevance to your particular situation of the considerations discussed below, as well as of state, local and other tax laws.

Luxembourg Taxation

This section provides for a general overview of the material Luxembourg tax consequences relating to your investment in the Notes issued by the Issuer. This section is therefore not intended to provide for a comprehensive description of all the tax consequences related to your decision to invest in, hold or dispose of the Notes and is not intended as tax advice to any particular noteholder. This information also does not take into account the specific circumstances of particular investors. Prospective investors in the Notes should therefore consult their own professional advisors about the tax consequences of investing in, owning, holding or disposing of the Notes issued by the Issuer (including with respect to receiving interest on and redeeming the Notes) under Luxembourg tax law, as well as any state, local or foreign laws to which they may be subject. This information does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.

The residence concept used below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*) as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Such corporate investors may further be subject to net wealth tax (*impôt sur la fortune*). Individual taxpayers resident in Luxembourg are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Withholding tax

Except as provided for by the law of December 23, 2005, as amended (the “Relibi Law”), which implemented a withholding tax that applies to Luxembourg resident individuals, under the existing laws of Luxembourg there is no withholding tax on payments of principal, premium or interest, or on accrued but unpaid interest, in respect of the Notes, by the Issuer to the Notes holders nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes.

According to the Relibi Law, as amended, interest payments or similar payments (within the meaning of the Relibi Law) on the Notes made or ascribed by a paying agent (within the meaning of the Relibi Law) established in Luxembourg will be subject to a withholding tax of 20% if such payments are made or ascribed for the benefit of an individual resident in Luxembourg for tax purposes who is the beneficial owner of such payment. The withholding tax of 20% also applies on accrued or capitalised interest received upon disposal, redemption, repurchase or conversion of the Notes.

The 20% withholding tax will operate a full discharge of income tax for Luxembourg resident individuals acting in the context of the management of their private wealth.

Any withholding of tax in application of the Relibi Law, as amended, is the responsibility of the Luxembourg paying agent (within the meaning of the Relibi Law).

An individual beneficial owner of interest or similar income within the meaning of the Relibi Law who is a resident of Luxembourg and acts in the course of the management of his private wealth may opt to self-declare and pay a 20% tax in full discharge of income tax in accordance with the Relibi Law when he receives or is ascribed such interest or similar income from a paying agent established in a European Union, or EU, Member State (other than Luxembourg) or in a Member State of the European Economic Area which is not an EU Member State.

Taxes on income and capital gains

Non-resident noteholders

Non-resident noteholders, not having a permanent establishment, a permanent representative, or a fixed place of business in Luxembourg to which the Notes or income thereon are attributable, are not subject to Luxembourg income taxes on income accrued or received, redemption premiums or issue discounts, under the Notes nor on capital gains realized on the disposal or redemption of the Notes.

Non-resident holders who have a permanent establishment, a permanent representative, or a fixed place of business in Luxembourg to which the Notes or income therefrom are attributable are subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realized upon the sale or disposal of the Notes.

Resident noteholders

Individuals

An individual resident noteholder acting in the course of the management of a professional or business undertaking must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realized on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax assessment purposes.

An individual resident noteholder, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax in respect of interest or similar income received, redemption premiums or issue discounts, under the Notes, except if tax has been levied on such payments in accordance with the Relibi Law.

A gain realized by an individual resident noteholder, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Notes is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the Notes were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if tax has been levied on such interest in accordance with the Relibi Law.

Corporations

A corporate resident holder of the Notes must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realized on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax assessment purposes.

A corporate noteholder that is governed by the law of May 11, 2007 on family estate management companies (as amended), or the law of December 17, 2010 on undertakings for collective investment (as amended), or the law of February 13, 2007 on specialized investment funds (as amended), or the law of July 23, 2016 on reserved alternative investment funds not investing in risk capital is neither subject to Luxembourg income tax in respect of interest or similar income or received, redemption premiums or issue discounts, under the Notes, as well as any gains realized on the sale, exchange or disposal, in any form whatsoever, of the Notes in Luxembourg and are instead only subject to an annual subscription tax (*taxe d'abonnement*).

Net wealth tax

Corporate holders of Notes resident in Luxembourg or a non-resident corporate holder of Notes that maintains a permanent establishment, permanent representative or a fixed place of business in the Grand Duchy of Luxembourg to which/whom such Notes are attributable are subject to annual net wealth tax on their unitary value (i.e., non-exempt assets minus liabilities and certain provisions as valued according to valuation rules), levied at a rate of 0.5% if the unitary value does not exceed EUR 500,000,000 and 0.05% on the portion of the unitary value that exceeds EUR 500,000,000, in respect of the Notes, except if such holder (i) is governed by the law of May 11, 2007 on family estate management companies, as amended, or (ii) is governed by the law of December 17, 2010 on undertakings for collective investment, as amended, or (iii) is governed by the law of February 13, 2007 on specialized investment funds, as amended, or (iv) is governed by the law of 23 July 2016 on reserved alternative investment funds, as amended, or (v) is a securitization company governed by the law of March 22, 2004 on securitization, as amended, or (vi) is a capital company governed by the law of June 15, 2004 on venture capital vehicles, as amended, or (vii) is a pension-saving company or a pension-saving association, both governed by the law of July 13, 2005, as amended.

Corporate resident noteholders will further be subject to (a) a minimum net wealth tax of EUR 4,815, if it holds assets such as fixed financial assets, receivables owed to affiliated companies, transferable securities, postal checking accounts, checks and cash, in a proportion that exceeds 90% of its total balance sheet value and if the total balance sheet value exceeds EUR 350,000, or (b) a minimum net wealth tax between EUR 535 and EUR 32,100 based on the total amount of its assets.

Despite the above mentioned exceptions, the minimum net wealth tax also applies if the corporate resident noteholder is a securitization company governed by the law of March 22, 2004 on securitization, as amended, or an investment company in risk capital governed by the law of June 15, 2004 on venture capital vehicles, as amended, or a pension-saving company or a pension-saving association, both governed by the law of July 13, 2005, as amended, or reserved alternative investment funds investing in risk capital governed by the law of July 23, 2016.

Individuals are not subject to Luxembourg net wealth tax.

Non-resident corporate noteholders, not having a permanent establishment, a permanent representative, or a fixed place of business in Luxembourg to which the Notes or income thereon are attributable, are not subject to Luxembourg wealth tax.

Registration tax

There is no Luxembourg registration tax, stamp duty or any other similar tax or duty due in Luxembourg by the holders of Notes as a consequence of the issuance of the Notes. No Luxembourg registration tax, stamp duty or other similar tax or duty is due either in case of a subsequent repurchase, redemption or transfer of the Notes.

However, a fixed or *ad valorem* registration duty may be due upon the registration of the Notes in Luxembourg if the Notes are deposited in the minutes of a notary.

Gift and inheritance tax

Where the holder of Notes is a resident of Luxembourg for inheritance tax purposes at the time of such holder of Notes' death, inheritance tax is levied in Luxembourg at progressive rates (depending on the value of the assets inherited and the degree of relationship). No Luxembourg inheritance tax will be due on the transfer of the Notes upon death of the holder of Notes unless the holder of Notes resides in Luxembourg at the time of his decease for inheritance tax purposes. No Luxembourg gift tax is due upon the donation of Notes unless such donation is embodied in a Luxembourg deed executed in the presence of a notary or recorded in Luxembourg (which is generally not required).

Value added tax

No Luxembourg value added tax is levied with respect to (i) any payment made in consideration of the issuance of the Notes; (ii) any payment of interest; (iii) any repayment of principal or upon redemption; and (iv) any transfer of the Notes.

Automatic exchange of information

Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act ("FATCA") requires financial institutions outside the U.S. ("foreign financial institutions" or "FFIs") to pass information about "Financial Accounts" held by "Specified U.S. Persons", directly or indirectly, to the U.S. tax authorities (the Internal Revenue Service, "IRS") on an annual basis. A 30% withholding tax is imposed on certain U.S. source income of any FFI that fails to comply with this requirement as well as penalties.

On 28 March 2014, the Grand Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("Luxembourg IGA") with the United States of America and a memorandum of understanding in respect thereof. The Issuer would hence have to comply with this Luxembourg IGA as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA ("FATCA Law") in order to comply with the provisions of FATCA rather than directly complying with the U.S. Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Issuer may be required to collect information aiming to identify its financial account holders (including certain entities and their controlling persons) that are Specified U.S. Persons for FATCA purposes ("FATCA Reportable Accounts"). Any such information on FATCA Reportable Accounts provided to the Issuer will be shared with the Luxembourg tax authorities (*Administration des Contributions Directes*) which will exchange that information on an automatic basis with the IRS.

Under the terms of FATCA, the Issuer may be deemed a Luxembourg reporting financial institution and the holders of notes may be deemed account holders. The Issuer intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Issuer. The Issuer will continually assess the extent of the requirements that FATCA, and notably the FATCA Law, place upon it.

To ensure the Issuer's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Issuer may:

- a) request information or documentation, including W-9 or W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a holder of the Notes's FATCA registration with the IRS or a corresponding exemption, in order to ascertain that holder of the Notes FATCA status;
- b) report information concerning a holder of the Notes and his/her/its account holding in the Issuer to the Luxembourg tax authorities (*Administration des Contributions Directes*) if such account is deemed a FATCA Reportable Account under the FATCA Law and the Luxembourg IGA;
- c) report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to holder of the Notes with FATCA status of a non-participating foreign financial institution;
- d) deduct applicable U.S. withholding taxes from certain payments made to a holder of the Notes by or on behalf of the Issuer in accordance with FATCA, the FATCA Law and the Luxembourg IGA; and
- e) divulge any such personal information to any immediate payer of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

By investing in the Issuer, the holder of the Notes acknowledge that (i) the Issuer is responsible for the treatment of the personal data provided for in the FATCA Law; (ii) the personal data will inter alia be used for the purposes of the FATCA Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*) and to the IRS; and (iv) the holder of the Notes have a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*).

Prospective investors should consult their professional advisor on the individual impact of FATCA.

Common reporting standard

The Organisation for Economic Co-operation and Development ("OECD") has developed a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information on a global basis.

On 29 October 2014, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to automatically exchange information under the CRS. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation ("DAC2") was adopted to implement the CRS among the EU Member States. The CRS and the DAC2 were implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law").

Under the terms of the CRS Law, the Issuer may be deemed a Luxembourg reporting financial institution and the holders of notes may be deemed as account holders. The CRS Law requires Luxembourg financial institutions to identify their financial account holders (including certain entities and their controlling persons) and establish if they are fiscally resident in (i) an EU Member State other than Luxembourg or (ii) a jurisdiction which has signed the Multilateral Agreement and which is identified in the list of reportable jurisdictions published by Grand Ducal Decree ("CRS Reportable Accounts"). The first official list of CRS reportable jurisdictions was published on 24 March 2017 and is updated from time to time. Luxembourg financial institutions will then report the information on such CRS Reportable Accounts to the Luxembourg tax authorities (*Administration des Contributions Directes*), which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Issuer may require its holder of the Notes to provide information or documentation in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status; and report information regarding a holder of the Notes and his/her/its account holding in the Issuer to the Luxembourg tax authorities (*Administration des Contributions Directes*) if such an account is deemed a CRS Reportable Account under the CRS Law.

By investing in the Issuer, the holder of the Notes acknowledge that (i) the Issuer is responsible for the treatment of the personal data provided for in the CRS Law; (ii) the personal data will inter alia be used for the purposes of the CRS Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*) and to the tax authorities of CRS reportable jurisdictions; and (iv) the holder of the Notes have a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*).

Prospective investors should consult their professional advisor on the individual impact of the CRS.

Brazilian Taxation

The following discussion summarizes the main Brazilian tax considerations related to the acquisition, ownership and disposition of the Notes by an individual, entity, trust or organization resident or domiciled outside Brazil for purposes of Brazilian taxation ("Non-Resident Holder").

The following discussion is based on the federal tax laws of Brazil as in effect on the date hereof, and it is subject to any change in Brazilian law that may come into effect after such date. The information set forth below is intended to be a general description only and does not address all possible tax consequences relating to an investment in the Notes and is not applicable to all categories of investors, some of which may be subject to special rules. The discussion below does not address any tax consequences under the tax laws of any state or locality of Brazil.

As a rule, earnings of foreign companies and persons not resident in Brazil are taxed in Brazil when derived from Brazilian sources or when the transaction giving rise to such earnings involves assets in Brazil. Investors should note that, as to the discussion below, other income tax rates or treatment may be provided for in any applicable tax treaty between Brazil and the country where the Non-Resident Holder is domiciled.

Interest or Principal Payments under the Notes

As mentioned above, a Non-Resident Holder is generally taxed in Brazil only when income is derived from Brazilian sources or gains are realized on the disposition of assets located in Brazil.

As the Issuer should not be considered as resident or domiciled in Brazil for tax purposes, any income (including accrued interest, fees, commissions, expenses, and any other income) paid by the Issuer in respect of the Notes in favor of Non-Resident Holders should not be subject to withholding or deduction in respect of Brazilian income tax or any other taxes, duties, assessments or governmental charges in Brazil, provided that such payments are made with funds held by the Issuer outside of Brazil and a Brazilian Guarantor is not required to pay any amount in respect of the Notes.

Gains Realized from Sale or Disposition of the Notes

Capital gains realized on the sale or disposition of assets located in Brazil by a Non-Resident Holder to another non-resident are subject to taxation in Brazil, according to Section 26 of Law No. 10,833/2003. Based on the fact that the Notes are issued abroad, they should not fall within the definition of assets located in Brazil for purposes of Law No. 10,833. Hence, gains arising from the sale or disposition of the Notes (which for the purposes of this paragraph includes any deemed income on the difference between the issue price of the Notes and the price at which the Notes are redeemed, or “original discount”) made outside Brazil by a Non-Resident Holder to another non-Brazilian resident should not be subject to Brazilian taxes.

However, considering the general and unclear scope of Law No. 10,833 and the absence of judicial guidance in respect thereof, we cannot assure prospective investors that such interpretation of this law will prevail in the courts of Brazil.

In case Brazilian authorities understand the Notes qualify as Brazilian assets, they may treat such a transaction as subject to capital gains tax in Brazil at progressive tax rates, as follows: (i) 15% for the part of the gain that does not exceed R\$5 million, (ii) 17.5% for the part of the gain that exceeds R\$5 million but does not exceed R\$10 million, (iii) 20% for the part of the gain that exceeds R\$10 million but does not exceed R\$30 million and (iv) 22.5% for the part of the gain that exceeds R\$30 million; or at a flat 25% rate if the Non-Resident Holder is located in a Low or Nil Tax Jurisdiction (See “—*Discussion on Low or Nil Tax Jurisdictions*,” below). A lower rate, however, may apply under an applicable tax treaty between Brazil and the country where the Non-Resident holder has its domicile. In certain circumstances, if a given transaction is not subject to WHT and tax authorities take the position that the WHT should have been levied, tax authorities may increase the taxable basis of the WHT, as if the amount actually received by the beneficiary outside Brazil had already been reduced by the applicable WHT (gross-up).

Payments Made by the Brazilian Guarantors

If the Issuer is unable to make payments under the Notes and a Brazilian Guarantor is required to pay any amount in connection with the Notes to a Non-Resident Holder (including principal and interest or any other amount

that may be due and payable in respect of the Notes), Brazilian tax authorities could attempt to impose withholding income tax on such payments.

As there are no specific legal provisions dealing with the imposition of withholding income tax on payments made by Brazilian sources to non-resident beneficiaries under guarantees and no uniform decision was rendered by the Brazilian courts, there is a risk that tax authorities will take the position that the funds remitted by the Brazilian Guarantor to the Non-Resident Holders may be subject to the imposition of withholding income tax at the general 15% rate, or at a 25% rate, if the Non-Resident Holder is located in a Low or Nil Tax Jurisdiction.

However, there are arguments to sustain that: (A) payments made by a Brazilian Guarantor should not be subject to withholding income tax, as such payment is made on the account and at the order of the Issuer; or (B) if such payments are subject to the imposition of withholding income tax, this tax should be triggered according to the nature of the guaranteed payment, in which case only interest and fees (including any original issue discount, as applicable) payable by the Brazilian Guarantor to a Non-Resident Holder with respect to the Notes should be subject to withholding income tax at the same rates mentioned above (of 15% or 25%, in cases of beneficiaries located in LTJ). There is, however, no final decision from Brazilian courts endorsing either position and it is not possible to assure that such argument would prevail in court.

Please note that different rates may be applicable if an applicable tax treaty between the country of residence of the Non-Resident Holder and Brazil sets forth a lower withholding income tax rate.

Furthermore, fees and commissions payable by a Brazilian source may also be subject to (depending on the nature of the transaction): (i) withholding income tax at a 25% rate; (ii) *Contribuição ao Programa de Integração Social* (PIS) and *Contribuição para o Financiamento da Seguridade Social* (COFINS) at the total rate of 9.25%; and (iii) Tax on Services (ISS) at rates which may vary from 2% to 5%

Discussion on Low or Nil Tax Jurisdictions

Under Brazilian tax law, a Low or Nil Taxation Jurisdiction is a country or location that (1) does not impose taxation on income, or which imposes such tax at a maximum statutory rate lower than 20% or (2) imposes restrictions on the disclosure of shareholding composition, the ownership of the investment or the identity of the beneficiary of earnings attributed to non-residents. A regulation issued by the Brazilian Ministry of Treasury on November 28, 2014 (Ordinance 488, of 2014) decreased from 20% to 17% this minimum threshold for certain specific cases. The 17% threshold applies only to countries and regimes aligned with international standards of fiscal transparency in accordance with rules established by the Brazilian tax authorities in Normative Ruling No. 1,530, dated December 19, 2014. However, Normative Ruling No. 1,037, which identifies the countries considered to be Low or Nil Taxation Jurisdictions and Privileged Tax Regimes, has not been amended to reflect the 17% rate.

On June 24, 2008, and with effect as of January 1, 2009, Law No. 11,727, created the concept of Privileged Tax Regimes, in connection with transactions subject to Brazilian transfer pricing rules and also applicable to thin capitalization/cross border interest deductibility rules, which is broader than the concept of a Low or Nil Tax Jurisdiction. Pursuant to Law No. 11,727, a jurisdiction will be considered a Privileged Tax Regime if it (1) does not tax income or tax it at a maximum rate lower than 20% or 17%, provided that the requirements set forth in Normative Ruling No. 1,530 and Ordinance No. 488 are met; (2) grant tax advantages to a non-resident entity or individual (i) without the need to carry out a substantial economic activity in the country or a said territory or (ii) conditioned to the non-exercise of a substantial economic activity in the country or a said territory; (3) do not tax or tax proceeds generated abroad at a maximum rate lower than 20%, or 17%, provided that the requirements set forth in Normative Ruling No. 1,530 are met; or (4) restricts the ownership disclosure of assets and ownership rights or restricts disclosure about economic transactions carried out.

In addition, on June 4, 2010, the Brazilian tax authorities enacted Ordinance No. 1,037, listing (i) the countries and jurisdictions considered Low or Nil Tax Jurisdictions; and (ii) the Privileged Tax Regimes. Normative Ruling No. 1,037 has not been amended thus far to reflect the threshold changes previously mentioned.

Although we believe that the best interpretation of the current Brazilian tax legislation should lead to the conclusion that the concept of Privileged Tax Regimes should only apply for certain Brazilian tax purposes, such as transfer pricing and thin capitalization rules/cross border interest deductibility, there is no assurance that Brazilian tax authorities will not attempt to apply the concept of Privileged Tax Regimes to other types of transactions. We cannot assure you that subsequent legislation or interpretations by the Brazilian tax authorities regarding the definition of a Privileged Tax Regime provided by Law No. 11,727 will not apply such regime to a Non-Resident Holder's income from the investment in the Notes, in which case the income tax applicable to such investment could be assessed at a rate of up to 25%.

Other Brazilian Tax Considerations

Pursuant to Decree No. 6,306/2007, as amended, conversions of foreign currency into Brazilian currency or vice-versa are subject to the Tax on Foreign Exchange Transactions (*Imposto sobre Operações de Crédito, Câmbio e Seguro, ou relativas a Títulos e Valores Mobiliários*), or IOF/Exchange, including foreign exchange transactions in connection with payments made by a Brazilian Guarantor under the Note Guarantee to Non-Resident Holders.

Currently, the IOF/Exchange is assessed at a 0.38% rate for most foreign exchange transactions, including foreign exchange transactions in connection with payments under guarantees made to Non-Resident Holders. According to Section 15-B of Decree No. 6,306, the settlement of exchange transactions in connection with foreign financing or loans, for both inflow and outflow of proceeds into and from Brazil, are generally subject to IOF/Exchange at a zero percent rate.

In addition, the Brazilian tax authorities could argue that a Tax on Credit Transactions (*Imposto sobre Operações de Crédito, Câmbio e Seguro, ou relativas a Títulos e Valores Mobiliários*), or IOF/Credit, due on loan transactions could be imposed upon any amount paid in respect of the Notes by any Brazilian Guarantor under the Note Guarantee, at a rate of up to 1.88% of the total amount paid.

In any case, the federal government may increase the current IOF/Exchange rate at any time, up to a maximum rate of 25%. Any such new rate would only apply to future foreign exchange transactions.

Stamp, Transfer or Similar Taxes

Generally, there are no stamp, transfer or other similar taxes in Brazil applicable to the transfer, assignment or sale of any debt instrument outside Brazil (including the Notes) nor any inheritance, gift or succession tax applicable to the ownership, transfer or disposition of the Notes, except for gift and inheritance taxes imposed by some states of Brazil on gifts and bequests by a Non-Resident Holder to individuals or entities domiciled or residing within such Brazilian states.

The above description is not intended to constitute a complete analysis of all Brazilian tax consequences relating to the ownership of the Notes. Prospective purchasers of the Notes should consult their own tax advisors concerning the tax consequences of their particular situations.

Certain United States Federal Income Tax Considerations

The following is a summary of certain United States federal income tax consequences of the purchase, ownership and disposition of the Notes. This summary deals only with Notes that are held as capital assets by a U.S. holder (as defined below) who acquires the Notes upon original issuance at their initial offering price.

A "U.S. holder" means a beneficial owner of the Notes that is for United States federal income tax purposes any of the following:

- an individual who is a citizen or resident of the United States;

- a corporation (or any other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

This summary is based upon provisions of the Internal Revenue Code of 1986, as amended, or the Code, and regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in United States federal income tax consequences different from those summarized below. This summary does not address all of the United States federal income tax consequences that may be relevant to U.S. holders in light of their personal circumstances, nor does it address the Medicare tax on net investment income, United States federal estate and gift taxes or the effects of any state, local or non-U.S. tax laws. In addition, it does not represent a detailed description of the United States federal income tax consequences applicable to you if you are subject to special treatment under the United States federal income tax laws. For example, this summary does not address:

- tax consequences to holders who may be subject to special tax treatment, such as dealers or brokers in securities or currencies, traders in securities that elect to use the mark-to-market method of accounting for their securities, financial institutions, regulated investment companies, real estate investment trusts, partnerships or other pass-through entities or arrangements for United States federal income tax purposes (and holders of an equity interest therein), tax-exempt entities or insurance companies;
- tax consequences to persons holding the Notes as part of a hedging, integrated, constructive sale or conversion transaction or a straddle;
- tax consequences to holders of the Notes whose “functional currency” is not the U.S. dollar;
- alternative minimum tax consequences, if any; or
- tax consequences attributable to persons being required to accelerate the recognition of any item of gross income with respect to the Notes as a result of such income being recognized on an applicable financial statement.

If a partnership (or other entity or arrangement treated as a partnership for United States federal income tax purposes) holds the Notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership considering an investment in the Notes, you should consult your tax advisors.

If you are considering the purchase of Notes, you should consult your own tax advisors concerning the particular United States federal income tax consequences to you of the purchase, ownership and disposition of the Notes, as well as the consequences to you arising under other United States federal tax laws and the laws of any other taxing jurisdiction.

Treatment of the Notes

In certain circumstances, the Issuer may be obligated to make a contingent payment upon the redemption of the Notes. See “*Description of the Notes—Optional Redemption*” and “*Description of the Notes—Repurchase of Notes Upon a Change of Control*.” These potential payments may implicate the provisions of Treasury regulations relating

to “contingent payment debt instruments” (“CPDIs”), but the Issuer does not intend to treat the possibility of such contingent payments on the Notes as subjecting the Notes to the CPDI rules. The Issuer’s determination that the Notes are not subject to the CPDI rules is binding on a holder, unless such holder discloses its contrary position in the manner required by applicable Treasury regulations. The Issuer’s determination, however, is not binding on the U.S. Internal Revenue Service, or the IRS, and if the IRS were to challenge this determination, a U.S. Holder may be required to accrue income on the Notes that such holder owns in excess of stated interest, and to treat as ordinary income rather than capital gain any income realized on the taxable disposition of such Notes before the resolution of the contingency. In the event that such contingency were to occur, it would affect the amount and timing of the income that a U.S. Holder recognizes. Holders are urged to consult their tax advisors regarding the potential application to the Notes of the contingent payment debt instrument rules and the consequences thereof. This discussion assumes that the Notes will not be treated as CPDIs.

Payments of Interest

Stated interest on a Note (including any non-U.S. tax withheld and any additional amounts paid in respect thereof) will generally be taxable to you as ordinary income at the time it is paid or accrued in accordance with your regular method of accounting for United States federal income tax purposes.

Subject to certain conditions and limitations (including a minimum holding period requirement) and the Foreign Tax Credit Regulations (as defined below), any non-U.S. withholding taxes on interest may be treated as foreign taxes eligible for credit against your United States federal income tax liability. For purposes of calculating the foreign tax credit, interest on the Notes will be treated as foreign source income and will generally constitute passive category income. However, recently issued Treasury regulations (the “Foreign Tax Credit Regulations”) impose additional requirements for foreign taxes to be eligible for a foreign tax credit, and there can be no assurance that those requirements will be satisfied. A recent notice from the IRS indicates, however, that the U.S. Department of the Treasury (“Treasury”) and the IRS are considering proposing amendments to the Foreign Tax Credit Regulations and allows, subject to certain conditions, taxpayers to defer the application of many aspects of the Foreign Tax Credit Regulations for taxable years ending on or before December 31, 2023 (the notice also indicates that the Treasury and the IRS are considering whether, and under what conditions, to provide additional temporary relief for later taxable years). Instead of claiming a foreign tax credit, you may be able to deduct any non-U.S. withholding taxes on interest in computing your taxable income, subject to generally applicable limitations under United States federal income tax law (including that a U.S. holder is not eligible for a deduction for otherwise creditable foreign income taxes paid or accrued in a taxable year if such U.S. holder claims a foreign tax credit for any foreign income taxes paid or accrued in the same taxable year). The rules governing the foreign tax credit and deductions for foreign taxes are complex. You are urged to consult your tax advisors regarding the availability of the foreign tax credit or a deduction under your particular circumstances.

Sale, Exchange and Retirement of Notes

Upon the sale, exchange, retirement or other taxable disposition of a Note, you will recognize gain or loss equal to the difference between the amount you realize thereon (less an amount equal to any accrued but unpaid interest, which will be taxable as interest to the extent not previously included in income) and your adjusted tax basis in the Note. Your adjusted tax basis in a Note will, in general, be your cost for that Note. Any gain or loss you recognize will generally be capital gain or loss and will generally be long-term capital gain or loss if at the time of the sale, exchange, retirement or other taxable disposition the Note has been held for more than one year. Long-term capital gains of non-corporate U.S. holders (including individuals) are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Any gain or loss you recognize will generally be treated as United States source gain or loss. Consequently, you may not be able to claim a credit for any non-U.S. tax imposed upon a disposition of a Note unless that credit can be applied (subject to applicable limitations) against United States federal income tax due on other income treated as derived from foreign sources. You are urged to consult your tax advisors regarding the availability of the foreign tax credit under your particular circumstances.

Substitution of the Issuer

The Issuer may, subject to certain conditions, be replaced and substituted by (a) Ambipar or (b) any wholly-owned Subsidiary of Ambipar as principal debtor in respect of the Indenture and the Notes (in that capacity, the “Substituted Issuer”). This substitution may be treated for United States federal income tax purposes as a deemed taxable exchange of the Notes for new Notes issued by the Substituted Issuer and thus may result in certain adverse tax consequences to U.S. holders (including possible recognition of capital gain or loss for U.S. federal income tax purposes). U.S. holders are urged to consult their own tax advisors regarding any potential adverse tax consequences to them that may result from a substitution of the Issuer.

Backup Withholding and Information Reporting

Generally, information reporting requirements will apply to all payments on the Notes and the proceeds from a sale or other disposition of a Note paid to you, unless you establish that you are an exempt recipient. Additionally, if you fail to provide your taxpayer identification number, or, in the case of interest payments, fail either to report in full dividend and interest income or to make certain certifications, you may be subject to backup withholding on any such payments or proceeds.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a credit against your United States federal income tax liability and may entitle you to a refund, provided the required information is timely furnished to the IRS.

Certain U.S. holders are required to report information relating to an interest in the Notes, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions), by attaching a complete IRS Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for each year in which they hold an interest in the Notes. You are urged to consult your own tax advisors regarding information reporting requirements relating to your ownership of the Notes.

CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase and holding of the Notes by (i) “employee benefit plans,” within the meaning of Section 3(3) of U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), which are subject to Title I of ERISA, (ii) plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”) or provisions under any other U.S. or non-U.S. federal, state, local or other laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions of Title I ERISA or Section 4975 of the Code (collectively referred to as “Similar Laws”), and (iii) entities whose underlying assets are considered to include the assets of any of the foregoing described in clauses (i) and (ii), pursuant to ERISA or otherwise (each of the foregoing described in clauses (i), (ii) and (iii) referred to herein as a “Plan”).

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan that is subject to Title I of ERISA or Section 4975 of the Code (each, a “Covered Plan”) and prohibit certain transactions involving the assets of a Covered Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such a Covered Plan or the management or disposition of the assets of such a Covered Plan, or who renders investment advice for a fee or other compensation to such a Covered Plan, is generally considered to be a fiduciary of the Covered Plan.

In considering an investment in the Notes of a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary’s duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws. The prudence of a particular investment must be determined by the responsible fiduciary of the Plan by taking into account the Plan’s particular circumstances and all of the facts and circumstances of the investment, including, but not limited to, the matters discussed above under “*Risk Factors*” and the fact that in the future there may be no market in which such fiduciary will be able to sell or otherwise dispose of any Notes it may purchase.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit Covered Plans from engaging in certain transactions involving “plan assets” with persons or entities who are “parties in interest” within the meaning of ERISA, or “disqualified persons,” within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engaged in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the Covered Plan that engaged in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The acquisition or holding of Notes by a Covered Plan with respect to which we, a Guarantor, an initial purchaser or our or their respective affiliates are considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the U.S. Department of Labor (the “DOL”), has issued prohibited transaction class exemptions (“PTCEs”), that may apply to the acquisition and holding of the notes by a Covered Plan.

The class exemptions which the DOL has issued include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide relief from the prohibited transaction provisions of ERISA and Section 4975 of the Code for certain transactions; *provided* that the applicable party in interest does not (directly or indirectly) have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Covered Plan involved in the transaction, and

provided further that the Covered Plan pays no more than adequate consideration in connection with the transaction. Each of the above-noted exemptions contains conditions and limitations on its application. Fiduciaries of Covered Plans considering acquiring or holding the Notes in reliance on these or any other exemption should carefully review the exemption in consultation with its legal advisors to assure it is applicable. There can be no assurance that all of the conditions of any such exemptions will be satisfied.

Plans that are, or whose assets constitute the assets of, governmental plans (as defined in Section 3(32) of ERISA), non-U.S. plans (as defined in Section 4(b)(4) of ERISA) and certain church plans (as defined in Section 3(33) of ERISA), while not necessarily subject to the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to Similar Laws. Fiduciaries of any such Plans should consult with their counsel before purchasing or holding any Notes.

Because of the foregoing, the Notes may not be purchased or held by any person investing “plan assets” of any Plan, unless such purchase and holding will not constitute a non-exempt prohibited transaction under ERISA and the Code or a similar violation of any applicable Similar Laws.

Representations

By acceptance of a Note, each purchaser and subsequent transferee of a Note will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser or transferee to acquire or hold the Notes (or any interest therein) constitutes assets of any Plan or (ii) the purchase and holding of the Notes (and any interest therein) by such purchaser or transferee will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Laws.

The foregoing discussion is general in nature and is not intended to be all inclusive and should not be construed as legal advice. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing the Notes on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be applicable to the purchase and holding of the Notes. Each purchaser and subsequent transferee has exclusive responsibility for ensuring that its purchase and holding of Notes (or any interest therein) does not violate the fiduciary responsibility or prohibited transaction rules of ERISA or the Code or the provisions of applicable Similar Laws. The sale of any Notes to a Plan is in no respect a representation by us, a Guarantor, an initial purchaser or any of our or their respective affiliates or representatives that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan or that such investment is appropriate for Plans generally or any particular Plan.

THE ISSUER

The Issuer is a wholly-owned subsidiary of Ambipar Participações e Empreendimentos S.A. and was incorporated under the laws of Luxembourg as a private limited liability company (*société à responsabilité limitée*) on July 20, 2023, and is registered with the Luxembourg Register of Commerce and Companies under number B279448. The registered office of the Issuer is at 17, boulevard F.W. Raiffeisen, L-2411, Luxembourg, Grand Duchy of Luxembourg.

The Issuer engages in activities related to, among others, the financing of our operations, and may issue Notes, bonds and any kind of debt and equity securities.

In the Indenture pursuant to which the Notes will be issued, the operations of the Issuer will be subject to limitations and restrictions. For further information, see “*Description of the Notes—Certain Covenants—Limitations and Restrictions on the Issuer.*”

The subscribed share capital of the Issuer is US\$12,842.40 divided into 1,282,240 shares with a nominal value of US\$0.01 each.

Luxembourg Law Considerations

The Issuer is organized under the laws of Luxembourg. Insolvency proceedings with respect to the Issuer could be required to proceed under the laws of the jurisdiction in which its “center of main interests,” as defined in Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (the “Recast EU Insolvency Regulation”), is situated at the time insolvency proceedings are commenced. Although there is a rebuttable presumption that the “center of main interests” or “COMI” will be in the jurisdiction where its registered office is situated (i.e., Luxembourg), this presumption is not conclusive. In particular, one of the main changes introduced by the Recast (EU) Insolvency Regulation which entered into application in EU Member States (except Denmark) on 26 June 2017 consists of increased scrutiny in situations where there has been a recent COMI shift. Where a company’s COMI has shifted in the three months preceding the request for the opening of insolvency proceedings, the rebuttable presumption that its COMI is at the place of its registered office will no longer apply. Also, the opening of secondary proceedings in another EU Member State will be possible, not only if the debtor has an establishment in such EU Member State at the time of the opening of main insolvency proceedings, but also if the debtor had an establishment in such EU Member State in the three-month period prior to the request of opening of main insolvency proceedings. Therefore, insolvency proceedings with respect to the Issuer may proceed under, and be governed by, Luxembourg insolvency laws or potentially by the insolvency laws of another jurisdiction if the center of main interests of the Issuer is determined to be in such other jurisdiction at the relevant time. The insolvency laws of such jurisdictions may not be as favorable to your interests as those of the United States or another jurisdiction with which you may be familiar.

If insolvency proceedings affecting the Issuer would be governed by Luxembourg insolvency laws, Luxembourg insolvency proceedings could have a material adverse effect on the Issuer’s business and assets and the Issuer’s respective obligations under the Notes. Under Luxembourg insolvency laws, your ability to receive payment on the Notes may be more limited than under other bankruptcy laws. The following types of proceedings, together referred to as insolvency proceedings, may be opened against an entity having its center of main interests or an establishment within the meaning of the Recast EU Insolvency Regulation in Luxembourg, in the latter case assuming that the center of main interests is located in a jurisdiction where the Recast EU Insolvency Regulation applies, or its central administration (*administration centrale*) is in Luxembourg (within the meaning of the Luxembourg Companies Act, as amended). (i) Bankruptcy (*faillite*) proceedings, the opening of which may be requested by the Issuer or by any of its creditors or by the courts *ex officio*. Following such a request, a competent Luxembourg court may open bankruptcy proceedings if the Issuer (a) is unable to pay its debts as they fall due (*cessation de paiements*); and (b) has lost its commercial creditworthiness (*ébranlement de crédit*). The main effect of these proceedings is the suspension of all measures of enforcement against the company, except, subject to certain limited exceptions, for enforcement by secured creditors. (ii) Suspension of payments. (iii) Judicial liquidation. (iv) Administrative dissolution without liquidation (*dissolution administrative sans liquidation*). (v) Any procedures under the Luxembourg law of 7 August 2023 on business continuity, restructuring and the modernization of the

bankruptcy regime. Generally, during the insolvency proceedings, all enforcement measures by general secured and unsecured creditors against the Issuer are stayed, while certain secured creditors (pledgees or mortgagees) retain the ability to settle separately while the debtor is in bankruptcy. Liabilities of the Issuer in respect of the Notes will, in the event of a liquidation of such Issuer following bankruptcy or judicial winding-up proceedings, rank junior to the cost of such proceedings, including debt incurred for the purpose of such bankruptcy or judicial winding-up, and those debts of the Issuer that are entitled to priority under Luxembourg law. Preferential rights arising by operation of law under Luxembourg law include (i) certain amounts owed to the Luxembourg Revenue; (ii) value-added tax and other taxes and duties owed to the Luxembourg Customs and Excise; (iii) social security contributions; and (iv) remuneration owed to employees. Transactions entered into or payments made by the Issuer during the hardening period (*période suspecte*), which is a maximum of six months and ten days, preceding the opening of insolvency proceedings, in particular the granting of security for antecedent debt or with inadequate consideration, shall be declared null and void. Further, if an adequate payment in relation to a due debt was made during the hardening period to the detriment of the general body of creditors, or if the party receiving such payment knew that the Issuer had ceased payments when such payment occurred, such preferential transactions may be invalidated. Generally, if the insolvency official demonstrates that the Issuer has given a preference to any person by defrauding the rights of creditors generally, a competent insolvency official, acting on behalf of the creditors, has the power to challenge such preferential transaction without limitation of time. In principle, a bankruptcy order rendered by a Luxembourg court does not result in an automatic termination of contracts except for personal (*intuitu personae*) contracts, that is, contracts for which the identity of the Issuer or its solvency were crucial. However, the insolvency official may choose to terminate certain onerous contracts. As of the date of adjudication of bankruptcy, no interest on any unsecured claim will accrue in relation to the bankruptcy estate. Insolvency proceedings may consequently have a material adverse effect on the Issuer's business and assets and the Issuer's respective obligations under the Notes (as Issuer).

ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg. Ambipar Participações e Empreendimentos S.A. is a corporation (*sociedade anônima*) organized under the laws of Brazil. Environmental ESG is a corporation (*sociedade anônima*) organized under the laws of Brazil and Response is an exempted company incorporated with limited liability under the laws of the Cayman Islands. All of the directors of the Issuer, all of the officers of Ambipar Participações e Empreendimentos S.A., and all or a significant portion of the assets of such persons may be located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States or other jurisdictions outside Brazil, Luxembourg or the Cayman Islands, upon such persons, or to enforce against such persons judgments predicated upon the civil liability provisions of the U.S. federal securities laws or the laws of such other jurisdictions.

In the Indenture pursuant to which the Notes will be issued, Ambipar, the Issuer and the Subsidiary Guarantors will (i) agree that the courts of the State of New York and the federal courts of the United States, in each case sitting in the Borough of Manhattan, in the City of New York, will have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with the Notes and the Note Guarantees and, for such purposes, irrevocably submit to the non-exclusive jurisdiction of such courts, and (ii) name an agent for service of process in the Borough of Manhattan, in the City of New York. See “*Description of the Notes.*”

Service of Process and Enforcement of Civil Liabilities in Luxembourg

The Issuer is a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg. All of the Issuer’s directors and executive officers are non-residents of the United States. In addition, all or a substantial portion of the assets of the Issuer and substantially all of the assets of its directors are located outside the United States. As a result, it may not be possible for you to serve process on these persons or the Issuer in the United States or to enforce judgments obtained in U.S. courts against them or the Issuer based on civil liability provisions of the securities laws of the United States.

The United States and Luxembourg are not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards rendered in civil and commercial matters. An enforceable judgment for the payment of monies rendered by any U.S. federal or state court based on civil liability, whether or not predicated solely upon U.S. securities laws, would not directly be enforceable in Luxembourg. However, a party who received such favorable judgment in a U.S. court may initiate enforcement proceedings in Luxembourg (*exequatur*) by requesting enforcement of the U.S. judgment by the District Court (*Tribunal d’Arrondissement*) pursuant to Articles 678 and following of the New Luxembourg Code of Civil Procedure. The District Court will authorize the enforcement in Luxembourg of the U.S. judgment if it is satisfied that all of the following conditions set out by Luxembourg case law are met:

- the U.S. court has applied the substantive law as designated by the Luxembourg conflict of laws rules (based on case law and legal doctrine, it is uncertain that this condition would still be required for an *exequatur* to be granted by a Luxembourg court);
- the U.S. court order or judgment must not result from an evasion of Luxembourg law (*fraude à la loi*);
- the U.S. court awarding the judgment has jurisdiction to adjudicate the respective matter under its applicable laws, and such jurisdiction is recognized by Luxembourg private international and local law;
- the judgment is final and enforceable in the jurisdiction where the decision has been rendered and has not been fully enforced in that jurisdiction;

- the judgment was granted following proceedings where the defendant had the opportunity to appear, was granted the necessary time to prepare its case and, if it appeared, could present a defense and other conditions for a fair trial have been complied with taking into account all facts and circumstances whether occurring before, during or after trial or issue and delivery of the judgement; and
- the considerations of the foreign order as well as the judgment do not contravene international public policy as understood under the laws of Luxembourg.

If an original action is brought in Luxembourg, a court of competent jurisdiction may refuse to apply the designated law if its application contravenes Luxembourg's international public policy and, if such action is brought on the basis of U.S. federal or state securities laws, may not have the requisite power to grant the remedies sought. In practice, Luxembourg courts now tend not to review the merits of a foreign judgment, although there is no clear statutory prohibition of such review.

Further, in the event of any proceedings being brought in a Luxembourg court in respect of a monetary obligation expressed to be payable in a currency other than Euro, a Luxembourg court would have power to give judgment expressed as an order to pay a currency other than Euro. However, enforcement of the judgment against any party in Luxembourg would be available only in Euro and for such purposes all claims or debts would be converted into Euro.

Provisional or summary proceedings and proceedings in criminal matters may be initiated before the Luxembourg courts if the measures to be implemented are to be effective in Luxembourg or if they relate to offences committed in or from Luxembourg.

The Luxembourg courts may require that any judgment obtained in a foreign court, and enforcement of which is being sought in Luxembourg, and any documents tabled as evidence, be translated into French or German.

Service of Process and Enforcement of Civil Liabilities in Brazil

The Brazilian Guarantors are corporations organized under the laws of Brazil. Substantially all of their officers reside in Brazil or elsewhere outside the United States. In addition, all or a substantial portion of their assets and substantially all of the assets of their officers are likely located outside the United States. As a result, it may not be possible for investors to effect service of process upon these persons within the United States or other jurisdictions outside Brazil or to enforce against them judgments predicated upon the civil liability provisions of the U.S. federal securities laws or the laws of such other jurisdictions.

In the terms and conditions of the Notes, the Brazilian Guarantors (i) agreed that the courts of the State of New York and the federal courts of the United States, in each case sitting in the Borough of Manhattan, City of New York, will have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with the Notes and, for such purposes, irrevocably submit to the jurisdiction of such courts; and (ii) name an agent for service of process in the Borough of Manhattan, City of New York. See "*Description of the Notes*."

We have been advised by Mattos Filho, Veiga Filho, Marrey Jr e Quiroga Advogados, Brazilian counsel to the Guarantors, that judgments of non-Brazilian courts for civil liabilities including those predicated upon the securities laws of countries other than Brazil, including U.S. securities laws, may be enforced in Brazil subject to certain requirements, as described below. A judgment against the Brazilian Guarantors or any of their directors and officers obtained outside Brazil would be enforceable in Brazil against the Brazilian Guarantors or any such person without retrial or reexamination of the merits, upon recognition of that judgment by the Brazilian Superior Court of Justice (*Superior Tribunal de Justiça*). That recognition, generally, will occur if the judgment:

- (i) is effective and complies with all formalities required for enforcement under the laws of the jurisdiction where it was rendered;

- (ii) is issued by a court of competent jurisdiction after proper service of process on the parties and such service of process either complies with Brazilian law, if made in Brazil, or, after sufficient evidence of the parties' absence has been given, as required by applicable law;
- (iii) is final and thus, not subject to appeal;
- (iv) is apostilled by the appropriate authority of the state rendering such foreign judgment in accordance with the Hague Convention of October 5, 1961 Abolishing the Requirement of Legalization for Foreign Public Documents, or the Apostille Convention, or, if the rendering state is not a signatory to the Apostille Convention, is duly authenticated by the appropriate Brazilian consulate;
- (v) does not violate a final and unappealable decision issued by a Brazilian court in case involving the same parties, cause of action and claims;
- (vi) is translated into Portuguese by a certified translator in Brazil, unless an exemption is provided by an international treaty to which Brazil is a signatory;
- (vii) is not contrary to Brazilian national sovereignty, public policy, public morality or human dignity; and
- (viii) does not violate the exclusive jurisdiction of the Brazilian judiciary authority.

We also have been further advised that:

- original actions may be brought in Brazilian courts in connection with this offering memorandum predicated solely on the federal securities laws of the United States and that, subject to applicable law, Brazilian courts may enforce liabilities in such actions against us or the directors and officers thereof and certain advisors named herein, provided that provisions of the federal securities laws of the United States do not contravene Brazilian public policy, good morals, national sovereignty or equitable principles and provided further that Brazilian courts can assert jurisdiction over such actions. However, the application of a foreign body of law by Brazilian courts may be difficult, as Brazilian courts consistently base their decisions on domestic law, or refrain from applying a foreign body of law for a number of reasons. Although remote, there is a risk that Brazilian courts, considering a relevant case-by-case rationale, may dismiss a petition to apply a foreign body of law and may adopt Brazilian laws to adjudicate the case. In any case, we cannot assure that Brazilian courts will confirm their jurisdiction to rule on such matter, which will depend on the connection of the case to Brazil and, therefore, must be analyzed on a case-by-case basis; and
- the ability of a creditor or other persons named above to satisfy a judgment by attaching certain of our assets, respectively, is limited by provisions of Brazilian law, to the extent that assets are located in Brazil.

The recognition process may be time-consuming and may also give rise to difficulties in enforcing the foreign judgment in Brazil. Accordingly, if any suit, action or proceeding in connection with the Notes are brought against the Brazilian Guarantors in a non-Brazilian court, we cannot assure you that recognition process would be conducted in a timely manner or that a Brazilian court would enforce a monetary judgment for violation of the securities laws of countries other than Brazil, including U.S. securities laws. A plaintiff, whether Brazilian or non-Brazilian, who resides outside Brazil or is outside Brazil during the course of litigation in Brazil regarding the Notes must provide a bond to guarantee the payment of court expenses and defendant's legal fees, if the plaintiff owns no real property in Brazil that may secure such payment, except for (i) lawsuits seeking to enforce negotiable instruments (which may be enforced in Brazilian courts without a review on the merits), foreign judgments and arbitral awards that have been duly recognized by the Superior Court of Justice; (ii) counterclaims; or (iii) when an international treaty or agreement to which Brazil is a party otherwise provides, as established under Article 83 *caput*

and §§1, I, II and III of the Brazilian Code of Civil Procedure. The bond must be sufficient to satisfy the payment of court fees and the defendant's attorney fees, as determined by a Brazilian judge.

The Brazilian Guarantors have also been advised that, if the Notes or the relevant indenture were to be declared void by a court applying the laws of the State of New York, a judgment obtained outside Brazil seeking to enforce the Note Guarantees granted by the Brazilian Guarantors may not be recognized by the Brazilian Superior Court of Justice.

If proceedings are brought with the Brazilian courts seeking to enforce obligations against us, payment shall be made in *reais*. Any judgment rendered in Brazilian courts in respect of any payment obligations would be expressed in *reais*. See *“Risk Factors—Risks Relating to the Notes, the Note Guarantees and Our Other Indebtedness—Judgments of Brazilian courts enforcing the Brazilian Guarantors’ obligations under the Note Guarantees would be payable only in Brazilian reais.”*

Service of Process and Enforcement of Civil Liabilities in the Cayman Islands

Response is an exempted company incorporated under the laws of the Cayman Islands with limited liability. Certain or all of the Response's directors and executive officers are non-residents of the United States. In addition, all or a substantial portion of the assets of the Response and substantially all of the assets of its directors are located outside the United States. As a result, it may not be possible for you to serve process on these persons or the Response in the United States or to enforce judgments obtained in U.S. courts against them or the Response based on civil liability provisions of the securities laws of the United States.

We have been advised by our Cayman Islands legal counsel, Carey Olsen, that the courts of the Cayman Islands are unlikely (i) to recognize or enforce against us judgments of courts of the United States predicated upon the civil liability provisions of the securities laws of the United States or any State; and (ii) in original actions brought in the Cayman Islands, to impose liabilities against us predicated upon the civil liability provisions of the securities laws of the United States or any State, so far as the liabilities imposed by those provisions are penal in nature. Although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, and or be of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman Islands Court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere. There is Privy Council authority (the decisions of which Court are binding on the Cayman Islands Court) in the context of a reorganization plan approved by the New York Bankruptcy Court which suggests that due to the universal nature of bankruptcy/insolvency proceedings, foreign money judgments obtained in foreign bankruptcy/insolvency proceedings may be capable of being enforced without applying the principles outlined above, subject to the limitations of the domestic Court's insolvency regime. However, subsequent English Supreme Court authority (which is highly persuasive but not binding on the Cayman Islands Court), has expressly rejected that approach in the context of a default judgment obtained in an adversary proceeding brought in the New York Bankruptcy Court by the receivers of the bankruptcy debtor against a third party, and which would not have been enforceable upon the application of the traditional common law principles summarized above and held that foreign money judgments obtained in bankruptcy/insolvency proceedings should, in appropriate circumstances, be enforced by applying the principles set out above, and not for instance by the simple exercise of the Courts' discretion. Those cases have been considered by the Cayman Islands Court. The Cayman Islands Court was not asked to consider the specific question of whether a judgment of a foreign bankruptcy court in an adversary proceeding would be enforceable in the Cayman Islands, but it did endorse the need for the provision of active assistance of overseas bankruptcy proceedings. We understand that the Cayman Islands Court's decision in that case has been appealed and it remains the case that the law regarding the enforcement of bankruptcy/insolvency related judgments is still in a state of uncertainty.

PLAN OF DISTRIBUTION

Under the terms and subject to conditions set forth in the purchase agreement, dated as of January 30, 2024 between us and BofA Securities, Inc., Banco BTG Pactual S.A. – Cayman Branch, Itau BBA USA Securities, Inc., Morgan Stanley & Co. LLC, Banco Bradesco BBI S.A., Santander US Capital Markets LLC and UBS Securities LLC, as initial purchasers, the Issuer has agreed to sell to the initial purchasers and the initial purchasers have agreed, severally and not jointly, subject to certain conditions, to buy from the Issuer the principal amount of the Notes set forth opposite their names in the table below:

Initial Purchasers of the Notes	Principal Amount of the Notes
BofA Securities, Inc.	U.S.\$165,000,000
Banco BTG Pactual S.A. – Cayman Branch	U.S.\$142,500,000
Itau BBA USA Securities, Inc.....	U.S.\$142,500,000
Morgan Stanley & Co. LLC	U.S.\$142,500,000
Banco Bradesco BBI S.A.	U.S.\$67,500,000
Santander US Capital Markets LLC.....	U.S.\$67,500,000
UBS Securities LLC.....	U.S.\$22,500,000
Total	U.S.\$750,000,000

Bradesco Securities Inc. will act as agent of Banco Bradesco BBI S.A. for sales of the notes units in the United States of America. Banco Bradesco BBI S.A. is not a broker-dealer registered with the SEC, and therefore may not make sales of any Notes in the United States to U.S. persons. Banco Bradesco BBI S.A. and Bradesco Securities Inc. are affiliates of Banco Bradesco S.A.

Banco BTG Pactual S.A. – Cayman Branch is not a broker-dealer registered with the SEC, and therefore may not make sales of any Notes in the United States or to U.S. persons except in compliance with applicable U.S. laws and regulations. To the extent that Banco BTG Pactual S.A. – Cayman Branch intends to sell the Notes in the United States, it will do so only through BTG Pactual US Capital, LLC or one or more U.S. registered broker-dealers, or otherwise as permitted by applicable U.S. law.

The purchase agreement provides that the obligations of the initial purchasers are subject to certain conditions precedent, including the approval of legal matters by counsel, delivery of legal opinions and to other conditions, and the initial purchasers are obligated to purchase all of the Notes if any are purchased. The purchase agreement also provides that if any of the initial purchasers defaults, the purchase commitments of non-defaulting initial purchasers may be increased or the offering may be terminated.

The initial purchasers propose to offer the Notes initially at the offering price on the cover page of this offering memorandum. After the initial offering, the offering price may be changed. The initial purchasers may offer and sell the Notes through certain of their affiliates. The initial purchasers are offering the notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the notes, and other conditions contained in the purchase agreement, such as the receipt by the initial purchasers of officer's certificates and legal opinions. The initial purchasers reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

The Notes have not been registered under the Securities Act or any state securities law and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except to qualified institutional buyers ("QIBs") in reliance on Rule 144A under the Securities Act that are also qualified purchasers (as defined in Section 2(a)(51) of the Investment Company Act). Except as permitted by the purchase agreement, the Notes will not be offered, sold or delivered (1) as part of the distribution at any time or (2) otherwise until 40 days after the later of the commencement of this offering and the closing date, within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. The Issuer has not registered nor has been registered with the SEC as investment company pursuant to the Investment Company Act, in reliance on Section 3(c)(7). To rely on Section 3(c)(7), the Issuer must have a "reasonable belief" that all purchasers of the Notes within the United States or to, or for the account or

benefit of, U.S. persons are qualified purchasers within the meaning of Section 2(a)(51) of the Investment Company Act at the time of their purchase of such securities. We will establish a reasonable belief for purposes of Section 3(c)(7) based upon the representations deemed made by the purchasers of the securities as set forth herein. Resales of the Notes are restricted as described under “*Transfer Restrictions*.”

In addition, until 40 days after the commencement of this offering, an offer or sale of the Notes within the United States by a broker/dealer (whether or not it is participating in the offering), may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to Rule 144A or pursuant to another exemption from registration under the Securities Act.

We expect that delivery of the Notes against payment thereof will be made to investors on or about February 6, 2024, which will be the 5th business day following the date of this offering memorandum (such settlement being referred to as “T+5”). Under Rule 15c6-1 under the Securities Exchange Act of 1934, trades in the secondary market are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes prior to the delivery of the Notes hereunder may be required, by virtue of the fact that the Notes initially settle in T+5, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes prior to their date of delivery hereunder should consult their advisors.

We have agreed to indemnify the initial purchasers, their controlling persons, and certain other related other persons against certain liabilities in connection with the offering including liabilities under the Securities Act or to contribute to payments that the initial purchasers may be required to make in that respect.

General

None of the Notes has been offered, sold or delivered nor will they be offered, sold or delivered, directly or indirectly, and neither this offering memorandum nor any other offering material relating to the Notes in or from any jurisdiction will be distributed, except under circumstances that will result in compliance with the applicable laws and regulations thereof and that will not impose any obligations on us except as set forth in the purchase agreement.

Purchasers of Notes sold outside the United States may be required to pay stamp taxes and other charges in compliance with the laws and practices of the country of purchase in addition to the price to investors on the cover page of this offering memorandum.

The initial purchasers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the initial purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. If any of the initial purchasers or their affiliates has a lending relationship with us, certain of those initial purchasers or their affiliates routinely hedge, and certain other of those initial purchasers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these initial purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes offered hereby. The initial purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Notes are a new issue of securities for which there currently is no market. The Issuer will apply to list the Notes on the main board of the SGX-ST. However, we cannot assure you that the listing application will be approved. The Issuer does not intend to apply for the Notes to be listed on any securities exchange or to arrange for

the Notes to be quoted on any quotation system other than the SGX-ST. The initial purchasers have advised us that they intend to make a market in the Notes as permitted by applicable law. They are not obligated, however, to make a market in the Notes and any market-making may be discontinued at any time at their sole discretion. Accordingly, no assurance can be given as to the development or liquidity of any market for the Notes or that you will be able to sell your Notes at a particular time or that the prices that you receive when you sell will be favorable. For more information, See *“Risk Factors—Risks Relating to the Notes, the Note Guarantees and Our Other Indebtedness—We cannot assure you that an active trading market for the Notes will develop.”*

In connection with this offering, the initial purchasers may engage in transactions that stabilize, maintain, or otherwise affect the price of the Notes. Specifically, the initial purchasers may over-allot this offering, creating a short position. The initial purchasers may bid for and purchase Notes in the open market to cover short positions. In addition, the initial purchasers may bid for and purchase Notes in the open market to stabilize the price of the Notes. These activities may stabilize or maintain the market price of the Notes above independent market levels. The initial purchasers are not required to engage in these activities and may end any of these activities at any time.

No Sale of Similar Securities

The Issuer and the Guarantors have agreed that, for a period of 120 days following the date of this offering memorandum, they will not, without the prior written consent of the initial purchasers, directly or indirectly, offer, pledge, sell, or contract to sell, or otherwise dispose of, or file with the Securities and Exchange Commission a registration statement under the Securities Act relating to, any U.S. dollar-denominated debt securities or securities exchangeable for or convertible into U.S. dollar-denominated debt securities or publicly disclose the intention to make any such offer, sale, pledge, contract to sell or disposition or filing (other than the Notes).

Notes Are Not Being Registered

The Notes and the Note Guarantee have not been and will not be registered under the Securities Act or any state securities law and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except to QIBs in reliance on Rule 144A under the Securities Act that are also qualified purchasers (as defined in Section 2(a)(51) of the Investment Company Act). In addition, the Issuer has not been registered under the Investment Company Act and the Issuer is excluded from the requirement to register under the Investment Company Act by virtue of Section 3(c)(7) thereunder. Section 3(c)(7) exempts from the provisions of the Investment Company Act those non-U.S. issuers who privately place their securities solely (x) in the United States to persons who at the time of purchase are Qualified Purchasers and (y) to non-U.S. persons outside the United States, in offshore transactions in accordance with Regulation S. In general terms, “Qualified Purchaser” is defined to mean, among other things, any natural person who owns not less than U.S. \$5,000,000 in investments; any person who in the aggregate owns and invests on a discretionary basis, not less than U.S. \$25,000,000 in investments; and trusts as to which both the settlor and the decision-making trustee are Qualified Purchasers (but only if such trust was not formed for the specific purpose of making such investment). Accordingly, the Notes offered hereby are being offered and sold only (i) in accordance with Rule 144A under the Securities Act to QIBs that are Qualified Purchasers and (ii) outside of the United States to non-U.S. persons in compliance with Regulation S.

We have been advised that the initial purchasers propose to resell the Notes at the offering price set forth on the cover page of this offering memorandum within the United States to QIBs as defined in and in accordance with Rule 144A that are also qualified purchasers and outside the United States to non-U.S. persons in accordance with Regulation S. Each initial purchaser has agreed, in connection with sales of notes outside the United States, that, except as permitted by the purchase agreement and set forth in “Transfer Restrictions,” it will not offer or sell the Notes within the United States or to, or for the account or benefit of, U.S. persons as part of its distribution at any time, or otherwise until 40 days after the later of the commencement of this offering and the closing date of this offering.

In addition, until 40 days after the commencement of this offering, an offer or sale of Notes within the United States by a dealer that is not participating in this offering may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

Selling Restrictions

The Notes offered hereby may not be offered or sold, directly or indirectly, nor may this offering memorandum or any other offering material or advertisements in connection with the offer and sale of the Notes be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of such jurisdiction. Persons into whose possession this offering memorandum comes are advised to inform themselves about and to observe any restrictions relating to the offering of the Notes and the distribution of this offering memorandum. This offering memorandum does not constitute an offer to purchase or a solicitation of an offer to sell any of the Notes offered hereby in any jurisdiction in which such an offer or a solicitation is unlawful.

European Economic Area

The Notes (and related Note Guarantees) are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes:

- (a) the expression “retail investor” means a person who is one (or more) of:
 - (i) a retail client as defined in point (11) of Article 4(1) MiFID II; or
 - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Consequently, no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and, therefore, offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This offering memorandum has been prepared on the basis that any offer of the Notes in any member state of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of notes. This offering memorandum is not a prospectus for the purposes of the Prospectus Regulation.

Each person in a member state of the EEA to whom any offer of notes is made or who receives any communication in respect of, or who initially acquires any notes under, the offers contemplated in this offering memorandum, or to whom the notes are otherwise made available will be deemed to have represented, warranted and agreed to and with the initial purchasers and us that it and any person on whose behalf it acquires notes as a financial intermediary, as that term is defined in Article 3(2) of the Prospectus Regulation, is (i) a “qualified investor” within the meaning of the law in that member state implementing Article 2(1)(e) of the Prospectus Regulation and (ii) not a “retail investor” as defined above.

United Kingdom

The Notes (and related Note Guarantees) are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes:

- (a) the expression “retail investor” means a person who is one (or more) of:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes. This document is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). Any Notes will only be available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA, or the U.K. PRIIPs Regulation, for offering or selling the Notes or otherwise making them available to retail investors in the U.K. has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the U.K. may be unlawful under the U.K. PRIIPs Regulation.

Luxembourg

This offering memorandum has not been approved by, and will not be submitted for approval to, the Luxembourg Financial Services Authority (*Commission de Surveillance du Secteur Financier*, the “CSSF”) or a competent authority of another EU Member State for notification to the CSSF, where applicable, for purposes of a public offering or sale in the Grand Duchy of Luxembourg. Accordingly, the Notes may not be offered or sold to the public in Luxembourg, directly or indirectly, and neither this offering memorandum nor any other offering circular, prospectus, form of application, advertisement or other material may be distributed, or otherwise made available in, from or published in, Luxembourg, except in circumstances which do not constitute an offer of securities to the public requiring the publication of a prospectus in accordance with the Luxembourg Law of July 16, 2019 on prospectuses for securities (the “Prospectus Law”) and in accordance with the Prospectus Regulation. Consequently, this offering memorandum and any other offering circular, prospectus, form of application, advertisement or other material may only be distributed to (i) Luxembourg qualified investors as defined in the Prospectus Regulation, (ii) no more than 150 prospective investors, which are not qualified investors and/or (iii) in any other circumstance contemplated by the Prospectus Law and the Prospectus Regulation.

Switzerland

The Notes (and related Note Guarantees) may be offered in Switzerland only on the basis of a non-public offering. This offering memorandum does not constitute an issuance prospectus according to Sections 652a or 1156 of the Swiss Federal Code of Obligations or a listing prospectus according to Section 27 of the SIX Swiss Exchange. The Notes may not be offered or distributed to the public in or from Switzerland and neither this offering memorandum nor any other offering materials relating to the Notes may be publicly issued in connection with any such offer or distribution. The Notes have not been and will not be approved by any Swiss regulatory authority. In

particular, the Notes are not and will not be registered with or supervised by the Swiss Financial Market Supervisory Authority (FINMA), and investors may not claim protection under the Swiss Collective Investment Schemes Act.

The Netherlands

None of the Notes (and related Note Guarantees) was offered nor sold and will not be offered nor sold to persons, in or from the Netherlands, as part of the initial distribution or as part of any reoffering, and neither this offering memorandum nor any other document in respect of the offering may be distributed in or from the Netherlands, other than to individuals or legal entities who or which trade or invest in securities in the conduct of their profession or trade (which includes banks, investment banks, securities firms, insurance companies, pension funds, other institutional investors and treasury departments and finance companies of large enterprises), in which case, it must be made clear upon making the offer and from any documents or advertisements in which a forthcoming offering of Notes is publicly announced that the offer is exclusively made to such individuals or legal entities, or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in or from the Netherlands within the meaning of the Dutch Financial Supervision Act (*Wet op het Financieel Toezicht*) and the rules promulgated thereunder.

Brazil

The offer and sale of the Notes have not been and will not be registered with the Brazilian securities commission (*Comissão de Valores Mobiliários*, or “CVM”) and, therefore, will not be carried out by any means that would constitute a public offering in Brazil under CVM resolution No. 160, dated 13 July 2022, as amended (“CVM Resolution 160”) or unauthorized distribution under Brazilian laws and regulations. The Notes will be authorized for trading on organized non-Brazilian securities markets and may only be offered to Brazilian professional investors (as defined by applicable CVM regulation), who may only acquire the Notes through a non-Brazilian account, with settlement outside Brazil in non-Brazilian currency. The trading of these Notes on regulated securities markets in Brazil is prohibited.

Mexico

The Notes have not been, and will not be, registered with the National Securities Registry maintained by the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*), or the CNBV, and, therefore the Notes may not be publicly offered or sold nor be the subject of intermediation in Mexico, publicly or otherwise, except that the Notes may be offered in Mexico to institutional and qualified investors pursuant to the private placement exception set forth in Article 8 of the Mexican Securities Market Law.

Colombia

The Notes (and related Note Guarantees) may not be offered, sold or negotiated in Colombia, except under circumstances which do not constitute a public offering of securities under applicable Colombian securities laws and regulations. Furthermore, foreign financial entities must abide by the terms of Decree 2555 of 2010 to offer privately the Notes to their Colombian clients.

Peru

The Notes (and related Note Guarantees) and the information contained in this offering memorandum are not being publicly marketed or offered in Peru and will not be distributed or caused to be distributed to the general public in Peru. Peruvian securities laws and regulations on public offerings will not be applicable to the offering of the Notes and therefore, the disclosure obligations set forth therein will not be applicable to the Issuer or the sellers of the Notes before or after their acquisition by prospective investors. The Notes and the information contained in this offering memorandum have not been and will not be reviewed, confirmed, approved or in any way submitted to the Peruvian National Supervisory Commission of Companies and Securities (*Comisión Nacional Supervisora de Empresas y Valores*) nor have they been registered under the Securities Market Law (*Ley del Mercado de Valores*) or any other Peruvian regulations. Accordingly, the Notes cannot be offered or sold within Peruvian territory except

to the extent any such offering or sale qualifies as a private offering under Peruvian regulations and complies with the provisions on private offerings set forth therein.

Chile

The Notes (and the related Note Guarantees) may not be offered or sold in Chile, directly or indirectly, by means of a “Public Offer” (as defined under the Chilean Securities Market Law and regulations from the Financial Market Commission (“CMF”). Chilean institutional investors (such as banks, pension funds and insurance companies) are required to comply with specific restrictions relating to the purchase of the Notes. Pursuant to Chilean law, a public offering of securities is an offering that is addressed to the general public or to certain specific categories or groups thereof. Considering that the definition of public offering is broad, even an offering addressed to a small group of investors may be considered to be addressed to a certain specific category or group of the public and therefore be considered public under applicable law.

On June 27, 2012, the CMF issued Norma de Carácter General No. 336 (General Rule No. 336, hereinafter “NCG 336”), which is intended to govern the private offering of securities in Chile. NCG 336 provides that the offering of securities that meet the conditions described therein shall not be considered public offerings in Chile and shall be exempted from complying with the general rules applicable to public offerings.

The following information is provided to prospective investors pursuant to NCG 336: (i) Date of commencement of the offer is the date set forth on the cover page of this offering memorandum; The offer of the notes is subject to CMF rule (*norma de carácter general*) No. 336, dated June 27, 2012, as amended, issued by the CMF; (ii) The subject matter of this offer are securities not registered with the securities registry (*registro de valores*) or the foreign securities registry (*registro de valores extranjeros*) kept by the CMF. As a consequence, the notes are not subject to the oversight of the CMF; (iii) Since the notes are not registered in Chile, the issuer is not obliged to provide public information about the notes in Chile; and (iv) The notes shall not be subject to public offering in Chile unless registered with the relevant securities registry kept by the CMF.

Cayman Islands

No invitation whether directly or indirectly may be made to members of the public in the Cayman Islands to subscribe for the Notes unless the Issuer is listed on the Cayman Islands Stock Exchange. Notes may, however, be offered and sold to ordinary non-resident and exempted companies of the Cayman Islands.

Hong Kong

The Notes (and related Note Guarantees) may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Notes (and related Note Guarantees) have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “FIEA”) and the Notes will not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan,

except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act 2001 of Singapore (the “SFA”). Accordingly, this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA), (ii) to a relevant person (as defined in Section 275(2) of the SFA), or any person pursuant to an offer referred to in Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are acquired by persons who are relevant persons specified in Section 276 of the SFA, namely:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, the shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:
 - to an institutional investor (under Section 274 of the SFA) or to a relevant person as defined in Section 275(2) of the SFA, or any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than US\$200,000 for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets and further for corporations, in accordance with the conditions specified in Section 275(1A) of the SFA;
 - where no consideration is or will be given for the transfer;
 - where the transfer is by operation of law;
 - as specified in Section 276(7) of the SFA; or
 - as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

United Arab Emirates

The Notes (and related Note Guarantees) may not be, have not been and are not being sold, subscribed for, transferred or delivered in the UAE other than in compliance with the laws of the UAE governing the sale, subscription for, transfer and delivery of securities.

Dubai International Financial Centre

The Notes (and related Note Guarantees) may not be, are not and will not be sold, subscribed for, transferred or delivered, directly or indirectly, to any person in the Dubai International Financial Centre who is not a client within the meaning of the Conduct of Business Module of the Rules of the Dubai Financial Services Authority or a qualified investor within the meaning of the Offered Securities Rules of the Dubai Financial Services Authority.

Canada

The Notes (and related Note Guarantees) may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), the dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with any offering of Notes.

TRANSFER RESTRICTIONS

Because of the following restrictions, investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Notes.

The Notes (and the related Note Guarantees) have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only (1) to certain QIBs (as defined in Rule 144A) in compliance with Rule 144A that are also qualified purchasers (as defined in Section 2(a)(51) of the Investment Company Act and the rules thereunder), or (2) outside the United States to non-U.S. persons in reliance upon Regulation S. As used in this section, the terms “United States,” “U.S. person” and “offshore transactions” have the meanings given to them in Regulation S.

The Issuer has not registered nor has been registered with the SEC as an investment company pursuant to the Investment Company Act, in reliance on Section 3(c)(7) thereof. To rely on Section 3(c)(7), the Issuer must have a “reasonable belief” that all purchasers of the Notes within the United States or that are, or are acting for the account or benefit of, U.S. persons are qualified purchasers within the meaning of Section 2(a)(51) of the Investment Company Act and the rules thereunder at the time of their purchase of such securities. We will establish a reasonable belief for purposes of Section 3(c)(7) based (i) upon the representations deemed made by the purchasers of the securities as set forth herein and (ii) the procedures and restrictions referred to herein.

Each purchaser of Notes or beneficial owner of the Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with us and the initial purchasers as follows:

1. It is:
 - (i) a QIB that is also a qualified purchaser, (ii) not a broker-dealer that owns and invests on a discretionary basis less than U.S.\$25 million in securities of unaffiliated issuers, (iii) not a plan referred to in paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such a plan, if investment decisions with respect to the plan are made by beneficiaries of the plan, (iv) aware that the sale of the Notes to it is being made in reliance on Rule 144A and (v) is acquiring the Notes for its own account or for the account of a QIB that is also a qualified purchaser; or
 - not a U.S. person (and is not purchasing for the account or benefit of a U.S. person) and is purchasing the Notes outside the United States in compliance with Regulation S.
2. It understands that the Notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act and that the Notes have not been registered under the Securities Act.
3. It understands and acknowledges that the Issuer is not registered as an investment company under the Investment Company Act, and that the Issuer is exempt from registration as such by virtue of Section 3(c)(7) of the Investment Company Act.
4. It (i) was not formed for the purpose of investing in the Notes unless each of its beneficial owners is a QIB and a Qualified Purchaser, (ii) for each account for which it is purchasing, is holding and transferring at least the minimum denomination of the Notes, (iii) is aware and understand that the Issuer may receive, upon its request, a list of participants holding interests in the Notes from one or more book-entry depositories and (iv) is able to and will provide notice of the transfer restrictions to subsequent transferees.
5. It will not offer, resell, pledge or otherwise transfer Notes except: (i) to a QIB that is also a qualified purchaser (as defined in Section 2(a)(51) of the Investment Company Act) in a transaction that is

exempt from registration under the Securities Act or (ii) outside the United States to non-U.S. persons in offshore transactions in accordance with Rule 903 or Rule 904 of Regulations S.

in each case in accordance with any applicable securities laws of any state of the United States and other jurisdictions. In addition, it will, and each subsequent holder is required to, notify any subsequent purchaser of those Notes from it of the resale restrictions referred to above.

6. If it is acquiring the Notes in a sale being made in reliance upon Rule 144A, it understands that the Notes will, unless otherwise decided by us, bear a legend substantially to the following effect:

“This security has not been registered under the Securities Act or the securities laws of any state or other jurisdiction. Neither this security nor any interest or participation herein may be reoffered, sold, assigned, transferred, pledged, encumbered or otherwise disposed of within the United States, or for the account or benefit of U.S. persons, in the absence of such registration or unless such transaction is exempt from, or not subject to, such registration.

The holder of this security by its acceptance hereof: (1) represents that it is a “qualified institutional buyer” (as defined in Rule 144A) that it is also a “qualified purchaser” (as defined in Section 2(a)(51) of the Investment Company Act and the rules thereunder) purchasing this security for its own account or for the account of one or more qualified institutional buyers that are also “qualified purchasers” (as defined in Section 2(a)(51) of the Investment Company Act and the rules thereunder); (2) agrees to offer, sell or otherwise transfer such security, only (a) to the issuer or any affiliate thereof, (b) for so long as the Notes are eligible for resale pursuant to Rule 144A, to a person it reasonably believes is a “qualified institutional buyer” that is also a qualified purchaser purchasing for its own account or for the account of one or more qualified institutional buyers that are also qualified purchasers to whom notices are given that the transfer is being made in reliance on Rule 144A in a transaction meeting the requirements of Rule 144A, (c) pursuant to offers and sales to a person that is not a U.S. person that occur outside the United States in compliance with Rule 903 or 904 under Regulation S under the Securities Act, in each case in accordance with all applicable securities laws of the states of the United States or any other applicable jurisdiction; and (3) agrees that it will deliver to each person to whom this security is transferred a notice substantially to the effect of this restrictive legend. This legend will be removed only at the option of the issuer.

BY ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT EITHER (I) NO PORTION OF THE ASSETS USED BY SUCH PURCHASER OR HOLDER TO ACQUIRE OR HOLD THIS NOTE (OR ANY INTEREST HEREIN) CONSTITUTES ASSETS OF ANY (A) “EMPLOYEE BENEFIT PLAN” WITHIN THE MEANING OF SECTION 3(3) OF U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), WHICH IS SUBJECT TO TITLE I OF ERISA (B) PLAN, INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”) OR PROVISIONS UNDER ANY OTHER U.S. OR NON-U.S. FEDERAL, STATE, LOCAL OR OTHER LAWS OR REGULATIONS THAT ARE SIMILAR TO THE FIDUCIARY RESPONSIBILITY OR PROHIBITED TRANSACTION PROVISIONS OF TITLE I ERISA OR SECTION 4975 OF THE CODE (COLLECTIVELY REFERRED TO AS “SIMILAR LAWS”), OR (C) ENTITY WHOSE UNDERLYING ASSETS ARE CONSIDERED TO INCLUDE THE ASSETS OF ANY OF THE FOREGOING DESCRIBED IN CLAUSES (A) AND (B), PURSUANT TO ERISA OR OTHERWISE, OR (II) THE PURCHASE, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST HEREIN) BY SUCH PURCHASER OR HOLDER WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A SIMILAR VIOLATION UNDER ANY APPLICABLE SIMILAR LAWS.”

The confirmations relating to trades of the Notes sold in reliance on Rule 144A will contain a CUSIP number which has a fixed field attached thereto containing “Section 3(c)(7)” and “Rule 144A” indicators.

7. If it is acquiring the Notes in a sale being made in reliance upon Regulation S, it understands that the Notes will bear a legend substantially to the following effect:

“This security has not been registered under the Securities Act, or the securities laws of any state or other jurisdiction, and, accordingly, may not be offered or sold within the United States or to or for the account or benefit of U.S. persons except as set forth in the following sentence, and the issuer has not been registered under the Investment Company Act. By its acquisition hereof, the holder (1) represents that it is not a U.S. person, is not acquiring this security for the account or benefit of a U.S. person and is acquiring this security in an offshore transaction in accordance with Regulation S under the Securities Act, (2) by its acceptance hereof, agrees to offer, sell or otherwise transfer such security only (a) to the issuer or any affiliate thereof, (b) for so long as the Notes are eligible for resale pursuant to Rule 144A, to a person it reasonably believes is a “qualified institutional buyer” as defined in Rule 144A that is also a “qualified purchaser” (as defined in Section 2(a)(51) of the Investment Company Act and the rules thereunder) purchasing for its own account or for the account of one or more qualified institutional buyers that are also qualified purchasers to whom notices are given that the transfer is being made in reliance on Rule 144A in a transaction meeting the requirements of Rule 144A or (c) pursuant to offers and sales that occur outside the United States in compliance with Rule 903 or 904 under Regulation S under the Securities Act, in each case in accordance with all applicable securities laws of the states of the United States or any other applicable jurisdiction and (3) agrees that it will deliver to each person to whom this security is transferred a notice substantially to the effect of this restrictive legend. This legend will be removed only at the option of the issuer. As used herein, the terms “offshore transaction,” “United States” and “U.S. person” have the meanings given to them by Regulation S under the Securities Act.

BY ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT EITHER (I) NO PORTION OF THE ASSETS USED BY SUCH PURCHASER OR HOLDER TO ACQUIRE OR HOLD THIS NOTE (OR ANY INTEREST HEREIN) CONSTITUTES ASSETS OF ANY (A) “EMPLOYEE BENEFIT PLAN” WITHIN THE MEANING OF SECTION 3(3) OF U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), WHICH IS SUBJECT TO TITLE I OF ERISA (B) PLAN, INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”) OR PROVISIONS UNDER ANY OTHER U.S. OR NON-U.S. FEDERAL, STATE, LOCAL OR OTHER LAWS OR REGULATIONS THAT ARE SIMILAR TO THE FIDUCIARY RESPONSIBILITY OR PROHIBITED TRANSACTION PROVISIONS OF TITLE I ERISA OR SECTION 4975 OF THE CODE (COLLECTIVELY REFERRED TO AS “SIMILAR LAWS”), OR (C) ENTITY WHOSE UNDERLYING ASSETS ARE CONSIDERED TO INCLUDE THE ASSETS OF ANY OF THE FOREGOING DESCRIBED IN CLAUSES (A) AND (B), PURSUANT TO ERISA OR OTHERWISE, OR (II) THE PURCHASE, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST HEREIN) BY SUCH PURCHASER OR HOLDER WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A SIMILAR VIOLATION UNDER ANY APPLICABLE SIMILAR LAWS.”

8. If it is a purchaser in a sale that occurs outside the United States within the meaning of Regulation S, it agrees that no offer or sale of the Notes shall be made by it to a U.S. person or for the account or benefit of a U.S. person within the meaning of Rule 902(o) of the Securities Act except to a QIB that is also a qualified purchaser and in compliance with the applicable restrictions set forth in paragraph (4) above.

9. It will be deemed to have represented and warranted that either: (i) no portion of the assets used to acquire or hold the Notes (or any interest therein) constitutes assets of any Plan or (ii) its purchase and holding of the Notes (and any interest therein) will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Laws.
10. It acknowledges that the Issuer, the Guarantors and the initial purchasers will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that, if any of the acknowledgments, representations or warranties deemed to have been made by its purchase of Notes are no longer accurate, it will promptly notify the Issuer, the Guarantors and the initial purchasers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.
11. If it, or any other person for which it is acting, is an investment company exempted from the Investment Company Act pursuant to Section 3(c)(1) or Section 3(c)(7) thereof (or a foreign investment company under Section 7(d) thereof relying on Section 3(c)(1) or Section 3(c)(7) with respect to its holders that are U.S. persons) and was formed on or before April 30, 1996, it has received consent of the beneficial owners who acquired their interest on or before April 30, 1996, with respect to its treatment as a qualified purchaser in the manner required by Section 2(a)(51)(C) of the Investment Company Act and the rules promulgated thereunder.
12. It understands that the Issuer may receive a list of participants holding positions in its securities from one or more book-entry depositories.

The legends described above (including the restrictions on resale specified therein) may be removed solely in our discretion and at our direction.

Each purchaser of Notes will be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in the Notes, as well as holders of the Notes.

Each person purchasing Notes from the initial purchasers or through an affiliate of the initial purchasers, by accepting delivery of this offering memorandum, acknowledges that: (i) it has not relied on the initial purchasers or any person affiliated with the initial purchasers in connection with its investigation of the accuracy of the information contained in this offering memorandum or its investment decision; and (ii) no person has been authorized to give any information or to make any representation concerning us or the Notes other than those contained in this offering memorandum and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the initial purchasers.

Any resale or other transfer, or attempted resale of other transfer, made other than in compliance with the above stated restrictions shall not be recognized by us.

Reminder notices

At least annually, and each time the Issuer or the Guarantors send a periodic reports to holders of Notes, the Issuer or the Guarantors will send to all holders of the Notes a reminder notice stating that: (i) each beneficial holder that is a U.S. person is required to be both a QIB (as defined in Rule 144A) and a “qualified purchaser” (as defined in Section 2(a)(51) of the Investment Company Act and the rules thereunder) that can make the representations and agreements set forth under this “Transfer Restrictions”, (ii) the notes can be transferred only to another U.S. person that is both a QIB (as defined in Rule 144A) and a “qualified purchaser” (as defined in Section 2(a)(51) of the Investment Company Act and the rules thereunder) that can make such representations and agreements or to a non-U.S. person in an offshore transaction in accordance with Regulation S and (iii) any such transfer not in accordance with such provisions is void *ab initio* and the Issuer has the right to force any beneficial holder who is in breach of any such representations and agreements to sell its notes. The Issuer or the Guarantors will send the annual or periodic report, together with the reminder notice, to each holder with a request that such holder pass the

notifications along to beneficial owners of Notes; provided, that so long as the Notes are in the form of Global Notes (as defined above), the Issuer or the Guarantors may instead arrange for an “Important Notice” to be sent to participants identified by the book-entry system(s) in which the notes are deposited with a request that participants pass them along to beneficial owners.

Forced Sale for Non-QIBs/QPs

The Issuer has the right under the Indenture to require any holder of a note (or beneficial interest therein) that is a U.S. person and is determined not to have been both (i) a QIBs (as defined in Rule 144A) and (ii) a “qualified purchasers” (as defined in Section 2(a)(51) of the Investment Company Act and the rules thereunder) at the time of acquisition of such note (or such beneficial interest therein) or is otherwise determined to be in breach, at the time given, of any of the representations and agreements contained in this “Transfer Restrictions” to transfer such Note (or such beneficial interest therein), within 30 days after notice of the sale requirement is given, to a transferee acceptable to the Issuer who is able to and who does make all of the representations and agreements set forth in this “Transfer Restrictions.” See “Description of the Notes—Issuer Right to Require Resale.” If such beneficial owner fails to effect the transfer required within such 30-day period, (x) the Issuer shall cause such beneficial owner’s interest in such Note to be transferred in a commercially reasonable sale arranged by the Issuer (conducted in accordance with Section 9-610(b) of the Uniform Commercial Code as in effect in the State of New York as applied to securities that are sold on a recognized market or that may decline speedily in value) to a person to whom such Note (or interest therein) may be transferred in accordance with the transfer restrictions set forth in the Indenture and (y) pending such transfer, no further payments will be made in respect of such Note held by such beneficial owner.

Depository Actions

The Issuer shall direct the Depository to take the following steps in connection with the Notes:

- (i) to include the “3c7”, “144A” and any related marker in the Depository 20-character security descriptor and the 48-character additional descriptor of the Notes in order to indicate that sales are limited to persons that are QIB that are also Qualified Purchaser;
- (ii) to cause each physical Depository delivery order ticket delivered by the Depository to purchasers to contain the Depository 20- character security descriptor and cause each Depository deliver order ticket delivered by the Depository to purchasers in electronic form to contain the “3c7” indicator and the related user manual for participants, which shall contain a description of the relevant restrictions;
- (iii) to send a Section 3(c)(7) Reminder Notice to all Participants in connection with the offering of the Notes; provided that the Issuer may instruct the Depository from time to time (but not more frequently than every six months) to reissue the notice;
- (iv) to provide the Issuer, upon the Issuer’s request, a list of all Participants holding the Notes; and
- (v) to include the Notes in the Depository’s “Reference Directory” of Section 3(c)(7) offerings made pursuant to Section 3(c)(7).

Bloomberg Screens.

The Issuer shall request that Bloomberg, L.P. and any other third-party vendor include the following on each Bloomberg or other similar screen containing information about the Notes:

- (i) The “Note Box” on the bottom of the “Security Display” page describing each Note should state: “Iss’d Under 144A/3c7”;

(ii) The “Security Display” page should have a flashing red indicator stating “See Other Available Information”;

(iii) Such indicator should link to an “Additional Security Information” page, which should state that the Notes “are being offered in reliance on the exemption from registration under Rule 144A under the Securities Act to Persons that are both (1) QIBs (as defined in Rule 144A under the Securities Act) and (2) Qualified Purchasers (as defined under Section 3(c)(7))”; and

(iv) the “Disclaimer” page for the Notes should state that such Notes “shall not be and have not been registered under the Securities Act of 1933, as amended, and the Issuer with respect to such Notes have not been registered under the Investment Company Act of 1940, as amended, and these securities may not be offered or sold to any person absent an applicable exemption from registration requirements and any such offer or sale of these securities must be in accordance with Section 3(c)(7) of the Investment Company Act of 1940, as amended.”

LEGAL MATTERS

The validity of the Notes and the Note Guarantees will be passed upon for the Issuer and the Guarantors by Simpson Thacher & Bartlett LLP, U.S. counsel to the Issuer and the Guarantors, and for the initial purchasers by White & Case LLP, U.S. counsel to the initial purchasers.

Certain matters of Brazilian law relating to the Notes and the Note Guarantees will be passed upon for the Issuer and the Guarantors by Mattos Filho, Veiga Filho, Marrey Jr e Quiroga Advogados, Brazilian counsel to the Issuer and the Guarantors, and Pinheiro Neto Advogados, Brazilian counsel to the initial purchasers. Certain matters of Cayman Islands law will be passed upon for the Issuer by Carey Olsen, Cayman Islands counsel to the Issuer. Certain matters of Luxembourg law will be passed upon for the Issuer by Elvinger Sarl PLLC, Luxembourg counsel to the Issuer.

INDEPENDENT AUDITORS

Our audited individual and consolidated financial statements as of and for the years ended December 31, 2022, 2021 and 2020, prepared in accordance with IFRS, as issued by the IASB, included elsewhere in this offering memorandum, have been audited by BDO RCS Auditores Independentes S.S. Ltda., independent auditors, as stated in their report appearing therein.

With respect to our unaudited interim condensed individual and consolidated financial statements as of September 30, 2023 and for the three and nine-month ended September 30, 2023 and 2022, included elsewhere in this offering memorandum, BDO RCS Auditores Independentes S.S. Ltda. reported that they have applied limited procedures in accordance with professional standards for a review of such interim financial information. However, their report dated November 13, 2023, included herein states that they did not audit, and they do not express an opinion on that unaudited interim condensed individual and consolidated financial statements. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

BDO RCS Auditores Independentes S.S. Ltda is a member of the Brazilian Institute of Accountants (*Instituto dos Auditores Independentes do Brasil*), or IBRACON, and the Brazilian Federal Accounting Council (*Conselho Federal de Contabilidade*), or the CFC.

LISTING AND GENERAL INFORMATION

1. We expect that the Notes will be delivered in book-entry form through DTC, and its direct and indirect participants, including Clearstream and Euroclear, on February 6, 2024. The CUSIP and ISIN numbers for the Notes are as follows:

	<u>Restricted Global Note</u>	<u>Regulation S Global Note</u>
CUSIP	02319W AA9	L0183E AA3
ISIN	US02319WAA99	USL0183EAA30

2. Copies of our latest audited financial statements and unaudited interim financial statements, copies of the Issuer's articles of association and the Guarantors' *estatuto social* (by-laws) and the deed of incorporation and articles of association, as applicable, as well as the Indenture (including forms of Notes and the related Note Guarantees), will be available, free of charge, at the offices of the trustee (the Issuer's articles of incorporation may also be inspected at the Luxembourg Trade and Companies' Register of Commerce and Companies during normal business hours).
3. Except as disclosed in this offering memorandum, there has been no material adverse change in our financial position since September 30, 2023, the date of our latest financial information included herein.
4. Application will be made for the listing and quotation of the Notes on the SGX-ST.
5. Upon any issuance of individual definitive Notes, the Issuer shall appoint and maintain a paying agent in Singapore where the Notes may be presented or surrendered for payment or redemption. In addition, in the event that the global Notes are exchanged for individual definitive notes, announcement of such exchange shall be made by or on behalf of us through the SGX-ST and such announcement will include all material information with respect to the delivery of the individual definitive notes, including details of the paying agent in Singapore. For so long as the Notes are listed on the SGX-ST and the rules of such exchange so require, the Issuer will also appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption.
6. The issuance of the Notes was authorized by the Issuer's Board of Managers on January 19, 2024 and the pricing terms will be ratified at the Board of Managers meeting to be held on February 1, 2024. The issuance of the Note Guarantees by Response was authorized by its respective governing bodies on January 21, 2024. The issuance of the Note Guarantees by Ambipar and Environmental was authorized by their respective governing bodies on January 30, 2024.
7. We are not involved in any legal, administrative or arbitration proceeding that is material in the context of the issuance of the Notes. We are not aware of any material legal, administrative or arbitration proceeding that is pending or threatened against us except as disclosed in this offering memorandum.

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

To
Shareholders, Directors and Managers of
Ambipar Participações e Empreendimentos S.A.
São Paulo - SP

Introduction

We have reviewed the individual and consolidated interim financial information of **Ambipar Participações e Empreendimentos S.A. ("Company")**, identified as Company and consolidated, respectively, included in the interim information for the quarter ended September 30, 2023, which comprise the interim statement of financial position, individual and consolidated, as at September 30, 2023 and the respective interim statements, individual and consolidated, of income and comprehensive income for the three and nine-months periods then ended, and interim statements, individual and consolidated, changes in equity and cash flows for nine-month period then ended, as well as the corresponding notes to the quarterly information.

The Company's Management and its controlled companies are responsible for the preparation of this individual and consolidated interim financial information in accordance with Technical Pronouncement CPC 21 (R1) - Interim Financial Statements and with International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and for the presentation of this individual and consolidated interim financial information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the Quarterly Information (ITR). Our responsibility is to express a conclusion on this individual and consolidated interim financial information based on our review.

Scope of the review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently, it did not allow us to obtain assurance that we became aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, we are not aware of any fact that leads us to believe that the individual and consolidated interim financial information included in the Quarterly Information referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information (ITR).

Other matters

Individual and consolidated interim statements of value added (DVA) - supplementary information

We also reviewed the individual and consolidated interim statements of value added for the nine-month period ended September 30, 2023, prepared by the Company's Management, whose disclosure in the interim financial information is required in accordance with the standards issued by CVM and considered as supplemental information by the IAS 34, which do not require the disclosure of the statement of value added. These statements were submitted to review procedures carried out along with the review of the quarterly information, aiming to conclude if they are in accordance with the individual and consolidated interim financial information and accounting records, as applicable, and if its form and contents are in accordance with the criteria established in Technical Pronouncement CPC 09 - Statement of value added. Based on our review, we are not aware of any fact that would lead us to believe that these individual and consolidated interim statements of value added were not prepared, in all material respects, in accordance with the criteria established in this technical pronouncement and consistently with the individual and consolidated interim financial information taken as whole.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

Campinas, November 13, 2023.



BDO RCS Auditores Independentes SS Ltda.
CRC 2 SP 013846/O-1



Esmir de Oliveira
Accountant CRC 1 SP 109628/O-0

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Individual and consolidated interim statements of financial position

As of September 30, 2023 and December 31, 2022

(Values expressed in thousands of Brazilian Reais)

Assets						Liabilities and net equity					
	Note	Parent company		Consolidated			Note	Parent company		Consolidated	
		09/30/2023	12/31/2022	09/30/2023	12/31/2022			09/30/2023	12/31/2022	09/30/2023	12/31/2022
Current						Current					
Cash and cash equivalents	4	128,761	430,583	1,686,772	2,853,123	Loans and financing	10	57,033	59,154	351,656	489,116
Financial Application	4	41,671	5,085	874,621	57,167	Debentures	11	169,988	121,300	484,797	439,452
Accounts receivable	5	-	-	1,193,154	1,041,766	Trade accounts payable	12	9,641	-	408,961	246,014
Recoverable taxes	6	20,076	16,381	202,351	112,897	Payroll and social charges payable		5,036	2,442	178,561	184,536
Prepaid expenses		4,656	915	44,774	42,518	Dividends Payable	15	-	15,149	4,998	27,254
Dividends Receivable	15	54,194	85,349	-	-	Income tax and social contribution payable		-	-	42,103	53,836
Inventories		-	-	243,216	111,135	Other tax payable		4,663	1,885	66,535	64,248
Advances to suppliers		-	3,577	86,916	87,083	Obligations due to investment acquisition	7	4,500	1,900	253,679	189,158
Other accounts receivable		2,720	4,179	114,671	88,624	Lease liabilities	13	-	-	47,631	40,991
		<u>252,078</u>	<u>546,069</u>	<u>4,446,475</u>	<u>4,394,313</u>	Other bills to pay		217	19	95,071	87,759
								<u>251,078</u>	<u>201,849</u>	<u>1,933,992</u>	<u>1,822,364</u>
Noncurrent						Noncurrent					
Financial Application	4	21,269	15,052	21,269	15,052	Loans and financing	10	281,166	51,427	1,793,185	1,598,169
Related-party	15	2,422,906	2,287,398	-	-	Debentures	11	2,629,693	2,497,335	4,447,220	4,574,664
Accounts receivable	5	-	-	1,279	4,648	Other taxes payable		-	-	13,690	10,644
Recoverable taxes	6	449	359	6,161	8,064	Related parties loans	15	53,524	23,853	-	-
Deferred income tax and social contribution	21	78,353	31,849	153,526	76,474	Provision for loss on investments	7	33	42	-	-
Judicial deposits	14	13	-	4,694	3,794	Deferred income tax and social contribution	21	-	-	340,919	313,503
Other accounts receivable		770	597	66,140	115,998	Obligations due to investment acquisition	7	-	8,000	108,303	159,418
Investments in controlled companies	7	1,429,116	958,329	-	7,620	Provision for contingencies	14	-	-	2,211	2,373
Property, plant and equipment	8	-	-	2,246,362	1,850,087	Lease liabilities	13	-	-	64,538	66,716
Right of use		-	-	127,456	127,326	Others bills to pay		-	2,026	84,436	35,510
Intangible assets	9	175	159	3,437,163	3,279,535			<u>2,964,416</u>	<u>2,582,683</u>	<u>6,854,502</u>	<u>6,760,997</u>
		<u>3,953,051</u>	<u>3,293,743</u>	<u>6,064,050</u>	<u>5,488,598</u>	Equity	16				
						Share capital		1,151,602	1,151,602	1,151,602	1,151,602
						Issuance cost of shares		(107,937)	(107,937)	(107,937)	(107,937)
						Capital transaction		82,615	(113,850)	82,615	(113,850)
						Profit reserves		316,416	316,416	316,416	316,416
						Cumulative translation adjustment		(317,597)	(190,951)	(317,597)	(190,951)
						Net income for the period		(135,464)	-	(135,464)	-
						Attributable to controlling interest		989,635	1,055,280	989,635	1,055,280
						Non-controlling interest		-	-	732,396	244,270
								<u>989,635</u>	<u>1,055,280</u>	<u>1,722,031</u>	<u>1,299,550</u>
Total assets		<u>4,205,129</u>	<u>3,839,812</u>	<u>10,510,525</u>	<u>9,882,911</u>	Total liabilities and net equity		<u>4,205,129</u>	<u>3,839,812</u>	<u>10,510,525</u>	<u>9,882,911</u>

The accompanying notes are an integral part of these individual and consolidated interim financial information.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Individual and consolidated interim income statements

Periods of three and nine months ended on September 30, 2023 and 2022

(Amounts expressed in thousands of reais, except earnings per share)

	Note	Parent company				Consolidated			
		07/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	07/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022	07/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	07/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022
Net revenue	18	-	-	-	-	1,182,261	3,526,901	980,028	2,599,409
Cost of services rendered	19	-	-	-	-	(897,923)	(2,694,821)	(742,051)	(2,035,607)
Gross Profit		-	-	-	-	284,338	832,080	237,977	563,802
Operating (expenses)/revenues									
General, administrative and selling	19	614	-	-	-	(36,578)	(115,473)	(38,064)	(112,005)
Equity in earnings of controlled companies	7	78,432	140,413	82,160	147,694	-	-	-	-
Other operating revenues/(expenses), net	19	304	-	309	-	21,990	(97,324)	(773)	8,590
		<u>79,350</u>	<u>140,413</u>	<u>82,469</u>	<u>147,694</u>	<u>(14,588)</u>	<u>(212,797)</u>	<u>(38,837)</u>	<u>(103,415)</u>
Operating income before financial results		<u>79,350</u>	<u>140,413</u>	<u>82,469</u>	<u>147,694</u>	<u>269,750</u>	<u>619,283</u>	<u>199,140</u>	<u>460,387</u>
Financial results									
Financial expenses	20	(94,311)	(311,808)	(85,324)	(147,547)	(278,673)	(832,257)	(199,171)	(439,163)
Financial income	20	12,561	35,931	12,714	55,060	88,811	263,845	40,877	109,240
		<u>(81,750)</u>	<u>(275,877)</u>	<u>(72,610)</u>	<u>(92,487)</u>	<u>(189,862)</u>	<u>(568,412)</u>	<u>(158,294)</u>	<u>(329,923)</u>
Operating income before income tax and social contribution		<u>(2,400)</u>	<u>(135,464)</u>	<u>9,859</u>	<u>55,207</u>	<u>79,888</u>	<u>50,871</u>	<u>40,846</u>	<u>130,464</u>
Current income tax and social contribution	21	-	-	-	-	(38,311)	(100,330)	(24,703)	(54,932)
Deferred income tax and social contribution	21	-	-	-	-	(6,749)	(2,804)	17,060	10,538
Profit (loss) for the period		<u>(2,400)</u>	<u>(135,464)</u>	<u>9,859</u>	<u>55,207</u>	<u>34,828</u>	<u>(52,263)</u>	<u>33,203</u>	<u>86,070</u>
Profit Attributable to:									
Controlling interest		-	-	-	-	(2,400)	(135,464)	9,859	55,207
Non-controlling interests		-	-	-	-	37,228	83,201	23,344	30,863
Number of shares at period end		112,935,588	112,935,588	112,935,588	112,935,588	-	-	-	-
Earnings per share (basic and diluted) at the end of the period - in R\$		<u>(0.02)</u>	<u>(1.20)</u>	<u>0.09</u>	<u>0.49</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Management's explanatory notes are an integral part of the individual and consolidated interim accounting information.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Individual and consolidated interim statements of comprehensive income

Periods of three and nine months ended on September 30, 2023 and 2022

(Values expressed in thousands of Brazilian Reais)

	Parent company				Consolidated			
	07/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	07/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022	07/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	07/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022
Profit (loss) for the period	(2,400)	(135,464)	9,859	55,207	34,828	(52,263)	33,203	86,070
Items that may affect results in subsequent periods:								
Exchange rate change on goodwill on investee abroad	(4,844)	(10,173)	-	(21,559)	(4,844)	(10,173)	-	(21,559)
Accumulated conversion adjustment	57,989	(116,794)	(28,057)	(202,840)	57,989	(116,794)	(28,057)	(202,840)
Other comprehensive results	<u>50,745</u>	<u>(262,431)</u>	<u>(18,198)</u>	<u>(169,192)</u>	<u>87,973</u>	<u>(179,230)</u>	<u>5,146</u>	<u>(138,329)</u>
Attributable to:								
Controlling interest	-	-	-	-	50,745	(262,431)	(18,198)	(169,192)
Non-controlling interest	-	-	-	-	37,228	83,201	23,344	30,863

Management's explanatory notes are an integral part of the individual and consolidated interim accounting information.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Interim statements of changes in individual and consolidated equity
 Nine-month periods ending September 30, 2023 and 2022
 (Values expressed in thousands of Brazilian Reais)

	Profit reserves										
	Share capital	Issuance cost of Shares	Legal reserve	Unrealized profit reserve	Capital transaction	Asset Valuation Adjustment	Accumulated conversion adjustment	Accumulated results	Total attributable to controlling interest	Non-controlling interest	Total
Balances at January 1st, 2022	1,151,602	(107,937)	17,282	250,499	(128,544)	-	(5,674)	-	1,177,228	127,504	1,304,732
							#				
Participation of non-controlling	-	-	-	-	-	-	-	-	-	63,977	63,977
Other comprehensive results	-	-	-	-	-	-	(202,840)	-	(202,840)	-	(202,840)
Variation in percentage interest in subsidiary	-	-	-	-	3,864	-	-	-	3,864	-	3,864
Exchange variation on Capital Transaction	-	-	-	-	21,559	-	(21,559)	-	-	-	-
Net profit (loss) for the period	-	-	-	-	-	-	-	55,207	55,207	30,863	86,070
Balance, September 30, 2022	1,151,602	(107,937)	17,282	250,499	(103,121)	-	(230,073)	55,207	1,033,459	222,344	1,255,803
Balances at January 1st, 2023	1,151,602	(107,937)	20,472	295,944	(113,850)	-	(190,951)	-	1,055,280	244,270	1,299,550
							#				
Participation of non-controlling	-	-	-	-	-	-	-	-	-	404,925	404,925
Other comprehensive results	-	-	-	-	-	-	(116,794)	-	(116,794)	-	(116,794)
AAP write-off for result	-	-	-	-	-	-	321	-	321	-	321
Gain (loss) on subscription rights	-	-	-	-	654	-	-	-	654	-	654
Variation in percentage interest in subsidiary	-	-	-	-	185,638	-	-	-	185,638	-	185,638
Exchange variation on Capital Transaction	-	-	-	-	10,173	-	(10,173)	-	-	-	-
Net profit (loss) for the period	-	-	-	-	-	-	-	(135,464)	(135,464)	83,201	(52,263)
Balance, September 30, 2023	1,151,602	(107,937)	20,472	295,944	82,615	-	(317,597)	(135,464)	989,635	732,396	1,722,031

Management's explanatory notes are an integral part of the individual and consolidated interim accounting information.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Interim statements of individual and consolidated cash flows - indirect method

Nine-month periods ending September 30, 2023 and 2022

(Values expressed in thousands of Brazilian Reais)

	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Cash flows from operating activities				
Profit (loss) for the period	(135,464)	55,207	(52,263)	86,070
Adjustments to reconcile income to cash from (applied to) operations:				
Depreciation and amortization	539	-	296,318	236,721
Allowance for doubtful accounts	-	-	7,635	(5,873)
Residual value of written-off property, plant and equipment and intangible assets	-	-	45,954	80,980
Provision for contingencies	-	-	(162)	1,240
Income tax and social contribution - deferred	(46,504)	-	2,804	(10,538)
Equity in earnings of controlled companies	(140,413)	(147,694)	-	-
Residual value of investment write-off	-	682	7,620	-
Interest on loans and financing, debentures, leases and exchange rate variation	306,570	142,737	766,893	391,250
Other adjustments	1,911	-	321	-
Changes in assets and liabilities:				
Accounts receivable	-	-	(119,842)	(189,404)
Recoverable taxes	(3,785)	(12,926)	(84,082)	(27,965)
Prepaid expenses	(3,741)	(7,250)	(1,917)	(34,906)
Inventories	-	-	(121,146)	(53,363)
Advances to suppliers	-	-	(19,311)	-
Other accounts receivable	5,050	(3,766)	4,065	(243,223)
Judicial deposits	(13)	-	(900)	4,340
Trade accounts payable	9,641	(3,684)	133,566	25,111
Payroll and social charges	2,594	827	(9,028)	58,130
Taxes payable	2,868	1,151	30,970	36,307
Other accounts payable	(1,828)	1,413	(60,702)	78,225
Arrendamento	-	-	-	-
Cash from (invested in) operations	(2,575)	26,697	826,793	433,102
Interest paid on loans and financing	(2,250)	(908)	(157,626)	(68,169)
Interest paid on debentures	(335,243)	(103,685)	(596,853)	(232,361)
Interest paid on leasing	(539)	-	(4,433)	(1,543)
Paid income tax and social contribution	-	-	(61,705)	(36,106)
Net cash from (invested in) operating activities	(340,607)	(77,896)	6,176	94,923
Cash flow from investing activities				
Cash spent to acquire companies, net of received cash	(73)	-	(58,756)	(323,779)
Payment of obligations on account of acquisition of investments	(5,400)	(7,090)	(126,520)	(171,449)
Acquisition of fixed and intangible asset items	(16)	(64)	(408,367)	(290,407)
	(5,489)	(7,154)	(593,643)	(785,635)
Cash flow from financing activities				
Attributed to shareholders	(15,148)	(34,239)	(22,256)	(35,864)
Increase in minority participation	-	-	503,914	-
Receiving dividends	31,155	-	-	-
Attributed to financing				
Related-party transactions	(368,893)	(1,710,972)	-	-
Lease payments	-	-	(146,639)	(54,836)
Proceeds from loans and financing	290,000	29,590	1,030,157	660,021
Proceeds from debentures	300,000	1,750,000	300,000	2,042,174
Costs in raising debentures and loans	-	(63,464)	-	(23,289)
Payments of loans and financing	(76,536)	-	(1,082,096)	(242,637)
Debenture payments	(73,501)	-	(381,157)	-
Net cash from (used in) financing activities	87,077	(29,085)	201,923	2,345,569
Increase (Decrease) in cash and cash equivalents and financial investments	(259,019)	(114,135)	(385,544)	1,654,857
Exchange variation of cash and cash equivalents	-	-	42,864	(66,670)
Cash and cash equivalents and financial investments at the beginning of the period	450,720	268,281	2,925,342	793,241
Cash and cash equivalents and financial investments at the end of the period	191,701	154,146	2,582,662	2,381,428

Management's explanatory notes are an integral part of the individual and consolidated interim accounting information.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Individual and consolidated interim statements of added value - supplementary information

Nine-month periods ending September 30, 2023 and 2022

(Values expressed in thousands of Brazilian Reais)

	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Revenues				
Sales of products, goods and services	-	-	3,909,444	2,874,005
Other revenues	-	-	3,846	61,124
Allowance for doubtful debts - reversal / (constitution)	-	-	(7,635)	(2,497)
	-	-	3,905,655	2,932,632
Inputs purchased from third parties				
Costs of products, goods and services sold, plus materials, energy, third-party services and other	-	-	(1,368,136)	(1,031,789)
	-	-	(1,368,136)	(1,031,789)
Net value added generated	-	-	2,537,519	1,900,843
Depreciation, amortization and depletion, net	-	-	(296,319)	(236,721)
Net value added generated by the Company	-	-	2,241,200	1,664,122
Added value received in transfer				
Equity Income	140,413	147,694	-	-
Other income / recoveries	-	-	45,292	18,944
Financial income and monetary and exchange rate measures	35,930	55,060	263,845	109,240
	176,343	202,754	309,137	128,184
Total value added to be distributed	176,343	202,754	2,550,337	1,792,306
Added value distribution				
Personnel, charges and benefits				
Direct remuneration	-	-	973,772	680,253
Benefits	-	-	172,716	109,535
FGTS	-	-	31,962	24,876
Taxes, fees and contributions				
Federal	3,145	2,663	498,244	377,698
State	-	-	50,858	45,924
Municipal	-	-	50,019	39,294
Remuneration of third-party capital				
Financial expenses, exchange rate gains (losses) and monetary changes	308,662	144,884	825,029	428,656
Return on equity capital				
Retained earnings in the period	(135,464)	55,207	(135,464)	55,207
Non-controlling interest in retained earnings	-	-	83,201	30,863
	176,343	202,754	2,550,337	1,792,306

Management's explanatory notes are an integral part of the individual and consolidated interim accounting information.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial statements
Quarter ended September 30, 2023 and 2022
(In thousands of Brazilian Reais, unless otherwise stated)

1. Operational Context

Ambipar Participações e Empreendimentos S.A. ("Company" or "Ambipar"), or when related to Ambipar and its subsidiaries ("Group") is a publicly held corporation headquartered in the city of São Paulo, at Avenida Pacaembu, 1088. It was incorporated on October 26, 2010 and aims to act as a holding company, controlling shareholdings. Formed by two reference segments in the environmental management market "Environment" and "Response", it has in its DNA the commitment to sustainable issues, working on the ESG pillars ("Environment, Social and Governance") within its businesses and *supporting* its customers.

With several environmental solutions developed through the RD&I (Research, Development, and Innovation) sector, it has registered patents for sustainable products, promotes the circular economy and helps companies with the correct disposal of their waste.

Ambipar went public on July 13, 2020. It was the first environmental management company to enter the B3, the Brazilian stock exchange, starting to trade its shares in the Novo Mercado corporate governance segment with share code number AMBP3.

The common shares issued by Ambipar make up the portfolios of 9 (nine) indices of B3: Brazil Broad Index (IBRA), Differentiated Corporate Governance Stock Index (IGCX), Differentiated Tag Along Stock Index (ITAG), Corporate Governance Trade (IGCT), Corporate Governance Index - Novo Mercado (IGNM), Small Cap Index (SMLL), Public Utility Index (UTIL) and Corporate Sustainability Index (ISEE).

On July 6, 2022, Emergência Participações ("Ambipar Response") entered into a business combination agreement with HPX Corp. ("HPX"), a Special Purpose Acquisition Company (SPAC), to further accelerate the Company's growth. On March 3, 2023, after compliance with all corporate and regulatory requirements, the transaction was concluded. Thus, as of March 6, 2023, Ambipar Response became listed, and its common shares and *warrants* began to be traded on the *NYSE American* under the codes "AMBI" and "AMBI.WS", respectively.

1.1. Shareholdings

The Company and its subsidiaries (together referred to as the “Group”) operate in the following business segments:

- **Environment:** acts as a pioneer in the entire chain of environmental services, from planning, management, and recovery of waste to project execution. Experienced in the development of technologies and constant innovation for the protection of the environment. Its operations are triple certified, in accordance with environmental quality and occupational health and safety standards. We have an outstanding performance in Brazil and Chile, with DISAL - a waste management company - with a view to promoting the international expansion of its business, which allowed the scope to expand capillarity, as well as the offer of its services. In addition, it has environmental consulting and auditing services in its portfolio, quality, health, and safety with the development of management software, ensuring effective *compliance* for its customers, relying on technology and artificial intelligence.
- **Response:** Operates in the prevention, management, and emergency response of accidents with dangerous or non-dangerous products in all modes of transport, with its own bases and presence in 16 countries in South America, Europe, Africa, North America, and Antarctica. In addition, it provides industrial firefighters who work at customer facilities and has the largest and most complete training field in Latin America, training employees and customers with the most complete structure focused on emergency response and management in multimodal scenarios.

Additionally, in September 2022, Witt O'Brien's global industry leader in crisis and emergency management was acquired for corporate clients and provides consulting in the development of emergency and resilience programs for the US government sector. It has a global structure operating in more than 45 locations in several countries.

- **Others:** The “Others” segment comprises the Company and the companies listed in the table in Note 2.4, mainly with the development of projects in the technology and innovation segment focused on the environment and on providing financial solutions for the Group's ecosystem.

The Company's equity interests, and their respective areas of activity are shown in Note 2.4 “Consolidation Basis”.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial statements
Quarter ended September 30, 2023 and 2022
(In thousands of Brazilian Reais, unless otherwise stated)

1.2. Relevant events

Primary public offering of shares

On October 20, 2023, the Company filed with the Securities and Exchange Commission (“CVM”) a request to register a public offering for primary distribution of, initially, 30,059,045 new common shares, all nominative, book-entry, with no par value, free and free from any encumbrances or encumbrances issued by the Company (“Shares”), totaling an amount of at least, initially, R\$560,000, considering the Price per Share, to be held in the Federative Republic of Brazil (“Brazil”), on an unorganized over-the-counter market, under the terms of Resolution No. 160 of the Securities and Exchange Commission, of July 13, 2022 (“CVM Resolution 160”), under automatic procedure, with efforts to place the Shares abroad (“Offer”) . The Company’s controlling shareholder (“Controlling Shareholder”) has committed to subscribe, by itself and/or through funds or investment vehicles controlled by it, new common shares issued by the Company in an amount corresponding to the value of up to R\$560 million (“Subscription Commitment Value”), within the scope of the Offer, at the Price per Share that is established in the context of the Bookbuilding Procedure (“Subscription Commitment”).

Completion of the transaction with HPX and listing of Ambipar Emergency Response on the NYSE

On March 3, 2023, the Company completed the transaction with HPX Corp, pursuant to the terms of the Business Combination Agreement entered into on July 5, 2022 by the Company, together with its subsidiaries, Emergência Participações, Ambipar Emergency Response and Ambipar Merger Sub (“Closure”). As a result, Emergência Participações became a wholly owned subsidiary of Ambipar Emergency Response, a company incorporated in the Cayman Islands. Ambipar Emergency Response (“AMBI”) is classified as a foreign private issuer, emerging growth company and non-accelerated filer with shares listed on the New York Stock Exchange (NYSE American). The Company now holds a 70.8% interest in AMBI after the conclusion of the de-SPAC process. Additional details regarding the accounting impacts of the de-SPAC process for the Company’s consolidated financial statements are presented in Note 7.

1.3. Authorization to issue this individual and consolidated financial information

The issuance of these individual and consolidated accounting information was authorized by the Board of Directors on November 13, 2023.

2. Summary of main accounting policies

2.1. Basis of preparation

The individual and consolidated interim financial information was prepared in accordance with technical pronouncement CPC 21 (R1) - Interim Statements and IAS 34 - Interim Financial Reporting, presented in accordance with the rules issued by the Brazilian Securities Commission (CVM) and show all the relevant information specific to the financial statements, and only them, which are consistent with those used by Management in their management. The consolidated financial statements are identified as “Consolidated”, and the parent company’s individual financial statements are identified as “Parent”.

The Company’s individual and consolidated interim financial information is expressed in thousands of Reais (“R\$”), as well as disclosures of amounts in other currencies, when necessary, were also made in thousands. Items disclosed in Reais are informed when applicable.

The preparation of the Company’s individual and consolidated interim financial information requires Management to make judgments, use estimates and adopt assumptions that affect the presented amounts of income, expenses, assets and liabilities, including contingent liabilities. However, the uncertainty relating to these judgments, assumptions and estimates could lead to results that require a significant adjustment to the carrying amount of certain assets and liabilities in future periods.

The Company’s Management declares and confirms that all relevant information contained in the accounting information is being evidenced and that they correspond to those used by the Company’s Management in its management.

The individual and consolidated interim financial information was prepared considering the historical cost as a basis of value and certain assets and liabilities measured at fair value.

The accounting policies and calculation methods used in the preparation of this interim financial information were the same adopted in the preparation of the Company’s financial statements for the year ended December 31, 2022.

2.2. New or revised pronouncements applied for the first time in 2023

The new IFRS standards will only be applied in Brazil after the issuance of the respective standards in Portuguese by the Accounting Pronouncements Committee and approval by the Federal Accounting Council.

- a) Amendment to IAS 8/CPC 23 - amends the definition of accounting estimates, which are now considered “monetary amounts in the financial statements subject to measurement uncertainty”, effective for periods beginning on or after January 1, 2023;
 - b) Amendment to IAS 12/CPC 32 - brings an additional exception to the exemption from the initial recognition of deferred tax related to assets and liabilities resulting from a single transaction, effective for periods beginning on or after January 1, 2023;
 - c) Amendment to IFRS 17/CPC 50 - includes clarification of aspects related to insurance contracts, effective for periods beginning on or after January 1, 2023;
 - d) Amendment to IAS 1/CPC 26:
- i. **Change in disclosure of accounting policies, effective for periods beginning on or after January 1, 2023.**

In February 2021, the IASB released amendments to IAS 1, which change the disclosure requirements with regard to accounting policies by replacing the term “significant accounting policies” with “material information about accounting policies”. The amendments provide guidance on when it is likely that information about accounting policy should be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

2.3. New standards, revisions and interpretations issued that were not yet effective as of September 30, 2023

For the following standards or amendments, management has not yet determined whether there will be significant impacts on the Company's financial statements, namely:

- a) **Amendment to IFRS 16/CPC 06** - deals with liability in a retro lease, effective for periods beginning on or after January 1, 2024;

b) Amendment to IAS 1/CPC 26:

- i. Classification of liabilities as Current or Non-Current - this amendment clarifies aspects to be considered for the classification of liabilities as Current and Non-Current, effective for periods beginning on or after January 1, 2024.**

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether the liability is classified as current or non-current. These amendments clarify that the current classification is based on whether an entity has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that the "agreement" includes the transfer of cash, goods, services or equity instruments, unless the obligation to transfer cash, goods, services or equity instruments arises from a conversion facility classified as an equity instrument separately from the liability component of a compound financial instrument. The changes were originally effective for annual reporting periods beginning January 1, 2023. However, due to the impacts of Covid-19, the effective date has been postponed for annual reporting periods beginning January 1, 2024.

The Company is currently evaluating the impact of these new standards and accounting changes. The Company will assess the impact of the final amendments to IAS 1 on the classification of its liabilities once they are issued by the IASB. The Company does not believe that the amendments to IAS 1, in its current form, will have a significant impact on the classification of its liabilities, since the conversion feature in its convertible debt instruments is classified as an equity instrument and, therefore, not affects the classification of its convertible debt as a non-current liability.

Other pronouncements and interpretations

There are no other standards, amendments to standards and interpretation that are not in force and that the Company and its subsidiaries expect to have a material impact arising from their application in their individual and consolidated financial statements.

2.4. Consolidation basis

Subsidiary is an entity, including that not constituted as a company such as a partnership, in which the parent company, directly or through other subsidiaries, is the holder of partner rights that ensure, on a permanent basis, preponderance in corporate resolutions and the power to elect a majority of directors.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial statements Quarter ended September 30, 2023 and 2022 (In thousands of Brazilian Reais, unless otherwise stated)

The consolidated financial statements cover the following companies and companies:

				09.30.2023	12.31.2022
Environment Segment Companies	Short name	Country	Activity	Direct	Direct
Environmental ESG Participações S.A.	Environmental ESG	Brazil, Chile	Holding with interest in companies that operate in total management, handling and transport of industrial, post-consumer, automotive waste, and specialized environmental services with a focus on Valorization. Environmental consulting and auditing, and development of management software.	100.00%	100.00%
				09.30.2023	12.31.2022
Response Segment Companies	Short name	Country	Activity	Direct	Direct
Ambipar Emergency Response	Emergency Response	Cayman Islands	Holding created for business combination with HPX Corp, as disclosed in a subsequent event. It does not yet have commercial operations.	70.8%	100.00%
Ambipar Merger Sub	Merge sub	Cayman Islands	Holding created for business combination with HPX Corp, as disclosed in a subsequent event. It does not yet have commercial operations.	-	100.00%
Emergência Participações S.A.	Emergency Participações	Brazil, USA, UK, Canada, Chile, Peru and Uruguay	Holding company with stakes in companies that provide training, prevention, and response to emergencies.	-	100.00%
				09.30.2023	12.31.2022
Other Segment Companies	Short name	Country	Activity	Direct	Direct
Ambipar Bank Intermediação de Negócios, Pagamentos e Participações Ltda	Ambipar Bank	Brazil	Intermediation and agency of financial services	100.00%	100.00%
Ambipar Bleu Technologies S.A.	Bleu	Brazil	Asset tokenization solutions, digital wallet management, development of smart contracts in blockchain technology	50.00%	50.00%
Universo Ambipar Serviços Comércio e Consultoria S.A.	Universo	Brazil	Development of sustainable products with e-commerce.	100.00%	100.00%
Ambipar Financial Participações S.A.	Financial	Brazil	Equity participation in financial institutions	100.00%	100.00%
Ambipar Decarbonisation Ltda	Decarbonization	Brazil	Other environmental services.	100.00%	100.00%
Ambipar Incorporações Ltda	Incorporações	Brazil	Other environmental services.	100.00%	100.00%
Ambipar Lux S.à.r.l	Ambipar Lux	Luxemburgo	Holding company created for structured funding in the foreign market.	100.00%	-

2.5. Currency conversion

(a) Functional currency and presentation currency

Items included in the Company's individual and consolidated financial statements are measured using the currency of the main economic environment in which the Group's companies operate the functional currency. The individual and consolidated financial statements are presented in Reais (R\$). All disclosed financial information has been rounded to the nearest thousand, unless otherwise indicated.

(b) Foreign currency

Transactions with foreign currencies are translated into the functional currency, using the exchange rates prevailing on the transaction or valuation dates, in which the items are measured. Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation at period-end exchange rates, relating to monetary assets and liabilities in foreign currencies, are recognized in the statement of income. Foreign exchange gains and losses related to accounts receivable, trade payables and loans are presented in the income statement as finance income or expense.

(c) Use of accounting estimates and judgment

The preparation of individual and consolidated financial statements in accordance with accounting practices adopted in Brazil requires Management to use its judgment in determining and recording accounting estimates. The settlement of transactions involving these estimates may result in values different from those estimated, due to inaccuracies inherent to the process of their determination.

Estimates and assumptions are reviewed on an ongoing basis. Reviews with respect to accounting estimates are recognized in the year in which the estimates are reviewed and in any future years affected.

Information on critical judgments regarding the accounting policies adopted that have effects on the amounts recognized in the individual and consolidated financial statements are included in the following Explanatory Notes:

- **Note 2.14 - *Impairment*** of non-financial assets;
- **Explanatory Note No. 2.17** - Provisions;
- **Explanatory Note No. 2.18.2** - Deferred income tax and social contribution;
- **Explanatory Note nº 5** - Expected Loss for Loan Losses (PECLD);
- **Note 8** - Residual value and estimated useful life of property, plant and equipment; It is

- **Note 14** - Provision for contingencies.

2.6. Cash and cash equivalents and financial investments

2.6.1. Cash and cash equivalents

Cash and cash equivalents include cash in kind, bank deposits, highly liquid short-term investments, redeemable in up to three months or less, with insignificant risk of change in fair value and with the objective of meeting short-term commitments.

2.6.2. Financial investments

They include short-term investments, redeemable over three months, with risk of change in fair value and with the objective of meeting differentiated profitability with the financial institutions and funds in which the investments are made.

2.7. Financial assets and financial liabilities

2.7.1. Financial assets

Classification

On initial recognition, a financial asset is classified as measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL").

A financial asset is measured at amortized cost if it satisfies both of the following conditions: (i) the asset is held within a business model with the objective of collecting contractual cash flows; and (ii) the contractual terms of the financial asset give rise, on specific dates, to cash flows that are only payments of principal and interest on the outstanding principal amount.

A financial asset is measured at FVOCI only if it satisfies both of the following conditions: (i) the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and by selling financial assets; and (ii) the contractual terms of the financial asset give rise, on specific dates, to cash flows representing payments of principal and interest on the outstanding principal amount. All other financial assets are classified as measured at fair value through profit or loss.

Notes to the individual and consolidated interim financial statements
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(In thousands of Brazilian Reais, unless otherwise stated)

Additionally, upon initial recognition, the Company may irrevocably designate a financial asset that meets the requirements to be measured at amortized cost, FVOCI or even FVTPL. This designation aims to eliminate or significantly reduce a possible accounting mismatch arising from the result produced by the respective asset.

Recognition and measurement

Purchases and sales of financial assets are recognized on the trade date. Investments are initially recognized at fair value, plus transaction costs for all financial assets not classified at fair value recognized in profit or loss.

Financial assets at fair value recognized in profit or loss are initially recognized at fair value, and transaction costs are charged to the income statement in the period in which they occur.

The fair value of publicly quoted investments is based on the current purchase price. If the market for a financial asset is not active, the Company establishes the fair value using valuation techniques. These techniques include the use of recent operations contracted with third parties, the reference to other instruments that are substantially similar, the analysis of discounted cash flows and option pricing models, privileging market information and minimizing the use of information generated by Management.

Recoverable value (*impairment*) of financial assets - assets measured at amortized cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. The criteria used by the Company to determine whether there is objective evidence of an impairment loss include:

(i) significant financial difficulty of the issuer or borrower; (ii) a breach of contract, such as a default or late payment of interest or principal; (iii) probability that the debtor declares bankruptcy or financial reorganization; and (iv) extinction of the active market of that financial asset due to financial problems.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is derecognized mainly when: (i) the rights to receive cash flows from the asset expire; and (ii) the Company transferred its rights to receive cash flows from the asset or assumed an obligation to pay the received cash flows in full, without significant delay, to a third party pursuant to a “pass-through” agreement; and (a) the Company has substantially transferred all risks and rewards relating to the asset; or (b) the Company has not transferred and retained substantially all the risks and rewards relating to the asset, but has transferred control over that asset.

When the Company has transferred its rights to receive cash flows from an asset, or has entered into a transfer agreement and has not transferred or retained substantially all the risks and rewards relating to the asset, an asset is recognized to the extent of the Company's ongoing involvement with that asset.

2.7.2. Financial liabilities

Recognition and measurement

A financial liability is classified as measured at fair value through profit or loss if it is defined as held for trading or designated as such upon initial recognition. Transaction costs are recognized in income as incurred. These financial liabilities are measured at fair value and any changes in fair value, including interest and dividend gains, are recognized in profit or loss for the year.

The Company's financial liabilities, which are initially recognized at fair value, include trade payables and other payables, loans and financing and debentures, plus the directly related transaction cost.

Subsequent measurement

After initial recognition, loans and financing, debentures, trade payables and accounts payable are subsequently measured at amortized cost, using the effective interest rate method.

borrowing costs

Borrowing costs attributed to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalized as part of the cost of these assets.

Borrowing costs are interest and other costs that the Company incurs in connection with raising funds.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation is revoked, canceled or expires. When an existing financial liability is replaced by another from the same lender with substantially different terms, or the terms of an existing liability are significantly changed, this replacement or change is treated as a write-off of the original liability and recognition of a new liability, the difference in corresponding carrying amounts recognized in the income statement.

Derivative financial instruments

Warrants are listed and traded on the NYSE under the symbol AMBIWS, so their fair value is derived directly from observable market prices. The measurement of the value of public and private warrants is identical, since the differences between them do not affect their fair value.

2.8. Accounts receivable from customers

Accounts receivable from customers correspond to amounts receivable from customers for services rendered in the normal course of the Company's activities. If the receipt term is equivalent to one year or less (or another one that meets the Company's normal cycle), accounts receivable are classified in current assets. Otherwise, they are presented in non-current assets.

Accounts receivable from customers are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method less expected losses on accounts receivable (impairment). In practice, they are normally recognized at the billed amount, adjusted by the provision for impairment, if necessary.

2.9. Stocks

They are initially recognized at acquisition and/or formation cost. Comprises mainly expenses related to materials to be used in the provision of emergency services and expenses related to the acquisition of carbon credits that will be sold at their acquisition cost value and subsequently measured, the lower of the two, between the fair value, net of costs to sell and the cost amount recorded on the base date. The contra entry is recorded in income for the year, in accordance with IAS 02/CPC 16R1.

2.10. Other accounts receivable (current and non-current)

They deal with various expenses related to its operations, most of which are paid in advance, to meet the Group's capacity to provide operational services, substantially represented by: advances to suppliers arising from services contracted and not performed, advances to employees for the execution of services.

2.11. Investments in subsidiaries and joint venture (*joint venture*)

Investments held in a subsidiary are valued using the equity method (Note 7). The financial statements of subsidiaries are adjusted, when applicable, to the Company's accounting practices.

Investments are initially recognized at cost and subsequently adjusted by the recognition of the interest attributed to the Company in changes in the net assets of investees, less provisions for impairment, when applicable.

The financial statements of investments abroad are translated into the same accounting practices and presentation currency as the Company. Currency adjustments are classified under "Cumulative translation adjustments - shareholders' equity". Realization occurs when these investments are written off, disposed of, or receive dividends.

A joint venture (*joint venture*) is a joint arrangement whereby the parties, who have joint control of the contractual arrangement, have rights over the net assets of that arrangement.

Assets, liabilities, income and expenses related to the contractual rights and obligations of joint ventures (*joint venture*) are recognized individually in the Company's financial statements. Investments in jointly owned subsidiaries are accounted for using the equity method and are initially recognized at cost; such investments include goodwill identified on acquisition, net of any accumulated *impairment loss*.

2.12. Intangible Assets and Goodwill

(i) Software

Costs associated with maintaining software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it is available for use;
- Management intends to complete the software and use or license it if there is ability to use or sell the software;
- It can be demonstrated how the software will generate probable future economic benefits;
- Adequate technical, financial, and other resources are available to complete the development and to use or sell the software; It is

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- The expenses attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalized development costs are recorded as intangible assets and amortized from the moment the asset is ready for use.

(ii) Goodwill

Goodwill is measured as described in Note 7 and in accordance with the accounting policy mentioned in Note 2.24, goodwill from acquisitions of subsidiaries is included in intangible assets, goodwill is not amortized, but is tested annually for reduction to recoverable amount, or more frequently if events or changes in circumstances indicate that it may be impaired and is carried at cost less accumulated impairment losses. Gains and losses on disposal of an entity include the carrying amount of goodwill related to the entity sold.

Goodwill is allocated to cash-generating units for *impairment testing purposes*. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

(iii) Research and development

Expenses with research activities are recognized in profit or loss as incurred.

Development expenditures are capitalized only if the expenditures can be reliably measured, the product or process is technically and commercially viable, future economic benefits are probable, and the Group intends and has sufficient resources to complete the development and use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. After initial recognition, development expenditures are measured at cost less accumulated amortization and any accumulated impairment losses.

(iv) Other Intangibles

Other intangible assets, including customer base, patents and brands, which are acquired by the Group and have a defined useful life are measured at cost less accumulated amortization and any accumulated impairment losses.

(v) Amortization

Amortization is recognized in the consolidated statement of income using the straight-line method over estimated useful lives, as this method is the closest to reflecting the pattern of consumption of future economic benefits embodied in the asset. The estimated useful lives of intangible assets are measured as described in Note 8 (b).

Net book values and useful lives of assets are reviewed at each reporting date and prospectively adjusted, when applicable.

In the period ended September 30, 2023, the Group reviewed the estimated useful life of these assets, and no significant change was identified.

Other intangible assets, including customer relationships, workforce, which are acquired by the Group and have a defined useful life are measured at cost less accumulated amortization and any accumulated impairment losses.

2.13. Property, plant and equipment

Sanitary landfills are valued at the cost of areas and investments in preparation for operation. They are amortized according to the amount of waste deposited versus the total waste capacity. Land, buildings and improvements in third-party properties mainly comprise warehouses and offices.

Property, plant, and equipment is measured at historical cost, less accumulated depreciation. Historical cost includes expenditures directly attributable to the acquisition of the items. Historical cost also includes financing costs related to the acquisition of qualifying assets.

Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow and the cost of the item can be reliably measured.

The book value of replaced items or parts is written off. All other repairs and maintenance are recorded against income for the year, when incurred.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, except for landfills.

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Residual values and useful lives of assets are reviewed and adjusted, if appropriate, at the end of each financial year.

An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in "Other operating income (expenses), net", in the income statement.

2.14. Impairment of non-financial assets

Assets that are subject to depreciation and amortization are reviewed for *impairment* whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An *impairment* loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. The latter is the higher of an asset's fair value less costs to sell and its value in use.

Impairment assessment purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that have suffered *impairment* are reviewed for the analysis of a possible reversal of the *impairment* on the reporting date.

2.15. Suppliers and other accounts payable

Accounts payable to suppliers and other accounts payable are obligations to pay for goods or services that were acquired from suppliers in the normal course of business, being classified as current liabilities if payment is due within a period of up to one year, otherwise, accounts payable are shown as non-current liabilities.

They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. In practice, they are normally recognized at the amount of the corresponding invoice.

2.16. Loans and financing

Loans and financing are initially recognized at fair value, net of costs incurred in the transaction and are subsequently stated at amortized cost.

Any difference between the amounts raised (net of transaction costs) and the settlement value is recognized in the statement of income during the period in which the loans are outstanding, using the effective interest rate method.

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Borrowings and financing are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.17. Provisions

Provisions for lawsuits (labor, civil and tax) are recognized when: the Company has a present or non-formalized obligation (*constructive obligation*) as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the value has been reliably estimated. Provisions are not recognized for future operating losses.

When there are a series of similar obligations, the probability of settling them is determined by taking into account the class of obligations as a whole. A provision is recognized even if the probability of settlement relating to any individual item included in the same class of obligations is small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the obligation due to the passage of time is recognized as a financial expense.

The provision for landfill restructuring is initially recorded considering the estimated costs of remediation of the landfills in compliance with environmental legislation in Brazil, under the caption "Other payables" with a contra entry under the caption "Property, plant and equipment", in the landfill class. Management keeps its studies up to date considering monetary restatements, budgets from third parties to be contracted and internal costs, and its estimate is revisited in case of changes in the original budget.

2.18. Current and deferred Income Tax and Social Contribution

2.18.1. Current Income Tax and Social Contribution

Companies on the presumed profit regime

There are companies that opted for taxation based on presumed profit. Income tax and social contribution for the current and deferred year are calculated based on the rates of 15%, plus an additional 10% on taxable income in excess of R\$240 for income tax and 9% on taxable income for social contribution.

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Companies on the real profit basis

Income tax and social contribution for the current year are calculated based on the rates of 15%, plus a 10% surcharge on taxable income in excess of R\$240 for income tax and 9% on taxable income for social contribution on net income and consider, when applicable, offsetting tax losses and negative social contribution base, limited to 30% of taxable income.

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The Company and most of its subsidiaries were taxed on taxable income, with the exception of:

Companies	Country	Taxation
Environment Segment		
Holding Ambipar Environment Latam S.A.	Chile	Country legislation
Ambipar Environment Chile Limitada	Chile	Country legislation
Ambipar Chile Servicios Integrales Limitada	Chile	Country legislation
Ambipar Servicios de Valorizacion Ltda	Chile	Country legislation
Servicios Ambientales S.A.	Chile	Country legislation
Gestión de Servicios Ambientales S.A.C.	Perú	Country legislation
Urban Services S.A.C.	Perú	Country legislation
Tecnologías de Abono S.A.C.	Perú	Country legislation
Eco Solutions S.A.C.	Perú	Country legislation
Ambipar Environment Paraguay S.A.	Paraguay	Country legislation
Ecofibras S.A.	Chile	Country legislation
Recynor SpA	Chile	Country legislation
Recynor Industrial SpA	Chile	Country legislation
Biofílica Ambipar Environmental Investments S.A.	Brasil	Presumed
Ambipar Green Tech Ltda	Brasil	Presumed
RPP Resinas Termoplásticas Ltda	Brasil	Presumed
Fox Indústria e Comércio de Plásticos Recicladados Ltda	Brasil	Presumed
Ambipar Compliance Solutions S.A.	Brasil	Presumed
Ambipar Compliance Solutions Chile SpA	Chile	Country legislation
Boomera Lar Indústria e Comércio de Plásticos Ltda	Brasil	Presumed
Ambipar Environmental Viraser S/A	Brasil	Presumed
Response Segment		
Ambipar Emergency Response	Ilhas Cayman	Country legislation
Ambipar Response Chile S.A.	Chile	Country legislation
Ambipar Peru S.A.C	Perú	Country legislation
Ambipar Response Training S.A.	Chile	Country legislation
Ambipar Response Mineros e Integrales S.A.	Chile	Country legislation
Ambipar Uruguay S.A.	Uruguai	Country legislation
Ambipar Colômbia S.A.S.	Colômbia	Country legislation
Ambipar Response Colombia S.A.S.	Colômbia	Country legislation
Ambipar Response Mexico, Sociedad de Responsabilidad Limitada de Capital Variable	México	Country legislation
Ambipar Holding USA, INC	USA	Country legislation
Ambipar Response AIE, LLC	USA	Country legislation
Ambipar Response OSE, LLC	USA	Country legislation
Ambipar Response Intracoastal, LLC	USA	Country legislation
Ambipar Response CES, Inc.	USA	Country legislation
Ambipar Response EMS Inc.	USA	Country legislation
Ambipar Response Swat, Inc.	USA	Country legislation
Ambipar Response PERS, LLC	USA	Country legislation
Ambipar Response L1, Inc	USA	Country legislation
Witt O'Brien's LLC	USA	Country legislation
Witt O'Brien's Payroll Management LLC	Delaware - USA	Country legislation
O'Brien's Response Management, L.L.C.	Delaware - USA	Country legislation
Witt O'Brien's Insurance Services, LLC	New Jersey - USA	Country legislation
Witt O'Brien's USVI, LLC	U.S. Virgin Islands	Country legislation
Witt O'Brien's PR LLC	Puerto Rico	Country legislation
Strategic Crisis Advisors LLC	Georgia	Country legislation
Navigate Communications Pte. Ltd.	Singapore	Country legislation
Navigate Response (Asia) Pte. Ltd.	Singapore	Country legislation
Navigate PR Limited	Inglaterra e Gales	Country legislation
Navigate Response Limited	Inglaterra e Gales	Country legislation
Ambipar Holdings UK Limited	Reino Unido	Country legislation
Groco 404 Limited	Reino Unido	Country legislation
Ambipar Site Service Limited	Reino Unido	Country legislation
Ambipar Holding Ireland Limited	Irlanda	Country legislation
Ambipar Response Ireland Limited	Irlanda	Country legislation
Ambipar Howells Consultancy Limited	Reino Unido	Country legislation
Ambipar Response Limited (Reino Unido)	Reino Unido	Country legislation
Ambipar Response Limited (Irlanda)	Irlanda	Country legislation
Ambipar Holding Canadá, INC	Canadá	Country legislation
Orion Environmental Services Ltd. (OES)	Canadá	Country legislation
Orion Tank Solutions Ltd. (OTS)	Canadá	Country legislation
Ambipar Response Industrial Services Canada E Inc	Canadá	Country legislation
Ambipar Response Industrial Services Canada L Inc.	Canadá	Country legislation
Ambipar Response Emergency Services Canada F Inc.	Canadá	Country legislation
Ambipar Response Industrial Services Canada G Inc.	Canadá	Country legislation
Ridgeline Canada Inc	Canadá	Country legislation
DFA Contracting Ltd	Canadá	Country legislation
Ambipar Response Chile SpA (Inversiones)	Chile	Country legislation
Ambipar Response Insurance - Atendimento a Seguros LTDA	Brasil	Presumed
Ambipar Response Dracares Apoio Maritimo E Portuario S.A.	Brasil	Presumed
Ambipar Flyone Servico Aereo Especializado Comercio E Servicos S.A.	Brasil	Presumed
Ambipar Response Marine S/A	Brasil	Presumed
Fênix Emergências Ambientais Ltda	Brasil	Presumed
Ambipar Response Tank Cleaning S/A	Brasil	Presumed
Ambipar C-Safety Comércio, Indústria e Serviços Ltda	Brasil	Presumed
Ambipar Response Industrial Services S/A	Brasil	Presumed
Other Segment		
Ambipar Lux S.à.r.l	Luxemburgo	Country legislation

Companies on the tax regime in other jurisdictions

The Group has companies headquartered in other jurisdictions where they have specific tax regimes and differentiated rates.

2.18.2. Income Tax and Social Contribution and deferred

Deferred income tax and social contribution are recognized using the liability method on temporary differences arising from differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax and social contribution are not accounted for if they result from the initial recognition of an asset or liability in a transaction that is not a business combination, which, at the time of the transaction, does not affect the accounting result or the taxable income (tax loss). Deferred income tax and social contribution are determined using tax rates (and tax laws) enacted, or substantially enacted, at the balance sheet date, and which must be applied when the related deferred tax asset is realized or when the deferred tax liability is liquidated.

Deferred income tax and social contribution assets are recognized only in proportion to the probability that future taxable income will be available against which the temporary differences can be used.

Deferred income tax and social contribution assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred income tax assets and liabilities relate to income taxes levied on the same taxing authority over the taxable entity or different taxable entities where it is intended to settle balances on a net basis.

2.19. Employee benefits

(a) Severance benefits

The Company does not have severance benefit plans for employees.

(b) Profit sharing and bonuses

Recognition of this interest is usually carried out at the end of the year, when the amount can be reliably measured by the Company.

2.20. Revenue recognition

Revenue is shown net of taxes, returns, rebates and discounts. Its recognition is in accordance with CPC 47 - Revenue from customer contracts, which establishes a five-step model to determine how and when it will be recognized, as well as its measurement, provided that revenues and costs can be measured reliably. In addition, specific criteria for each of the Company's activities must be met, as described below:

a) Services provision

The Company and its subsidiaries provide services that comprise the complete chain of environmental management (Environment) and emergency response, which includes prevention, training and emergency response (Response).

Revenue from services rendered is recognized based on the services performed during the period up to the balance sheet date.

b) Financial income

Financial income is recognized over time, using the effective interest rate method.

2.21. Leases

All leases are accounted for by recognizing a right-of-use asset and a lease liability, except for:

- Low-value asset leases; It is
- Leases with a duration equal to or less than 12 months.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate implicit in the contract, unless (as is usually the case) this is not easily determinable, in which case the incremental rate on the Company's borrowings at the beginning of the lease is used. Variable lease payments are only included in measuring the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes that the variable element will remain unchanged throughout the term of the contract. Other variable lease payments are spent in the period to which they relate.

The subsidiaries adopted the simplified retrospective model as permitted by the standard. Explanatory Notes 8 (e) and 13 present the new information and breakdown of balances as required by CPC 06 R2/IFRS16.

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The discount rate used by national companies is between 7.08% and 8.5% p.a., while for international companies, the rate is between 3.85% and 5% p.a. and corresponds to the average market cost of indebtedness in the form of asset acquisition, at the time.

On initial recognition, the carrying amount of the lease liability also includes:

- Amounts payable under any residual value guarantee;
- The exercise price of any call option granted in favor of the Company and its subsidiaries, if it is reasonable to assess this option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated based on the termination option being exercised.

Right-of-use assets are initially measured at the value of the lease liability, less any incentives received, plus:

- Lease payments made up to the lease commencement date;
- Initial direct costs incurred; It is
- The amount of any provision recognized when the Company and its subsidiaries are contractually obligated to dismantle, remove, or restore the underlying asset.

After initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the outstanding balance and are reduced by lease payments made. Right-of-use assets are amortized on a straight-line basis over the remaining lease term or over the remaining economic life of the asset if, rarely, it is considered shorter than the lease term.

When the Company and its subsidiaries revise their estimates of the term of any lease (because, for example, it reassesses the likelihood that a lessee extension or termination option will be exercised), they adjust the carrying amount of the lease liability to reflect payments to make over the revised term, which are discounted using a revised discount rate. The carrying amount of lease liabilities is revised in a similar way when the variable element of future lease payments dependent on a rate or index is revised, except that the discount rate remains unchanged. In both cases, an equivalent adjustment is made to the carrying amount of the right-of-use asset, with the revised carrying amount being amortized over the remaining (revised) term of the lease. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognized in profit or loss.

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When the Company and its subsidiaries renegotiate the contractual terms of a lease with the lessor, accounting depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased at an amount commensurate with the individual price for the additional usage rights obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- In all other cases where renegotiation increases the scope of the lease (whether it be an extension of the lease term, or one or more additional assets being leased), the lease liability is revalued using the discount rate applicable at the modification date, with the right-of-use asset being adjusted by the same amount;
- If the renegotiation results in a reduction in the scope of the lease, both the carrying amount of the lease liability and the right-of-use asset are reduced proportionately to reflect the partial or full termination of the lease with any difference recognized in profit or loss. The lease liability is then adjusted to ensure that its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that convey the right to the Company and its subsidiaries to use an identified asset and require services to be provided to the Company and its subsidiaries by the lessor, the Company and its subsidiaries opted to account for the entire contract as a lease, i.e., it does not allocate any amount of contractual payments, accounting separately for any services provided by the supplier as part of the contract.

2.22. Distribution of dividends and interest on equity

The distribution of dividends and interest on equity to the Company's shareholders is recognized as a liability in the individual and consolidated financial statements at the end of the year, based on the Company's Bylaws, as a contra entry to shareholders' equity.

Any amounts above the mandatory minimum are only accrued on the date they are approved by the shareholders.

The tax benefit of interest on shareholders' equity is recognized in the income statement.

2.23. Adjust to present value

Assets and liabilities arising from long-term operations, or short-term, when there are material effects, are adjusted to present value based on discount rates that reflect the best current market valuations as to the value of money in the time and the specific risks of the asset and liability. Management carried out an analysis of asset and liability amounts, not having identified balances and transactions for which the adjustment to present value is applicable and relevant for the purpose of the individual and consolidated financial statements.

2.24. Business combinations

In accordance with 15 (R1)/IFRS 3 - Business Combinations, business acquisitions are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated by adding the fair values of the assets transferred, the liabilities incurred on the acquisition date to the former controlling shareholders of the acquiree and the interests issued in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss when incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the value of non-controlling interests in the acquiree and the fair value of the acquirer's interest previously held in the acquiree (if any) over the net amounts at the acquisition date of the acquired assets and liabilities identifiable assumptions.

If, after valuation, the net values of the identifiable assets acquired and liabilities assumed at the acquisition date are greater than the sum of the consideration transferred, the value of the non-controlling interests in the acquiree and the fair value of the acquirer's interest previously held in the acquiree, the excess is recognized immediately in profit or loss as a gain.

If the initial accounting for a business combination is incomplete at the end of the year in which the combination occurred, provisional amounts are recorded for items for which accounting is incomplete. These provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets and liabilities are recognized to reflect new information obtained relating to facts and circumstances existing on the acquisition date. that, if known, would have affected the amounts recognized at that date.

Goodwill

Management considers that most of the acquisitions carried out by the Ambipar Group are aimed at increasing market positioning and geographic presence.

Customer portfolio

The Ambipar Group considers that the customer portfolio is not a relevant asset in the acquisitions, in some cases, as the acquired businesses do not have sufficient long-term contracts to corroborate a sufficient and extended recurrence of services for the coming years, and that may be considered as a benefit that the Ambipar Group will have with this acquisition. Most existing relationships and agreements with customers refer to regional services in the locations where the acquired businesses operate. In line with the rationale also commented below, regarding “Brands”, most acquisitions are from small local companies with limited capacity to retain customers. The capacity is implemented based on the control acquired by the Ambipar Group, with the application of improved processes and improved techniques.

The main motivation for the acquisition of the Ambipar Group is to increase market share in different geographic areas. In all acquisitions, goodwill is identified with expected future profitability. The Ambipar Group understands that the goodwill with expected future profitability, mentioned above, is due to the expectation of future benefits with the increase in the extension of market share, including in new territories, motivated by the acquisitions.

Workforce

The Ambipar Group does not identify an intangible asset related to the workforce, based on the qualification of the acquired business personnel, as there is no market differential or any competitive advantage. The acquired business team does not have specialized and additional training that could contribute to the negotiation. Also, there are staff turnover rates that do not provide a significant differential to be analyzed in the acquisitions made. Even if it did exist, this matter would be allocated to goodwill with expected future profitability, in accordance with CPC 15R1/IFRS 3R.

Brand

No brand-related assets are identified in business acquisition transactions, as there is no relevant regional disclosure of the existing business brand, at the time of acquisition, which are significant to the point of collaborating with a contribution of an amount to be allocated as a potential intangible asset.

Additionally, the Ambipar Group has the practice of changing the regional brand in all acquired businesses and including the Ambipar Group brand, disclosing it as a new acquisition of the Ambipar Group in the region and with the breadth of its businesses, in order to collaborate for the use of the strength of the Ambipar Group brand, recognized by the market and commercially collaborate with the evolution of local businesses.

2.25. Presentation of report by segment

Information by business segment is presented in a manner consistent with the decision-making process of the main operating decision-maker. The main operating decision maker, responsible for allocating resources and evaluating the performance of the operating segments, is the Company's Management, responsible for making strategic decisions.

2.26. Earnings per share - basic and diluted

The Company calculates the basic earnings per share using the weighted average number of total preferred and common shares outstanding, during the period corresponding to the result, in accordance with accounting pronouncement CPC 41/IAS 33.

2.27. Statement of added value - supplementary information to IAS 34

The statement of added value is being prepared and disclosed, consistent with technical pronouncement CPC 09, in compliance with Brazilian corporate law for publicly traded companies and regulated by the Securities Commission.

2.28. Prepaid expenses

They are basically disbursements made in advance, which will be incurred in the result as soon as the expenses are actually incurred, significantly represented by the Group's marketing and publicity expenses.

2.29. Earn-out

Earn-out is related to the achievement of certain objectives in merger and acquisition transactions, in which a part of the purchase price is deferred and based on the future performance of the company.

Such operations are within the scope of IAS 32/IFRS 9 and are classified as derivative financial instruments, assets, and liabilities. In the consolidated interim financial information, the impact is neutral. The subsequent measurement of fair value is recognized in the equity transaction account in the Company's shareholders' equity. Earn-out fair value is calculated according to a Monte Carlo simulation model at each measurement date.

3. Financial risk management

The Company and its subsidiaries participate in operations involving financial instruments with the objective of financing their activities or investing their available financial resources.

Management of these risks is carried out through the definition of conservative strategies, aiming at liquidity, profitability, and security. The control policy consists of permanent monitoring of contracted rates versus those in force in the market.

In the quarter ended September 30, 2023, no transactions were carried out involving derivative financial instruments for speculative purposes and compound financial instruments with embedded derivatives.

Financial instruments are only recognized from the date on which the Company becomes a party to the contractual provisions. When recognized, they are initially recorded at their fair value, plus transaction costs that are directly attributable to their acquisition or issuance (when applicable). Its subsequent measurement occurs at each balance sheet date, in accordance with the rules established for each type of classification of financial assets and liabilities.

3.1. Financial risk factors

The Company's activities expose it to several financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk), price risk, credit risk and liquidity risk. The Company's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's senior management, in accordance with the policies approved by the shareholders. The Company's senior management identifies, evaluates, and protects the Company against possible financial risks.

(a) Market risk

(i) Interest rate risk

The interest rate risk arises from the portion of the debt referenced to the Long-Term Interest Rate - TJLP and financial investments referenced to the CDI, which may affect financial income or expenses in the event of an unfavorable movement in interest rates or inflation. Loans issued at variable rates expose the Company to cash flow interest rate risk.

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Loans issued at fixed rates expose the Company and its subsidiaries to fair value risk associated with interest rates. Considering that a substantial part of the loans of the Company and its subsidiaries are linked to fixed rates, Management understands that the risk of significant changes in income and cash flows is low.

The Company defined 3 scenarios (probable, possible, and remote) to be simulated. As probable, Management defined the rates disclosed by BM&F, and the possible and remote scenarios, a deterioration of 25% and 50%, respectively, in the variables. The calculation basis used is the value presented in the explanatory notes cash and cash equivalents, loans, and finance leases:

09.30.2023

Risk with indexers	Scenarios (Parent Company)			
	Basis	Probable	Possible	Remote
CDI - Financial investments - immediate liquidity	128,122	16,207	20,259	24,311
CDI - Financial investments	62,940	7,962	9,953	11,943
CDI - Loans and financing	(338,199)	(42,782)	(53,478)	(64,173)
CDI - Debentures	(2,799,681)	(354,160)	(442,700)	(531,240)
Net exposure	(2,946,818)	(372,773)	(465,966)	(559,159)

Risk with indexers	Scenarios (Consolidated)			
	Basis	Probable	Possible	Remote
CDI - Financial investments - immediate liquidity	1,364,874	172,657	215,821	258,986
CDI - Financial investments	895,890	113,330	141,663	169,995
CDI - Loans and financing	(2,144,841)	(271,322)	(339,153)	(406,983)
CDI - Debentures	(4,932,017)	(623,900)	(779,875)	(935,850)
Net exposure	(4,816,094)	(609,235)	(761,544)	(913,852)

12.31.2022

Risk with indexers	Scenarios (Parent Company)			
	Basis	Probable	Possible	Remote
CDI - Financial investments - immediate liquidity	430,477	58,760	73,450	88,140
CDI - Financial investments	20,137	2,749	3,436	4,124
CDI - Loans and financing	(110,581)	(15,094)	(18,868)	(22,641)
CDI - Debentures	(2,618,635)	(357,444)	(446,805)	(536,166)
Net exposure	(2,278,602)	(311,029)	(388,787)	(466,543)

Risk with indexers	Scenarios (Consolidated)			
	Basis	Probable	Possible	Remote
CDI - Financial investments - immediate liquidity	2,597,487	354,557	443,196	531,836
CDI - Financial investments	72,219	9,858	12,323	14,787
CDI - Loans and financing	(2,087,285)	(284,914)	(356,143)	(427,371)
CDI - Debentures	(5,014,116)	(684,427)	(855,534)	(1,026,641)
Net exposure	(4,431,695)	(604,926)	(756,158)	(907,389)

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Due to the nature, complexity and isolation of a single variable, the estimates presented may not faithfully represent the value of the loss in case the variable in question has the presented deterioration. The calculation was performed for a win/lose scenario over a period of one month.

(ii) Exchange rate risk

The associated risk arises from the possibility of the Company and its subsidiaries incurring losses due to fluctuations in exchange rates, which reduce nominal amounts billed or increase amounts raised in the market. Management periodically monitors the net exposure of assets and liabilities in foreign currency.

The indirect subsidiary Environmental has a loan from Banco Bocom BBM S.A. Nassau Branch in the amount of USD 10,030 thousand, for this operation we have contracted the SWAP instrument, considering rate, amount, and term, exchanging the exchange exposure for the variation of the fixed rate.

The indirect subsidiary Ambiental ESG has a loan from Banco Santander (Brasil) S.A. in the amount of USD 111,863 thousand, for this operation we have contracted the SWAP instrument, considering rates, amount and term, exchanging the exchange rate exposure for the variation of the fixed rate.

The Company signed a loan agreement with Banco ABC S.A. - Cayman Islands Branch in the amount of USD 6,193 thousand, for this operation we have contracted the Cash Flow SWAP instrument, considering rate, amount, and term, exchanging the exchange rate variation of the fixed rate.

Hedge accounting

The purpose of the hedge operation of the Company and its subsidiaries is to protect cash flows referenced in US dollars arising from loans in foreign currency (according to Note 10.2) since practically all of the Company's operations are referenced to the local currency.

Thus, the transaction falls within the classification of cash flow hedge applying the accounting according to CPC 48 - Financial instruments.

The purpose of *hedge accounting* (thus understood as the hedge accounting policy adopted) is to affect the Company's results only by the local interest rates to which it is exposed, considering only the net effect of the contracted hedge.

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The contract in effect on September 30, 2023 is as follows:

Instrument	Type of financial instrument	Operation	Notional value	Due Date	Protection indexer	Contracted rate
Swap contract	Cash flow hedge	Swap USD X CDI	USD 10,030 thousand	may/2024	Exchange variation + 2.60 % p.a	100% of CDI

The outstanding balances are shown below:

Description	Principal amount (notional) - In thousands USD	Curve value	Fair value	Fair value adjustment gain (loss)
Swap contract				
Active end:				
Dollar long position (part balance)	10,030 thousand	37,965	37,965	-
Passive tip:				
Short position in the CDI (counterparty balance)	(10,030 thousand)	(38,247)	(38,080)	167
Total net financial instrument	-	(282)	(115)	167

In accordance with applicable accounting practices, the adjustment to the calculated fair value, for the financial instrument, was R\$167 (R\$110, net of tax effect) and is recorded in the financial result.

Instrument	Type of financial instrument	Operation	National value	Due Date	Protection indexer	Contracted rate
Swap contract	Cash flow hedge	Swap USD X CDI	USD 6,193 thousand	may/2024	Exchange Rate + 2.75% p.a	100% of CDI

Description	Principal amount (notional) - In thousands USD	Curve value	Fair value	Fair value adjustment gain (loss)
Swap contract				
Active end:				
Dollar long position	6,193 thousand	31,618	32,116	498
Passive tip:				
Short position at fixed rate	(6,193 thousand)	(31,501)	(32,188)	(687)
Total net financial instrument	-	117	(72)	(189)

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In accordance with applicable accounting practices, the adjustment to the calculated fair value, for the financial instrument, was a negative R\$189 (R\$125, net of tax effect) and is recorded in the financial result.

Instrument	Type of financial instrument	Operation	Notional value	Maturity	Protection indexer	Contracted rate
Swap contract	Cash flow hedge	Swap USD X CDI	USD 111,863 thousand	mar/2028	Exchange variation + 2.10% p.a	100% of CDI

The outstanding balances are shown below:

Description	Principal amount (notional) - In thousands USD	Curve value	Fair value	Fair value adjustment gain (loss)
Swap contract				
Active end:				
dollar long position	111,863 thousand	589,834	610,307	20,473
Passive tip:				
Short position on the CDI	(111,863 thousand)	(637,667)	(675,617)	(37,950)
Total net financial instrument	-	(47,833)	(65,310)	(17,477)

In accordance with applicable accounting practices, the adjustment to the calculated fair value, for the financial instrument, was a negative R\$17,477 (R\$11,535, net of tax effect) and is recorded in the financial result.

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It is worth mentioning that the current hedge operation is fully linked, including contractually, to the loan contracted under modality 4131, and cannot be undone individually.

(iii) Commodity price risk

The Company does not have operations quoted at *commodity prices*, therefore, *it is not exposed to commodity price risks*.

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers. For banks and financial institutions, only bonds from entities considered to be first class are accepted.

The credit analysis area evaluates the customer's credit quality, taking into account their financial position, past experience and other factors.

The individual risk limits are determined based on internal or external classifications in accordance with the limits determined by Management. The use of credit limits is regularly monitored.

No credit limit was exceeded during the period and Management does not expect any loss arising from the default of these counterparties, in addition to the provision already constituted (explanatory note nº 5).

(c) Liquidity risk

The cash flow forecast is carried out by the Company's Management. Management monitors ongoing forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet operating needs. This forecast takes into account the Company's debt financing plans, compliance with covenants, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements - for example, currency restrictions.

Excess cash held by the Company, in addition to the balance required for working capital management, is invested in interest-bearing current accounts, time deposits and short-term deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient margin as required. Determined by the aforementioned forecasts. On September 30, 2023, the Company maintained invested liquidity funds of R\$ 2,260,764 (R\$2,669,706 as of December 31, 2022 - consolidated) which are expected to promptly generate cash inflows to manage liquidity risk.

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The following table analyzes the non-derivative financial liabilities of the Company and its subsidiaries, by maturity range, corresponding to the remaining period in the balance sheet up to the contractual maturity date:

	Less than a year	Between one and two years	Between two and five years	More than five years	Total
On September 30, 2023 - Consolidated					
Loans and financing	351,656	459,966	1,333,219	-	2,144,841
Debentures	484,797	46,223	4,400,997	-	4,932,017
Lease	47,631	41,634	22,904	-	112,169
Trade and other accounts payable	504,032	84,436	-	-	588,468
	<u>1,388,116</u>	<u>632,259</u>	<u>5,757,120</u>	<u>-</u>	<u>7,777,495</u>
On December 31, 2022 - Consolidated					
Loans and financing	489,116	760,749	837,420	-	2,087,285
Debentures	439,452	412,570	4,162,094	-	5,014,116
Lease	40,991	47,830	18,886	-	107,707
Trade and other accounts payable	333,773	35,510	-	-	369,283
	<u>1,303,332</u>	<u>1,256,659</u>	<u>5,018,400</u>	<u>-</u>	<u>7,578,391</u>

(d) Regulatory and environmental risks

The Company and its subsidiaries are subject to laws and regulations in the countries in which it operates. The Company's Management has established certified environmental policies and procedures aimed at complying with environmental laws.

Management conducts regular analyzes to identify environmental risks and to ensure that the controls in place are adequate and duly certified.

3.2. Capital management

The Company's objectives in managing its capital are to safeguard the Company's ability to continue to offer returns to shareholders and benefits to other stakeholders, in addition to maintaining an ideal capital structure to reduce this cost.

In order to maintain or adjust the capital structure, the Company may review the dividend payment policy, return capital to shareholders or even sell assets to reduce, for example, the level of indebtedness.

The Company monitors capital based on the financial leverage ratio. This ratio corresponds to net debt divided by total capital. Net debt, in turn, corresponds to total loans and financing (including short and long-term loans and financing, as shown in the balance sheet), minus the amount of cash and cash equivalents and financial investments.

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Total capital is calculated by adding shareholders' equity, as shown in the balance sheet, with net debt.

The financial leverage ratio on September 30, 2023 and December 31, 2022 can be summarized as follows:

Consolidated financial statements	09.30.2023	12.31.2022
Total loans and financing and debentures	7,076,858	7,101,401
Less: cash and cash equivalents and financial investments	(2,582,662)	(2,925,342)
Net debt	4,494,196	4,176,059
Total net equity	1,722,031	1,299,550
Total capital	6,216,227	5,475,609
Financial leverage ratio	72.30%	76.30%

3.3. Fair value estimate

It is assumed that the balances of accounts receivable from customers and accounts payable to suppliers at book value, less loss (*impairment*), are close to their fair values, considering the periods for realization and settlement of these balances, from 30 to 60 days.

The fair value of financial liabilities, for disclosure purposes, is estimated by discounting future contractual cash flows at the current market interest rate, which is available to the Company for similar financial instruments. The effective interest rates at the balance sheet dates are customary in the market and their fair values do not differ significantly from the balances in the accounting records.

Financial investments, represented by investments in CDI (Explanatory Note 4) and classified as amortized cost, were evaluated based on the remuneration rate contracted with the respective financial institution, considered as the usual market rate.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value hierarchy should have the following levels:

- **Level 1:** negotiated prices (without adjustments) in active markets for identical assets or liabilities;
- **Level 2:** *inputs* other than prices traded in active markets included in Level 1 that are observable for the asset or liability, directly (as prices) or indirectly (derived from prices);
- **Level 3:** *inputs* for the asset or liability that are not based on observable market variables (unobservable *inputs*).

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3.4. Financial instruments by category

	Category	Parent company	
		Book value	Fair value (*)
Financial assets			
Cash and Banks	Amortized cost	639	639
Financial Applications - immediate liquidity	Fair value through profit or loss	128,122	128,122
Financial investments	Fair value through profit or loss	62,940	62,940
Earn-out	Fair value through comprehensive income	162	162
Financial liabilities			
Loans and leases	Amortized cost	338,199	338,199
Debentures	Amortized cost	2,799,681	2,799,681
	Category	Consolidated	
		Book value	Fair value (*)
Financial assets			
Cash and Banks	Amortized cost	321,898	321,898
Financial Applications - immediate liquidity	Fair value through profit or loss	1,364,874	1,364,874
Financial investments	Fair value through profit or loss	895,890	895,890
Accounts Receivable	Amortized cost	1,194,433	1,194,433
Financial liabilities			
Loans and leases	Amortized cost	2,144,841	2,144,841
Debentures	Amortized cost	4,932,017	4,932,017
Suppliers and other accounts payable	Amortized cost	588,468	588,468
Lease liability	Amortized cost	112,169	112,169

(*) The fair value is measured by level 2 of the fair value hierarchy. The Company and its subsidiaries do not have any operations classified in the fair value hierarchy levels 1 and 3.

4. Cash and cash equivalents and financial investments

	Parent company		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Cash and Banks	639	106	321,898	255,636
Financial Applications - immediate liquidity (a)	128,122	430,477	1,364,874	2,597,487
	<u>128,761</u>	<u>430,583</u>	<u>1,686,772</u>	<u>2,853,123</u>
Financial Application (b)	62,940	20,137	895,890	72,219
	<u>62,940</u>	<u>20,137</u>	<u>895,890</u>	<u>72,219</u>

- (a) Short-term investments are mainly represented by Bank Deposit Certificates from top-tier financial institutions, with low credit risk, whose yield is linked to the variation of the Interbank Deposit Certificate (CDI) and have immediate liquidity and original maturity of up to 90 days, with an index rate close to 100% of the CDI and IPCA;
- (b) The Company also has short-term investments with maturity dates ranging from 10/02/2023 to 02/05/2024 as of the end of the reporting period and are subject to interest at a variable rate. The Company also has investments in equity investment funds with long-term maturities. These financial investments do not have immediate liquidity, basically in fixed income securities, the yield of which is linked to the variation of the Interbank Deposit Certificate (CDI), with an index rate that approaches 100% of the CDI.

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5. Accounts receivable

	Consolidated	
	09.30.2023	12.31.2022
Duplicates receivable	1,213,456	1,058,379
Provision for expected losses on doubtful accounts	(19,023)	(11,965)
	1,194,433	1,046,414
Current	1,193,154	1,041,766
Non-Current	1,279	4,648
	1,194,433	1,046,414

(*) For the maturity year, the Company considers the period from October 2023 to September 2024 as current, and so on for other years in the segregation of non-current.

Breakdown per maturity of overdue and falling due amounts:

	Consolidated	
	09.30.2023	12.31.2022
Due	1,040,485	925,838
Due up to 30 days	33,054	38,545
Due from 31 to 90 days	30,980	37,697
Overdue from 91 to 180 days	29,791	22,862
Overdue from 181 to 360 days	21,338	8,759
Overdue for more than 361 days	57,808	24,678
	1,213,456	1,058,379

We present below the changes in the allowance for doubtful accounts receivable:

	Consolidated
(=) Balance on January 1, 2022	(9,468)
(+) Initial collection for the purchase	(2,497)
(=) Balance on December 31, 2022	(11,965)
(+) Addition	(20,141)
(-) Write off	12,506
(+/-) Exchange variation	577
(=) Balance on September 30, 2023	(19,023)

The expected loss of doubtful accounts is established when there is objective evidence that the Company and its Subsidiaries will not be able to collect all amounts due according to the original terms of the accounts receivable.

It is constituted in an amount considered sufficient by the Management to face the probable losses in the realization of credits based on: analysis of the risk of default of each client, financial situation of the client compromised in the market, history of negotiations carried out, signed agreements that are not fulfilled, mainly taking into account risk scenarios in which it has an observable behavior in the market, and with special attention to long-term overdue loans. With regard to bills overdue for more than 181 days, collection processes and procedures and agreements, even if paid in installments, are in progress, with a relatively high probability of success.

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6. Recoverable taxes

	Parent company		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
IRRF to offset	20,076	16,381	116,368	74,101
INSS retained to be recovered	-	-	13,109	6,589
PIS recoverable	-	-	1,265	2,166
COFINS to be recovered	-	-	6,215	9,996
ICMS recoverable	-	-	6,622	7,345
IR/CS prepayments	449	359	33,204	5,335
VAT - Value Added Tax	-	-	27,813	12,377
Other taxes recoverable	-	-	3,916	3,052
	<u>20,525</u>	<u>16,740</u>	<u>208,512</u>	<u>120,961</u>
Current	20,076	16,381	202,351	112,897
Non-Current	449	359	6,161	8,064
	<u>20,525</u>	<u>16,740</u>	<u>208,512</u>	<u>120,961</u>

(*) For the maturity year, the Company considers the period from October 2023 to September 2024 as current, and so on for other years in the segregation of non-current.

7. Investments in subsidiaries

	Parent company		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Investments in subsidiaries	1,324,601	853,889	-	-
Joint venture (<i>joint venture</i>) (a)	-	-	-	7,620
Premiums paid on the acquisition of investments based on expected future profitability (Note 7.4)	104,515	104,440	-	-
	<u>1,429,116</u>	<u>958,329</u>	<u>-</u>	<u>7,620</u>
Provision for investment losses	(33)	(42)	-	-
	<u>(33)</u>	<u>(42)</u>	<u>-</u>	<u>-</u>

(a) The Company communicated to the market, on January 17, 2023, that in agreement with OceanPact Serviços Marítimos S.A. ("OceanPact"), they decided to terminate the joint venture O'Brien's do Brasil, this agreement aimed to avoid the overlapping of activities and operations between Ambipar Response S.A. ("Ambipar Response") and OceanPact.

The joint venture, "O'Brien's do Brasil", had, on the liquidation date, a balance of cash and cash equivalents in the amount of R\$7,850.

Identifiable net assets and net income on the settlement date are presented in the tables below:

	12.31.2022
Current assets	28,036
Current Assets	461
Total Assets	28,497
Current Liabilities	9,327
Non-Current Liabilities	3,931
Total Liabilities and Shareholders' Equity	13,258
Total identifiable net assets	15,239
50% share	7,620

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	12.31.2022
Net operating revenue	20,181
Cost of services provided	(1,689)
Gross profit	18,492
General, administrative and sales	(8,931)
Operating profit before financial result	9,561
Financial result	195
current taxes	(2,498)
Net profit	7,258
50% share	3,628

Transaction with HPX

On March 3, 2023, the Company completed the transaction with HPX Corp, pursuant to the terms of the Business Combination Agreement entered into on July 5, 2022 by the Company, together with its subsidiaries, Emergência Participações, Ambipar Emergency Response and Ambipar Merger Sub. As a result, Emergência Participações became a wholly owned subsidiary of Ambipar Emergency Response.

Ambipar Emergency Response (AMBI) is classified as a foreign private issuer, emerging growth company and non-accelerated filer with shares listed on the New York Stock Exchange (NYSE American).

The completion of the Transaction involved a capital contribution of R\$909.8 million equivalent to US\$174.7 million in AMBI, of which: (i) R\$48.1 million equivalent to US\$9.2 million from the HPX trust account , (ii) R\$595.8 million equivalent to US\$114.5 million from private investors in the PIPE (Private Investment in Public Equity) structure, (iii) capitalization of R\$263.0 million equivalent to US\$50, 5 million loan that the Emergency had with the Company. As a result, the Company now holds a 70.8% stake in AMBI after the conclusion of the SPAC process.

Accounting impacts

a) Stock listing expense

The Transaction is not within the scope of IFRS 3/CPC 15 - Business Combination since HPX was a special purpose entity for the acquisition of businesses and did not meet the definition of business by the standard, thus being accounted for in accordance with the standard IFRS 2/CPC 10 - Share-Based Payment. According to this rule, AMBI recognized a single non-cash expense of R\$ 100.9 million equivalent to US\$ 19.4 million, as a listing expense (Listing Expenses), based on the difference *between* the value of the AMBI shares issued to HPX shareholders and the fair value of HPX's identifiable net assets. This expense represents the implicit incurred cost of listing AMBI on the NYSE American.

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	R\$
Cost of shares issued to HPX shareholders (1)	146,741
Fair value of Earn-out shares for Ambipar Holding (2)	(44,240)
Adjusted cost of shares issued to HPX shareholders	102,501
HPX Assets	48,083
HPX Liabilities	(49,676)
HPX net assets on 3/3/2023	(1,593)
Stock listing expense	100,909

- 1) *Considering the amount of US\$9.89 per share on 02/28/23, date of the EGM approving the transaction and exchange of R\$5.2037.*
- 2) *Fair value estimated based on a Monte Carlo simulation model.*

b) Transaction costs

The Company incurred extraordinary expenses of R\$18,913 referring to legal, financial and listing advisors.

c) Warrants

Prior to the Closing, HPX had issued 12,650,000 redeemable public warrants ("Public Warrants") and 7,060,000 redeemable private warrants ("Private Placement Warrants") giving the right to subscribe to one share of HPX at the exercise price of US\$11, 50 per share. At Closing, these warrants were converted into the right to subscribe for AMBI shares at the same strike price. On the same date, 3,560,000 private warrants were cancelled, leaving a total of 16,180,000 warrants in circulation.

The term for exercising these warrants expires on or before March 3, 2028 (i.e, five years after the conclusion of the Business Combination) upon redemption or liquidation in accordance with the terms of the Warrant Agreement. Warrants are within the scope of IAS 32/IFRS 9 and were classified as passive derivative financial instruments. The fair value measurement has been recognized in the Company's financial expense/income account. The Warrants are listed and traded on the NYSE under the symbol AMBI.WS, so their fair value is derived directly from observable market prices.

d) Earn-out

As part of the Transaction, the Company is entitled to an additional 11,000,000 AMBI shares, to be issued in 2 tranches of 5,500,000 each in case certain objectives are achieved (“Earn-out”). The first tranche will be granted if the AMBI quotation exceeds US\$17.0 per share during any 20 trading sessions out of 30 consecutive trading sessions. The second tranche will be granted if the AMBI quotation exceeds US\$20.0 per share during any 20 trading sessions out of 30 consecutive trading sessions. If these objectives are not achieved by March 3, 2026, the Earn-out not awarded will be cancelled.

Earn-out is within the scope of IAS 32/IFRS 9 and was classified as a passive derivative financial instrument of AMBI and as an asset financial instrument of the Company. In the consolidated interim financial information, the impact is neutral. The subsequent measurement of fair value has been recognized in the equity transaction account in the Company's shareholders' equity. Earn-out fair value is calculated according to a Monte Carlo simulation model at each measurement date, using a volatility of 21.3%.

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7.1. Business combinations

Throughout 2023, the Ambipar Group carried out the following corporate movements already organized by its Environment and Response business divisions:

	Environment						Response						Others	
	Garrafaria	Ecofibras	Eco Soluções	ESG Oil	Bravo	TOTAL	Girassol	Ekman	Plimsoll	DFA	Solução Ambiental	TOTAL	Ambipar Lux S.à.r.l	Total
Assets and liabilities acquired at fair value (*)														
Current assets														
Cash and cash equivalents	327	77	2	2,148	3,543	6,097	1,526	2,924	8,420	9,597	1,953	24,420	62	62
Duplicates receivable	1,577	1,394	-	1,088	2,091	6,150	1,501	425	4,664	13,474	9,023	29,087	-	-
Stocks	210	1,703	-	7	-	1,920	50	-	-	-	8,965	9,015	-	-
Related parts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	755	1,117	-	165	8,891	10,928	112	7	616	517	5,280	6,532	-	-
Non-Current Assets														
deferred taxes	4,125	-	-	-	-	4,125	-	-	-	-	-	-	-	-
Other assets	8,000	-	31	-	1	8,032	943	-	137	-	10	1,090	-	-
Permanent	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Immobilized	1,553	8,845	302	3,256	5,298	19,254	3,425	490	1,894	9,096	29,210	44,115	-	-
Intangible	-	-	102	-	3,451	3,553	25	8	-	-	94	127	-	-
Goodwill	40,668	-	-	-	-	40,668	-	-	-	-	-	-	-	-
Separately Identified Intangibles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Added Value of Fixed Assets	-	-	-	-	-	-	-	-	-	2,699	-	2,699	-	-
Current Liabilities														
Suppliers	(1,226)	(1,051)	-	(91)	(68)	(2,436)	(122)	-	(1,677)	(1,371)	(1,534)	(4,704)	-	-
Loans and financing	(103)	-	-	(1)	(3,539)	(3,643)	(47)	-	(525)	-	(5,301)	(5,873)	-	-
Payable wages and vacations	(35)	(14)	-	(68)	(80)	(197)	(950)	(2)	(924)	-	(979)	(2,855)	-	-
Taxes to collect	(501)	(106)	-	(50)	(2,038)	(2,695)	(160)	(290)	(3,283)	-	(2,511)	(6,244)	-	-
Related parts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Current Liabilities														
Loans and financing	(44,607)	(1,088)	(4)	(236)	-	(45,935)	(450)	(1,333)	(5,581)	(11,097)	(17,774)	(36,235)	-	-
Other liabilities	-	-	-	(4,233)	(7,196)	(11,429)	-	-	-	(1,258)	(4,723)	(5,981)	-	-
(-) Deferred tax on capital gains	(12,313)	-	-	-	(4,249)	(16,562)	(55)	-	-	-	-	(55)	-	-
Attributable to the Group's Non-Controlling Shareholders	-	-	-	-	-	-	-	-	-	(918)	-	(918)	-	-
Total identifiable net assets	(1,570)	10,877	433	1,985	6,105	17,830	5,798	2,229	3,741	20,739	20,436	52,943	62	62
Total amount of consideration transferred														
(-) Box purchased	25,500	11,237	9,070	9,790	25,000	80,597	10,345	6,170	29,357	52,084	55,601	153,557	135	135
(-) Assumed value of the obligation to pay	(327)	(77)	(2)	(2,148)	(3,543)	(6,097)	(1,526)	(2,924)	(8,420)	(9,597)	(1,953)	(24,420)	(62)	(62)
Cash paid, net of cash received/receivable	(18,200)	-	(4,535)	(4,895)	(25,000)	(52,630)	(5,172)	(4,134)	(14,679)	(17,166)	(51,173)	(92,324)	-	-
	6,973	11,160	4,533	2,747	(3,543)	21,870	3,647	(888)	6,258	25,321	2,475	36,813	73	73
Primary														
Secondary	8,000	-	-	-	-	8,000	-	-	-	-	-	-	-	-
Total amount of consideration transferred	17,500	11,237	9,070	9,790	25,000	72,597	10,345	6,170	29,357	52,084	55,601	153,557	135	135
	25,500	11,237	9,070	9,790	25,000	80,597	10,345	6,170	29,357	52,084	55,601	153,557	135	135
Primary														
Secondary	(7,700)	-	-	-	-	(7,700)	-	-	-	-	-	-	-	-
(-) Assumed value of the obligation to pay	(10,500)	-	(4,535)	(4,895)	(25,000)	(44,930)	5,172	4,134	14,679	17,166	51,173	92,324	-	-
Determination of goodwill (*)	(18,200)	-	(4,535)	(4,895)	(25,000)	(52,630)	5,172	4,134	14,679	17,166	51,173	92,324	-	-
Total amount of consideration, net	25,500	11,237	9,070	9,790	25,000	80,597	10,345	6,170	29,357	52,084	55,601	153,557	135	135
Added Value	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total identifiable net assets	41,469	(5,547)	(433)	(1,092)	(6,105)	28,292	(4,638)	(1,337)	(1,908)	(20,739)	(10,422)	(39,044)	(62)	(62)
Goodwill	66,969	5,690	8,637	8,698	18,895	108,889	5,707	4,833	27,449	31,345	45,179	114,513	73	73
Date of acquisition	01/12/2023	02/17/2023	04/05/2023	08/08/2023	07/01/2023		03/21/2023	04/14/2023	04/26/2023	04/27/2023	09/29/2023		09/22/2023	
Control start month	01/2023	02/2023	04/2023	08/2023	07/2023		04/2023	04/2023	04/2023	04/2023	07/2023		09/2023	
Company that acquired control	Enviromental ESG Participações S.A.	Holding Ambipar Environment Latam S.A.	Gestión de Servicios Ambientales S.A. C.	Ambipar Environmental Nordeste S/A	Ambipar ESG Brasil S.A.		Ambipar Response Dracares Apoio Marítimo e Portuário Ltda	Ambipar Response Espírito Santo S.A.	Ambipar Tank Cleaning S/A	Ambipar Holding Canadá Inc.	Ambipar Response Espírito Santo S.A.		Ambipar Participações e Empreendimen tos S.A.	
Acquisition Value	R\$ 25,500	CLP 1,707,000	\$1,800	R\$ 9,790	R\$ 25,000		R\$ 10,345	R\$ 6,170	R\$ 29,357	CAD 14,135	R\$ 55,601		€ 25,000	
Acquired percentage	51%	51%	100%	55%	100%		80%	60%	51%	100%	100%		100%	

(*) On the acquisition date, even though the Company evaluates the base date of the initial balance sheet of the acquired companies for purposes of determining the allocation of the purchase price and goodwill (discount). These acquisitions have provisional reports. The value of goodwill for expected future profitability calculated referring to these acquisitions on September 30, 2023, was in the amount of R\$223.475..

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- (**) The acquisitions with the right to control the investees were carried out in the months of January to September 2023, through a binding agreement with the transfer of control of the investees, while negotiating contractual clauses and the complete transfer of funds from the installments of defined payment.
- (***) In 2023, the Group spent BRL 185.276 on acquisitions of companies, as mentioned in the cash flow statement, on investment activities, arising from business combinations. The following is the payment schedule for obligations on account of investment acquisition on September 30, 2023:

Expiration year*	Parent company	Consolidated
2023	1,500	82,438
2024	3,000	176,961
2025	-	97,183
2026	-	5,400
	4,500	361,982
Current liabilities	4,500	253,679
Non-current liabilities	-	108,303

(*) The Company considers the period from October 2023 to September 2024 as current liabilities.

7.2. Subsidiary information

The shareholders' equity of the investees is presented below:

Parent company

	Segment	Equity on 09.30.2023	Percentage (%) on 09.30.2023	Investment	Provision for investment losses
Direct Subsidiaries and Jointly Controlled Undertaking (<i>joint venture</i>):					
Environmental ESG	Environment	497,194	100	497,194	-
Ambipar Emergency Response	Response	1,144,640	70.8	810,405	-
Ambipar Bank	Others	5,478	100	5,478	-
Bleu	Others	21,204	50	10,602	-
Financial	Others	421	100	421	-
Universo	Others	260	100	260	-
Incorporações	Others	(33)	100	-	(33)
Decarbonization	Others	177	100	177	-
Ambipar Lux	Others	64	100	64	-
				1,324,601	(33)

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7.3. Movement of investments in subsidiaries

	Balance on 12/31/2022									Balance on 09/30/2023	
	Investment	Provision for investment losses	Transfer investments	Exchange variation of investments abroad	Jointly Controlled Enterprise (joint venture)	Capital contribution	Others	Capital Transaction	Equity	Investment	Provision for investment losses
Subsidiaries:											
Enviromental ESG	474,756	-	-	(70,060)	-	-	(326)	(53,794)	146,618	497,194	-
Ambipar Emergency Response (f)	-	-	635,878	(52,059)	-	-	2,065	247,193	(22,672)	810,405	-
Emergência Participações (f)	365,354	-	(635,878)	(4,849)	-	263,004	(3,331)	2,412	13,288	-	-
Ambipar Bank	2,610	-	-	-	-	-	-	-	2,868	5,478	-
Bleu	10,473	-	-	-	-	-	-	-	129	10,602	-
Financial	106	-	-	-	-	-	-	-	315	421	-
Universo	366	-	-	-	-	-	-	-	(106)	260	-
Ambify (h)	214	-	(10)	-	-	-	-	-	(204)	-	-
Incorporações	-	(42)	-	-	-	-	-	-	9	-	(33)
Decarbonization	10	-	-	-	-	-	-	-	167	177	-
Ambipar Lux (i)	-	-	-	1	-	62	-	-	1	64	-
	<u>853,889</u>	<u>(42)</u>	<u>(10)</u>	<u>(126,967)</u>	<u>-</u>	<u>263,066</u>	<u>(1,592)</u>	<u>195,811</u>	<u>140,413</u>	<u>1,324,601</u>	<u>(33)</u>
Jointly Controlled Enterprise (joint venture):											
O'Brien's do Brasil(g)	-	-	-	-	7,620	-	(7,620)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,620</u>	<u>-</u>	<u>(7,620)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Balance on 12/31/2021									Balance on 12/31/2022		
	Investment	Provision for investment losses	Transfer investments	Exchange variation of investments abroad	Advance for Future Capital Increase	Accrued dividends	Others	Capital Transaction	Equity	Investment	Provision for investment losses	Jointly Controlled Enterprise (joint venture)
Subsidiaries:												
Environmental ESG	16,512	-	-	(87,364)	500,000	(13,139)	-	3,427	55,320	474,756	-	-
Emergency Participações	329,746	-	-	(93,577)	-	(38,354)	(222)	6,269	161,492	365,354	-	-
Ambipar Bank	1,073	-	-	-	-	(165)	-	-	1,702	2,610	-	-
Bleu	9,819	-	-	-	-	-	-	-	654	10,473	-	-
Financial	1	-	-	-	-	-	-	-	105	106	-	-
Universo	1	-	-	-	-	-	-	-	365	366	-	-
Ambify (a)	-	-	74	-	-	-	-	-	140	214	-	-
Ambipar University Ltd (b)	-	-	(3,066)	662	-	-	3,606	-	(1,202)	-	-	-
Incorporações (c)	-	-	(37)	-	-	-	-	-	(5)	-	(42)	-
Decarbonization (d)	-	-	10	-	-	-	-	-	-	10	-	-
	<u>357,152</u>	<u>-</u>	<u>(3019)</u>	<u>(180,279)</u>	<u>500,000</u>	<u>(51,658)</u>	<u>3,384</u>	<u>9,696</u>	<u>218,571</u>	<u>853,889</u>	<u>(42)</u>	<u>-</u>
Jointly Controlled Enterprise (joint venture):												
O'Brien's do Brasil (e)	-	-	6,583	(249)	-	-	(2,342)	-	3,628	-	-	7,620
	<u>-</u>	<u>-</u>	<u>6,583</u>	<u>(249)</u>	<u>-</u>	<u>-</u>	<u>(2,342)</u>	<u>-</u>	<u>3,628</u>	<u>-</u>	<u>-</u>	<u>7,620</u>

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- (a) On January 26, 2022, the subsidiary Environmental ESG transferred the 25,000 quotas it held in Ambify Ltda to the Company. The investment was transferred for consideration and classified as related parties;
- (b) On June 20, 2022, the subsidiary Emergência Participações transferred the 40,000 shares it held in Ambipar University Ltda to the Company. The investment was transferred for consideration and classified as related parties. On December 30, 2022, the Company decided to liquidate the company University, and the investment negative balance in the amount of R\$4,268 was recorded in income;
- (c) On October 14, 2022, the subsidiary Emergência Participações transferred the 20,000 quotas it held in Ambipar Incorporações Ltda. The investment was transferred for consideration and classified as related parties;
- (d) On October 14, 2022, the Company constitutes the company Ambipar Decarbonisation Ltda with the payment of 10,000 shares in the unit value of R\$ 1 (one Real) each share.
- (e) Refers to the joint venture (*joint venture*) as described in Note 7;
- (f) Refers to the transaction carried out with HPX on March 3, 2023, as detailed in Note 7;
- (g) On January 17, 2023, there was a notice of closure of the joint venture O'Brien's do Brasil, this agreement aimed to avoid the overlapping of activities and operations between Ambipar Response S.A. ("Ambipar Response") and OceanPact; It is
- (h) On May 30, 2023, the Company transferred the 25,000 quotas it held in Ambify Ltda to the indirect subsidiary Ambipar Environmental Solutions - Soluções Ambientais Ltda. The investment was transferred for consideration and classified as related parties.
- (i) On July 20, 2023, the Company acquired 12,000 shares of the company Corkrys Theta S.à.r.l (currently called Ambipar Lux S.à.r.l.). On the same date, the share capital was converted from twelve thousand euros (EUR 12,000) to twelve thousand, eight hundred and forty-two and forty cents of United States dollars (USD 12,842.40) at the exchange rate of 1.0702 USD per EUR 1 (being the exchange rate published on the European Central Bank website on 20 September 2023). The investment was acquired as detailed in note nº 7.

7.4. Breakdown of goodwill

	Parent company		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Composition of goodwill by Segment:				
Environmental Participações	-	-	1,437,983	1,293,231
Response	-	-	1,249,399	1,168,298
Others	104,440	104,440	104,515	104,440
	<u>104,440</u>	<u>104,440</u>	<u>2,791,897</u>	<u>2,565,969</u>

According to Technical Interpretation ICPC 09 - Individual Financial Statements, Separate Statements, Consolidated Statements and Application of the Equity Method, in the consolidated balance sheet goodwill with expected future profitability is recorded in the Intangible Assets subgroup as it refers to the expected profitability of the acquired subsidiary, whose assets and liabilities are consolidated in the parent company. In the Parent Company's individual balance sheet, this goodwill is in its investment's subgroup, in the same Non-Current Assets group, because, for the investor, it is part of its investment in the acquisition of subsidiaries.

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The goodwill arising from the acquisition of related (indirect) subsidiaries is recorded in direct investment in the Parent Company and segregated in the Consolidated, like the other goodwill mentioned above, under Intangible Assets.

We demonstrate below the movement of goodwill:

	Consolidated
Balance on January 1, 2022	1,686,841
Exchange variation	(97,996)
Acquisitions Environment	245,929
Acquisitions Response	508,175
Initial purchase collection - Response **	154,122
Other expenses*	68,898
Balance on December 31, 2022	2,565,969
Exchange variation	(70,274)
Acquisitions Environment	108,889
Acquisitions Response	114,512
Acquisitions Others	73
Initial price adjustment - Environment***	70,439
Initial price adjustment - Response	2,289
Balance on September 30, 2023	2,791,897

(*) Within a period of one year, after the acquisition of control, assessments of adjustments to the opening balances of the companies acquired in the Environment, Response and Others business divisions were carried out;

(**) On July 11, 2014, the subsidiary Witt O'Briens acquired controlling interest in Witt O'Brien's, a global leader in disaster preparedness, crisis management and response and recovery, through the acquisition of a shareholding 45.8% of its partner for US\$35.4 million in cash. The Company performed a fair value analysis, and the purchase price was allocated to the acquired assets and liabilities based on their fair values, resulting in US\$48.1 million of recorded goodwill. In October 2016, Witt O'Brien's announced the launch of a strategic growth program to focus on core services, eliminating non-core and lower margin businesses. Witt O'Brien's core services include providing resiliency solutions to key areas of critical infrastructure, including but not limited to government, energy, transportation, healthcare, and education, in the United States and abroad. Witt O'Brien's protects and enhances its customers' business value by strengthening their ability to prepare for, respond to and recover from natural and man-made disasters, including hurricanes, infectious diseases, terrorism, cyber breaches, oil spills, incidents browsing and other interruptions. Operations scheduled for disposal include a government relations unit, the Company's operations in Europe (mainly the UK), software products and an insurance unit. As a result of the restructuring, during the year ended December 31, 2016, Witt O'Brien's identified indicators of impairment for some of its intangible assets and goodwill, resulting in impairment charges of US\$29.6 million. The estimates and assumptions used by the Company for its annual goodwill impairment test are typically developed as part of the Company's routine business planning and forecasting process. Although the Company believes that its assumptions and estimates are reasonable, the Company's actual performance in relation to its estimates may produce different results and lead to additional impairment losses in future periods.

(***) In 2023, there was a price adjustment for Ambipar Environmental Glass Recycling S.A. (Environmental segment) related to the increase in equity interest, from 51% to 100%.

Intangible test for *Impairment verification*:

Goodwill is an asset that has an indefinite useful life and must be tested annually or whenever there are signs of possible loss of value. Assets and liabilities are grouped into CGUs (Cash Generating Units) for *impairment testing purposes*.

Impairment loss is immediately recorded as a loss in the income statement and cannot be reversed later.

As required by accounting practices adopted in Brazil and international standards (IFRS), the Company annually assesses the recoverability of its assets.

The Company used the value in use method to carry out the *impairment test*. For all UGCs, a 5-year projection was considered, with growth in perpetuity, in addition to observing the financial budgets prepared by Management to start projecting cash flows.

Cash flows were discounted to present value by applying the rate determined by the Weighted Average Cost of Capital (WACC), which was calculated using the CAPM method (Capital Asset Pricing *Model*) and which also considers various components of financing, debt and equity used by the Company to finance its activities.

As a result of the *impairment* test, since the last closing of the annual individual and consolidated financial statements and evaluating the scenario that there were no changes in the significant risk variables and in the assumptions used for the future cash flow of the acquired businesses, no indications were identified of losses for the UGCs for the goodwill recorded in the Company and its subsidiaries, in these individual and consolidated interim financial information.

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8. Property, plant, and equipment

(a) Breakdown and changes

Changes in property, plant and equipment are as follows:

	Consolidated -09. 30.2023											
	Landfills	Buildings	Installations	Machines and equipment	IT equipment	Furniture and utensils	Vehicles	Aircraft	Leasehold improvements	Construction in progress	Vessels	Total
Cost												
Opening balance	130,334	67,054	3,013	1,095,632	48,072	17,690	1,205,575	73,614	83,529	181,733	32,388	2,938,634
Transfers	16,860	4,608	146	52,505	2,357	815	69,331	852	(1,603)	(94,179)	15,751	67,443
Additions	5,324	71,746	797	143,370	3,475	1,869	92,064	42,761	4,623	150,595	1,952	518,576
Write-offs	(1,930)	(6,443)	-	(52,971)	(842)	191	(55,096)	(3,858)	(230)	(6,090)	(38)	(127,307)
Initial purchase amount (*)	375	2,974	4,054	59,053	1,212	1,766	16,306	-	-	6,835	1,700	94,275
Fair value-added value	-	-	-	(2,219)	(72)	529	7,159	-	34	-	-	5,431
Exchange variation	(4,194)	(3,864)	(2)	(14,283)	(982)	(534)	(28,372)	-	(274)	(375)	(32)	(52,912)
Balance	146,769	136,075	8,008	1,281,087	53,220	22,326	1,306,967	113,369	86,079	238,519	51,721	3,444,140
Accumulated depreciation												
Opening balance	(8,272)	(20,164)	(1,592)	(440,675)	(27,457)	(10,542)	(538,252)	(10,424)	(24,904)	-	(6,265)	(1,088,547)
Transfers	-	(8,308)	(11)	(10,417)	(912)	(1,223)	(19,499)	(32)	(268)	-	-	(40,670)
Additions	(42)	(3,308)	(279)	(54,077)	(6,487)	(1,378)	(60,283)	(3,473)	(7,028)	-	(945)	(137,300)
Write-offs	172	1,502	-	28,842	572	429	51,636	1,308	(11)	-	8	84,458
Initial purchase amount (*)	-	(421)	(1,425)	(20,961)	(488)	(281)	(7,112)	-	(36)	-	(211)	(30,935)
Fair value-added value	-	288	2	(3,161)	(239)	(111)	(3,299)	(1,232)	(2)	-	(219)	(7,973)
Exchange variation	2	623	-	4,093	544	487	17,227	-	200	-	13	23,189
Balance	(8,140)	(29,788)	(3,305)	(496,356)	(34,467)	(12,619)	(559,582)	(13,853)	(32,049)	-	(7,619)	(1,197,778)
Cost	146,769	136,075	8,008	1,281,087	53,220	22,326	1,306,967	113,369	86,079	238,519	51,721	3,444,140
(-) Depreciation and amortization	(8,140)	(29,788)	(3,305)	(496,356)	(34,467)	(12,619)	(559,582)	(13,853)	(32,049)	-	(7,619)	(1,197,778)
	138,629	106,287	4,703	784,731	18,753	9,707	747,385	99,516	54,030	238,519	44,102	2,246,362

(*) Initial accrual for the purchase of investees Girassol Apoio Marítimo Ltda (Brasil), Garrafaria São Paulo Comércio de Vasilhames Ltda (Brasil), Ekman - Serviços Ambientais e Oceanográficos Ltda (Brasil), Plimsoll Serviços Ltda (Brasil), DFA Contracting Ltd (Canadá), Ecofibras S.A. (Chile), Eco Soluções S.A.C. (Peru), Ambipar ESG OIL Recovery NE S.A. (Brasil), Bravo GRC Ltda (Brasil), Reconditec Sistemas e Participações Ltda (Brasil), RMC2 Soluções Ambientais Ltda (Brasil).

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	Consolidated - 12.31.2022										
	Landfills	Buildings	Installations	Machines and equipment	IT equipment	Furniture and utensils	Vehicles	Aircraft	Leasehold improvements	Construction in progress	Total
Cost											
Opening balance	126,954	39,231	2,420	880,049	33,205	13,963	940,130	-	37,737	100,870	2,180,821
Transfers	5,994	6,494	98	(30,993)	(1,083)	274	35,445	(30)	31,461	(51,794)	340
Additions	2,760	20,554	334	247,463	6,499	3,076	305,170	17,335	14,715	155,635	774,183
Write-offs	(2,638)	(1,754)	(2)	(33,786)	(2,518)	(122)	(75,548)	-	(1967)	(27,594)	(149,774)
Initial purchase amount (*)	-	4,841	166	39,726	13,445	1,073	24,689	39,887	1920	4,698	149,784
Fair value-added value	-	15	-	23,259	41	60	6,973	16,422	-	-	52,607
Exchange variation	(2,736)	(2,327)	(3)	(30,086)	(1,517)	(634)	(31,284)	-	(337)	(82)	(69,327)
Balance	130,334	67,054	3013	1,095,632	48,072	17,690	1,205,575	73,614	83,529	181,733	2,938,634
Accumulated depreciation											
Opening balance	(8,210)	(15,742)	(1,252)	(422,208)	(17,427)	(9,056)	(484,624)	-	(15,388)	-	(974,998)
Transfers	287	(4,163)	-	17,341	216	(338)	(11,182)	9	(66)	-	2,104
Additions	(357)	(4,836)	(187)	(69,475)	(5,466)	(1,697)	(104,801)	(3,645)	(9,913)	-	(201,342)
Write-offs	-	931	2	28,351	1,110	264	47,841	-	1832	-	80,953
Initial purchase amount (*)	-	(53)	(158)	(16,160)	(7,369)	(322)	(14,918)	(5,419)	(1,626)	-	(50,615)
Fair value-added value	-	361	3	(4,304)	(68)	(26)	(929)	(1,369)	-	-	(6,624)
Exchange variation	8	3,338	-	25,780	1,547	633	30,361	-	257	-	61,975
Balance	(8,272)	(20,164)	(1,592)	(440,675)	(27,457)	(10,542)	(538,252)	(10,424)	(24,904)	-	(1,088,547)
Cost	130,334	67,054	3013	1,095,632	48,072	17,690	1,205,575	73,614	83,529	181,733	2,938,634
(-) Depreciation and amortization	(8,272)	(20,164)	(1,592)	(440,675)	(27,457)	(10,542)	(538,252)	(10,424)	(24,904)	-	(1,088,547)
	122,062	46,890	1,421	654,957	20,615	7,148	667,323	63,190	58,625	181,733	1,850,087

(*) Initial assets for the purchase of investees First Response Inc. (Canada), Fox Comércio de Aparas Ltda. (Brazil), Fox Industria e Comércio de Plásticos Reciclados Ltda. (Brazil), Dracares Apoio Marítimo e Portuário Ltda. (Brazil), MB Transportes Aquaviários Ltda. (Brazil), RPP Resinas Termoplasticas Ltda (Brazil), Flyone Serviços Aéreo Especializado, Comércio e Serviços Ltda. (Brazil), RG Consultoria Técnica Ambiental S.A. (Brazil), Bioenv Análises e Monitoramento Ambiental Ltda (Brazil), CTA Serviços em Meio Ambiente Ltda (Brazil), Graham Utility Hydrovac Services (Canada), CK7 Serviços de Manutenção Industrial e Reparos em Geral Ltda (Brazil), C-Safety Comércio, Indústria e Serviços Ltda (Brazil), Ridgeline Canada Inc (Canada), BLZ Recicla Comércio de Embalagens, Resíduos e Sucatas Ltda (Brazil), Recitotal Comércio Transportes e Serviços Ltda (Brazil) and Recitotal PR - Comércio Transportes e Serviços Ltda (Brazil), Viraser Negócios de Impacto Ltda (Brazil), Green Tire Ambiental Ltda (Brazil) and Witt O'Brien's LLC (USA).

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial statements Quarter ended September 30, 2023 and 2022 (In thousands of Brazilian Reais, unless otherwise stated)

(b) Depreciation and amortization rates

Depreciation and amortization rates are shown below:

Active	Lifespan (in years)	Annual weighted average rate (%)
Aircraft	10 years	10.00%
Improvements in Third Party Properties	03 to 25 years	16.46%
Buildings	10 to 25 years	5.00%
Vessels	05 to 20 years	9.36%
Landfill Expansion	07 to 12 years	8.00%
Tools	04 to 10 years	13.61%
Computing	02 to 10 years	18.76%
Installations	03 to 10 years	13.19%
Use License and Software	05 years	20.00%
Machines and equipment	03 to 20 years	13.32%
Machinery and Equipment - fleets	03 to 10 years	13.79%
Furniture and utensils	03 to 10 years	12.73%
Software	05 years	20.00%
Vehicles	03 to 10 years	18.52%
Vehicles - Fleet	02 to 10 years	20.71%
Research and Development	02 years	50.00%

Due to the evaluations carried out by the Group's specialist technicians, based on the physical evaluation, maintenance criteria adopted by the companies individually, including those acquired in recent years, it was verified that there were no changes in expectations regarding the estimates of useful life and/or residual value, except for the Machines, Equipment and Vehicles group, whose useful life was reviewed, for individualized assets and established on the base date June 30, 2022.

The criterion adopted by Management was to consider assets that have a recoverable value at end of useful life of approximately 40% of the acquisition cost value. In addition, the technical conditions of use and maintenance of these assets were considered. In these individual and consolidated interim financial information, no need for any reassessment of the useful lives of assets was identified.

(c) Relevant maintenance costs

The Company has an investment in a subsidiary in the aviation sector, which performs relevant maintenance on property, plant and equipment at regular intervals during its economic useful life. These maintenances are carried out to restore or maintain the original performance standards provided by the suppliers and represent the only alternative for using the asset until the end of its useful life. For such maintenance, entities stop operations of the asset or group of assets for a certain period and generally incur the following main expenses:

- a) Main components and parts;
- b) Own services or services contracted from third parties for the replacement of components and parts;

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial statements Quarter ended September 30, 2023 and 2022 (In thousands of Brazilian Reais, unless otherwise stated)

- c) Own or outsourced maintenance and cleaning services; It is
- d) Fixed costs of the plant during the maintenance period, stock losses, etc.

Assets pledged

On September 30, 2023, the amount of R\$ 663,503 (R\$ 733,092 on December 31, 2022) is represented by property, plant and equipment items in the vehicle classes (represented basically by trucks), machinery, apparatus and equipment, which are the guarantees of the respective financings in the FINAME and Leasing modality.

(d) *Impairment* (Fixed and Intangible)

Management reviews annually (the last one being carried out for the conclusion of the financial, individual and consolidated statements on December 31, 2022) the net book value of assets with the objective of assessing events or changes in economic or operational circumstances that may indicate deterioration or loss of its recoverable value. If such evidence is identified and for the net book value that exceeds the recoverable amount, an *impairment* provision is recognized, adjusting the net book value to the recoverable amount.

Intangible assets with an indefinite useful life are subject to annual impairment analysis, *regardless* of whether or not there is any indication of impairment.

The recoverable amount of an asset is defined as the lower of its carrying amount and its value in use. The calculation of the value in use is based on the discounted cash flow model, considering the UGCs, based on the regional service of the two reportable segments of the Group: environmental and emergency, and, in addition, the analysis of other investments. The business growth assumptions are based on the annual budget for 2023 and the long-term projections of its subsidiaries. Estimated future cash flows were discounted at a rate equivalent to the weighted average cost of capital.

The estimated EBITDA was projected considering historical data and forecasts as follows:

- CGU revenues include service provision. Revenue growth was projected considering economic recovery and price increases/decreases based on inflation estimates;
- Operating costs and expenses were projected considering the historical performance of the UGC and the trends in personnel cost readjustments and investments in structure; and
- Capital expenditures were estimated considering the maintenance of existing infrastructure, machinery, equipment and vehicles for continuous operation and compliance with customer contracts.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

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For the quarter ended September 30, 2023, based on the assessments made for the year ended December 31, 2022, and without any change in significant risk variables and assumptions of future business cash flows, there were no changes of the estimated value in use, which exceeded the carrying amount.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial statements

Quarter ended September 30, 2023 and 2022

(In thousands of Brazilian Reais, unless otherwise stated)

(e) Right-of-use asset - Consolidated

	Opening balance on January 1, 2023	New contracts	Write- offs	Transfers	Transfers not cash	Exchange Variation	Initial purchase amount	Depreciation expenses	Cost	Accumulated depreciation	Net value on September 30, 2023
Right of Use	127,326	157,755	(10,331)	(29,249)	(4,563)	(2,492)	28	(111,018)	361,855	(234,399)	127,456
	127,326	157,755	(10,331)	(29,249)	(4,563)	(2,492)	28	(111,018)	361,855	(234,399)	127,456

	Opening balance on January 1, 2022	New contracts	Transfers	Exchange Variation	Initial purchase amount	Amortization expenses	Cost	Accumulated Amortization	Net value on December 31, 2022
Right of Use	81,389	130,857	(2,444)	2,332	17,624	(102,432)	298,893	(171,567)	127,326
	81,389	130,857	(2,444)	2,332	17,624	(102,432)	298,893	(171,567)	127,326

Refers mainly to properties (including administrative offices, regional offices, service bases, warehouses, training center) and fleets that are leased from third parties and for conducting the Company's business and its subsidiaries in various locations in the country.

As of April 2020, the lease agreement with related parties for the properties in Nova Odessa/SP and the Company's headquarters in São Paulo/SP began, which follow market conditions.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial statements Quarter ended September 30, 2023 and 2022 (In thousands of Brazilian Reais, unless otherwise stated)

9. Intangible assets

(a) Breakdown and changes

	Annual rate of amortization	Consolidated	
		09.30.2023	12.31.2022
Cost			
Trademarks and patents		122,384	119,243
Right to use software	20%	53,143	54,603
Research and development (*)	50%	84	80
Goodwill		2,824,188	2,600,003
Customer portfolio	50%	499,877	531,398
Know-how	20%	10,298	10,237
Non-Compete	20%	11,741	6,960
		<u>3,521,715</u>	<u>3,322,524</u>
Accumulated amortization			
Trademarks and patents		(5,033)	(1,239)
Right to use software		(24,256)	(12,224)
Customer portfolio		(48,795)	(26,568)
Know-how		(3,427)	(1,775)
Non-Compete		(3,041)	(1,183)
		<u>(84,552)</u>	<u>(42,989)</u>
Net total		<u>3,437,163</u>	<u>3,279,535</u>

(*) Refers substantially to investments in Research & Development of products arising from waste generated by the Company's customers and its subsidiaries.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial statements Quarter ended September 30, 2023 and 2022 (In thousands of Brazilian Reais, unless otherwise stated)

(b) Intangible assets rollforward

	Consolidated - 09.30.2023							
	Trademarks and patents	Right to use software	Research and Development	Customer portfolio	Goodwill	Know- how	Non- Compete	Total
Cost								
Opening balance	119,243	54,603	80	531,398	2,600,003	10,237	6,960	3,322,524
Transfers	10,246	(6,593)	-	-	2,000	-	-	5,653
Additions	73	5,507	4	-	296,202	-	-	301,786
Write-offs	-	(1,429)	-	-	(2,000)	-	-	(3,429)
Initial purchase amount	-	4,845	-	-	-	-	-	4,845
Fair Value-Added Value	(508)	-	-	(5,300)	-	-	4,868	(940)
Exchange Variation	(6,670)	(3,790)	-	(26,221)	(72,017)	61	(87)	(108,724)
Final balance	122,384	53,143	84	499,877	2,824,188	10,298	11,741	3,521,715
Accumulated amortization								
Opening balance	(1,239)	(12,224)	-	(26,568)	-	(1,775)	(1,183)	(42,989)
Transfers	-	(3,428)	-	251	-	-	-	(3,177)
Additions	-	(8,143)	-	-	-	-	-	(8,143)
Write-offs	-	324	-	-	-	-	-	324
Initial purchase amount	-	(1,164)	-	-	-	-	-	(1,164)
Appropriation fair value of surplus value	(3,796)	-	-	(24,601)	-	(1,629)	(1,858)	(31,884)
Exchange Variation	2	379	-	2,123	-	(23)	-	2,481
Final balance	(5,033)	(24,256)	-	(48,795)	-	(3,427)	(3,041)	(84,552)
Cost	122,384	53,143	84	499,877	2,824,188	10,298	11,741	3,521,715
(-) Accumulated amortization	(5,033)	(24,256)	-	(48,795)	-	(3,427)	(3,041)	(84,552)
	117,351	28,887	84	451,082	2,824,188	6,871	8,700	3,437,163

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

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Quarter ended September 30, 2023 and 2022

(In thousands of Brazilian Reais, unless otherwise stated)

	Consolidated - 12.31.2022							
	Trademarks and patents	Right to use software	Research and Development	Customer portfolio	Goodwill	Know-how	Non- Compete	Total
Cost								
Opening balance	93,330	25,944	8,619	209,499	1,698,873	-	-	2,036,265
Transfers	(3,884)	29	-	3,855	-	-	-	-
Additions	290	2034	80	20	823,001	-	-	825,425
initial collection	12,242	33,141	-	-	154,122	-	-	199,505
Write-offs	(3,851)	(4,455)	(8,619)	(2,803)	(1998)	-	-	(21,726)
Fair Value-Added Value	30,405	-	-	340,303	24,001	10,237	6,960	411,906
Exchange Variation	(9,289)	(2,090)	-	(19,476)	(97,996)	-	-	(128,851)
Final balance	<u>119,243</u>	<u>54,603</u>	<u>80</u>	<u>531,398</u>	<u>2,600,003</u>	<u>10,237</u>	<u>6,960</u>	<u>3,322,524</u>
Accumulated amortization								
Opening balance	-	(12,456)	(8,516)	(10,791)	(378)	-	-	(32,141)
Transfers	-	-	-	-	-	-	-	-
Additions	-	(2016)	(103)	(69)	-	-	-	(2,188)
Write-offs	-	2,459	8,619	2,470	378	-	-	13,926
initial collection	-	(509)	-	-	-	-	-	(509)
Appropriation fair value of surplus value	(1,248)	-	-	(18,243)	-	(1,775)	(1,183)	(22,449)
Exchange Variation	9	298	-	65	-	-	-	372
Final balance	<u>(1,239)</u>	<u>(12,224)</u>	<u>-</u>	<u>(26,568)</u>	<u>-</u>	<u>(1,775)</u>	<u>(1,183)</u>	<u>(42,989)</u>
Cost	119,243	54,603	80	531,398	2,600,003	10,237	6,960	3,322,524
(-)Accumulated amortization	(1,239)	(12,224)	-	(26,568)	-	(1,775)	(1,183)	(42,989)
	<u>118,004</u>	<u>42,379</u>	<u>80</u>	<u>504,830</u>	<u>2,600,003</u>	<u>8,462</u>	<u>5,777</u>	<u>3,279,535</u>

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial statements Quarter ended September 30, 2023 and 2022 (In thousands of Brazilian Reais, unless otherwise stated)

10. Loans and financing

10.1. Breakdown

Modality	Financial charges (% p.a.)	Maturity	Consolidated			
			09.30.2023		12.31.2022	
			Current	Non-current	Current	Non-current
Working capital (i)	4.39% a.a. + CDI	May de 2029	94,321	925,464	222,331	1,051,757
Working capital in Foreign currency (ii)	2.37% a.a. + CDI	March de 2028	67,915	393,638	80,105	-
Investment financing (iii)	14.36% a.a.	June de 2033	153,473	392,818	153,868	482,608
Financial leasing (iv)	10.15% a.a.	November de 2027	35,947	81,265	32,812	63,804
			<u>351,656</u>	<u>1,793,185</u>	<u>489,116</u>	<u>1,598,169</u>

10.2. Description

(i) Working capital

National subsidiaries

Working capital operations are pre-fixed at a weighted average rate of 4.39% pa plus CDI and mature from October 2023 to May 2029.

Subsidiaries abroad

In 2022, Ambipar Holding USA, a subsidiary of Companhia Emergência Participações S.A., entered into a loan agreement in US dollars in the amount of USD 90,000 thousand with the financing agent ITAU BBA International PLC, with interest of 6.36 % p.a with payment of the principal on September 13, 2027 and payment of interest in 9 (nine) installments from March 2023 and September 2023 consecutively.

(ii) Turnover in foreign currency - Resolution 4131

In June 2021, the subsidiary Environmental entered into a loan agreement in US dollars in the amount of USD 9,917 thousand, equivalent to R\$ 50,000, on the date of the transaction, with the financing agent Banco Bocom BBM S.A. Nassau Branch, with a letter of guarantee assumed by the Company and the shareholder, with interest of 2.13% pa and exchange variation, with payment of principal and interest in 12 monthly installments.

For currency hedging of the loan, the subsidiary Environmental contracted a derivative financial instrument, a cash flow swap, with Banco BBM S.A. in the same amount and maturities, exchanging the exposure to the variation in the USD currency plus a fixed rate of 2.13% per year, for the rate prefixed rate of 100% of the CDI per year, and with that, assigning the credit rights of the swap operation as guarantee to the loan creditor in US dollars;

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In May 2022, the company Ambipar Participações e Empreendimentos S.A. entered into a loan agreement in US dollars in the amount of USD 6,193 thousand, equivalent to R\$ 30,000, with the financing agent Banco ABC Brasil S.A., with the guarantee of a letter of guarantee assumed by the Company and shareholder, with interest of 2.75% p.a and exchange variation, with payment of the principal on May 26, 2023 and interest on November 28, 2022 and May 26, 2024.

For currency hedging of the loan, the Company contracted a derivative financial instrument, cash flow swap, with Banco ABC Brasil S.A. in the same amount and maturities, exchanging the exposure to the USD currency variation plus a fixed rate of 2.75% per year, for the rate prefixed rate of 100% of the CDI per year, and with that, assigning the credit rights of the swap operation as guarantee to the loan creditor in US dollars;

In March 2023, the subsidiary Environmental ESG Participações S.A. entered into a loan agreement in US dollars in the amount of USD 111,863 thousand with the financing agent Banco Santander S.A. (Brasil), Luxembourg Branch, with fixed interest of 8.09% p.a, payment principal on March 23, 2026, March 22, 2027 and March 21, 2028, and interest payments in 5 (five) annual installments starting March 2024, consecutively.

For exchange protection of the loan to the subsidiary Environmental ESG Participações S.A., it contracted a derivative financial instrument, cash flow swap, with Banco Santander S.A. (Brasil) in the same amount and maturities, exchanging the exposure of the variation of the currency USD plus fixed rate of 2, 10% per annum, at a fixed rate of 100% of the CDI per annum, and thereby assigning the credit rights of the swap operation as guarantee to the creditor of the loan in US dollars;

In May 2023, the subsidiary Environmental ESG Participações S.A. carried out the renegotiation and rescheduling of the debt relating to the loan agreement signed in June 2021, in US dollars in the amount of USD 9,423 thousand equivalent to R\$ 46,975, guaranteed by letter guarantee assumed by the Company and shareholder, with interest of 2.60% p.a. and exchange rate variation, with payment of principal and interest in 12 monthly installments.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

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For exchange rate protection of the loan, the subsidiary Environmental maintained the derivative financial instrument contract, cash flow swap, with Banco BBM S.A. in the same amount and maturities, exchanging exposure to the variation of the USD currency plus a fixed rate of 2.60% per year, at a pre-fixed rate of 100% of the CDI per year, and with this, assigning the credit rights of the swap operation as guarantee to the creditor of the loan in US dollars;

In May 2023, the subsidiary Environmental ESG Participações S.A. signed a loan agreement in US dollars in the amount of USD 607 thousand equivalent to R\$ 3,204, on the date of the transaction, with the financing agent Banco Bocom BBM S.A. Nassau Branch, with a guarantee of letter of guarantee assumed by the Company and shareholder, with interest of 2.60% p.a. and exchange rate variation, with payment of principal and interest in 12 monthly installments.

For exchange rate protection of the loan, the subsidiary Environmental contracted a derivative financial instrument, a cash flow swap, with Banco BBM S.A. in the same amount and maturities, exchanging the exposure of the variation in the USD currency plus a fixed rate of 2.60% per year, for the rate prefixed at 100% of the CDI per year, and with this, assigning the credit rights of the swap operation as guarantee to the creditor of the loan in US dollars;

(iii) Investment financing (FINAME)

Acquisition of heavy vehicles and machinery used to operate the subsidiaries. The contracts have a fixed rate with a weighted average of 14.36% p.a., with monthly amortization and the last installment falling due in June 2033;

(iv) Financial lease

Contracts with a fixed rate with a weighted average of 10.15% p.a., monthly amortization and maturity of the last installment in November 2027.

10.3. Payment schedule of installments of non-current liabilities

Year of maturity	Consolidated	
	09.30.2023	12.31.2022
2024	85,779	390,907
2025	387,723	376,066
2026	343,702	264,066
2027	805,615	571,692
From 2028	223,137	6,637
	1,845,956	1,609,368

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Capitation cost (long term)	(52,771)	(11,199)
Total	1,793,185	1,598,169

(*) For the maturity year, the Company considers the period from October 2023 to September 2024 as current, and so on for other years in the segregation of non-current.

10.4. Guarantees

Financing with FINAME resources is guaranteed by the financed assets and was raised essentially to build a fleet of vehicles for operating the subsidiaries. These financings take place through accredited financial institutions, for the production and acquisition of new machinery and equipment, manufactured in Brazil, accredited by the National Bank for Economic and Social Development (BNDES).

Working capital loans are guaranteed by guarantees from Group companies and Shareholders of the companies, and for the companies listed below, the minority shareholder.

Segmento	Empresa	Valor
Environmental ESG	Amazon	266
	Brasil Coleta Gerenc,	1,000
	Brasil Coleta Indústria	1,282
	Bravo	13,439
	Centroeste	410
	Drypol	1,300
	Fox Comercio	1,564
	Green Tech	324
	Nordeste Ltda	66
ESG Total		19,651
Response	Dracares	1,500
	Flyone	85
	Controlpar	4,662
	Fauna e Flora	500
	JM Serviços	5,350
	RG Response	786
	Marine	682
	Reconditec	10,762
Response Total		24,327
Total Geral		43,978

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11. Debentures

11.1. Breakdown

			Parent company			
			Current		Non-current	
			09.30.2023	12.31.2022	09.30.2023	12.31.2022
Debentures	Financial charges - p.a. % CDI + 2.75 and 3.1	Maturity January/2028	169,988	121,300	2,629,693	2,497,335
			<u>169,988</u>	<u>121,300</u>	<u>2,629,693</u>	<u>2,497,335</u>
			-	-	-	-
			Consolidated			
			Current		Non-current	
			09.30.2023	12.31.2022	09.30.2023	12.31.2022
Debentures	Financial charges - p.a. % CDI + 2.75 to 3.1	Maturity July/2027	484,797	439,452	4,447,220	4,574,664
			<u>484,797</u>	<u>439,452</u>	<u>4,447,220</u>	<u>4,574,664</u>

(*) Balances of debentures classified as current that mature in the next twelve months following the closing of these interim financial statements.

11.2. Payment schedule for non-current liability installments

Year of maturity*	Parent company		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
2024	-	125,000	60,000	420,250
2025	312,500	312,500	670,917	670,250
2026	1,045,771	745,771	1,534,176	1,229,401
2027	745,865	745,865	1,114,263	1,109,489
2028	620,865	620,865	989,301	984,526
2029	-	-	250,011	245,904
Total	<u>2,725,001</u>	<u>2,550,001</u>	<u>4,618,668</u>	<u>4,659,820</u>
Funding cost (long term)**	<u>(95,308)</u>	<u>(52,666)</u>	<u>(171,448)</u>	<u>(85,156)</u>
	<u>2,629,693</u>	<u>2,497,335</u>	<u>4,447,220</u>	<u>4,574,664</u>

(*) For the maturity year, the Company considers the period from October 2023 to September 2024 as current, and so on for other years in the segregation of non-current.

(**) Costs are recorded when transactions are carried out. In 2023, the cost of guarantee was recorded, which follow market conditions .

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11.3. Issuance of debentures

Ambipar Participações e Empreendimentos S.A.

On July 15, 2021, the members of the Company's Board of Directors deliberated and approved the 2nd issue of simple, non-convertible, unsecured debentures, with an additional personal guarantee, in a single series, in the amount of R\$ 500,000. The funds raised were used to recompose the Company's cash.

The debentures have final maturity in July 2027, the principal payment will be made in 4 annual installments, the first in July 2024 and interest will be paid semi-annually, with the first payment in January 2022.

On December 14, 2021, the members of the Company's Board of Directors deliberated and approved the 3rd issue of simple, non-convertible, unsecured debentures, with an additional personal guarantee, in a single series, in the amount of R\$750,000. The funds raised were used to recompose the Company's cash position, as well as to finance its expansion plan with strategic acquisitions, thus expanding its capillarity and portfolio of services.

The debentures were issued on January 10, 2022, with final maturity in January 2028, the principal payment will be made in 4 annual installments, the first in July 2024 and the interest will be paid semi-annually, the first being payment in July 2022.

On August 22, 2022, the members of the Company's Board of Directors deliberated and approved the 4th issue of simple, non-convertible, unsecured debentures, with an additional personal guarantee, in a single series, in the amount of R\$1,000. 000. The totality of the net resources raised will be used for investments, future payments or refunds in Eligible Projects, for sustainable qualification purposes.

The debentures have final maturity in August 2028. Principal payment will be made in 3 consecutive annual installments, the first in August 2026 and interest will be paid semi-annually, with the first payment in February 2023.

On December 20, 2022, the members of the Company's Board of Directors deliberated and signed the term of the 1st issue of book-entry commercial notes, in a single series, in the amount of R\$300,000. The total proceeds through the issuance will be used, wholly and exclusively, for cash effort and/or refinancing of existing debts.

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The commercial notes will have a maturity period of 2,192 (two thousand, one hundred and ninety-two days) days, counted from the date of issue, falling due, therefore, on December 20, 2028. The remuneration of the commercial notes will be paid semi-annually, the first payment being on June 20, 2023.

On April 17, 2023, the members of the Company's Board of Directors deliberated and approved the 5th issue of simple, non-convertible, unsecured debentures, with an additional personal guarantee, in a single series, in the amount of R\$300,000. The funds raised will be used for investments, future payments, or reimbursement in Eligible Projects and for sustainable qualification purposes.

The debentures mature in April 2026 and interest will be paid semi-annually, with the first payment in October 2023.

Emergência Participações S.A.

On February 4, 2022, the Management of the subsidiary Emergência Participações S.A., at an Extraordinary General Meeting, resolved and approved the 1st issue of simple debentures, non-convertible into shares, of the unsecured type, with an additional fiduciary guarantee, in a single series, in the amount of R \$335,500. The funds were raised to finance the expansion of the Group's businesses.

The debentures have final maturity in February 2028, the principal payment will be made in 6 annual installments, with the first and second installments due in August 2023 and February 2024 and interest will be paid semi-annually, with the first payment in August 2022.

On September 15, 2022, the Management of the subsidiary Emergência Participações S.A., at the Company's Extraordinary General Meeting, resolved and approved the 2nd issue of simple debentures, non-convertible into shares, of the unsecured type, with an additional fiduciary guarantee, in a single series, in the value of BRL 250,000. The funds raised were used to recompose the Company's cash and general corporate uses.

The debentures mature final in September 2028, the payment of the principal will be made in 4 consecutive annual installments, the first in September 2025 and the interest will be paid semi-annually, with the first payment in March 2023.

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Environmental ESG Participações S.A.

On June 16, 2021, the Management of the subsidiary Environmental ESG Participações S.A., in an Extraordinary General Meeting, deliberated and approved the 1st issue of debentures, with the issue of 900,000 simple debentures, not convertible into shares, of the type with real guarantee, with additional guarantee fidejussory, in a single series, with a total nominal value of R\$ 900,000. The funds raised were mainly allocated to the acquisition corresponding to 100% of the share capital of Disal Ambiental Holding S.A.

The debentures have final maturity in June 2026, interest and principal will be paid quarterly, with the first payment in September 2021 and December 2021, respectively.

On November 22, 2022, the members of the Company's Board of Directors deliberated and approved the 2nd issue of debentures, with the issue of 1,000,000 simple, non-convertible, unsecured debentures, with personal guarantee, in a single series, in the total amount of BRL 1,000,000. The resources raised were destined for investments, future payments or refinancing of Eligible Projects, for sustainable qualification purposes.

The debentures have final maturity in December 2029, principal payment will be made in 4 annual installments, the first in December 2026 and interest will be paid semi-annually, with the first payment in June 2023.

11.4. Contractual restrictions and *covenants*

The Company and its subsidiaries Environmental ESG Participações S.A. and Emergência Participações S.A. have certain obligations, including compliance with financial ratios (*covenants*). They are basically linked to the Net Debt/EBITDA* compliance rate, which must be measured every six months by the Company. Non-compliance can only occur after sequential recurrence, being two consecutive periods or three interspersed periods. Management monitors and carries out constant interactions with creditors, in order to control any situation that impacts the restrictions, seeking punctual renegotiations and aimed at maintaining security in meeting the signed contracts.

In addition, the Company needs to communicate in advance the performance of: incorporation, merger, spin-off or corporate reorganization, liquidation, extinguishment or dissolution, capital reduction, distribution of dividends higher than the mandatory minimum or any transfer of assets of the Company and its subsidiaries, as well as an entry with a request for judicial recovery.

On September 30, 2023, there were no events that could lead to breach of contract.

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(*) EBITDA: or EBITDA, refers to profit before financial result, income tax and social contribution and depreciation and amortization, considering the accumulated pro forma result, with the pro forma results under the control of the Group. The pro-forma result is calculated based on last quarter's EBITDA.

12. Trade accounts payable

	Consolidated	
	Current	
	09.30.2023	12.31.2022
Trade - National Operations	202,588	50,499
Trade - International Operations	206,373	195,515
	408,961	246,014

The balances presented above reflect the debt position with suppliers, at present value, without any open negotiation or outstanding title. We do not operate with drawn risk and any other financial form, which is not already properly and fully disclosed in these financial statements.

13. Lease liability

	Lease Liability	Consolidated	Net lease liability
		Unearned interest on lease agreements (AVP)	
Opening balance on January 1, 2023	121,988	(14,281)	107,707
Creation of new contracts	163,939	(6,184)	157,755
Initial Purchase Accrual	35	-	35
Write-off of Contracts	(6,419)	1,808	(4,611)
Main Payments	(146,639)	-	(146,639)
Interest payment	(4,250)	(183)	(4,433)
Appropriation of Interest	-	5,058	5,058
Exchange Variation	(3,035)	332	(2,703)
Balance on September 30, 2023	125,619	(13,450)	112,169
Current	53,987	(6,356)	47,631
Non-current	71,632	(7,094)	64,538

It is due to the lease liability, measured at the present value of the expected lease payments until the end of the contract projected at the real rate and discounted at the nominal rate, considering possible renewals or cancellations.

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Below, for demonstration purposes only, in accordance with CVM requirements, as they differ when crossing the current balance at present value, the future lease payment flows, considering the projected inflation until the maturity of the contracts, in relation to the leasing commitments of right of use:

Year of maturity (*)	With Inflation
	Consolidated 09.30.2023
2023	49,946
2024	15,887
2025	30,492
2026	22,434
2027	3,529
from 2028	939
	123,227

(*) For the maturity year, the Company considers the period from October 2023 to September 2024 as current, and so on for other years in the segregation of non-current.

14. Provision for contingencies and judicial deposits

14.1. Breakdown

On September 30, 2023 and December 31, 2022, the subsidiaries had the following liabilities, and corresponding judicial deposits, related to contingencies:

	Consolidated			
	09.30.2023		12.31.2022	
	Judicial deposits	Provision for contingencies	Judicial deposits	Provision for contingencies
Probable contingencies:				
Labor and social security contingencies	4,694	2,211	3,794	2,373
	4,694	2,211	3,794	2,373

The Company and its subsidiaries are parties to labor, social security and civil proceedings, and are discussing these issues both at the administrative and judicial levels, which, when applicable, are mostly supported by court appeal deposits.

The respective provisions for contingencies were constituted considering the estimate made by the legal advisors, for the processes whose probability of loss in the respective outcomes was evaluated as probable.

Management believes that the resolution of these issues will not have an effect significantly different from the provisioned amount.

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There are no additional liabilities to be considered in relation to attorneys' fees and loss of suit, or additional costs of settling legal proceedings.

14.2. Provision for contingencies rollforward

The changes in the provision for contingencies on September 30, 2023 and December 31, 2022 are shown below:

	Consolidated
(=) Balance on January 1, 2022	2,327
(+) Addition	46
(=) Balance on December 31, 2022	2,373
(+) Addition	(162)
(=) Balance on September 30, 2023	2,211

14.3. Nature of contingencies

Labor and social security contingencies refer to lawsuits filed by former employees linked to funds arising from the employment relationship and various indemnity claims. The civil lawsuits refer to lawsuits brought by former suppliers and former partners linked to compensation for property damage resulting from the commercial relationship that existed with the Company's subsidiaries.

The subsidiaries have contingencies classified as a possible loss on September 30, 2023, in the amount estimated by their legal advisors at R\$6,612 (R\$6,691 on December 31, 2022).

14.4. Asset contingencies

The Company's indirect subsidiaries filed collection and counterclaim actions due to defaulted receivables supported by the effective provision of services.

The amount of the lawsuits, restated on September 30, 2023, is R\$43,114 for the Environmental segment and R\$46,923 for the Response segment, whose estimate, evaluated by the legal advisors of the subsidiaries, is of probable success in the lawsuits. The processes are being conducted by the Group's internal legal department and there are no additional liabilities due to costs and fees.

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15. Related parts

15.1. Composition

Transactions with related parties in the Group are as follows:

	Parent company	
	09.30.2023	12.31.2022
Assets:		
Dividends receivable:		
Ambipar Bank Intermediação de Negócios, Pagamentos e Participações Ltda	165	165
Environmental ESG Participações S.A.	15,675	15,675
Emergência Participações S.A.	38,354	69,509
	54,194	85,349
Mutual (non-current):		
Ambipar Bank Intermediação de Negócios, Pagamentos e Participações Ltda	103,119	136,308
Universo Ambiental - Desentupidora e dedetizadora	2,554	1,254
Ambipar Financial Participações S.A.	10,544	4,999
Ambify Ltda	-	186,085
Ambipar Decarbonisation Ltda	6,550	190
Environmental ESG Participações S.A.	1,411,824	1,148,688
Ambipar Environmental Solution - Soluções Ambientais Ltda	305,273	101,163
Ambipar R&D Pesquisa e Desenvolvimento Ltda.	2,102	1,732
Ambipar Logistics Ltda	485	365
Ambipar EcoProducts S.A.	461	461
Ambipar Environment Waste Logistics Ltda	318	318
Ambipar Environmental Centroeste S.A.	1,000	1,000
Ambipar Coprocessing Ltda	419	419
Ambipar Environment Reverse Manufacturing S.A.	486	486
Brasil Coleta Gerenciamento de Resíduos Ltda	765	765
Emergência Participações S.A.	508,424	652,591
Ambipar Response S.A.	66,282	48,295
Ambipar Response Limited (Reino Unido)	909	888
Ambipar Response Gás Ltda	1,391	1,391
	2,422,906	2,287,398
Liabilities:		
Dividends payable:		
Controlling shareholder	-	9,267
Non-controlling shareholders	-	5,882
	-	15,149
Loan (non-current):		
Ambipar Bank Intermediação de Negócios, Pagamentos e Participações Ltda	35,671	-
Bleu Empreendimentos Digitais Ltda	7,000	13,000
Environmental ESG Participações S.A.	-	-
Ambipar Compliance Solutions S.A.	507	507
Ambipar Workforce Solution - Mão de Obra Temporária Ltda	5,845	5,845
Ambipar Environment Reverse Manufacturing S.A.	-	-
Ambipar Facilities Ltda	1	1
Ambipar Response Insurance - Atendimento a Seguros Ltda	4,500	4,500
Atmo Hazmat Ltda	-	-
Ambipar Environmental Solutions - Soluções Ambientais Ltda.	-	-
	53,524	23,853

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Result:

	Parent Company	
	09.30.2023	09.30.2022
Loan financial income	10,022	2,727
Transfer of administrative expenses	6,834	15,108
	<u>16,856</u>	<u>17,835</u>

Loan

These are current account transactions carried out mainly between wholly-owned subsidiaries of the Company, that is, subsidiaries in which the Company has full control. These transactions, whose contracts are for an indefinite period and without remuneration, are carried out and are characterized by the concept of cash centralization aimed at better management of financial resources.

Costs shared between companies

Part of the amount payable to the parent company Ambipar Participações comes from sharing the costs of the shared office (Centro de Soluções Compartilhadas - CSC), which is distributed among the companies in Brazil according to the revenue of each company in relation to the Group, on 30 september 2023 the total amount of distributed expenses was R\$ 6,834.

Lease

The Group has a debt with Amazônia Incorporação e Participações S.A., corresponding to the monthly rental amount of the Unit used by CSC, SP - Nova Odessa, signed in April 2020, with a term of 5 years, extendable. The monthly amount paid to the related party is R\$ 772, adjusted annually, according to the same variation of the General Market Price Index - IGPM, measured by Fundação Getúlio Vargas, this contract is recognized as a lease according to explanatory note No. 8(It is).

15.2. Compensation of key management personnel

The remuneration of all group directors and board of directors corresponding to short-term benefits was R\$ 79,760 in the quarter ended September 30, 2023 (R\$25,069 in the quarter ended September 30, 2022). Compensation related to statutory officers and board of directors in the quarter ended September 30, 2023 and in 2022, are within the limit approved in the respective AGO, for 2023 and 2022.

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There are benefits granted for the use of vehicles, reimbursements, travel and others to directors and members of the Board of Directors. In the quarter ended September 30, 2023, these benefits amounted to R\$2,536 (R\$2,461 in the quarter ended September 30, 2022).

As of September 30, 2023, no long-term benefits, employment termination benefits or share-based compensation have been granted.

16. Equity

16.1. Share capital

The subscribed and paid-in capital stock is represented by 112,935,588 registered common shares (112,935,588 registered common shares in 2022), in the amount of R\$ 1,151,602.

Expenses with the issuance of shares are classified as a reduction account of shareholders' equity linked to the share capital, due to the public offering of shares carried out by the Company in 2020.

16.2. Profit reserves

Legal reserve

The legal reserve is constituted annually with the allocation of 5% of the net profit for the year and cannot exceed 20% of the share capital.

The purpose of the legal reserve is to ensure the integrity of the share capital and can only be used to offset losses and increase capital.

Unearned profit reserve

The unrealized earnings reserve is represented by undistributed earnings, due to the unrealized equity income of its investees.

Approval of 2022 profit allocations

Management approved at the Ordinary General Meeting (AGO) of April 28, 2023 the retention of net income for the year 2022, after the constitution of the legal reserve and mandatory minimum dividends in the amount of R\$ 15,149, as "Reserve for unrealized profits " in the amount of BRL 45,446 , which may be realized when the profits attributed to the result of equity investments are also realized, such as, for example, receiving dividends from subsidiaries.

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16.3. Earnings per share

Basic

Basic earnings per share is calculated by dividing the earnings attributable to the Company's shareholders by the weighted average number of shares issued during the period, excluding shares purchased by the Company and held as treasury shares. Any dividends on preferred shares and any premiums paid on the issuance of preferred shares during the period are deducted from the result attributed to the parent company's shareholders.

Earnings per share	07.01.2023 a 09.30.2023	01.01.2023 a 09.30.2023	07.01.2022 a 09.30.2022	01.01.2022 a 09.30.2022
Profit/Loss from operations attributable to shareholders of the parent company before deductions	34,828	(52,263)	33,203	86,070
Number of common and preferred shares	112.935.588	112,935,588	112,935,588	112,935,588
Net income/Loss per basic share (in Reais)	R\$ 0,31	(R\$ 0,46)	R\$ 0,29	R\$ 0,76
Net income/Loss per share-diluted (in Reais)	R\$ 0,31	(R\$ 0,46)	R\$ 0,29	R\$ 0,76

Diluted

As of September 30, 2023, the Company has no dilution of common shares.

16.4. Accumulated conversion adjustment

Refers substantially to exchange variation on investees abroad and goodwill paid on the acquisition of businesses in other countries, whose functional currencies are different from the Company and the acquiring subsidiaries.

The exchange variation of investees abroad in the Parent Company, in the period ended September 30, 2023, is R\$ 10,173, disclosed in the Statement of Comprehensive Income. Refers to the existing reflex equivalence in international holdings: Canada, USA, Chile, UK.

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16.5. Capital transaction

Refers mainly to a capital transaction involving the acquisition of a 70.8% stake in Ambipar Emergency Response. In addition, Emergência Participações SA purchased the remaining 50% of Suatrans Chile S.A. through the acquisition of the holding company Inversiones Disal Emergências S.A. (Chile). Since it is a goodwill paid based on expected future profitability in another functional currency, the exchange variation in the quarter ended September 30, 2023 was recorded as a contra entry in Accumulated Conversion Adjustment - Shareholders' Equity.

During 2023, some capital transactions took place, involving investment acquisition operations, as mentioned in explanatory note 7.3:

	Response	Environment	
	Inversiones Disal Emergencias	Garrafaria	Ambipar ESG
Assets and liabilities acquired at fair value (*)			
Cash and cash equivalents	1,005	1,044	3,555
Other assets	25,650	79,575	165,483
Other liabilities	(326)	(70,124)	(57,395)
Total identifiable net assets	26,329	10,495	111,643
Total amount of consideration transferred	144,430	1,500	40,000
Non -cash total amount of consideration transferred			71,650
(-) Box purchased	(1,005)	0	(3,555)
(-) Assumed value of the obligation to pay	-	(1,500)	(30,000)
Cash paid, net of cash received/receivable	143,425	-	78,095
Determination of goodwill (*)			
Total amount of consideration, net	144,430	1,500	111,650
Non-cash value for the acquisition of investment	-	(10,500)	-
Total identifiable net assets	(26,329)	(5,074)	(56,938)
Premium paid for expected future profitability	118,101	(14,074)	54,712
Date of acquisition	06/28/2021	07/03/2023	07/01/2023
Control start month	07/2021	07/2023	07/2023
Company that acquired control	Emergência Participações S.A.	Enviromental ESG Participações S.A.	Enviromental ESG Participações S.A.
Acquisition Value	US\$ 26.185	BRL 1.500	BRL 111.650
Acquired percentage	99.99%	49.00%	51.00%

16.6. Participation of non-controlling shareholders

The movement of non-controlling interests in the quarter is substantially represented by the operation involving Ambipar Emergency Response (“AMBI”), as the subsidiary was listed on the New York Stock Exchange (NYSE American), the Company passed, after the completion of the de-SPAC, holding a 70.8% stake in AMBI, at the end of the quarter the stake of 29.2% of non-controlling interests represents an amount of R\$334,235.

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17. Segment information

Management defined the Company's operating segments, based on the reports used for strategic decision-making, reviewed by Management, which are segmented into environmental ("Environment") and emergency ("Response") services. Other businesses are linked to the Company itself, business holding and other activities, mainly linked to technology and innovation, not previously linked and mentioned in Note N° 1.1.

The main operations by business segment corresponding to September 30, 2023 and December 31, 2022 are as follows:

Description	Environment		Response		Others		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Total asset value	5,521,949	5,627,569	3,195,256	3,413,489	1,793,320	841,853	10,510,525	9,882,911
Total liability amount	3,580,651	3,668,391	2,081,460	2,153,281	3,126,383	2,761,689	8,788,494	8,583,361

The main information on results by corresponding business segment for the quarters ended September 30, 2023 and September 30, 2022 are as follows:

Description	Environmental			
	07.01.2023 to 09.30.2023	01.01.2023 to 09.30.2023	07.01.2022 to 09.30.2022	01.01.2022 to 09.30.2022
Net revenue from domestic sales and services*	539,984	1,674,350	581,671	1,545,366
Costs and expenses	(361,514)	(1,119,200)	(419,120)	(1,129,837)
Financial income	68,454	206,068	29,048	49,471
Financial expenses	(132,943)	(375,254)	(77,263)	(225,971)
Depreciation and amortization	(54,664)	(171,560)	(44,262)	(165,140)
Other Operating Income (Expenses)	12,479	6,398	660	5,165
Expense or income with income taxes and social contribution	(8,570)	(30,695)	(343)	(17,033)
Operating profit	136,285	389,988	118,949	255,554

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Description	Response			
	07.01.2023 to 09.30.2023	01.01.2023 to 09.30.2023	07.01.2022 to 09.30.2022	01.01.2022 to 09.30.2022
Net revenue from domestic sales and services*	641,090	1,849,432	398,092	1,052,618
Costs and expenses*	(467,118)	(1,393,937)	(288,308)	(780,127)
Financial income	10,364	26,838	888	6,356
Financial expenses	(50,729)	(143,075)	(36,434)	(64,591)
Depreciation and amortization	(51,584)	(124,674)	(29,311)	(71,575)
Other Operating Income (Expenses)	9,201	(103,887)	(1,840)	3,323
Expense or income with income taxes and social contribution	(35,501)	(70,777)	(7,047)	(26,959)
Operating profit	131,589	226,934	78,633	204,239

Description	Others			
	07.01.2023 to 09.30.2023	01.01.2023 to 09.30.2023	07.01.2022 to 09.30.2022	01.01.2022 to 09.30.2022
Net revenue from domestic sales and services*	1,187	3,119	265	1,425
Costs and expenses*	406	(838)	758	(927)
Financial income	9,993	30,939	10,941	53,413
Financial expenses	(95,001)	(313,928)	(85,474)	(148,601)
Depreciation and amortization	(27)	(85)	128	(6)
Other Operating Income (Expenses)	310	165	407	102
Expense or income with income taxes and social contribution	(989)	(1,662)	(253)	(402)
Operating Profit/Loss	1,876	2,361	1,558	594

Description	Consolidated			
	07.01.2023 to 09.30.2023	01.01.2023 to 09.30.2023	07.01.2022 to 09.30.2022	01.01.2022 to 09.30.2022
Net revenue from domestic sales and services*	1,182,261	3,526,901	980,028	2,599,409
Costs and expenses*	(828,226)	(2,513,975)	(706,670)	(1,910,891)
Financial income	88,811	263,845	40,877	109,240
Financial expenses	(278,673)	(832,257)	(199,171)	(439,163)
Depreciation and amortization	(106,275)	(296,319)	(73,445)	(236,721)
Other Operating Income (Expenses)	21,990	(97,324)	(773)	8,590
Expense or income with income taxes and social contribution	(45,060)	(103,134)	(7,643)	(44,394)
Operating profit	269,750	619,283	199,140	460,387

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The consolidated result considers the elimination of sales between the Company's companies. As of September 30, 2023 and 2022, the Company and its subsidiaries do not have any customers representing more than 10% of their net revenue.

18. Net operating revenue

	Consolidated			
	07.01.2023 to 09.30.2023	01.01.2023 to 09.30.2023	07.01.2022 to 09.30.2022	01.01.2022 to 09.30.2022
Gross revenue from services rendered	1,317,400	3,913,290	1,099,302	2,935,129
Cancellations	(17,877)	(27,381)	(5,571)	(16,361)
Incident taxes	(117,262)	(359,008)	(113,703)	(319,359)
Net operating revenue	<u>1,182,261</u>	<u>3,526,901</u>	<u>980,028</u>	<u>2,599,409</u>

	Consolidated			
	07.01.2023 to 09.30.2023	01.01.2023 to 09.30.2023	07.01.2022 to 09.30.2022	01.01.2022 to 09.30.2022
Gross revenue in the domestic market	732,564	2,203,128	680,920	1,732,451
Gross revenue in the foreign market	584,836	1,710,162	418,382	1,202,678
	<u>1,317,400</u>	<u>3,913,290</u>	<u>1,099,302</u>	<u>2,935,129</u>

(*) Gross revenue in the foreign market comes from investees abroad.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial statements Quarter ended September 30, 2023 and 2022 (In thousands of Brazilian Reais, unless otherwise stated)

19. Costs and expenses by nature

	Parent company				Consolidated			
	07.01.2023 to 09.30.2023	01.01.2023 to 09.30.2023	07.01.2022 to 09.30.2022	01.01.2022 to 09.30.2022	07.01.2023 to 09.30.2023	01.01.2023 to 09.30.2023	07.01.2022 to 09.30.2022	01.01.2022 to 09.30.2022
Materials used in the provision of services	-	-	-	-	(79,731)	(238,622)	(71,343)	(188,563)
Personnel and labor charges	-	-	-	-	(434,216)	(1,279,598)	(313,108)	(874,722)
Fuels	-	-	-	-	(32,024)	(103,637)	(56,511)	(138,041)
Freight and tolls	-	-	-	-	(14,824)	(47,295)	(9,962)	(26,840)
Maintenance of machinery, apparatus and equipment and vehicles	-	-	-	-	(33,860)	(115,026)	(50,742)	(128,460)
Tributes	614	-	-	-	(8,137)	(28,605)	(8,903)	(28,596)
Rent and Condominium	-	-	-	-	7,009	(1,609)	(1,811)	(17,140)
Leasing of goods, vehicles, machinery and equipment	-	-	-	-	13,916	(632)	(1,256)	(12,355)
Telephony expenses	-	-	-	-	(4,252)	(12,224)	(6,718)	(8,965)
Travel expenses	-	-	-	-	(22,944)	(66,805)	(9,103)	(21,502)
Depreciation and amortization	-	-	-	-	(106,275)	(296,319)	(73,445)	(236,721)
Advertising and marketing	-	-	-	-	(5,126)	(15,314)	(10,715)	(17,004)
Third-party services	-	-	-	-	(166,155)	(444,161)	(133,157)	(373,961)
Controlled IPO costs	-	-	-	-	-	(120,963)	-	-
Other expenses	304	-	309	-	(25,892)	(136,808)	(34,114)	(66,152)
	918	-	309	-	(912,511)	(2,907,618)	(780,888)	(2,139,022)
Cost of services provided	-	-	-	-	(897,923)	(2,694,821)	(742,051)	(2,035,607)
General, administrative and sales	614	-	-	-	(36,578)	(115,473)	(38,064)	(112,005)
Other operating income (expenses), net	304	-	309	-	21,990	(97,324)	(773)	8,590
	918	-	309	-	(912,511)	(2,907,618)	(780,888)	(2,139,022)

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial statements Quarter ended September 30, 2023 and 2022 (In thousands of Brazilian Reais, unless otherwise stated)

20. Financial result, net

	Parent company				Consolidated			
	07.01.2023 to 09.30.2023	01.01.2023 to 09.30.2023	07.01.2022 to 09.30.2022	01.01.2022 to 09.30.2022	07.01.2023 a 09.30.2023	01.01.2023 a 09.30.2023	07.01.2022 a 09.30.2022	01.01.2022 a 09.30.2022
Financial income:								
Discounts obtained	2	3	1,600	1,619	113	507	2,967	4,922
Interest charged	3,013	10,022	2,434	2,727	930	2,574	1,003	1,470
Income from financial investments	9,400	24,009	8,434	50,468	52,755	209,705	36,680	93,666
Active exchange variation	56	62	-	-	5,298	8,226	(15)	7,860
Active monetary variation	90	90	246	246	27,500	37,511	383	786
Others	-	1,745	-	-	2,215	5,322	(141)	536
	12,561	35,931	12,714	55,060	88,811	263,845	40,877	109,240
Financial expenses:								
Interest paid	(1,849)	(3,892)	(63)	(571)	(6,918)	(19,755)	(7,419)	(18,100)
Right of Use Interest	-	-	-	-	(1,243)	(5,058)	(2,929)	(5,025)
Interest on loans	(8,476)	(11,270)	(2,157)	(4,340)	(77,541)	(187,025)	(45,883)	(112,268)
Interest on debentures	(81,540)	(286,824)	(80,866)	(138,397)	(176,580)	(564,863)	(133,448)	(265,217)
Discounts given	-	-	-	-	(465)	(2,763)	(559)	(1,832)
Bank expenses	(6)	(310)	(4)	(68)	(1,234)	(4,574)	(1,744)	(3,892)
IOF	(631)	(3,145)	(1,099)	(2,663)	(2,113)	(7,228)	(4,088)	(10,507)
Passive exchange variation	(22)	(529)	-	(231)	(5,056)	(16,483)	(8,354)	(11,851)
Passive monetary variation	-	-	(1,277)	(1,277)	2,904	(342)	(1,307)	(5,535)
Others	(1,787)	(5,838)	142	-	(10,427)	(24,166)	6,560	(4,936)
	(94,311)	(311,808)	(85,324)	(147,547)	(278,673)	(832,257)	(199,171)	(439,163)
	<u>(81,750)</u>	<u>(275,877)</u>	<u>(72,610)</u>	<u>(92,487)</u>	<u>(189,862)</u>	<u>(568,412)</u>	<u>(158,294)</u>	<u>(329,923)</u>

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial statements Quarter ended September 30, 2023 and 2022 (In thousands of Brazilian Reais, unless otherwise stated)

21. Income tax and social contribution

(a) Breakdown of expense

	Consolidated			
	07.01.2023 to 09.30.2023	01.01.2023 to 09.30.2023	07.01.2022 to 09.30.2022	01.01.2022 to 09.30.2022
Income tax and social contribution				
Chains	(38,311)	(100,330)	(24,703)	(54,932)
Income tax and social contribution deferred	(6,749)	(2,804)	17,060	10,538
Income tax expense	<u>(45,060)</u>	<u>(103,134)</u>	<u>(7,643)</u>	<u>(44,394)</u>

(b) Reconciliation of income tax and social contribution expense

	Consolidated			
	07.01.2023 to 09.30.2023	01.01.2023 to 09.30.2023	07.01.2022 to 09.30.2022	01.01.2022 to 09.30.2022
Income before Income Tax and Social Contribution	79,888	50,871	40,846	130,464
Tax calculated based on current rates - 34%	(27,162)	(17,296)	(13,888)	(44,358)
Reconciliation:				
Recognition of deferred IRPJ/CSLL on tax loss	26,499	34,706	-	-
Adjustments for permanent differences in other jurisdictions	(5,321)	17,231	16,998	43,823
Adjustment Tax regime differences	(34,686)	(31,432)	(7,269)	(7,940)
Other adjustments for temporary differences and permanent	(4,390)	(106,343)	(3,484)	(35,919)
Income tax and social contribution	<u>(45,060)</u>	<u>(103,134)</u>	<u>(7,643)</u>	<u>(44,394)</u>
Effective income tax rate and Social contribution - %	<u>56.4%</u>	<u>202.7%</u>	<u>18.7%</u>	<u>34.0%</u>

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial statements Quarter ended September 30, 2023 and 2022 (In thousands of Brazilian Reais, unless otherwise stated)

(c) Deferred income tax and social contribution

The subsidiaries record deferred income tax and social contribution assets and liabilities at the limit of their realization, to reflect future tax effects on temporary differences between the tax base of assets and liabilities and their respective book value, as well as loss tax and social contribution negative basis, calculated at the combined tax rate provided for in each jurisdiction, as well as, it demonstrates the basis for constituting the deferred income tax and social contribution liability, constituted taking into account existing obligations in other jurisdictions, shown separately in assets and liabilities because they are different tax authorities, as follows:

	Consolidated	
	09.30.2023	12.31.2022
Tax bases - Assets		
Tax loss and negative base	277,536	175,460
Temporary differences in another jurisdiction	131,108	25,770
Provisions - temporary differences	42,903	23,692
	451,547	224,922
Income tax - 25%	112,887	56,231
Social contribution - 9%	40,639	20,243
	153,526	76,474
Tax bases - liabilities		
Provisions - temporary differences	(482,689)	(485,466)
Temporary differences in another jurisdiction	(520,015)	(436,602)
	(1,002,704)	(922,068)
Income tax - 25%	(250,676)	(230,517)
Social contribution - 9%	(90,243)	(82,986)
	(340,919)	(313,503)

(d) Changes in deferred income tax and social contribution

	Consolidated	
	09.30.2023	12.31.2022
Opening balance - asset	76,474	32,876
Achievement in result	50,604	15,676
Other movements	26,448	27,922
Final balance - asset	153,526	76,474
	Consolidated	
	09.30.2023	12.31.2022
Opening balance - liabilities	(313,503)	(159,904)
Achievement in result	(47,800)	15,676
Other movements	20,384	(169,275)
Final balance - liabilities	(340,919)	(313,503)

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial statements Quarter ended September 30, 2023 and 2022 (In thousands of Brazilian Reais, unless otherwise stated)

(e) Realization of deferred income tax and social contribution

Realization for year	Consolidated	
	09.30.2023	12.31.2022
2024	-	14,828
2025	7,676	14,829
2026	30,705	14,829
2027	30,705	14,829
2028	30,705	17,159
2029 onwards	53,735	-
	153,526	76,474

(*) For the maturity year, the Company considers the period from October 2023 to September 2024 as current, and so on for other years in the segregation of non-current.

22. Insurance

The Company and its subsidiaries have an insurance and risk management program that provides coverage and protection compatible with its equity assets and operations.

The contracted coverages are based on risk and loss study criteria, being the contracted insurance modalities considered, by the Management, sufficient to cover eventual claims that may occur, considering the nature of the activities of the Company and its subsidiaries. The main ones on September 30, 2023 are detailed below:

Segment	Branch	Object	Validity	Insured Amount
Environment	General	Provision of services in third party locations	Until Out/2024	11,919
Environment	Civil responsibility	Provision of services in third party locations	Until Out/2024	39,200
Environment	Civil liability for cargo transportation	Cargo Accident and cargo coverage on international travel	Until Abr/2024	5,606
Environment	General Insurance	Claims coverage in the administrative building	Until Set/2024	76,980
Response	General	Provision of services in third party locations	Until Ago/2024	1,382
Response	Civil responsibility	Provision of services in third party locations	Until Set/2024	27,081
Response	Civil liability for cargo transportation	Cargo Accident and cargo coverage on international travel	Until Abr/2024	700
Response	General Insurance	Claims coverage in the administrative building	Until Ago/2024	21,261
Response	Life insurance	Life insurance for employees	Until Mai/2024	1,851
Response	Aeronautical Civil Liability	Coverage for passengers, crew and hand luggage, third parties and departures.	Until Abr/2024	100,478
				286,458

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial statements Quarter ended September 30, 2023 and 2022 (In thousands of Brazilian Reais, unless otherwise stated)

23. Additional information to cash flows

Cash flow transactions from investments and financing that did not involve cash.

	Consolidated	
	09.30.2023	09.30.2022
Cash flow from investing activities		
Acquisition of fixed assets through financing	94,880	262,870
Acquisition of fixed assets through advance	20,913	-
Balance payable for the acquisition of investment	144,954	162,380
	<u>260,747</u>	<u>425,250</u>
Cash flow from financing activities		
Operating lease	157,755	77,822
Accumulated conversion adjustment	(126,967)	(224,399)
Participation of non-controlling	374,459	16,799
	<u>405,247</u>	<u>(129,778)</u>

24. Private pension

The subsidiary Ambipar Mining (Environment segment) gave all its employees the option of joining the Renda Total Empresarial Ambipar Mining private pension plan (defined monthly contribution) administered by Brasilprev Seguros e Previdência SA monthly contributions, limited to 4% of gross income, with the subsidiary Ambipar Mining responsible for contributing the same amount.

The total amount spent during the semester ended September 30, 2023, as a contribution by the subsidiary Ambipar Mining was R\$32 (R\$127 on December 31, 2022). As of April, the cancellation process began, thus no longer having expenses with the pension plan.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial statements Quarter ended September 30, 2023 and 2022 (In thousands of Brazilian Reais, unless otherwise stated)

25. Subsequent Event

Item	Event	Date	Description
1	Announcement of the Beginning of the Public Offering of Shares	11/2023	On November 1, 2023, the Company, following the material fact disclosed on October 20, 2023 ("Material Fact of the Offer"), informed its shareholders and the market in general that, within the scope of the public offering for the primary distribution of shares common shares issued by the Company, all nominative, book-entry, with no par value, free and clear of any liens or encumbrances, were approved at a meeting of its Board of Directors for the price of R\$13.25 ("Price per Share"); and (ii) the effective increase in the Company's share capital within the scope of the Offer, totaling the total amount of R\$716,908,223.25, through the issuance of 54,106,281 new Shares, within the limit of the authorized capital, as well as its homologation. Due to the increase in the Company's share capital within the scope of the Offer, the Company's new share capital will be R\$1,868,510,493.75, divided into 167,041,869 Shares.
2	Announcement of Closing of the Public Offering of Shares	11/2023	On November 7, 2023, the Company, following the material fact disclosed on October 20, 2023 ("Material Fact of the Offer"), informed its shareholders of the closure of the public offering for the primary distribution of 54,106,281 common shares, all registered. , book-entry, with no nominal value, free and clear of any liens or encumbrances ("Shares"), intended exclusively for Shareholders, within the scope of the Priority Offer, and for Professional Investors, within the scope of the Institutional Offer, carried out in the Federative Republic of Brazil ("Brazil"), on an unorganized over-the-counter market, with efforts to place the Shares abroad, which were offered at a price of R\$13.25 per share ("Price per Share"), totaling R\$716,908,223.25. Except when specifically defined in this Closing Announcement, the terms used here beginning in capital letters will have the meaning attributed to them in the relevant fact informing about the completion of the Offer, disclosed by the Company on October 19, 2023 ("Material Fact of the Offer") .

INDEPENDENT AUDITORS' REPORT ON THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To the
Shareholders, Board of Directors and Management of
Ambipar Participações e Empreendimentos S.A.
São Paulo - SP

Opinion in the individual and consolidated financial statements

We have audited the individual and consolidated financial statements of Ambipar Participações e Empreendimentos S.A. ("Company"), identified as company and consolidated, respectively, which comprise the individual and consolidated statements of financial position as at December 31, 2022 and the respective individual and consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, as well as, the corresponding notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the abovementioned individual and consolidated financial statements present fairly, in all material respects, the individual and consolidated financial position of Ambipar Participações e Empreendimentos S.A. as at December 31, 2022, the individual and consolidated performance of its operations and cash flows for the year then ended according to Brazilian practices and International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB).

Basis for opinion on the individual and consolidated financial statements

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities, in accordance with these standards, are described in the section below entitled "Auditor's responsibilities for the audit of the individual and consolidated financial statements". We are independent in relation to the Company and its subsidiaries, in accordance with the relevant ethical principles set out in the Accountant's Code of Professional Ethics and in the professional standards issued by the Federal Accounting Council, and we comply with other ethical responsibilities in accordance with these standards. We believe that the audit evidence obtained is sufficient and appropriate to support our opinion.

Key audit matters

Key audit matters are those that, in our professional judgment, were the most significant in our current year audit. These matters were dealt with in the context of our audit of the individual and consolidated financial statements as a whole and in forming our opinion on these individual and consolidated financial statements and, therefore, we do not express a separate opinion on these matters.

Intangible asset impairment assessment, especially for those with an indefinite useful life

As disclosed in note nº 9 to the consolidated financial statements, the Company and its subsidiaries have intangible assets in the amount of R\$ 3,279,535 thousand as of December 31, 2022. Most of the assets involved are related to its business operations and include goodwill paid to expected future profitability, whose recoverable amount must be assessed annually, as required by Technical Pronouncement CPC 01(R1)/IAS36 – Impairment of Assets. As mentioned in the aforementioned note, the Company and its subsidiaries perform impairment test, which involves a high degree of judgment of estimates by the Management, based on the discounted cash flow method, which takes into account several assumptions, such as: discount, inflation projection, economic growth, among others. Therefore, this matter was considered by the audit as a risk area due to the uncertainties inherent in the process to determine the estimates and judgments involved in the preparation of future discounted cash flows at present value, such as market demand projections, operating margins and discount rates that could significantly change the expected realization of said assets.

Audit response on this matter

Our audit procedures included, among others:

- Assessment of internal or external signs that could bring evidence of the occurrence of devaluation of assets;
- Use of specialized professionals to assist in reviewing the impairment test of assets, evaluating the assumptions and methodology used by the Company's Management together with its external experts hired to prepare the analysis reports;
- Ongoing challenge of assumptions used by Management, aiming to corroborate if there would be inconsistent assumptions and/or that should be revised, such as: revenue growth, costs and expenses, and several other inflation and price indicators; and
- Assess whether the required disclosures in the individual and consolidated financial statements were appropriate.

Based on the procedures performed, we consider that the assumptions and methodologies used by the Company and its subsidiaries to assess the recoverable amount of said assets are reasonable, as well as the due disclosures, are adequate, in the context of the individual and consolidated financial statements taken as a whole.

Business combination

As disclosed in Notes nº 2.24 and nº 7.1, in 2022 occurred several acquisitions, in accordance with CPC 15R1/IFRS 3 - Business Combination, profitability, that contemplate goodwill paid with expectation of future profit, in the amount of R\$ 754,104 thousand (consolidated). The process of valuation and measurement of the assets acquired, and the liabilities assumed at fair values and the determination of the acquisition price was carried out by the Company and its subsidiaries and also involved the hiring of external specialist appraisers. We consider this matter as one of the main audit matters due to the inherent complexity of business combination processes, which involve determining the acquisition date, as well as identifying and determining the fair values of acquired assets, assumed liabilities and goodwill arising from negotiations.

Audit response on this matter

Our audit procedures included, among others:

- Reading of the contract and meeting minutes related to the acquisition, as well as obtaining evidence that supported the determination of the date of acquisition of control by the Company and its subsidiaries;
- Involvement of our specialists in business valuation to analyze the methodology used by external appraisers hired by the Company and its subsidiaries, to measure the fair value of acquired assets and assumed liabilities and assess the reasonableness of the assumptions used and calculations made comparing them, when available, with market information;
- Assessment of opening balances on the date control is acquired, as to whether the accounting practices adopted by the acquired company are consistent with accounting practices adopted in Brazil and the international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB);
- Review of the calculation to determine the final goodwill calculated on the transactions; and
- Assessing the proper disclosure of information in the explanatory notes to the individual and consolidated financial statements.

Based on the result of the audit procedures on the business combination, which is consistent with the assessment made, we consider that the judgments and assumptions used by Management in the process of identifying and measuring the fair value of assets acquired and liabilities assumed in the business combination and the determination of goodwill with expectation of future recovery, are acceptable, as well as the respective disclosures in the explanatory notes, are adequate, in the context of the individual and consolidated financial statements taken as a whole.

Other matters

Individual and consolidated statements of value added – additional information

The individual and consolidated statements of value added (DVA) for the year ended December 31, 2022, prepared under the responsibility of the Company's Management, and presented as supplementary information for IFRS purposes, were submitted to audit procedures performed together with the audit of the Company's individual and consolidated financial statements. To form our opinion, we assessed whether these statements are reconciled with the individual and consolidated financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of added value have been duly prepared, in all material respects, in accordance with the criteria defined in this Technical Pronouncement and are consistent with the individual and consolidated financial statements taken as a whole.

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

The Company's management is responsible for these others information, which comprise the Management Report.

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

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

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

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

Those charged with governance in the Company and its subsidiaries are responsible for overseeing the Company's financial reporting process that comprehend the Board of the Company and its subsidiaries.

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

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

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

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its controlled companies' internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its controlled 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 individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical 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, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our 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.

Campinas, March 28, 2023.



BDO RCS Auditores Independentes SS Ltda.
CRC 2 SP 013846/O-1

A handwritten signature in black ink, appearing to read 'Esmir de Oliveira'.

Esmir de Oliveira
Accountant CRC 1 SP 109628/O-0

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Statements of financial position On December 31, 2022 and 2021 (In thousands of Brazilian Reais)

Assets						Liabilities and net equity					
	Note	Parent Company		Consolidated			Note	Parent Company		Consolidated	
		2022	2021	2022	2021			2022	2021	2022	2021
Current						Current					
Cash and cash equivalents	4	430,583	268,281	2,853,123	793,241	Loans and financing	10	59,154	20,000	489,116	267,862
Marketable securities	4	5,085	-	57,167	-	Debentures	11	121,300	14,232	439,452	74,232
Accounts receivable	5	-	-	1,041,766	540,021	Trade accounts payable	12	-	5,049	246,014	99,380
Recoverable taxes	6	16,381	4,603	112,897	51,297	Payroll and social charges payable		2,442	1,740	184,536	69,029
Prepaid expenses		915	3,433	42,518	24,711	Dividends Payable	15	15,149	34,239	27,254	36,133
Dividends receivable	15	85,349	33,691	-	-	Income tax and social contribution payable		-	-	53,836	24,396
Inventories		-	-	111,135	54,314	Taxes payable		1,885	790	64,248	44,288
Advances to suppliers		3,577	-	87,083	-	Obligations due to investment acquisition	7	1,900	8,590	189,158	255,965
Other accounts receivable		4,179	2,739	88,624	36,589	Lease	13	-	-	40,991	26,238
		546,069	312,747	4,394,313	1,500,173	Other accounts payable		19	-	87,759	-
								201,849	84,640	1,822,364	897,523
Noncurrent						Noncurrent					
Marketable securities	4	15,052	-	15,052	-	Loans and financing	10	51,427	-	1,598,169	1,007,551
Related-party	15	2,287,398	1,020,351	-	-	Debentures	11	2,497,335	493,359	4,574,664	1,318,007
Accounts receivable	5	-	-	4,648	9,129	Current taxes		-	-	-	-
Recoverable taxes	6	359	359	8,064	12,407	Taxes payable		-	-	10,644	8,839
Deferred income tax and social contribution	21	31,849	-	76,474	32,876	Related-party	15	23,853	23,486	-	-
Court deposits	14	-	-	3,794	2,377	Provision for loss on investments	7	42	-	-	-
Other accounts receivable		597	-	115,998	13,071	Deferred income tax and social contribution	21	-	-	313,503	159,904
						Obligations on account of investment acquisition	7	8,000	400	159,418	112,513
Investments in controlled companies	7	958,329	444,412	7,620	-	Provision for contingencies	14	-	-	2,373	2,327
Fixed assets	8	-	1,186	1,850,087	1,205,823	Lease	13	-	-	66,716	49,973
Right-of-use assets		-	-	127,326	81,389	Other accounts payable		2,026	-	35,510	-
Intangible assets	9	159	58	3,279,535	2,004,124			2,582,683	517,245	6,760,997	2,659,114
		3,293,743	1,466,366	5,488,598	3,361,196						
Total assets						Equity					
							16				
						Share capital		1,151,602	1,151,602	1,151,602	1,151,602
						Issuance cost of shares		(107,937)	(107,937)	(107,937)	(107,937)
						Capital Transactions		(113,850)	(123,546)	(113,850)	(123,546)
						Profit reserve		316,416	267,781	316,416	267,781
						Cumulative translation adjustment		(190,951)	(10,672)	(190,951)	(10,672)
						Attributable to controlling interest		1,055,280	1,177,228	1,055,280	1,177,228
						Non-controlling interest		-	-	244,270	127,504
								1,055,280	1,177,228	1,299,550	1,304,732
Total assets						Total liabilities and net equity					
		3,839,812	1,779,113	9,882,911	4,861,369			3,839,812	1,779,113	9,882,911	4,861,369

The accompanying notes are an integral part of these individual and consolidated financial statements.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Statements of income

For the years ended on December 31, 2022 and 2021

(In thousands of Brazilian Reais)

	Note	Parent Company		Consolidated	
		2022	2021	2022	2021
Net operating revenue	18	-	-	3,789,791	1,916,332
Cost of services rendered	19	-	-	(2,949,218)	(1,499,772)
Gross Profit		-	-	840,573	416,560
Operating (expenses)/revenues					
General, administrative and selling	19	-	-	(150,251)	(103,891)
Equity in earnings of controlled companies	7	218,571	145,960	3,628	-
Other operating revenues/(expenses), net	19	-	-	17,930	16,073
		218,571	145,960	(128,693)	(87,818)
Operating income before financial results		218,571	145,960	711,880	328,742
Financial results					
Financial expenses	20	(246,526)	(17,193)	(665,439)	(144,351)
Financial income	20	59,890	15,396	156,092	38,275
		(186,636)	(1,797)	(509,347)	(106,076)
Net income before income tax and social contribution		31,935	144,163	202,533	222,666
Income tax and social contribution - Current	21	-	-	(109,464)	(47,055)
Income tax and social contribution - Deferred	21	31,849	-	15,676	(6,740)
Net income for the year		63,784	144,163	108,745	168,871
Attributable to					
Controlling interest		-	-	63,784	144,163
Non-controlling interest		-	-	44,961	24,708
Number of shares at period end		112,935,588	112,935,588	-	-
Earnings per share at period end - in R\$		0.56	1.28	-	-

The accompanying notes are an integral part of these individual and consolidated financial statements.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Statements of comprehensive income

For the years ended on December 31, 2022 and 2021

(In thousands of Brazilian Reais)

	Parent Company		Consolidated	
	2022	2021	2022	2021
Net income for the year	63,784	144,163	108,745	168,871
Items that may affect results in subsequent periods:				
Exchange Variation on Agio on an investee abroad	7,617	4,998	(97,994)	(2,349)
Accumulated Conversion Adjustment	(180,279)	(21,448)	(74,668)	(14,101)
Other comprehensive results	<u>(108,878)</u>	<u>127,713</u>	<u>(63,917)</u>	<u>152,421</u>
Attributable to:				
Controlling interest	-	-	(108,878)	127,713
Non-controlling interest	-	-	44,961	24,708

The accompanying notes are an integral part of these individual and consolidated financial statements.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Statements of changes in equity (In thousands of Brazilian Reais)

			Profit Reserves		Capital Transactions	Equity Valuation Adjustment	Accumulated Conversion Adjustment	Accumulated profits	Total attributable to controller	Participation of non-controlling shareholders	Total
	Share capital	Issuance cost of Shares	Legal reserve	Unrealized profit reserve							
Balances on January 1, 2021	1,151,602	(107,937)	10,074	147,783	(10,520)	-	10,776	-	1,201,778	23,972	1,225,750
Non-controlling interest	-	-	-	-	-	-	-	-	-	76,560	76,560
Other Comprehensive Results	-	-	-	-	-	-	(16,450)	-	(16,450)	2,264	(14,186)
Variation in the percentage of interest in the subsidiary	-	-	-	-	(118,024)	-	-	-	(118,024)	-	(118,024)
Exchange variation on Capital Transaction	-	-	-	-	4,998	-	(4,998)	-	-	-	-
Net income for the year	-	-	-	-	-	-	-	144,163	144,163	24,708	168,871
Allocation of profit											
Legal reserve	-	-	7,208	-	-	-	-	(7,208)	-	-	-
Mandatory minimum dividends	-	-	-	-	-	-	-	(34,239)	(34,239)	-	(34,239)
Unrealized profit reserve	-	-	-	102,716	-	-	-	(102,716)	-	-	-
Balances on December 31, 2021	1,151,602	(107,937)	17,282	250,499	(123,546)	-	(10,672)	-	1,177,228	127,504	1,304,732
Balances on January 1, 2022	<u>1,151,602</u>	<u>(107,937)</u>	<u>17,282</u>	<u>250,499</u>	<u>(123,546)</u>	<u>-</u>	<u>(10,672)</u>	<u>-</u>	<u>1,177,228</u>	<u>127,504</u>	<u>1,304,732</u>
Non-controlling interest	-	-	-	-	-	-	-	-	-	71,805	71,805
Other comprehensive income	-	-	-	-	-	-	(172,662)	-	(172,662)	-	(172,662)
Variation in percentage on interest in subsidiary	-	-	-	-	2,079	-	-	-	2,079	-	2,079
Exchange variation on Capital Transaction	-	-	-	-	7,617	-	(7,617)	-	-	-	-
Net income for the year	-	-	-	-	-	-	-	63,784	63,784	44,961	108,745
Allocation of profit											
Legal reserve	-	-	3,189	-	-	-	-	(3,189)	-	-	-
Mandatory minimum dividends	-	-	-	-	-	-	-	(15,149)	(15,149)	-	(15,149)
Unrealized profit reserve	-	-	-	45,446	-	-	-	(45,446)	-	-	-
Balances on December 31, 2022	<u>1,151,602</u>	<u>(107,937)</u>	<u>20,471</u>	<u>295,945</u>	<u>(113,850)</u>	<u>-</u>	<u>(190,951)</u>	<u>-</u>	<u>1,055,280</u>	<u>244,270</u>	<u>1,299,550</u>

The accompanying notes are an integral part of these individual and consolidated financial statements.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Statements of cash flows

For the years ended on December 31, 2022 and 2021

(In thousands of Brazilian Reais)

	Parent Company		Consolidated	
	2022	2021	2022	2021
Cash flows from operating activities				
Net income for the year	63,784	144,163	108,745	168,871
Adjustments to reconcile income to cash from (applied to) operations:				
Depreciation and amortization	282	-	335,035	188,195
Allowance for doubtful accounts	-	-	(116)	(905)
Residual value of disposed fixed and intangible assets	-	-	76,623	52,544
Provision for contingencies	-	-	(46)	(525)
Income tax and social contribution - Deferred	(31,849)	-	(15,677)	(6,740)
Equity in earnings of controlled companies	(218,571)	(145,960)	(3,628)	-
Residual value of investment write-off	(3,606)	-	(3,606)	-
Interest on loans and financing, debentures, leases and exchange rate variation	233,719	14,463	580,377	102,936
Other adjustments	223	-	(3,925)	-
Changes in assets and liabilities				
Accounts receivable	-	-	(73,156)	(83,238)
Recoverable taxes	(11,778)	(4,457)	(51,370)	(20,872)
Prepaid expenses	2,518	(1,793)	(13,490)	(11,834)
Inventories	-	-	(43,993)	-
Advance to suppliers	-	-	(68,919)	-
Other accounts receivable	(5,614)	4,197	(107,065)	66,260
Court deposits	-	-	4,013	2,687
Trade accounts payable	(5,049)	4,686	(14,343)	(92,024)
Payroll and social charges	702	1,607	47,923	9,656
Taxes payable	1,095	(98)	(11,988)	(70,900)
Other accounts payable	2,045	-	80,828	(603)
Lease	-	-	-	-
Cash from (invested in) operations	27,901	16,808	822,222	303,508
Interest paid on loans and financing	(3,473)	-	(118,372)	(49,416)
Interest paid on debentures	(110,330)	-	(267,582)	(39,733)
Interest paid on leasing	(282)	(706)	(3,867)	(2,703)
Paid income tax and social contribution	-	-	(51,853)	(47,055)
Net cash from (invested in) operating activities	(86,184)	16,102	380,548	164,601
Cash flows from investing activities				
Cash spent on business acquisitions, net of cash received	-	-	(1,239,790)	(1,435,610)
Payment of obligations on account of acquisition of investments	-	(50,000)	(259,583)	(260,097)
Acquisition of property, plant and equipment and intangible assets	(101)	(279)	(455,020)	(140,790)
	(101)	(50,279)	(1,954,393)	(1,836,497)
Cash flow from financing activities				
Attributed to shareholders				
Profit Distribution - previous periods	(34,239)	(10,646)	(24,136)	(8,822)
Receipt of Dividends	-	311	-	-
Attributed to financing				
Related parts	(1,718,526)	(669,945)	-	-
Lease payments	-	(4,014)	(107,258)	(20,014)
Loans and financing	29,894	20,000	681,476	661,657
Debentures funding	2,050,002	500,000	3,641,063	1,400,000
Costs in raising debentures	(58,407)	(6,641)	(105,737)	(21,993)
Interest payments on loans and financing	-	(883)	(302,707)	(99,138)
Debenture payments	-	-	(60,001)	(19,831)
Payment of costs on debentures	-	-	-	-
Net cash from (used in) financing activities	268,724	(171,818)	3,722,700	1,891,859
Increase/(decrease) in cash and cash equivalents and marketable securities	182,439	(205,995)	2,148,855	219,963
Effects of exchange rate changes on the cash balance held in foreign currencies	-	-	(16,754)	(18,330)
Cash and cash equivalents and Financial investments at the beginning of the Year	268,281	474,276	793,241	591,608
Cash and cash equivalents and marketable securities at year end	450,720	268,281	2,925,342	793,241

The accompanying notes are an integral part of these individual and consolidated financial statements.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Statements of value added - supplementary information for IFRS For the years ended on December 31, 2022 and 2021 (In thousands of Brazilian Reais)

	Parent Company		Consolidated	
	2022	2021	2022	2021
Revenues				
Sales of products, goods and services	-	-	4,174,262	2,177,887
Other revenues	-	-	68,337	19,572
Allowance for doubtful accounts - Reversal/(recognition)	-	-	116	905
	-	-	4,242,715	2,198,364
Inputs acquired from third parties				
Costs of products, goods and services sold, plus materials, energy, third party services and other	-	-	(1,478,702)	(708,797)
	-	-	(1,478,702)	(708,797)
Net value added generated	-	-	2,764,013	1,489,567
Depreciation, amortization and depletion, net	-	-	(335,035)	(188,195)
Net value added generated by the Company	-	-	2,428,978	1,301,372
Value added received in transfer				
Equity Income	218,571	145,960	3,628	-
Other income / recoveries	-	-	39,977	22,423
Financial income and monetary and exchange rate measures	59,891	15,396	156,092	38,275
	278,462	161,356	199,697	60,698
Total value added to be distributed	278,462	161,356	2,628,675	1,362,070
Payroll, charges and benefits				
Personnel, charges and benefits				
Direct compensation	-	-	1,000,781	547,666
Benefits	-	-	175,850	86,779
FGTS (Severance Pay Fund)	-	-	32,038	18,902
Taxes, fees and contributions				
Federal	(28,988)	467	541,000	343,789
State	-	-	63,180	27,303
Municipal	-	-	54,178	30,501
Total assets				
Financial expenses, exchange rate gains (losses) and monetary changes	243,666	16,726	652,903	138,259
Return on equity capital				
Retained earnings for the period	63,784	144,163	63,784	144,163
Non-controlling interest in retained earnings	-	-	44,961	24,708
	278,462	161,356	2,628,675	1,362,070

The accompanying notes are an integral part of these individual and consolidated financial statements.

1. General information

Ambipar Participações e Empreendimentos S.A. ("Company" or "Ambipar") is a publicly-held corporation headquartered in the city of São Paulo, at Avenida Pacaembu, 1,088. It was created on October 26, 2010 and its objective is to act as a holding company, controlling shareholdings. Formed by two reference segments in the environmental management market "Environment" and "Response", it has in its DNA the commitment to sustainable issues, working on the ESG ("Environment, Social and Governance") pillars within its businesses and supporting its customers.

With several environmental solutions developed through the RD&I (Research, Development and Innovation) sector, it has registered patents for sustainable products, promotes circular economy and assists companies with the correct disposal of their waste.

Ambipar went public on July 13, 2020. It was the first environmental management company to join B3, the Brazilian stock exchange, starting to trade its shares in the *Novo Mercado* corporate governance segment with stock ticker code AMBP3.

The common shares issued by Ambipar make up the portfolios of 9 (nine) indices of B3: Índice Brasil Amplo (IBRA), Índice de Ações com Governança Corporativa Diferenciada (IGCX), Índice de Ações com Tag Along Diferenciado (ITAG), Índice de Governança Corporativa Trade (IGCT), Índice de Governança Corporativa – Novo Mercado (IGNM), Índice Small Cap (SMLL), Índice de Utilidade Pública (UTIL) e Índice de Sustentabilidade Empresarial (ISEE).

On July 6, 2022, Emergência Participações ("Ambipar Response") entered into a business combination agreement with HPX Corp. ("HPX"), a special purpose acquisition company (Special Purpose acquisition Company – SPAC), to further accelerate the Company's growth. On March 3, 2023, after compliance with all corporate and regulatory requirements, the transaction was concluded. Thus, as of March 6, 2023, Ambipar Response became listed, and its common shares and warrants began to be traded on the NYSE American under the codes "AMBI" and "AMBI.WS", respectively.

1.1. Ownership interest

The Company and its subsidiaries (jointly called “Group”) operate in the following business segments:

- **Environment:** acts as a pioneer in the entire chain of environmental services, from planning, management and recovery of waste to project execution. Experienced in the development of technologies and constant innovation for the protection of the environment. Its operations are triple certified, in accordance with environmental quality and occupational health and safety standards. We have outstanding performance in Brazil and Chile, with DISAL – a waste management company – with a view to promoting the international expansion of its business, which allowed the scope to expand capillarity, as well as the offer of its services. In addition, it has environmental consulting and auditing services in its portfolio, quality, health and safety with the development of management software, ensuring effective *compliance* for its customers, relying on technology and artificial intelligence.
- **Response:** Operates in the prevention, management and emergency response of accidents with dangerous or non-dangerous products in all modes of transport, with its own bases and presence in 16 countries in South America, Europe, Africa, North America and Antarctica. In addition, it provides industrial firefighters who work at customer facilities and has the largest and most complete training field in Latin America, training employees and customers with the most complete structure focused on emergency response and management in multimodal scenarios.

Additionally, in September 2022, Witt O'Brien's global leader in crisis and emergency management for corporate clients was acquired and provides consultancy in the development of emergency and resilience programs for the US government sector. It has a global structure operating in more than 45 locations in several countries.

- **Others:** The “Others” segment comprises the Company and the companies listed in the table in Note 2.4, mainly with the development of projects in the technology and innovation segment focused on the environment and on providing financial solutions for the Group's ecosystem.

As of December 31, 2022, the Company's equity interests and their respective areas of activity are shown in Note 2.4 “Consolidation Basis”.

1.2. Relevant events in the year

Business Combination with HPX Corp.

As detailed in the operating context, the business combination agreement with HPX Corp. ("HPX") capitalized the company by more than US\$ 174 million, with a consequent reduction in the leverage of Ambipar, which holds 70.8% of the capital and 96.0% of the voting rights. With the listing, certain conditions negotiated within the scope of the Business Combination will be verified, and the Ambipar Group will be entitled to receive a potential earn-out, increasing its shareholding in Ambipar Response. The earn-out could add up to US\$110 million to Ambipar Response's implicit pro forma Enterprise Value, which represents an EV/EBITDA multiple of 13.3x based on reported EBITDA for the last twelve months ended March 31 from 2022.

Sustainable Corridor Project: Ambipar partners with Dow Chemical and Scania to reduce greenhouse gases

On August 29, 2022, the Company announced a partnership with Dow Chemical and Scania to reduce greenhouse gases. With the project, Ambipar intends to replace 100% of its fleet with vehicles powered by renewable fuels and clean sources by 2040. The Sustainable Corridor Project initiates the change in the energy matrix of its fleet to renewable and cleaner sources, with the inclusion, on a large scale, of trucks powered by CNG. With the arrival of the new trucks, the company positions itself as a transforming agent in the logistics segment in the country with more sustainable solutions.

The Sustainable Corridor Project is an Ambipar action that brings safe and intelligent mobility to chemical product transport operations for DOW CHEMICAL. The initiative is in line with the companies' ESG strategies and the objective of reducing the emission of greenhouse gases (GHG) in their operations. With the structuring of a route operated with the majority use of CNG, Ambipar contributes to the decarbonization of its activities and its customers and demonstrates to the market and society alternatives so that the Brazilian logistics segment can implement an energy transition that, by taking advantage of characteristics and national energy options, be able to reduce emissions in the sector more quickly. your fleet. In the first year of circulation of the new trucks, Ambipar estimates a 20% reduction in carbon dioxide emissions in the Corridor.

Gênio Carbon is a new platform for generating inventories of greenhouse gas emissions with the reliability of blockchain technology

On September 1, 2022, Ambipar, through Ambipar Bleu Technologies SA (“Bleu”), a group company, focused on the development of disruptive technological solutions in blockchain, launches the platform called Genio Carbon, contributing to the fight against climate change – in line with Sustainable Development Goal 13 – through measurement and traceability of customers' GHG (Greenhouse Gases). The platform is yet another means for Ambipar to achieve its ambition for this decade of leading the transition to a circular and low-carbon economy by acting. Gênio Carbon is a platform for managing a GHG inventory, which measures emissions from processes and production chains in a simple, safe and tracked way. Through the generation of clear and complete reports, it identifies the cycles of emissions in each stage of the production process, identifying potential reduction points and the need for compensation to achieve carbon neutrality. The Gênio Carbon platform was validated by international certifiers such as SGS, in accordance with ISO 14064-1:2018 and ISO 14064-3:2019, aligned with the GHG Protocol (Brazilian GHG quantification program). Applicable to all scopes of emissions, the Platform makes it possible to track the entire chain of GHG emissions determined by the inventory, and register them via blockchain, contributing to the decarbonization process of its customers.

Signing of the contract for the acquisition of 100% of the company Witt O'Briens (“WOB”)

On September 14, 2022, the Company informs that, through its subsidiary Emergência Participações SA, it signed an agreement for the acquisition of 100% of the company Witt O'Briens and the conclusion of the acquisition took place on October 25, 2022. Result of the merger, in 2010, between O'Brien Response Management and Witt Associates, WOB is a global industry leader in crisis and emergency management for enterprise blue-chip customers and provides consulting in the development of emergency and resilience programs for the US government sector. Its origin comes from O'Brien Response Management, founded in 1983, which stood out in responding to historic emergencies such as Exxon Valdez, Deepwater Horizon and Hurricanes Katrina and Sandy. In 2021, WOB earned US\$ 191.9 million (R\$ 1.034 billion) and presented an EBITDA of US\$ 34.0 million (R\$ 183.3 million).

WOB has a crisis management and command center (CECOE) in Houston (USA) which operates 24 hours a day and 7 days a week with a team specialized in managing environmental emergencies, natural and simulated disasters, and which in 2021 served more than 55,000 called. WOB has more than 1,000 employees and a global structure with operations in more than 45 locations in several countries, including China, India, Japan, Norway and France, and is also the main American company in the management of maritime emergencies with 45% of the fleet of regulated vessels in US waters covered by the company.

The acquisition of Witt O'Brien's strengthens the leadership position of the Response segment, adding new customers to its portfolio, in addition to enabling entry into other markets and new geographies. Witt O'Brien's complements the portfolio of services performed by Ambipar Response, generating commercial and operational synergies, as mentioned in note 1.1 of shareholdings.

Ambipar remains in the 2023 ISE portfolio

Ambipar, the first Environmental Management company to join the B3, is part of the ISE portfolio as long as it is eligible to join it after its listing in July 2020. It appears in this review among the 10 best-ranked companies, with a score of 83, 40, improving on its rating from the previous year when it hit a 79.04 out of a possible 100. This performance placed the company in 7th position among the best evaluated companies in the 2023 portfolio.

Ambipar's assessment reflects its purpose with the ESG agenda, also reflected in relation to decarbonization efforts, proven with the evolution in the CDP assessment, released in December 2022, in which concept B ("management") was achieved, which demonstrates the company's commitment to reaching the highest level among companies considered "leaders" (concept A) in the fight against climate change.

Complementarity of the Portfolio through the Acquisition of Blz Recicla and Recitotal

On September 20, the Company acquired the shareholding control of Blz Recicla, a leading company in the segment and operates with the collection, transport and recovery of reused glass bottles for the entire beverage industry. Handles approximately 10,000,000 (ten million) glass bottles and 5,000 (five thousand) tons of broken glass per month and has three operating units in the State of São Paulo. Blz Recicla had revenues of R\$98 million and EBITDA of R\$19 million in the last twelve months, and was valued at an Enterprise Value of R\$68 million.

On October 3, 2022, it acquired full shareholding control of Recitotal. Founded in 1996, it has more than 26 years of experience in reverse logistics and recovery of broken glass. It achieved revenues of R\$ 70 million in the last 12 months and EBITDA of R\$ 8 million, and was evaluated as an enterprise value of R\$30 million and net debt of R\$2.5 million. Recitotal purpose, in synergy with Ambipar, is to minimize the extraction of natural resources (ash production and silica mining, among others) and also contribute to a low-carbon energy economy. Today, it employs more than 150 direct employees, and has more than 300 partner cooperatives, reinforcing its commitment to responsible action in the social, environmental and governance (ESG) areas.

These acquisitions add glass to Ambipar's circular economy platform and increase its portfolio of solutions for the beverage industry, in addition to strengthening the relationship with cooperatives through its national strength in capturing different types of recyclables.

Currently, in Brazil, glass recycling is still not very relevant, with many opportunities for growth, as well as the world market that presents a lack of access to recycled glass.

Acquisition of ViraSer

On November 3, the acquisition of the share control of ViraSer Negócios de Impacto Ltda (“ViraSer”) has been operating for seven years, in partnership with cooperatives, a structuring model of reverse logistics that innovates in the collection and recovery of post-consumer packaging with reintegration into the production cycle, applying the circular economy concept. It developed its own method of operating a solid waste center, called “Social Franchise”, which offers solutions to professionalize cooperatives, bring traceability to the process and associations of recycling professionals.

With this acquisition, Ambipar will leverage recycling rates in Brazil, as ViraSer will provide yet another raw material supply channel, nationwide, for recyclables (plastic, cardboard, glass, metals, among others) to the transformation industries of the Ambipar Group, thus enhancing environmental education actions, creating supply strategies, seeking network marketing opportunities and contributing to generate a positive impact in the provision of environmental services. It had revenues of R\$ 8 million in the last 12 months and EBITDA of R\$ 1.8 million, and was valued at an enterprise and equity value of BRL 8 million.

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For Ambipar, this acquisition: (i) increases its portfolio of services, as it further intensifies its operations with all types of post-consumer waste and in partnerships with cooperatives; (ii) reaffirms the commitment to the transition from the Linear to Circular Economy and (iii) further expands the social impact in Brazil, an essential pillar in the ESG.

1.3. Authorization to issue these individual and consolidated financial statements

The issuance of these individual and consolidated financial statements was authorized by the Board of Directors on March 28, 2023.

2. Summary of main accounting policies

2.1. Basis of preparation

The individual and consolidated financial statements were prepared and are presented in accordance with accounting practices adopted in Brazil, based on the provisions contained in the Brazilian Corporate Law, pronouncements, guidelines and interpretations issued by the Comitê de Pronunciamentos Contábeis - CPC, rules issued by Comissão de Valores Mobiliários - CVM, and the international financial reporting standards (IFRS), issued by the International Accounting Standards Board (IASB) and show all the relevant information specific to the financial statements, and only them, which are consistent with those used by the administration in its management. The consolidated financial statements are identified as "Consolidated" and the parent company's individual financial statements are identified as "Parent".

The Company's individual and consolidated financial statements are expressed in thousands of Brazilian reais ("R\$"), as well as disclosures of amounts in other currencies, when necessary, were also made in thousands. Items disclosed in Reais are informed when applicable.

The preparation of the Company's individual and consolidated financial statements requires Management to make judgments, use estimates and adopt assumptions that affect the presented amounts of income, expenses, assets and liabilities, including contingent liabilities. However, the uncertainty relating to these judgments, assumptions and estimates could lead to results that require a significant adjustment to the carrying amount of certain assets and liabilities in future years.

The Company's Management declares and confirms that all relevant information contained in the financial statements is being evidenced and that they correspond to those used by the Company's Management in its management.

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The individual and consolidated financial statements were prepared considering the historical cost as a basis of value and certain assets and liabilities measured at fair value.

The accounting policies and calculation methods used in the preparation of these financial statements were the same adopted in the preparation of the Company's financial statements for the year ended December 31, 2021.

2.2. New or revised pronouncements applied for the first time in 2022

The new IFRS standards will only be applied in Brazil after the issuance of the respective standards in Portuguese by the Accounting Pronouncements Committee and approval by the Federal Accounting Council.

- a) Onerous contracts – Cost of contract performance (Amendments to IAS 37/CPC 25);

Applies to annual periods beginning on or after January 1, 2022 for existing contracts on the date the changes are first applied. The change specifically states which costs to consider when calculating the cost of fulfilling a contract.

- b) Amendment to IAS 16/CPC 27 Fixed Assets

The classification of any gains generated before fixed assets is in accordance with the planned use conditions. Clarifies that the items produced before the fixed assets are in the planned conditions of use, if sold, must have their costs and revenues recognized in the income statement, not being able to compose/reduce the formation cost of the fixed assets.

- c) Annual improvements to the 2018-2020 IFRS Standards

Changes were made to the standards: (i) IFRS 1/CPC 37, addressing aspects of first adoption in a subsidiary; (ii) IFRS 9/CPC 48, addressing the 10% test criterion for the reversal of financial liabilities; (iii) IFRS 16/CPC 06 R2, addressing illustrative examples of leasing; and (iv) IAS 41/CPC 29, addressing fair value measurement aspects.

- d) Amendment to IFRS 3/CPC 15

Includes corrections in references regarding the Conceptual Framework of IFRS.

2.3. New standards, revisions and interpretations issued that were not yet effective as of December 31, 2022

For the following standards or amendments, management has not yet determined whether there will be significant impacts on the Company's financial statements, namely:

- a) Amendment to IAS 8/CPC 23 - amends the definition of accounting estimate, which is now considered as "monetary amounts in the financial statements subject to measurement uncertainty", effective for periods beginning on or after January 1, 2023;
- b) Amendment to IAS 12/CPC 32 - brings an additional exception to the exemption from the initial recognition of deferred tax related to assets and liabilities resulting from a single transaction, effective for periods beginning on or after January 1, 2023;
- c) Amendment to IFRS 17/CPC 50 - includes clarification of aspects related to insurance contracts, effective for periods beginning on or after January 1, 2023;
- d) Amendment to IFRS 16/CPC 06 - deals with liability in a retro lease, effective for periods beginning on or after January 1, 2024;
- e) Amendment to IAS 1/CPC 26:
 - i. Classification of liabilities as Current or Non-Current - this amendment clarifies aspects to be considered for the classification of liabilities as Current and Non-Current, effective for periods beginning on or after January 1, 2024.

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether the liability is classified as current or non-current. These amendments clarify that the current classification is based on whether an entity has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that the "agreement" includes the transfer of cash, goods, services or equity instruments, unless the obligation to transfer cash, goods, services or equity instruments arises from a conversion facility classified as an equity instrument separately from the liability component of a compound financial instrument. The changes were originally effective for annual reporting periods beginning January 1, 2023. However, due to the impacts of Covid-19, the effective date has been postponed for annual reporting periods beginning January 1, 2024.

- ii. Change in the disclosure of accounting policies, effective for periods beginning on or after January 1, 2023.

In February 2021, the IASB released amendments to IAS 1, which change the disclosure requirements with regard to accounting policies by replacing the term "significant accounting policies" with "material information about accounting policies". The amendments provide guidance on when it is likely that information about accounting policy should be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

The Company is currently evaluating the impact of these new standards and accounting changes. The Company will assess the impact of the final amendments to IAS 1 on the classification of its liabilities once they are issued by the IASB. The Company does not believe that the amendments to IAS 1, in its current form, will have a significant impact on the classification of its liabilities, since the conversion feature in its convertible debt instruments is classified as an equity instrument and, therefore, not affects the classification of its convertible debt as a non-current liability.

Other pronouncements and interpretations

There are no other standards, amendments to standards and interpretation that are not in force and that the Company and its subsidiaries expect to have a material impact arising from their application in their individual and consolidated financial statements.

2.4. Consolidation basis

Subsidiary is an entity, including an entity not constituted in the form of a company such as a partnership, in which the controlling company, directly or through other subsidiaries, holds shareholder rights that permanently ensure preponderance in corporate resolutions and the power to elect the majority of directors.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

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The consolidated financial statements cover the following companies:

				<u>12.31.2022</u>	<u>12.31.2021</u>
Segment companies					
Environment	Short name	Country	Activity	Direct	Direct
Environmental ESG Participações SA	Environmental ESG	Brazil , Chile	Holding with interest in companies that operate in total management, handling and transport of industrial, post-consumer, automotive waste and specialized environmental services with a focus on Valorization. Environmental consulting and auditing, and development of management software.	100.00%	100.00%
				<u>12.31.2022</u>	<u>12.31.2021</u>
Response	Short name	Country	Activity	Direct	Direct
Ambipar Emergency Response	Emergency Response	Cayman Islands	Holding created for business combination with HPX Corp , as disclosed in a subsequent event. It does not yet have commercial operations.	100.00%	-
Ambipar Merger Sub	Merge sub	Cayman Islands	Holding created for business combination with HPX Corp , as disclosed in a subsequent event. It does not yet have commercial operations.	100.00%	-
Emergência Participações SA	Emergência Participações	Brazil, USA, UK, Canada, Chile, Peru and Uruguay	Holding company with stakes in companies that provide training, prevention and response to emergencies.	100.00%	100.00%
				<u>12.31.2022</u>	<u>12.31.2021</u>
Segment companies Other	Short name	Country	Activity	Direct	Direct
Ambipar Bank Intermediação de Negócios, Pagamentos e Participações Ltda	Ambipar Bank	Brazil	Intermediation and agency of financial services	100.00%	100.00%
Ambipar Bleu Technologies SA	Bleu	Brazil	Asset tokenization solutions, digital wallet management, development of smartcontracts in blockchain technology	50.00%	50.00%
Universe Ambipar Serviços Comércio e Consultoria S.A.	Universe	Brazil	Development of sustainable products with e-commerce.	100.00%	100.00%
Ambipar Financial Participações SA	Financial	Brazil	Equity participation in financial institutions	100.00%	100.00%
Ambify Ltd.	Ambify	Brazil	Consulting in Franchise Licensing.	100.00%	-
Ambipar Decarbonisation Ltda	Decarbonization	Brazil	Other environmental services.	100.00%	-
Ambipar Incorporações Ltda	Incorporações	Brazil	Other environmental services.	100.00%	-

2.5. Currency conversion

(a) Functional currency and presentation currency

Items included in the Company's individual and consolidated financial statements are measured using the currency of the primary economic environment in which the Company operates (functional currency). The individual and consolidated financial statements are presented in Brazilian Reais (R\$) which is the functional currency. All financial statements disclosed was rounded to the nearest unit, unless otherwise stated.

(b) Foreign currency

Transactions with foreign currencies are translated into the functional currency, using the exchange rates prevailing on the transaction or valuation dates, in which the items are measured. Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation at period-end exchange rates, relating to monetary assets and liabilities in foreign currencies, are recognized in the statement of income. Foreign exchange gains and losses related to accounts receivable, trade payables and loans are presented in the income statement as finance income or expense.

(c) Use of accounting estimates and judgment

The preparation of individual and consolidated financial statements in accordance with accounting practices adopted in Brazil requires Management to use its judgment in determining and recording accounting estimates. The settlement of transactions involving these estimates may result in values different from those estimated, due to inaccuracies inherent to the process of their determination.

Estimates and assumptions are reviewed on an ongoing basis. Reviews with respect to accounting estimates are recognized in the year in which the estimates are reviewed and in any future years affected.

Information on critical assumptions related to the adopted accounting practices that affect the values recognized in the individual and consolidated financial statements is included in the following notes:

- Note 2.14 – Impairment of non-financial assets;
- Note 2.17 – Provisions;
- Note 2.18.2 – Deferred income tax and social contribution;
- Note 5 – Allowance for Expected Losses on Loan Losses;

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- Note 8 – Residual value and estimated useful life of fixed assets;
- Note 14 – Provision for contingencies.

2.6. Cash and cash equivalents and marketable securities

2.6.1. Cash and cash equivalents

Cash and cash equivalents include cash in kind, bank deposits, highly liquid short-term investments, redeemable in up to three months or less, with insignificant risk of change in fair value and with the objective of meeting short-term commitments.

2.6.2. Marketable securities

They include short-term investments, redeemable over three months, with risk of change in fair value and with the objective of meeting differentiated profitability with the financial institutions and funds in which the investments are made.

2.7. Financial assets and liabilities

2.7.1. financial assets

Classification

Upon initial recognition, a financial asset is classified as measured at: (i) amortized cost; (ii) fair value through other comprehensive income (“FVOCI”); or (iii) fair value through profit or loss (“FVTPL”).

A financial asset is measured at amortized cost if it satisfies both of the following conditions: (i) the asset is maintained within a business model in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset give rise, on specific dates, to cash flows that are only payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI only if it satisfies both of the following conditions: (i) the asset is maintained within a business model whose objective is achieved both by collecting contractual cash flows and by selling financial assets; and (ii) the contractual terms of the financial asset give rise, on specific dates, to cash flows that represent payments of principal and interest on the principal amount outstanding. All other financial assets are classified as measured at fair value through profit or loss.

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In addition, upon initial recognition, the Company may, irrevocably, designate a financial asset, which meets the requirements to be measured at amortized cost, FVOCI or even FVTPL. This designation has the objective of eliminating or significantly reducing a possible accounting mismatch resulting from the result produced by the respective asset.

Recognition and measurement

Purchases and sales of financial assets are recognized on the trade date. Investments are initially recognized at fair value, plus transaction costs for all financial assets not classified as at fair value recognized in profit or loss.

Financial assets at fair value recognized in the income statement are initially recognized at fair value, and the transaction costs are charged to the income statement in the period in which they occur.

The fair value of publicly quoted investments is based on the current purchase price. If the market for a financial asset is not active, the Company establishes fair value using valuation techniques. These techniques include the use of recent operations contracted with third parties, the reference to other instruments that are substantially similar, the analysis of discounted cash flows and the option pricing models, privileging market information and minimizing the use of information generated by Management.

Recoverable value (*impairment*) of financial assets - assets measured at amortized cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or Group of financial assets is impaired. The criteria used by the Company to determine whether there is objective evidence of an impairment loss include: (i) significant financial difficulty of the issuer or borrower; (ii) a breach of contract, such as a default or or delay in payment of interest or principal; (iii) probability that the debtor will declare bankruptcy or financial reorganization; and (iv) extinction of the active market for that financial asset due to financial problems.

Derecognition of financial assets

A financial asset (or, when applicable, a portion of a financial asset or part of a Group of similar financial assets) is written off mainly when: (i) the rights to receive cash flows from the asset have expired; and (ii) the Company transferred its rights to receive cash flows from the asset or assumed an obligation to pay the received cash flows in full, without significant delay, to a third party under a “pass-through” agreement; and (a) the Company transferred substantially all risks and benefits related to the asset; or (b) the Company did not transfer and did not substantially retain all risks and benefits related to the asset, but transferred control over that asset.

When the Company has transferred its rights to receive cash flows from an asset, or has entered into a transfer agreement and has not transferred or retained substantially all the risks and rewards relating to the asset, an asset is recognized to the extent of the Company's ongoing involvement. with that asset .

2.7.2. Financial liabilities

Recognition and measurement

A financial liability is classified as measured at fair value through statement of income when it is designated as held for trading or designated as such at initial recognition. Transaction costs are recognized in statement of income as incurred. These financial liabilities are measured at fair value, and possible changes in fair value, including gains on interest and dividends, are recognized in statement of income for the year.

The Company's financial liabilities, which are initially recognized at fair value, include trade accounts payable and other accounts payable, loans and financing and debentures, are added the directly related transaction cost.

Subsequent measurement

After initial recognition, loans and financing, debentures, trade payables and accounts payable are subsequently measured at amortized cost, using the effective interest rate method.

Loan costs

Loan costs attributed to the acquisition, construction or production of an asset, necessarily requiring a significant amount of time to be ready for its intended use or sale, are capitalized as part of the cost of these assets.

Loan costs refer to interest and other costs incurred by the Company that are related to the raising of funds.

Derecognition of financial liabilities

A financial liability is written-off when the obligation is revoked, cancelled or expired. When an existing financial liability is replaced by another of the same lender with significantly different terms, or when the terms of an existing liability are significantly changed, this substitution or amendment is recognized as a write-off of the original liability and recognition of a new one, and the difference in their book values is recognized in the statement of income.

2.8. Accounts receivable from customers

Accounts receivable from customers correspond to amounts receivable from customers for the provision of the service performed in the normal course of the Company's activities. If the collection period is equivalent to one year or less (or another period that meets the Company's normal cycle), the accounts receivable are classified in current assets. Otherwise, they are presented in non-current assets.

Trade accounts receivable are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method less expected losses on accounts receivable (impairment). In practice, they are normally recognized at the invoiced amount, adjusted by the provision for impairment, if necessary.

2.9. Stocks

They are initially recognized at acquisition and/or formation cost. It mainly comprises expenses related to materials to be used in the provision of emergency services and expenses related to the acquisition of carbon credits that will be commercialized, at their acquisition cost value and subsequently measured, the lower of the two, between fair value, net of costs to sell and the cost amount recorded at the base date. The contra entry is recorded in income for the year, in accordance with IAS 02/CPC 16R1.

2.10. Other accounts receivable (current and non-current)

They deal with various expenses related to its operations, most of which are paid in advance, to meet the Group's capacity to provide operational services, substantially represented by: advances to suppliers arising from services contracted and not performed, advances to employees for the execution of services.

2.11. Investments in subsidiaries and joint venture

Investments held in a subsidiary are valued using the equity method (Note 7). The financial statements of subsidiaries are adjusted, when applicable, to the Company's accounting practices.

Investments are initially recognized at cost and subsequently adjusted by the recognition of the interest attributed to the Company in changes in the net assets of investees, less provisions for impairment, when applicable.

The financial statements of investments abroad are translated into the same accounting practices and presentation currency as the Company. Currency adjustments are classified under "Cumulative translation adjustments - shareholders' equity". Realization occurs when these investments are written off, disposed of, or receive dividends.

A joint venture is a joint arrangement whereby the parties, who have joint control of the contractual arrangement, have rights over the net assets of that arrangement.

Assets, liabilities, income and expenses related to the contractual rights and obligations of joint ventures are recognized individually in the Company's financial statements. Investments in jointly-owned subsidiaries are accounted for using the equity method and are initially recognized at cost; such investments include goodwill identified on acquisition, net of any accumulated *impairment loss*.

2.12. Intangible Assets and Goodwill

(i) Software

Costs associated with maintaining software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or license it if there is ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;

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- adequate technical, financial and other resources are available to complete the development and to use or sell the software; It is
- the expenses attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalized development costs are recorded as intangible assets and amortized from the moment the asset is ready for use.

(ii) Goodwill

Goodwill is measured as described in note 9, Goodwill on acquisitions of subsidiaries is included in intangible assets, Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

(iii) Research and development

Expenses with research activities are recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to the initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

(iv) Other Intangibles

Other intangible assets, including client's portfolio, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(v) Amortization

Amortization is recognized in the Consolidated statement of profit or loss based on the straight-line method in relation to the estimated useful lives, since this method is the closest that reflects the consumption pattern of future economic benefits incorporated into the asset. The estimated useful lives of intangible assets are as measured as described in note 8 (b).

The assets' net book values and useful lives are reviewed at each reporting date, and adjusted prospectively, where applicable.

In the quarter ended December 31, 2022, the Group reviewed the estimated useful lives of these assets, and no significant change was identified.

Other intangible assets, including customer relationships, work force, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

2.13. Fixed Assets

Sanitary landfills are valued at the cost of areas and investments in preparation for operation. They are amortized according to the amount of waste deposited versus the total capacity of waste. The land, buildings and improvements in third-party properties mainly comprise warehouses and offices.

Property, plant and equipment are measured at their historical cost, less accumulated depreciation. Historical cost includes expenses directly attributable to the acquisition of the items. Historical cost also includes financing costs related to the acquisition of qualifying assets.

Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow and the cost of the item can be reliably measured.

The book value of replaced items or parts is written off. All other repairs and maintenance are charged to income for the year, when incurred.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, except for landfills.

Residual values and useful lives of assets are reviewed and adjusted, if appropriate, at the end of each year.

The carrying amount of an asset is written off immediately according to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the results with the book value and are recognized in "Other operating income (expenses), net", in the income statement.

2.14. Impairment of non-financial assets

Assets that are subject to depreciation and amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The latter is the higher of an asset's fair value less costs to sell and its value in use.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that have been impaired are reviewed for possible reversal of the impairment at the reporting date.

2.15. Trade accounts payable and other accounts payable

Accounts payable to suppliers and other accounts payable are obligations to pay for goods or services that were acquired from suppliers in the normal course of business, being classified as current liabilities if payment is due within a period of up to one year, otherwise, accounts payable are presented as non-current liabilities.

They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. In practice, they are usually recognized at the amount of the corresponding invoice.

2.16. Loans and financing

Loans and financing are initially recognized at fair value, net of costs incurred in the transaction, and are then stated at their amortized cost.

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Any difference between amounts raised (net of transaction costs) and the settlement amount is recognized in the statement of income during the period in which loans are outstanding, using the effective interest rate method.

Loans and financing are classified as current liabilities, unless the Company has an unconditional right to defer the settlement of a liability for at least 12 months after the balance sheet date.

2.17. Provisions

Provisions for lawsuits (labor, civil and tax) are recognized when: the Company has a present or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the value has been reliably estimated. Provisions are not recognized in respect of future operating losses.

When there are a number of similar obligations, the probability of settling them is determined by taking into account the class of obligations as a whole. A provision is recognized even if the probability of settlement relating to any individual item included in the same class of obligations is small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the obligation as a result of the passage of time is recognized as a financial expense.

The provision for the restructuring of landfills is initially recorded considering the estimated costs of remediation of the landfills in compliance with environmental legislation in Brazil, under "Other accounts payable" as a contra entry under "Property, plant and equipment", in the Landfill class. Management keeps its studies up to date, considering monetary adjustments, third-party budgets to be contracted and internal costs, and its estimate is revisited in case of changes in the original budget.

2.18. Current and deferred Income Tax and Social Contribution

2.18.1. Current Income Tax and Social Contribution

Companies on the presumed profit regime

There are companies that opted for taxation based on presumed profit. Current and deferred income tax and social contribution are calculated based on the rates of 15%, plus an additional 10% on taxable income in excess of R\$240 for income tax and 9% on taxable income for social contribution.

Companies on the real profit basis

Income tax and social contribution for the current year are calculated based on the rates of 15%, plus an additional 10% on taxable income in excess of R\$240 for income tax and 9% on taxable income for social contribution on net income and consider, when applicable, the offset of tax losses and negative basis of social contribution, limited to 30% of taxable income.

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The Company and most of its subsidiaries were taxed on taxable income, with the exception of:

Companies	Country	Taxation
Environment Segment		
Disal Ambiental Holding S.A.	Chile	Country legislation
Biofílica Ambipar Environmental Investments S.A.	Brazil	Presumed
Brasil Coleta Industria e Tratamento de Resíduos Ltda	Brazil	Presumed
Ambipar Green Tires Ltda	Brazil	Presumed
RPP Resinas Termoplásticas Ltda	Brazil	Presumed
Fox Indústria e Comércio de Plásticos Reciclados Ltda	Brazil	Presumed
Ambipar Compliance Solutions S.A.	Brazil	Presumed
Ambipar Green Tech Ltda	Brazil	Presumed
Ambipar Environmental Machines S.A.	Brazil	Presumed
Ambipar Environmental Glass Recycling S.A.	Brazil	Presumed
Boomera Lar Indústria e Comércio de Plásticos Ltda	Brazil	Presumed
Response Segment		
Ambipar Response Insurance - Atendimento a Seguros LTDA	Brazil	Presumed
Suatrans Chile S.A.	Chile	Country legislation
Suatrans Peru S.A.C	Peru	Country legislation
Suatrans Training S.A.	Chile	Country legislation
Servicios Industriales Especializados S.A.	Chile	Country legislation
Suatrans Uruguay S.A.	Uruguay	Country legislation
Suatrans Colômbia S.A.S.	Colombia	Country legislation
Ambipar Response Colombia S.A.S.	Colombia	Country legislation
Ambipar Holding USA, INC	USA	Country legislation
Allied International Emergency, LLC	USA	Country legislation
One Stop Environmental, LLC	USA	Country legislation
Intracoastal Environmental, LLC	USA	Country legislation
Custom Environmental Services, Inc	USA	Country legislation
Environmental Management System (EMS)	USA	Country legislation
Swat Consulting Inc.	USA	Country legislation
Professional Emergency Resource Services	USA	Country legislation
Ambipar Response L1, Inc	USA	Country legislation
Witt O'Brien's LLC	USA	Country legislation
Witt O'Brien's Response Management LLC	USA	Country legislation
Witt O'Brien's PR LLC	USA	Country legislation
Witt O'Brien's USVI, LLC	USA	Country legislation
Navigate Response (Asia) Pte. Ltd.	USA	Country legislation
Strategic Crisis Advisors LLC	USA	Country legislation
Navigate PR Ltd	USA	Country legislation
Witt O'Brien's Payroll Management LLC	USA	Country legislation
Navigate Response Limited	USA	Country legislation
Navigate Communications Pte. Ltd.	USA	Country legislation
Witt O'Brien's Insurance Services, LLC	USA	Country legislation
Ambipar Holdings UK Limited	UK	Country legislation
Groco 404 Limited	UK	Country legislation
Ambipar Site Service Limited	UK	Country legislation
Ambipar Howells Consultancy Limited	UK	Country legislation
Ambipar Response Limited	UK	Country legislation
Ambipar Holding Ireland Limited	Ireland	Country legislation
Lehane Environmental & Industrial Services Ltd	Ireland	Country legislation
Ambipar Response Limited (Irlanda)	Ireland	Country legislation
Ambipar Holding Canadá, INC	Canada	Country legislation
Orion Environmental Services Ltd. (OES)	Canada	Country legislation
Orion Environmental Services Ltd. (OTS)	Canada	Country legislation
Emerge Hydrovac Inc.	Canada	Country legislation
Lynx Creek Industrial & Hydrovac Ltd.	Canada	Country legislation
First Response Inc	Canada	Country legislation
Graham Utility Hydrovac Services	Canada	Country legislation
Ridgeline Canada Inc	Canada	Country legislation
Inversiones Disal Emergências S.A.	Chile	Country legislation
Ambipar Response Fauna e Flora Ltda.	Brazil	Presumed
Ambipar Response Orbitgeo Ltda	Brazil	Presumed
Ambipar Response Ogtec Facilities Ltda	Brazil	Presumed
Ambipar Response Wastewater Control Ltda	Brazil	Presumed
Ambipar Response Geoweb Ltda	Brazil	Presumed
Ambipar Response Geociências Ltda	Brazil	Presumed
Ambipar Response Tank Cleaning S.A.	Brazil	Presumed
Fênix Emergências Ambientais Ltda	Brazil	Presumed
APW Ambiental e Transporte Ltda.	Brazil	Presumed
Ambipar Analytical S.A.	Brazil	Presumed
Ambipar C-Safety Comércio, Indústria E Serviços Ltda	Brazil	Presumed
Ambipar Response Dracares Apoio Marítimo E Portuario S.A.	Brazil	Presumed
Ambipar Flyone Serviço Aéreo Especializado Comercio E Servicos S.A.	Brazil	Presumed
Segment Other		
Ambipar Emergency Response	Cayman Islands	Country legislation
Ambipar Merger Sub	Cayman Islands	Country legislation

Companies on the tax regime in other jurisdictions

The Group has companies headquartered in other jurisdictions where they have specific tax regimes and differentiated rates.

2.18.2. Deferred Income Tax and Social Contribution

Deferred income tax and social contribution are recognized using the liability method on temporary differences arising from differences between the tax bases of assets and liabilities and their carrying amounts in the interim financial information. However, deferred income tax and social contribution are not accounted for if it results from the initial recognition of an asset or liability in an operation that is not a business combination, which, at the time of the transaction, does not affect the accounting result or the taxable profit (tax loss). Deferred income tax and social contribution are determined using tax rates (and tax laws) enacted, or substantially enacted, on the balance sheet date, which must be applied when the related deferred tax asset is realized or when the deferred tax liability is liquidated.

Deferred income tax and social contribution assets are recognized only in proportion to the probability that future taxable income will be available and against which the temporary differences can be used.

Deferred income tax and social contribution assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred income tax assets and liabilities relate to income taxes levied by the same tax authority over the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.19. Employee benefits

(a) Dismissal benefits

The Company does not have severance benefit plans for employees.

(b) Profit sharing and bonuses

This interest is usually recognized at the end of the year, when the amount can be reliably measured by the Company.

2.20. Revenue recognition

Revenue is shown net of taxes, returns, rebates and discounts. Its recognition is in accordance with CPC 47 - Revenue from customer contracts, which establishes a five-step model to determine how and when it will be recognized, as well as its measurement, provided that revenues and costs can be measured reliably. . In addition, specific criteria for each of the Company's activities must be met, as described below:

a) Provision of services

The Company and its subsidiaries provide complete services for the environmental management chain (Environment) and emergency response, which includes prevention, care and prevention (Response).

Revenue from the provision of services is recognized on the basis of services performed the period up to the balance sheet date.

b) Financial income

Financial income is recognized over time, using the effective interest rate method.

2.21. Leases

All leases are accounted for by recognizing a right-of-use asset and a lease liability, except for:

- Leasing of low value assets; and
- Leases lasting less than 12 months.

Lease liabilities are measured at the present value of contractual payments due to the lessor over the lease term, with the discount rate implied in the contract, unless (as is usually the case) this is not easily determinable, in which case the incremental rate on the Company's loans at the beginning of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes that the variable element will remain unchanged throughout the term of the contract. Other variable lease payments are spent in the period to which they are related.

The subsidiaries adopted the simplified retrospective model as allowed by the standard. Notes 8(e) and 13 present the new information and breakdown of balances as required by CPC 06R2/IFRS16.

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The discount rate used is between 7.08% to 8.5% p.a. and corresponds to the average market cost of indebtedness in the form of asset acquisition, at the time.

On initial recognition, the carrying amount of the lease liability also includes:

- Amounts to be paid under any residual value guarantee;
- The exercise price of any call option granted in favor of the Company and its subsidiaries, if it is reasonable to evaluate this option;
- Any penalties to be paid for terminating the lease, if the term of the lease has been estimated based on the termination option being exercised.

Right-of-use assets are initially measured at the value of the lease liability, less any incentives received, plus:

- lease payments made up to the start date of the contract;
- Initial direct costs incurred; and
- The amount of any provision recognized when the Company and its subsidiaries are contractually obligated to dismantle, remove or restore the underlying asset.

After initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the outstanding balance and are reduced by lease payments made. Right-of-use assets are amortized on a straight-line basis over the remaining lease term or over the remaining economic life of the asset if, rarely, it is considered to be shorter than the lease term.

When the Company and its subsidiaries revise their estimates of the term of any lease (because, for example, it reassesses the likelihood that a lessee extension or termination option will be exercised), they adjust the carrying amount of the lease liability to reflect payments to do over the revised term, which are discounted using a revised discount rate. The carrying amount of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except that the discount rate remains unchanged. In either case, an equivalent adjustment is made to the carrying amount of the right-of-use asset, with the revised carrying amount being amortized over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognized in profit or loss.

When the Company and its subsidiaries renegotiate the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased at an amount compatible with the individual price for the additional use rights obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- In all other cases where the renegotiation increases the scope of the lease (either an extension of the lease term, or one or more additional assets being leased), the lease liability is reevaluated using the discount rate applicable on the date of the modification, with the right of use asset being adjusted by the same amount;
- If the renegotiation results in a reduction in the scope of the lease, both the carrying amount of the lease liability and the right-of-use asset are reduced by the same proportion to reflect the partial or total termination of the lease with any difference recognized in profit or prejudice. The lease liability is then adjusted to ensure that its book value reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the date of the modification. The right-to-use asset is adjusted by the same amount.

For contracts that convey the right to the Company and its subsidiaries to use an identified asset and require services to be provided to the Company and its subsidiaries by the lessor, the Company and its subsidiaries have chosen to account for the entire agreement as a lease, that is, it does not allocate any amount of contractual payments, separately accounting for any services provided by the supplier as part of the contract.

2.22. Distribution of dividends and interest on equity capital

The distribution of dividends and interest on equity to the Company's shareholders is recognized as a liability in the individual and consolidated financial statements at the end of the year, based on the Company's bylaws, as a counterpart entry to shareholders' equity.

Any amount above the minimum mandatory payout is only provided for at the date in which the said payout is approved by the shareholders.

The tax benefit of interest on equity capital is recognized in the statement of income.

2.23. Present value adjustment

The components of assets and liabilities arising from long-term operations, or short-term operations, when there are relevant effects, are adjusted to present value based on discount rates that reflect the best current market assessments of the value of money in the time and the specific risks of the asset and liability. Management analyzed the amounts of assets and liabilities, not having identified balances and transactions for which the adjustment to present value is applicable and relevant for the purposes of the individual and consolidated financial statements.

2.24. Business combinations

In accordance with CPC 15 (R 1)/ IFRS 3 - Business Combinations, business acquisitions are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated by adding the fair values of the assets transferred, the liabilities incurred on the acquisition date to the former controlling shareholders of the acquiree and the interests issued in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss when incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the value of non-controlling interests in the acquiree and the fair value of the acquirer's interest previously held in the acquiree (if any) over the net amounts at the acquisition date of the acquired assets and liabilities identifiable assumptions.

If, after valuation, the net values of the identifiable assets acquired and liabilities assumed at the acquisition date are greater than the sum of the consideration transferred, the value of the non-controlling interests in the acquiree and the fair value of the acquirer's interest previously held in the acquiree, the excess is recognized immediately in profit or loss as a gain.

If the initial accounting for a business combination is incomplete at the end of the year in which the combination took place, provisional amounts are recorded for items for which accounting is incomplete. These provisional amounts are adjusted during the measurement period (which cannot be longer than one year from the acquisition date), or additional assets and liabilities are recognized to reflect new information obtained regarding facts and circumstances existing at the acquisition date. that, if known, would have affected the amounts recognized at that date.

Goodwill

Management considered that most of the acquisitions performed by Ambipar Group have a purpose of increasing market share and geographical presence.

Customer relationship

The Ambipar Group considered that the customer relationships do not consist of relevant asset for the acquisitions, in some cases, because the acquiree did not present at the acquisition date contracts with customers that present a term long enough or large recurrence of services contracted by a customer that could present significant benefit to the acquirer. Most of the contracts with customers and relationship with customers refer to regional contracts with clients that are located on the geographical area of the acquiree. Aligned with the rationale presented on the section of "Brand" above, the acquirees mostly refers to small entities and have limited capabilities of retaining significant clients. The capability is improved by the acquiree from the moment that the Ambipar Group obtains its control, by applying the processes and skills.

The main motivation for the acquisitions of the Ambipar Group refer to increase of market share on different geographical areas. All the acquisitions identified goodwill on the analyzed transactions. The Ambipar Group understands that this amount goodwill presented above refers mostly to the expectation of benefits arising from the increase of market share that motivated for the acquisitions.

Workforce

The Ambipar Group does not identify an intangible asset related to the workforce, based on the qualification of the acquired business personnel, as there is no market differential or any competitive advantage. The acquired business team does not have specialized and additional training that could contribute to the negotiation. Also, there are staff turnover rates that do not provide a significant differential to be analyzed in the acquisitions made. Even if it did exist, this matter would be allocated to goodwill with expected future profitability, in accordance with CPC 15R1/IFRS 3R.

Brand

None of the asset related to brand was identified in the acquisitions since the acquirees do not disclose massively its brand name on the local media and market so it does not have expressiveness that could significantly contribute generating benefits related to this potential intangible asset.

Additionally, the Ambipar Group has the practice of changing the regional brand in all acquired businesses and including the Ambipar Group brand, publicizing it as a new acquisition of the Ambipar Group in the region and with the breadth of its business, in order to collaborate for the use of the strength of the Ambipar Group's brand, recognized by the market and commercially collaborate with the evolution of local businesses.

2.25. Reporting by segment

Information by business segment is presented in a manner consistent with the decision-making process of the main operational decision maker. The main operating decision maker, responsible for allocating resources and evaluating the performance of operating segments is the Company's Management, responsible for making strategic decisions.

2.26. Earnings per share - basic and diluted

The Company calculates the basic earnings per share using the weighted average number of total preferred and common shares outstanding, during the period corresponding to the result in accordance with accounting pronouncement CPC 41/IAS 33.

2.27. Added value statement - supplementary information to IFRS

The statement of added value is being prepared and disclosed, consistent with technical pronouncement CPC 09, in compliance with Brazilian corporate law for publicly traded companies and regulated by the Securities Commission.

2.28. Prepaid expenses

These are basically disbursements made in advance, which will be included in the result as soon as the expenses are effectively incurred, significantly represented by the Group's marketing and advertising expenses.

3. Financial risk management

The Company and its subsidiaries participate in operations involving financial instruments in order to finance their activities or invest their available financial resources.

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These risks are managed through the definition of conservative strategies, aiming at liquidity, profitability and security. The control policy consists of the permanent monitoring of the contracted rates versus those in force in the market.

In the years ended December 31, 2022 and 2021, no operations were carried out involving derivative financial instruments for speculative purposes and compound financial instruments with embedded derivatives.

Financial instruments are only recognized from the date on which the Company becomes a party to the contractual provisions. When recognized, they are initially recorded at fair value, plus transaction costs that are directly attributable to their acquisition or issue (when applicable). Its subsequent measurement takes place at each balance sheet date, in accordance with the rules established for each type of classification of financial assets and liabilities.

3.1. Financial risk factors

The Company's activities expose it to various financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk), price risk, credit risk and liquidity risk. The Company's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's senior management, in accordance with policies approved by the shareholders. The Company's senior management identifies, evaluates and protects the Company against possible financial risks.

(a) Market risk

(i) Interest rate risk

Interest rate risk arises from the portion of debt and marketable securities referenced to CDI, which may affect financial income or expenses in the event of an unfavorable movement in interest rates or inflation. Loans issued at variable rates expose the Company to cash flow interest rate risk.

Loans issued at fixed rates expose the Company and its subsidiaries to fair value risk associated with interest rates. Considering that a substantial part of the Company's and its subsidiaries' loans are linked to fixed rates, Management understands that the risk of significant changes in income and cash flows is low.

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The Company defined 3 scenarios (probable, possible and remote) to be simulated. In the probable, the rates disclosed by BM&F were defined by Management, and the possible and remote scenarios, a deterioration of 25% and 50%, respectively, in the variables. The calculation basis used is the amount presented in the notes cash and cash equivalents, loans and finance leases:

2022

Risk with indexers	Scenarios (Parent Company)			
	Basis	Probable	Possible	Remote
CDI - Marketable securities - immediate liquidity	430,477	58,760	74,450	88,140
CDI - Marketable securities	20,137	2,749	3,436	4,124
CDI - Loans and financing	(110,581)	(15,094)	(18,868)	(22,641)
CDI - Debentures	(2,618,635)	(357,444)	(446,805)	(536,166)
net exposure	<u>(2,278,602)</u>	<u>(311,029)</u>	<u>(388,787)</u>	<u>(466,543)</u>

Risk with indexers	Scenarios (Consolidated)			
	Basis	Probable	Possible	Remote
CDI - Marketable securities - immediate liquidity	2,597,487	354,557	443,196	531,836
CDI - Marketable securities	72,220	9,858	12,323	14,787
CDI - Loans and financing	(2,087,285)	(284,914)	(356,143)	(427,371)
CDI - Debentures	(5,014,116)	(684,427)	(855,534)	(1,026,641)
net exposure	<u>(4,431,694)</u>	<u>(604,926)</u>	<u>(756,158)</u>	<u>(907,389)</u>

2021

Risk with indexers	Scenarios (Parent Company)			
	Basis	Likely	Possible	Remote
CDI - Marketable securities - immediate liquidity	268,278	24,816	31,020	37,224
CDI - Loans and financing	(20,000)	(1,850)	(2,313)	(2,775)
CDI - Debentures	(507,591)	(46,952)	(58,690)	(70,428)
net exposure	<u>(259,313)</u>	<u>(23,986)</u>	<u>(29,983)</u>	<u>(35,979)</u>

Risk with indexers	Scenarios (Consolidated)			
	Basis	Likely	Possible	Remote
CDI - Marketable securities - immediate liquidity	659,853	61,036	76,295	91,554
CDI - Loans and financing	(1,275,413)	(117,976)	(147,470)	(176,964)
CDI - Debentures	(1,392,239)	(128,782)	(160,978)	(193,173)
net exposure	<u>(2,007,799)</u>	<u>(185,722)</u>	<u>(232,153)</u>	<u>(278,583)</u>

Due to the nature, complexity and isolation of a single variable, the estimates presented may not faithfully represent the value of the loss, if the variable in question has the deterioration shown. The calculation was performed for a win/loss scenario in the period of one month.

(ii) Exchange rate risk

The associated risk arises from the possibility that the Company and its subsidiaries may incur losses due to fluctuations in exchange rates, which reduce nominal amounts billed or increase amounts raised in the market. Management periodically monitors the net exposure of assets and liabilities in foreign currency.

The indirect subsidiary Environmental has a loan with Banco Bocom BBM S.A. Nassau Branch in the amount of USD 10,524 thousand (ten million, five hundred and twenty-four thousand United States Dollars), for this operation we have contracted the SWAP instrument, considering rate, amount and term, exchanging the foreign exchange exposure for the variation of the pre-fixed rate.

The Company entered into a loan agreement with Banco ABC S.A. – Cayman Islands Branch in the amount of USD 6,193 thousand (Six million, one hundred and ninety-three thousand United States Dollars), for this operation we have contracted the Cash Flow SWAP instrument, considering rate, amount and term, exchanging the foreign exchange exposure for the variation of the fixed rate.

Hedge accounting

The purpose of the Company and its subsidiaries' hedge operations is to protect cash flows denominated in US dollars arising from the loan in foreign currency (as per Note 10,2) since practically the entire Company's operations are denominated in local currency.

Thus, the transaction falls within the classification of cash flow hedge applying the accounting according to CPC 48 - Financial instruments.

The purpose of hedge accounting (understood as the hedge accounting policy adopted) is to affect the Company's results only by the local interest rates to which it is exposed, considering only the net effect of the contracted hedge.

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The contract in effect on December 31, 2022 is as follows:

Instrument	Type of financial instrument	Operation	Notional value	Due date	Protection index	Contracted rate
Swap contract	Cash flow hedge	Swap USD X CDI	USD 10,524 thousand	may/2023	Exchange variation + 2.13% pa	100% of CDI

The outstanding balances are shown below:

Description	Principal amount (notional) - In thousands USD	Curve value	Fair value	Fair value adjustment gain (loss)
Swap contract				
Active end:				
Dollar long position (<i>part balance</i>)	10,524 thousand	50,000	50,000	-
Passive tip:				
Short position in the CDI (<i>part balance</i>)	(10,524 thousand)	(54,909)	(55,085)	(176)
Total net financial instrument	-	(4,909)	(5,085)	(176)

In accordance with applicable accounting practices, the adjustment to the calculated fair value, for the financial instrument, was R\$176 (R\$116, net of tax) and is recorded in the financial result.

Instrument	Type of financial instrument	Operation	National value	Due date	Protection index	Contracted rate
Swap contract	Cash flow hedge	Swap USD X CDI	USD 6,193 thousand	may/2023	Exchange Rate + 2.75% pa	100% of CDI

Description	Principal amount (notional) - In thousands USD	Curve value	Fair value	Fair value adjustment gain (loss)
Swap contract				
Active end:				
Dollar long position	6,193 thousand	30,441	30,780	339
Passive tip:				
Short position at fixed rate	(6,193 thousand)	(32,480)	(32,909)	(429)
Total net financial instrument	-	(2,039)	(2,129)	(90)

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In accordance with applicable accounting practices, the adjustment to the calculated fair value, for the financial instrument, was R\$90 (R\$59, net of tax) and is recorded in the financial result.

It is worth mentioning that the current hedge operation is fully linked, including contractually, to the loan contracted under modality 4131, and cannot be undone individually.

(iii) Commodity price risk

The Company does not have operations quoted at commodity prices, therefore, it has no exposure to commodity price risks.

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers. For banks and financial institutions, only securities from entities considered to be first class are accepted.

The credit analysis area assesses the customer's credit quality, taking into account their financial position, past experience and other factors.

Individual risk limits are determined based on internal or external ratings in accordance with the limits determined by Management. The use of credit limits is regularly monitored.

No credit limit was exceeded during the period and Management does not expect any loss arising from the default of these counterparties, in addition to the provision already constituted (Note 5).

(c) liquidity risk

The cash flow forecast is performed by the Company's Management. Management monitors rolling forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet operating needs. This forecast takes into account the Company's debt financing plans, compliance with covenants, meeting internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements - for example, currency restrictions.

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Excess cash held by the Company, in addition to the balance required for working capital management, is invested in interest-bearing current accounts, time deposits and short-term deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient margin as required, determined by the afore mentioned predictions. As of December 31, 2022, the Company maintained invested liquidity funds of R\$ 2,669,706 (R\$659,853 as of December 31, 2021 - consolidated) which are expected to promptly generate cash inflows to manage liquidity risk.

The following table analyzes the non-derivative financial liabilities of the Company and its subsidiaries, by maturity range, corresponding to the remaining period in the balance sheet up to the contractual maturity date:

	Less than a year	Between one and two years	Between two and five years	Over five years	Total
As at December 31, 2022					
- Consolidated					
Loans and financing	489,116	760,749	837,420	-	2,087,285
Debentures	439,452	412,570	4,162,094	-	5,014,116
lease	40,991	47,830	18,886	-	107,707
Suppliers and other accounts payable	333,773	35,510	-	-	369,283
	<u>1,303,332</u>	<u>1,256,659</u>	<u>5,018,400</u>	<u>-</u>	<u>7,578,391</u>
As at December 31, 2021					
- Consolidated					
Loans and financing	267,862	304,395	660,931	42,225	1,275,413
Debentures	74,232	595,664	722,343	-	1,392,239
lease	26,238	19,650	30,323	-	76,211
Suppliers and other accounts payable	99,380	-	-	-	99,380
	<u>467,712</u>	<u>919,709</u>	<u>1,413,597</u>	<u>42,225</u>	<u>2,843,243</u>

(d) Regulatory and environmental risks

The Company and its subsidiaries are subject to laws and regulations in the countries in which it operates. The Company's Management has established certified environmental policies and procedures aimed at complying with environmental laws.

Management conducts regular analyzes to identify environmental risks and to ensure that the controls in place are adequate and duly certified.

3.2. Capital management

The Company's objectives in managing its capital are to safeguard the Company's ability to continue to offer returns to shareholders and benefits to other stakeholders, in addition to maintaining an ideal capital structure to reduce this cost.

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In order to maintain or adjust the capital structure, the Company may review the dividend payment policy, return capital to shareholders or even sell assets to reduce, for example, the level of indebtedness.

The Company monitors capital based on the financial leverage ratio. This ratio corresponds to net debt divided by total capital. Net debt, in turn, corresponds to total loans and financing (including short and long-term loans and financing, as shown in the balance sheet), minus the amount of cash and cash equivalents and marketable securities.

Total capital is calculated by adding shareholders' equity, as shown in the balance sheet, with net debt.

The financial leverage ratio on December 31, 2022 and December 31, 2021 can be summarized as follows:

Consolidated financial statements	2022	2021
Total loans, financing and debentures	7,101,401	2,667,652
Less: cash and cash equivalents and marketable securities	(2,925,342)	(793,241)
Net debt	4,176,059	1,874,411
Total net equity	1,299,550	1,304,732
Total capital	5,475,609	3,179,143
Financial leverage index	76.3%	59.0%

3.3. Fair value estimate

It is assumed that the balances of accounts receivable from customers and accounts payable to suppliers at book value, less loss (*impairment*), are close to their fair values, considering the periods for realization and settlement of these balances, from 30 to 60 days.

The fair value of financial liabilities, for disclosure purposes, is estimated by discounting future contractual cash flows at the current market interest rate, which is available to the Company for similar financial instruments. The effective interest rates at the balance sheet dates are customary in the market and their fair values do not differ significantly from the balances in the accounting records.

Marketable securities, represented by investments in CDI (note 4) and classified as amortized cost, were evaluated based on the remuneration rate contracted with the respective financial institution, considered as the usual market rate.

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Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value hierarchy should have the following levels:

- Level 1: Prices quoted (not adjusted) in active markets for identical assets or liabilities;
- Level 2: *inputs* other than prices traded in active markets included in Level 1 that are observable for the asset or liability, directly (as prices) or indirectly (derived from prices);
- Level 3: *inputs* for the asset or liability that are not based on observable market variables (unobservable *inputs*).

3.4. Financial instruments by category

	Category	Parent company	
		Book value	Market value
Financial assets			
Cash and Banks	Amortized cost	106	106
Financial Applications - immediate liquidity	Fair value through profit or loss	430,477	430,477
Marketable securities	Fair value through profit or loss	20,137	20,137
financial liabilities			
Loans and leases	Amortized cost	110,581	110,581
Debentures	Amortized cost	2,618,635	2,618,635
	Category	Consolidated	
		Book value	Market value
Financial assets			
Cash and Banks	amortized cost	255,636	255,636
Financial Applications - immediate liquidity	Fair value through profit or loss	2,597,487	2,597,487
Marketable securities	Fair value through profit or loss	72,219	72,219
Bills to receive	Amortized cost	1,046,414	1,046,414
Financial liabilities			
Loans and leases	Amortized cost	2,087,285	2,087,285
Debentures	Amortized cost	5,014,116	5,014,116
Suppliers and other accounts payable	Amortized cost	325,730	325,730
lease liability	Amortized cost	107,707	107,707

(*) The fair value is measured by level 2 of the fair value hierarchy. The Company and its subsidiaries do not have any operations classified in the fair value hierarchy levels 1 and 3.

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4. Cash and cash equivalents and marketable securities

	Parent company		Consolidated	
	2022	2021	2022	2021
Cash and Banks	106	3	255,636	133,388
Financial Applications - immediate liquidity (a)	430,477	268,278	2,597,487	659,853
	<u>430,583</u>	<u>268,281</u>	<u>2,853,123</u>	<u>793,241</u>
Financial Application (b)	20,137	-	72,219	-
	<u>450,720</u>	<u>268,281</u>	<u>2,925,342</u>	<u>793,241</u>

Total Cash and Equivalents and Financial Investment

- (a) Short-term investments are mainly represented by Bank Deposit Certificates from top-tier financial institutions, with low credit risk, whose yield is linked to the variation of the Interbank Deposit Certificate (CDI), and have immediate liquidity and original maturity of up to 90 days, with an index rate close to 100% of the CDI.
- (b) The Company also has short- and long-term investments with maturity dates ranging from April 24, 2023 to June30, 2023 as of the end of the reporting period and are subject to interest at a variable rate. These marketable securities do not have immediate liquidity, basically in fixed income securities, the yield of which is linked to the variation of the Interbank Deposit Certificate (CDI), with an index rate that is close to 90% of the CDI.

5. Accounts receivable

	Consolidated	
	2022	2021
Duplicates receivable	841,189	510,128
Provision for receivables	217,190	48,490
	<u>1,058,379</u>	<u>558,618</u>
Provision for expected losses on doubtful accounts	(11,965)	(9,468)
	<u>1,046,414</u>	<u>549,150</u>
Current	1,041,766	540,021
Non-current	4,648	9,129
	<u>1,046,414</u>	<u>549,150</u>

Breakdown per maturity of overdue and falling due amounts:

	Consolidated	
	2022	2021
Due	708,648	327,399
Due up to 30 days	38,545	61,493
Due from 31 to 90 days	37,697	54,921
Overdue from 91 to 180 days	22,862	20,170
Overdue from 181 to 360 days	8,759	16,954
Overdue for more than 361 days	24,678	29,191
	<u>841,189</u>	<u>510,128</u>

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We present below the changes in the allowance for doubtful accounts receivable:

	Consolidated
(=) Balance on January 1, 2021	(3,600)
(+) Initial collection for the purchase	(6,773)
(+) Write-offs	905
(=) Balance on December 31, 2021	(9,468)
(+) Initial collection for the purchase	(2,613)
(+) Write-offs	664
(=) Balance on December 31, 2022	<u>(11,965)</u>

The expected loss of doubtful accounts is established when there is objective evidence that the Company and its Subsidiaries will not be able to collect all amounts due according to the original terms of accounts receivable.

It is constituted in an amount considered sufficient by the Management to face the probable losses in the realization of the credits based on: analysis of risk of default of each client, financial situation of the client compromised in the market, history of negotiations carried out, signed agreements that are not fulfilled, mainly taking into account risk scenarios in which it has an observable behavior in the market, and with special attention to long-term overdue loans. With regard to bills overdue for more than 181 days, collection processes and procedures and agreements, even if paid in installments, are in progress, with a relatively high probability of success.

6. Recoverable taxes

	Parent company		Consolidated	
	2022	2021	2022	2021
IRRF (Withholding income tax) to offset	16,381	4,601	74,101	27,485
INSS retained to be recovered	-	-	6,589	3,834
PIS recoverable	-	2	2,166	1,247
COFINS to be recovered	-	-	9,996	5,828
ICMS recoverable	-	-	7,345	4,454
IR/CS prepayments	359	359	17,712	17,891
Other taxes recoverable	-	-	3,052	2,965
	<u>16,740</u>	<u>4,962</u>	<u>120,961</u>	<u>63,704</u>
Current	16,381	4,603	112,897	51,297
Non-current	359	359	8,064	12,407
	<u>16,740</u>	<u>4,962</u>	<u>120,961</u>	<u>63,704</u>

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7. Investments in subsidiaries

	Parent company		Consolidated	
	2022	2021	2022	2021
Investments in subsidiaries	853,889	357,152	-	-
Joint venture (<i>joint venture</i>) (a)	-	-	7,620	-
Goodwill paid on the acquisition of investments due to expected future profitability (Note 7.4)	104,440	87,260	-	-
	958,329	444,412	7,620	-
Investment loss in subsidiaries	(42)	-	-	-
	(42)	-	-	-

(a) As described in the Operating Context, the Company acquired, through its subsidiary Emergência Participações S.A., 100% of the company Witt O'Briens and the acquisition was completed on October 25, 2022; as a result, there was a joint agreement with the acquisition of 50% of O'Brien's do Brasil Consultoria em Emergências e Meio Ambiente S.A., characterizing a *joint venture*.

The joint venture, "O'Brien's do Brasil", had, on December 31, 2022, a balance of cash and cash equivalents in the amount of R\$7,850.

Identifiable net assets and net income are presented in the tables below:

	2022
Current assets	28,036
Non-Current Assets	461
Total Assets	28,497
Current Liabilities	9,327
Non-Current Liabilities	3,931
Total Liabilities and Shareholders' Equity	13,258
Total identifiable net assets	15,239
50% share	7,620
	2022
Net operating revenue	20,181
Cost of services provided	(1,689)
Gross profit	18,492
General, administrative and sales	(8,931)
Operating profit before financial result	9,561
Financial result	195
current taxes	(2,498)
Net profit	7,258
50% share	3,628

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7.1. Business Combination

Throughout 2022, the Ambipar Group carried out the following corporate movements already organized by its Environment and Response business divisions:

Assets and liabilities acquired at fair value (*)	Environment Segment							Total
	Fox	RPP	BLZ Recicla	Recitotal	Blue Ambiental	Viraser	Green Tire	
Current assets	-	-	-	-	-	-	-	-
Cash and cash equivalents	9,688	16	4	2,540	-	536	106	12,890
Bills to receive	6,617	-	228	10,717	-	717	219	18,498
Stocks	664	110	5,765	2,615	-	-	-	9,154
Related parts	-	-	-	-	-	-	-	-
Other assets	6,685	-	-	2,146	-	51	125	9,007
Non-Current Assets	-	-	-	-	-	-	-	-
deferred taxes	-	-	-	-	-	-	-	-
Other assets	81	-	15,000	-	-	10,000	-	25,081
Permanent	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Immobilized	5,850	37	-	13,557	1,500	109	2,484	23,537
Intangible	1	-	-	3	-	-	-	4
Separately Identified	-	-	-	-	-	-	-	-
Intangibles	-	70	-	-	-	268	-	338
Added Value of Fixed Assets	23,889	-	-	-	-	-	-	23,889
Current Liabilities	-	-	-	-	-	-	-	-
Suppliers	(25,614)	(1)	(1)	(17,371)	-	(22)	(25)	(43,034)
Loans and financing	(875)	-	-	(1,429)	-	(37)	-	(2,341)
Payable wages and vacations	(824)	(1)	(162)	(677)	-	(4)	-	(1,668)
Taxes to collect	(4,659)	(17)	(612)	(540)	-	(70)	(83)	(5,981)
Related parts	-	-	-	-	-	-	-	-
Other liabilities	(13,016)	-	-	(1,493)	-	-	(425)	(14,934)
Non-Current Liabilities	-	-	-	-	-	-	-	-
Loans and financing	(2,489)	-	-	-	-	(36)	-	(2,525)
Other liabilities	1	1	-	(108)	-	(84)	(186)	(376)
(-) Deferred tax on capital gains	(8,123)	(24)	-	-	-	(91)	-	(8,238)
Total identifiable net assets	(2,124)	191	20,222	9,960	1,500	11,337	2,215	43,301

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Total amount of consideration transferred	97,817	1,496	38,000	111,435	3,500	20,400	2,888	275,536
(-) Box purchased	(9,688)	(16)	(4)	(2,540)	-	(536)	(106)	(12,890)
(-) Assumed value of the obligation to pay	(70,414)	(250)	-	(27,436)	(2,000)	(12,400)	(398)	(112,898)
Cash paid, net of cash received/receivable	17,715	1,230	37,996	81,459	1,500	7,464	2,384	149,749
Primary	-	-	15,000	-	-	10,000	-	25,000
Secondary	97,817	1,496	23,000	111,435	3,500	10,400	2,888	250,536
Total amount of consideration transferred	97,817	1,496	38,000	111,435	3,500	20,400	2,888	275,536
Primary	-	-	-	-	-	(7,000)	-	(7,000)
Secondary	(70,414)	(250)	-	(27,436)	(2,000)	(5,400)	(398)	(105,898)
(-) Assumed value of the obligation to pay	(70,414)	(250)	-	(27,436)	(2,000)	(12,400)	(398)	(112,898)
Determination of goodwill (*)								
Total amount of consideration, net	97,817	1,496	38,000	111,435	3,500	20,400	2,888	275,536
Added Value	(1881)	-	-	-	-	-	-	(1,881)
Total identifiable net assets	2,124	(191)	(10,313)	(9,960)	(1,500)	(5,782)	(2,104)	(27,726)
Premium paid for expected future profitability	98,060	1,305	27,687	101,475	2,000	14,618	784	245,929
Date of acquisition	02/24/2022	06/22/2022	08/03/2022	09/30/2022	07/18/2022	11/03/2022	10/05/2022	
Control start month	01/2022	06/2022	08/2022	07/2022*	07/2022	11/2022	10/2022	
Company that acquired control	Environmental ESG Participações S.A.	Boomer Ambipar Environmental Paraná Ltda.	Environmental ESG Participações S.A.	Environmental ESG Participações S.A.	Ambipar Waste to Energy S.A.	Environmental ESG Participações S.A.	Ambipar Waste to Energy S.A.	
Acquisition Value	R\$ 94,903	R\$ 2,606	R\$ 38,000	R\$ 111,435	R\$ 3,500	R\$ 20,400	R\$ 2,888	
Acquired percentage	100%	100%	51%	100%	100%	51%	95%	

- (*) On the acquisition date, even though the Company evaluates the base date of the initial balance sheet of the acquired companies for purposes of determining the allocation of the purchase price and goodwill (discount). These acquisitions have provisional reports. The amount of goodwill based on expected future profitability calculated for these acquisitions on December 31, 2022 was R\$ 245,929 (Environment division).

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(**) The acquisitions with the right to control the investees were carried out at the beginning of January 2022 (1Q2022) and in July 2022 (3Q2022), through a binding agreement with the transfer of control of the investees, while clauses were being negotiated contractual terms and the complete transfer of funds arising from the defined payment installments.

(***) In 2022, the Group spent R\$ 1,239,790 (R\$ 149,479 - Environment division), on acquisitions of companies, as mentioned in the cash flow statement, on investment activities, arising from business combinations.

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	Response Segment									
	First Response	longships	flyone	RG	Bioenv	CTA	Graham	C-Tank	Ridgeline	Witt O'Briens
Assets and liabilities acquired at fair value (*)										Total
Current assets										
Cash and cash equivalents	-	985	3,125	2,843	889	387	2,172	8,866	-	11,139
Bills to receive	13,223	4,249	2,109	907	824	279	2048	7,262	51,455	480,964
Stocks	628	2012	0	-	-	-	-	722	313	-
Other assets	382	10,079	16,854	243	42	42	-	5,539	25,305	3,531
Non-Current Assets										
Other assets	-	3,642	4,190	-	1,000	1,753	3,709	25	361	840
Investments	-	-	0	-	-	-	-	-	-	6,583
Immobilized	4,275	20,366	36,657	689	149	3,534	414	6,313	3,534	18,844
Intangible	-	-	4	-	-	-	-	47	15,322	183,620
Separately Identified Intangibles	-	-	6,385	-	-	-	6,514	-	23,822	356,083
Intangibles - Workforce	-	-	0	-	-	-	-	-	-	24,001
Added Value of Fixed Assets	-	-	16,865	1,351	-	-	116	-	-	-
Current Liabilities										
Suppliers	(1,257)	(1,243)	(6,306)	(14)	(19)	(476)	(19)	(1,210)	(29,202)	(78,199)
Loans and financing	-	(1,787)	(6,716)	(224)	(77)	-	(74)	(397)	-	-
Payable wages and vacations	-	(862)	(123)	(79)	(81)	(270)	413	(1,604)	(127)	(63,183)
Taxes to collect	(216)	(1,429)	(7,073)	(60)	(169)	(592)	(392)	(2,264)	-	(1,379)
Other liabilities	(1,502)	(10,351)	(1,466)	(2,071)	(148)	(355)	(4,818)	(4)	(1,711)	(9,013)
Loans and financing	-	(2,439)	(7,724)	-	-	(78)	(330)	(836)	(11,353)	-
Other liabilities	-	(61)	(3,841)	-	-	(29)	227	(351)	(2,247)	(7,167)
(-) Deferred tax on capital gains	-	-	(7,905)	(459)	-	-	(2,254)	-	(8,099)	(129,229)
Non-controlling interest	-	(4,002)	-	-	-	-	-	-	-	-
Total identifiable net assets	15,533	19,159	45,035	3,126	2,410	4,195	7,726	22,108	67,373	797,435
Total amount of consideration transferred	69,223	86,684	50,000	19,905	2,606	24,566	29,668	35,329	134,323	998,450
(-) Box purchased	-	(985)	(3,125)	(2,843)	(889)	(387)	(2,172)	(8,866)	-	(11,139)
(-) Assumed value of the obligation to pay	(40,907)	-	(25,000)	(10,000)	(803)	(14,620)	10,387	(17,850)	(52,915)	(157,827)
Cash paid, net of cash received/receivable	28,316	85,699	21,875	7,062	914	9,559	17,109	8,613	81,408	829,484
Primary	-	-	-	-	1,000	-	-	-	-	-
Secondary	69,223	86,684	50,000	19,905	1,606	24,566	29,668	35,329	134,323	998,450
Total amount of consideration transferred	69,223	86,684	50,000	19,905	2,606	24,566	29,668	35,329	134,323	998,450
	-	-	-	-	-	-	-	-	-	-
Determination of goodwill (*)										
Total amount of consideration, net	69,223	86,684	50,000	19,905	2,606	24,566	29,668	35,329	134,323	998,450
Added Value	-	(3,480)	-	-	-	-	-	-	-	-
Total identifiable net assets	(15,533)	(9,771)	(22,968)	(1,594)	(1,229)	(4,195)	(7,726)	(11,275)	(67,373)	(797,435)
Premium paid for expected future profitability	53,690	73,433	27,032	18,311	1,377	20,371	21,942	24,054	66,950	201,015
Date of acquisition	02/01/2022	03/16/2022	03/18/2022	03/18/2022	06/28/2022	07/06/2022	07/11/2022	07/26/2022	08/02/2022	10/24/2022
Control start month	02/2022	01/2022	01/2022	01/2022	06/2022	07/2022	07/2022	07/2022	08/2022	10/01/2022
Company that acquired control	Ambipar Holding Canada	Emergência Participações SA	Emergência Participações SA	Emergência Participações SA	Ambipar Response Espírito Santo SA	Ambipar Response Espírito Santo SA	Ambipar Holding Canada	Emergência Participações SA	Ambipar Holding Canada	Ambipar Holding USA, Inc.
Acquisition Value	CAD\$16,625	R\$ 86,684	R\$ 50,000	R\$ 19,905	R\$ 2,606	R\$ 24,366	\$7,200 CAD	R\$ 35,000	\$33,000 CAD	\$184,673
Acquired percentage	100%	51%	51%	51%	51%	100%	100%	51%	100%	100%

- (*) On the acquisition date, even though the Company evaluates the base date of the initial balance sheet of the acquired companies for purposes of determining the allocation of the purchase price and goodwill (discount). These acquisitions have provisional reports. The value of goodwill for expected future profitability calculated referring to these acquisitions on December 31, 2022 was in the amount of R\$ 508,175 (Response division), making a total of R\$ 754,104 (consolidated), which differ from the additions of Goodwill reported in Note 9 of R\$ 823,001, in which goodwill with a functional currency in another jurisdiction is considered, with exchange variation updated by the closing rate.
- (**) The acquisitions with the right to control the investees were carried out at the beginning of January 2022 (1Q2022) and in June 2022 (2Q2022), through a binding agreement with the transfer of control of the investees, while clauses were being negotiated contractual terms and the complete transfer of funds arising from the defined payment installments.
- (***) In 2022, the Group spent R\$ 1,090,040 (Response division), making a total of R\$ 1,239,789 (consolidated), in business acquisitions, as mentioned in the statement of cash flows, in investing activities, arising from business combinations.
- (****) The Company holds joint control of O'Brien's do Brasil Consultoria em Emergências e Meio Ambiente S.A., with a 50% voting interest, and, pursuant to contractual agreements, unanimous consent is required between all parties to the agreement for all relevant activities. The joint agreement is structured as a limited liability company and entitles the Company and the parties to the agreement to the net assets of the limited liability company. For this reason, this arrangement is classified as a joint *venture*.

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The following is the payment schedule for obligations on account of investment acquisition on December 31, 2022:

Expiration year*	parent company	Consolidated
2023	1,900	189,158
2024	3,000	110,424
2025	-	38,595
2026	5,000	10,400
	<u>9,900</u>	<u>348,577</u>
Current liabilities	<u>1,900</u>	<u>189,158</u>
Non-current liabilities	<u>8,000</u>	<u>159,419</u>

(*) For the maturity year, the Company considers the period from January 2023 to December 2023 as current, and so on for other years in the segregation of non-current.

7.2. Subsidiary information

The shareholders' equity of the investees is presented below:

Parent Company

	Segment	Equity in 2022	Percentage (%) in 2022	Investment	Provision for investment losses	Jointly Controlled Enterprise (joint venture)
Direct Subsidiaries and Jointly Controlled Undertaking (joint venture):						
Environmental ESG	Environment	474,756	100	474,756	-	-
Emergência Participações	Response	365,354	100	365,354	-	-
Ambipar Bank	Others	2,610	100	2,610	-	-
Bleu	Others	20,945	50	10,473	-	-
Financial	Others	106	100	106	-	-
Universo	Others	366	100	366	-	-
Ambify	Others	214	100	214	-	-
Ambipar University Ltda	Others	-	-	-	-	-
Incorporações	Others	(42)	100	-	(42)	-
Descarbonization	Others	10	100	10	-	-
O'Briens do Brasil	Response	15,239	50	-	-	7,620
				<u>853,889</u>	<u>(42)</u>	<u>7,620</u>

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7.3. Movement of investments in subsidiaries

	Balance on December 31, 2021									Balance on December 31, 2022		
	Investment	Provision for investment losses	transfer investments	Exchange variation of investments abroad	Advance for Future Capital Increase	accrued dividends	Others	Capital Transaction	Equity	Investment	Provision for investment losses	Jointly Controlled Enterprise (joint venture)
Subsidiaries:												
Environmental ESG (m)	16,512	-	-	(87,364)	500,000	(13,139)	-	3,427	55,320	474,756	-	-
Emergência Participações (o)	329,746	-	-	(93,577)	-	(38,354)	(222)	6,269	161,492	365,354	-	-
Ambipar Bank	1,073	-	-	-	-	(165)	-	-	1,702	2,610	-	-
Blue	9,819	-	-	-	-	-	-	-	654	10,473	-	-
Financial	1	-	-	-	-	-	-	-	105	106	-	-
Universo	1	-	-	-	-	-	-	-	365	366	-	-
Ambify (m)	-	-	74	-	-	-	-	-	140	214	-	-
Ambipar University Ltd (n)	-	-	(3,066)	662	-	-	3,606	-	(1,202)	-	-	-
Incorporações	-	-	(37)	-	-	-	-	-	(5)	-	(42)	-
Decarbonization (p)	-	-	10	-	-	-	-	-	-	10	-	-
	357,152	-	(3019)	(180,279)	500,000	(51,658)	3,384	9,696	218,571	853,889	(42)	-
Jointly Controlled Enterprise (joint venture):												
O'Brien's do Brasil (q)	-	-	6,583	(249)	-	-	(2,342)	-	3,628	-	-	7,620
	-	-	6,583	(249)	-	-	(2,342)	-	3,628	-	-	7,620
	Balance on 12.31.2020											Balance on 12.31.2021
	Investment	Provision for investment losses	Acquisition of Investments	Investment transfers	Exchange variation of investments abroad	Advance for Future Capital Increase	Dividends Received	Accrued dividends	Capital transaction	Equity	Investment	Provision for investment losses
Controlled												
Ambipar Environment												
Solutions - Soluções Ambientais Ltda (a)	220,541	-	-	(220,541)	-	-	-	-	-	-	-	-
Ambipar Logistics Ltda (b)	13,789	-	-	(13,789)	-	-	-	-	-	-	-	-
Environmental ESG	15,786	-	-	-	(9,630)	-	-	(2,536)	-	12,892	16,512	-
Ambipar Environment Reverse												
Manufacturing S.A. (c)	2,985	-	-	(2,985)	-	-	-	-	-	-	-	-
Emergência Participações (l) (k)	307,146	-	-	49,022	(8,172)	-	(311)	(31,155)	(118,024)	131,240	329,746	-
Ambipar Response UK (k)	6,597	-	-	(16,882)	(23,747)	31,719	-	-	-	2,313	-	-
Ambipar Howells (k)	-	(1,054)	-	1,088	(34)	-	-	-	-	-	-	-
Ambipar Environment Waste Logistics Ltda (d)	9,573	-	-	(9,573)	-	-	-	-	-	-	-	-
Ambipar EcoProducts S.A. (e)	12,046	-	-	(12,046)	-	-	-	-	-	-	-	-
Ambipar Workforce Solution Mão de Obra Temp.Ltda (f)	1932	-	-	(1932)	-	-	-	-	-	-	-	-
Ambipar Coprocessing Ltda (g)	3,402	-	-	(3,402)	-	-	-	-	-	-	-	-
Ambipar Facilities Ltda (h)	2,135	-	-	(2,135)	-	-	-	-	-	-	-	-
Ambipar Compliance Solutions S.A. (i)	6,264	-	-	(6,264)	-	-	-	-	-	-	-	-
Ambipar Bank	1,298	-	-	-	-	-	-	-	-	(225)	1,073	-
Blue (j)	-	-	10,079	-	-	-	-	-	-	(260)	9,819	-
Ambipar Financial	-	-	1	-	-	-	-	-	-	-	1	-
Universo	-	-	1	-	-	-	-	-	-	-	1	-
	603,494	(1,054)	10,081	(239,439)	(41,583)	31,719	(311)	(33,691)	(118,024)	145,960	357,152	-

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- (a) On January 1, 2021, the Company transferred the 96,599,998 shares it held in the investee Ambipar Environmental Solutions – Soluções Ambientais Ltda to the subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (b) On January 1, 2021, the Company transferred the 4,634,998 shares it held in the investee Ambipar Logistics Ltda to the subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (c) On January 1, 2021, the Company transferred the 47,663 shares it held in the investee Ambipar Environment Reverse Manufacturing SA to the subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (d) On January 1, 2021, the Company transferred the 1,868,911 shares it held in the investee Ambipar Environment Waste Logistics Manufacturing SA for the subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (e) On January 1, 2021, the Company transferred the 171,032,169 shares it held in the investee Ambipar Ecoproducts SA to the subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (f) On January 1, 2021, the Company transferred the 5,999,998 shares it held in the investee Ambipar Workforce Solution Labor Temp. Ltda to the subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (g) On January 1, 2021, the Company transferred the 891,998 shares it held in the investee Ambipar Coprocessing Ltda to the subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (h) On January 1, 2021, the Company transferred the 299,998 shares it held in the investee Ambipar Facilities Ltda to the subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (i) On January 1, 2021, the Company transferred the 7,620 shares it held in the investee Ambipar Compliance Solutions SA to the subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (j) On September 27, 2021, the Company acquired 100,000 shares of the capital stock of the investee Bleu Empreendimentos Digitais Ltda. On the same date, the Company increased the capital of the investee with the issue of 100,000 new shares of capital, becoming the holder of 50% of the capital of the investee;
- (k) On October 5, 2021, the Company increased the share capital of the investee Emergência Participações and the payment of the share capital was through the transfer of investments in the companies: Ambipar Response UK and Ambipar Howells ;
- (l) In June 2021, an additional 50% stake in Suatrans Chile was acquired, as shown in Note 16.5;
- (m) On January 26, 2022, the subsidiary Environmental ESG transferred the 25,000 quotas it held in Ambify Ltda to the Company. The investment was transferred for consideration and classified as related parties;
- (n) On June 20, 2022, the subsidiary Emergência Participações transferred the 40,000 shares it held in Ambipar University Ltda to the Company. The investment was transferred for consideration and classified as related parties. On December 30, 2022, the Company decided to liquidate the company University , and the investment negative balance in the amount of R\$4,268 was recorded in income;
- (o) On October 14, 2022, the subsidiary Emergência Participações transferred the 20,000 quotas it held in Ambipar Incorporações Ltda. The investment was transferred for consideration and classified as related parties;
- (p) On October 14, 2022, the Company constitutes the company Ambipar Decarbonisation Ltda with the payment of 10,000 shares in the unit value of R\$ 1 (one Real) each share.
- (q) Refers to the joint venture (*joint venture*) as described in Note 7.

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7.4. Breakdown of goodwill from expected future profitability

	Parent Company		Consolidated	
	2022	2021	2022	2021
Breakdown of goodwill by Segment				
Environment	-	-	1,293,231	1,124,756
Response	-	-	1,168,298	454,308
Others	104,440	87,260	104,440	107,777
	<u>104,440</u>	<u>87,260</u>	<u>2,565,969</u>	<u>1,686,841</u>

According to Technical Interpretation ICPC 09 - Individual Financial Statements, Separate Statements, Consolidated Statements and Application of the Equity Method, in the consolidated balance sheet goodwill with expected future profitability is recorded in the Intangible Assets subgroup as it refers to the expected profitability of the acquired subsidiary, whose assets and liabilities are consolidated in the parent company. In the Parent Company's individual balance sheet, this goodwill is in its investments subgroup, in the same Non-Current Assets group, because, for the investor, it is part of its investment in the acquisition of subsidiaries.

The goodwill arising from the acquisition of related (indirect) subsidiaries is recorded in direct investment in the Parent Company and segregated in the Consolidated, like the other goodwill mentioned above, under Intangible Assets.

We demonstrate below the movement of goodwill:

	Consolidated
	2022
Movement opening balances	1,686,841
Exchange variation	(97,996)
Environment Acquisitions	245,929
Acquisitions Response	508,175
Initial purchase collection - Response **	154,122
Other expenses*	68,898
Final Balance	<u>2,565,969</u>

(*) Within a period of one year, after the acquisition of control, assessments of adjustments to the opening balances of the companies acquired in the Environment, Response and Others business divisions were carried out;

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(**) On July 11, 2014, the subsidiary Witt O'Briens acquired controlling interest in Witt O'Brien's, a global leader in disaster preparedness, crisis management and response and recovery, through the acquisition of a stake in 45.8% of its partner for US\$35.4 million in cash. The Company performed a fair value analysis, and the purchase price was allocated to the acquired assets and liabilities based on their fair values, resulting in US\$48.1 million of recorded goodwill. In October 2016, Witt O'Brien's announced the launch of a strategic growth program to focus on core services, eliminating non-core and lower margin businesses. Witt O'Brien's core services include providing resiliency solutions to key areas of critical infrastructure, including but not limited to government, energy, transportation, healthcare, and education, in the United States and abroad. Witt O'Brien's protects and enhances its customers' business value by strengthening their ability to prepare for, respond to and recover from natural and man-made disasters, including hurricanes, infectious diseases, terrorism, cyber breaches, oil spills, incidents browsing and other interruptions. Operations scheduled for disposal include a government relations unit, the Company's operations in Europe (mainly the UK), software products and an insurance unit. As a result of the restructuring, during the year ended December 31, 2016, Witt O'Brien's identified indicators of impairment for some of its intangible assets and goodwill, resulting in impairment charges of US\$29.6 million. The estimates and assumptions used by the Company for its annual goodwill impairment test are typically developed as part of the Company's routine business planning and forecasting process. Although the Company believes that its assumptions and estimates are reasonable, the Company's actual performance in relation to its estimates may produce different results and lead to additional impairment losses in future periods.

Intangible test for Impairment verification:

Goodwill is an asset that has an indefinite useful life and must be tested annually or whenever there are signs of possible loss of value. Assets and liabilities are grouped into CGUs (Cash Generating Units) for *impairment testing purposes*.

impairment loss is immediately recorded as a loss in the income statement and cannot be reversed later.

As required by accounting practices adopted in Brazil and international standards (IFRS), the Company annually assesses the recoverability of its assets.

The Company used the value in use method to carry out the *impairment test*. For all UGCs, a 5-year projection was considered, with growth in perpetuity, in addition to observing the financial budgets prepared by Management to start projecting cash flows.

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Cash flows were discounted to present value by applying the rate determined by the Weighted Average Cost of Capital (WACC), which was calculated using the CAPM method (*Capital Asset Pricing Model*) and which also considers several components of financing, debt and equity used by the Company to finance its activities.

As a result of the *impairment* test, on December 31, 2022, and evaluating the scenario that there were no changes in the significant risk variables and assumptions used for the future cash flow of the acquired businesses, since the last closing of the individual financial statements and consolidated annual reports, no evidence of losses was identified for the UGCs for the goodwill recorded in the Company and its subsidiaries.

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8. Fixed Assets

(a) Rollforward and changes

As the changes in fixed assets are stated as follows:

	2022 (consolidated)											
	Landfills	Buildings	installations	Machines and equipment	IT equipment	Furniture and utensils	Vehicles	Aircraft	Improvements to third-party properties	Construction in progress	Vessels	Total
Cost												
Opening balance	126,954	39,231	2,420	880,049	33,205	13,963	940,130	-	37,737	100,870	6,262	2,180,821
Transfers	5,994	6,494	98	(30,993)	(1,083)	274	35,445	(30)	31,461	(51,794)	4,474	340
Additions	2,760	20,554	334	247,463	6,499	3,076	305,170	17,335	14,715	155,635	642	774,183
Write-offs	(2,638)	(1,754)	(2)	(33,786)	(2,518)	(122)	(75,548)	-	(1967)	(27,594)	(3,845)	(149,774)
Initial purchase amount	-	4,841	166	39,726	13,445	1,073	24,689	39,887	1920	4,698	19,339	149,784
Fair value added value	-	15	-	23,259	41	60	6,973	16,422	-	-	5,837	52,607
Exchange variation	(2,736)	(2,327)	(3)	(30,086)	(1,517)	(634)	(31,284)	-	(337)	(82)	(321)	(69,327)
Balance	130,334	67,054	3,013	1,095,632	48,072	17,690	1,205,575	73,614	83,529	181,733	32,388	2,938,634
Accumulated depreciation												
Opening balance	(8,210)	(15,742)	(1,252)	(422,208)	(17,427)	(9,056)	(484,624)	-	(15,388)	-	(1,091)	(974,998)
Transfers	287	(4,163)	-	17,341	216	(338)	(11,182)	9	(66)	-	-	2,104
Additions	(357)	(4,836)	(187)	(69,475)	(5,466)	(1,697)	(104,801)	(3,645)	(9,913)	-	(965)	(201,342)
Write-offs	-	931	2	28,351	1,110	264	47,841	-	1832	-	622	80,953
Initial purchase amount	-	(53)	(158)	(16,160)	(7,369)	(322)	(14,918)	(5,419)	(1,626)	-	(4,590)	(50,615)
Fair value added value	-	361	3	(4,304)	(68)	(26)	(929)	(1,369)	-	-	(292)	(6,624)
Exchange variation	8	3,338	-	25,780	1,547	633	30,361	-	257	-	51	61,975
Balance	(8,272)	(20,164)	(1,592)	(440,675)	(27,457)	(10,542)	(538,252)	(10,424)	(24,904)	-	(6,265)	(1,088,547)
Cost	130,334	67,054	3,013	1,095,632	48,072	17,690	1,205,575	73,614	83,529	181,733	32,388	2,938,634
(-) Depreciation and amortization	(8,272)	(20,164)	(1,592)	(440,675)	(27,457)	(10,542)	(538,252)	(10,424)	(24,904)	-	(6,265)	(1,088,547)
	122,062	46,890	1,421	654,957	20,615	7,148	667,323	63,190	58,625	181,733	26,123	1,850,087

(*) Initial assets for the purchase of investees First Response Inc. (Canada), Fox Comércio de Aparas Ltda. (Brazil), Fox Industria e Comércio de Plásticos Reciclados Ltda. (Brazil), Dracares Apoio Marítimo e Portuário Ltda. (Brazil), MB Transportes Aquaviários Ltda. (Brazil), RPP Resinas Termoplasticas Ltda (Brazil), Flyone Serviços Aéreo Especializado, Comércio e Serviços Ltda. (Brazil), RG Consultoria Técnica Ambiental S.A. (Brazil), Bioenv Análises e Monitoramento Ambiental Ltda (Brazil), CTA Serviços em Meio Ambiente Ltda (Brazil), Graham Utility Hydrovac Services (Canada), CK7 Serviços de Manutenção Industrial e Reparos em Geral Ltda (Brazil), C-Safety Comércio, Indústria e Serviços Ltda (Brazil), Ridgeline Canada Inc (Canada), BLZ Recicla Comércio de Embalagens, Resíduos e Sucatas Ltda (Brazil), Recitotal Comércio Transportes e Serviços Ltda (Brazil) and Recitotal PR - Comércio Transportes e Serviços Ltda (Brazil), Viraser Negócios de Impacto Ltda (Brazil), Green Tire Ambiental Ltda (Brazil) and Witt O'Brien's LLC (USA)).

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2021 (Consolidated)

	Landfills	Buildings	installations	Machines and equipment	IT equipment	Furniture and utensils	Vehicles	Improvements to third-party properties	Construction in progress	Vessels	Reorganization or Restructuring Expenses	Total
Cost												
Opening balance	49,473	1,566	1,096	186,640	8,010	5,660	258,489	29,513	18,845	5,311	19	564,622
Transfers	-	-	-	7,525	(40)	-	3,052	-	(1,376)	-	-	9,161
Additions	29,701	1,403	(74)	178,083	5,709	1,336	235,580	3010	65,329	818	-	520,895
Write-offs	(421)	(7,222)	(365)	(53,155)	(258)	(190)	(21,032)	(329)	(16,964)	(20)	(19)	(99,975)
Initial purchase amount	50,218	53,917	1,792	531,392	18,770	6,643	457,582	5,387	35,058	-	-	1,160,759
Appropriation fair value of surplus value	-	(10,777)	(29)	37,270	1,581	328	17,575	-	-	-	-	45,948
Exchange variation	(2017)	344	-	(7,706)	(567)	186	(11,116)	156	(22)	153	-	(20,589)
Balance	126,954	39,231	2,420	880,049	33,205	13,963	940,130	37,737	100,870	6,262	-	2,180,821
Accumulated depreciation												
Opening balance	(7,206)	(1,091)	(557)	(94,292)	(5,048)	(4,379)	(115,883)	(6,942)	-	(1,742)	(11)	(237,151)
Transfers	-	-	-	(4,631)	(1)	-	(2,108)	-	-	-	-	(6,740)
Additions	(578)	(1912)	(240)	(46,685)	(3,694)	(794)	(85,955)	(5,667)	-	(210)	-	(145,735)
Write-offs	3	183	450	23,106	576	133	17,618	117	-	960	11	43,157
Initial purchase amount	(405)	(13,670)	(907)	(301,117)	(9,518)	(3,817)	(303,705)	(2,773)	-	-	-	(635,912)
Appropriation fair value of surplus value	-	216	two	(1,720)	(35)	(13)	(381)	-	-	-	-	(1931)
Exchange variation	(24)	532	-	3,131	293	(186)	5,790	(123)	-	(99)	-	9,314
Balance	(8,210)	(15,742)	(1,252)	(422,208)	(17,427)	(9,056)	(484,624)	(15,388)	-	(1,091)	-	(974,998)
Cost	126,954	39,231	2,420	880,049	33,205	13,963	940,130	37,737	100,870	6,262	-	2,180,821
(-) Depreciation and amortization	(8,210)	(15,742)	(1,252)	(422,208)	(17,427)	(9,056)	(484,624)	(15,388)	-	(1,091)	-	(974,998)
	118,744	23,489	1,168	457,841	15,778	4,907	455,506	22,349	100,870	5,171	-	1,205,823

(*) Initial accrual for the purchase mainly of the investees Enviroclear Site Services Limited (United Kingdom), Orion Environmental Services Ltd. (Canada), EMS Environmental, Inc (USA), Ambipar Environmental Nordeste SA, Metal Ar Engenharia Ltda., Centroeste Resídos Ltda., Boomera do Brasil - Gestão Ambiental Ltda. and Disal Ambiental Holding SA (Chile).

(**) Waste Treatment Center.

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(b) Depreciation and amortization rates

Depreciation and amortization rates are shown below:

Asset	Useful life (in years)	Annual weighted average rate (%)
Aircraft	10	10.00%
Improvements in Third Party Properties	3 to 25	16.46%
Buildings	10 to 25	5.00%
Vessels	5 to 20	9.36%
Landfill Expansion	7 to 12	8.00%
Tools	4 to 10	13.61%
Computing	2 to 10	18.76%
Installations	3 to 10	13.19%
Use License and Software	5	20.00%
Machines and equipment	3 to 20	13.32%
Machines and Equipment - fleets	3 to 10	13.79%
Furniture and utensils	3 to 10	12.73%
Software	05	20.00%
Vehicles	3 to 10	18.52%
Vehicles - Fleet	2 to 10	20.71%
Research and Development	2	50.00%

Due to the evaluations carried out by the Group's specialist technicians, based on the physical evaluation, maintenance criteria adopted by the companies individually, including those acquired in recent years, it was verified that there were no changes in expectations regarding the estimates of useful life and/or residual value, except for the Machines, Equipment and Vehicles group, whose useful life was revised, for individualized assets, with a base date of June 30, 2022 being established.

The criterion adopted by management was to consider assets that have a recoverable value at the end of their useful life of approximately 40% of the acquisition cost value, in addition, remeasuring the subsequent estimated useful life, in accordance with the technical conditions of use and maintenance of these active.

In this sense, since July 1, 2022, this estimate change was carried out prospectively. Thus, in the year ended December 31, 2022, the lesser impact on depreciation was R\$34,314, due to the extension of the useful life of the assets, on average. For the other periods, this impact may vary due to the frequent investments made by the Group for the provision of services, which may boost the annual weighted average rate, a fact that makes it impossible for us to reliably disclose this information.

(c) Relevant maintenance costs

The Company has an investment in a subsidiary in the aviation sector, which performs relevant maintenance on property, plant and equipment at regular intervals during its economic useful life. This maintenance is carried out to restore or maintain the original performance standards provided by the suppliers and represent the only alternative for using the asset until the end of its useful life. For such maintenance, entities stop operations of the asset or group of assets for a certain period and generally incur the following main expenses:

- a) Main components and parts;
- b) Own services or services contracted from third parties for the replacement of components and parts;
- c) Own or outsourced maintenance and cleaning services; It is
- d) Fixed costs of the plant during the maintenance period, stock losses, etc.

Assets given in guarantee

On December 31, 2022, the amount of R \$733,092 (R \$507,533 on December 31, 2021) is represented by property, plant and equipment items in the vehicle classes (represented basically by trucks), machinery, apparatus and equipment, which are the guarantees of the respective financings in the FINAME and Leasing modality.

(d) *Impairment* (Fixed and Intangible)

Management reviews annually (the last one being carried out for the conclusion of the financial, individual and consolidated statements on December 31, 2022) the net book value of assets with the objective of assessing events or changes in economic or operational circumstances that may indicate deterioration or loss of its recoverable value. If such evidence is identified and for the net book value that exceeds the recoverable amount, an *impairment provision is set up* adjusting the net carrying amount to the recoverable amount.

Intangible assets with an indefinite useful life are subject to annual impairment analysis, *regardless* of whether or not there is any indication of impairment.

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The recoverable amount of an asset is defined as the lower of its carrying amount and its value in use. The calculation of the value in use is based on the discounted cash flow model, considering the UGCs , based on the regional service of the two reportable segments of the Group: environmental and emergency, and, in addition, the analysis of other investments. The business growth assumptions are based on the annual budget for 2022 and the long-term projections of its subsidiaries. Estimated future cash flows were discounted at a rate equivalent to the weighted average cost of capital.

The estimated EBITDA was projected considering historical data and forecasts as follows:

- The revenues of the UGCs include service provision. Revenue growth was projected considering the recovery of the economy and price increases/reductions based on inflation estimates;
- Operating costs and expenses were projected considering the historical performance of the UGC and the readjustment trends in personnel costs and investments in structure; It is
- Capital expenditures were estimated considering the maintenance of existing infrastructure, machinery, equipment and vehicles for continuous operation and compliance with contracts with customers.

For the year ended December 31, 2022, based on the assessments made for the year ended December 31, 2021, and without any change in significant risk variables and the assumptions of future business cash flows, there were no changes of the estimated value in use, which exceeded the carrying amount.

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(e) Right of use - Consolidated

	Opening balance on January 1, 2022	New contracts	Transfers	Exchange Variation	Initial purchase amount	Depreciation	Cost	Accumulated depreciation	Net value on December 31, 2022
Right of Use	81,389	130,857	(2,444)	2,332	17,624	(102,432)	298,893	(171,567)	127,326
	81,389	130,857	(2,444)	2,332	17,624	(102,432)	298,893	(171,567)	127,326

	Opening balance on January 1, 2021	New contracts	Transfers	Exchange Variation	Initial purchase amount	Depreciation	Cost	Accumulated depreciation	Net value on December 31, 2021
Right of Use	29,043	38,479	(2,420)	3,048	41,539	(28,300)	160,858	(79,469)	81,389
	29,043	38,479	(2,420)	3,048	41,539	(28,300)	160,858	(79,469)	81,389

Refers mainly to properties (including: administrative offices, regional offices, service bases, warehouses, training center) and fleets that are leased from third parties and for conducting the Company's business and its subsidiaries in various locations in the country.

Since April 2020, the lease agreement with related parties for the properties in Nova Odessa/SP and the Company's headquarters in São Paulo/SP has started, which follow market conditions.

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9. Intangible assets

(a) Breakdown

	Annual Amortization rate	Consolidated	
		2022	2021
Cost			
Trademarks and patents		119,243	93,330
Right to use software	20%	54,603	25,944
Research and development (*)	50%	80	8,619
Goodwill paid with expected future profitability		2,565,969	1,686,841
Client portfolio	50%	531,398	209,499
Workforce		34,034	12,032
Know-how		10,237	
Non Compete		6,960	-
		3,322,524	2,036,265
Accumulated amortization			
Brands and patents		(1,239)	-
Right to use software		(12,224)	(12,456)
Research and Development		-	(8,516)
Workforce			(378)
Client portfolio		(26,568)	(10,791)
Know-how		(1,775)	-
Non Compete		(1,183)	-
		(42,989)	(32,141)
Net total		3,279,535	2,004,124

(*) Refers substantially to investments in Research & Development of products arising from waste generated by the Company's customers and its subsidiaries.

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(b) Intangible assets rollforward

	Consolidated - 2022							
	Brands and patents	Right to use software	Research and Development	Customer portfolio	Goodwill with expected future profitability	Know-how	Non Compete	Total
Cost								
Opening balance	93,330	25,944	8,619	209,499	1,698,873	-	-	2,036,265
Transfers	(3,884)	29	-	3,855	-	-	-	-
Additions	290	2034	80	20	823,001	-	-	825,425
Initial collection	12,242	33,141	-	-	154,122	-	-	199,505
Write-offs	(3,851)	(4,455)	(8,619)	(2,803)	(1998)	-	-	(21,726)
Fair Value Added Value	30,405	-	-	340,303	24,001	10,237	6,960	411,906
Exchange Variation	(9,289)	(2,090)	-	(19,476)	(97,996)	-	-	(128,851)
Final balance	119,243	54,603	80	531,398	2,600,003	10,237	6,960	3,322,524
Accumulated amortization								
Opening balance	-	(12,456)	(8,516)	(10,791)	(378)	-	-	(32,141)
Transfers	-	-	-	-	-	-	-	-
Additions	-	(2016)	(103)	(69)	-	-	-	(2,188)
Write-offs	-	2,459	8,619	2,470	378	-	-	13,926
Initial collection	-	(509)	-	-	-	-	-	(509)
Appropriation fair value of surplus value	(1,248)	-	-	(18,243)	-	(1,775)	(1,183)	(22,449)
Exchange Variation	9	298	-	65	-	-	-	372
Final balance	(1,239)	(12,224)	-	(26,568)	-	(1,775)	(1,183)	(42,989)
Cost	119,243	54,603	80	531,398	2,600,003	10,237	6,960	3,322,524
(-) Accumulated amortization	(1,239)	(12,224)	-	(26,568)	-	(1,775)	(1,183)	(42,989)
	118,004	42,379	80	504,830	2,600,003	8,462	5,777	3,279,535

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	Consolidated - 2021					
	Trademarks and patents	Right of use software	Research and Development	Client portfólio	Goodwill with expected future profitability	Total
Cost						
Opening balance	1,094	6,475	8,840	3,891	385,682	405,982
Transfers	-	-	-	-	-	-
Additions	809	3,961	-	729	1,275,700	1,281,199
Initial collection	2,041	16,317	-	1,800	11,759	31,917
Appropriation fair value of surplus value	89,386	-	-	203,156	11,179	303,721
Write-offs	-	(455)	(232)	-	-	(687)
Exchange Variation	-	(354)	11	(77)	14,553	14,133
Final balance	93,330	25,944	8,619	209,499	1,698,873	2,036,265
Accumulated amortization						
Opening balance	-	(5,212)	(5,109)	(3,540)	-	(13,861)
Transfers	-	-	-	-	-	-
Additions	-	(1,201)	(3,617)	-	-	(4,818)
Initial collection	-	(5,915)	-	(228)	-	(6,143)
Appropriation fair value of surplus value	-	-	-	(7,033)	(378)	(7,411)
Write-offs	-	-	219	-	-	219
Exchange Variation	-	(128)	(9)	10	-	(127)
Final balance	-	(12,456)	(8,516)	(10,791)	(378)	(32,141)
Cost	93,330	25,945	8,619	209,499	1,698,872	2,036,265
(-) Accumulated amortization	-	(12,456)	(8,516)	(10,791)	(378)	(32,141)
	93,330	13,489	103	198,708	1,698,494	2,004,124

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10. Loans and financing

10.1. Breakdown

Type	Financial charges (*)	Maturity	Consolidated			
			2022		2021	
			Current	Non-current	Current	Non-current
Working capital (i)	1.47 + CDI and 6.36	March 2027	222,331	1,051,757	88,730	629,150
Working capital in foreign currency (ii)	4.33	May 2023	80,105	-	50,000	-
Investment financing (iii)	13.25	February 2028	153,868	482,608	97,382	349,137
Financial leasing (iv)	12.3	November 2027	32,812	63,804	31,750	29,264
			<u>489,116</u>	<u>1,598,169</u>	<u>267,862</u>	<u>1,007,551</u>

(*) Effective annual weighted average cost of interest on December 31, 2022.

10.2. Description

(i) Working capital

National subsidiaries

operations are pre-fixed at a weighted average rate of 1.47% pa plus CDI, and mature from January 2023 to March 2027;

Subsidiaries abroad

In August 2022, Ambipar Holding USA, subsidiary of Companhia Emergência Participações S.A., entered into a loan agreement in US dollars in the amount of USD 90,000 thousand with the financing agent ITAU BBA International PLC, with interest of 6.36% pa with payment of the principal on September 13, 2027 and, payment of interest in 9 (nine) installments from March 2023 and September 2023 consecutively.

(ii) Turnover in foreign currency - Resolution 4131

In June 2021, the subsidiary Environmental entered into a loan agreement in US dollars in the amount of USD 9,917 thousand, equivalent to R\$ 50,000, on the date of the transaction, with the financing agent Banco Bocom BBM SA Nassau Branch, with a letter of guarantee assumed by Company and shareholder, with interest of 2.13% pa and exchange variation, with payment of principal and interest in 12 monthly installments.

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For currency hedging of the loan, the subsidiary Environmental contracted a derivative financial instrument, a cash flow swap, with Banco BBM SA in the same amount and maturities, exchanging the exposure to the variation in the USD currency plus a fixed rate of 2.13% per year, for the rate prefixed rate of 100% of the CDI per year, and with that, assigning the credit rights of the swap operation as guarantee to the loan creditor in US dollars;

In May 2022, the company Ambipar Participações e Empreendimentos S.A. entered into a loan agreement in US dollars in the amount of USD 6,193 thousand, equivalent to R\$ 30,000, with the financing agent Banco ABC Brasil S.A., with a letter of guarantee assumed by the Company and shareholder, with interest of 2.75% pa and exchange variation, with payment of the principal on May 26, 2023 and interest on November 28, 2022 and May 26, 2023.

For currency hedging of the loan, the Company contracted a derivative financial instrument, cash flow swap, with Banco ABC Brasil SA in the same amount and maturities, exchanging the exposure to the USD currency variation plus a fixed rate of 2.75% per year, for the rate prefixed rate of 100% of the CDI per year, and with that, assigning the credit rights of the swap operation as guarantee to the loan creditor in US dollars;

(iii) Investment financing (FINAME)

Acquisition of heavy vehicles and machinery used to operate the subsidiaries. The contracts have a fixed rate with a weighted average of 13.25% pa, with monthly amortization and the last installment falling due in February 2028;

(iv) Financial leasing

Contracts with a fixed rate with a weighted average of 12.3% pa, monthly amortization and maturity of the last installment in November 2027.

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10.3. Payment schedule of installments of non-current liabilities

expiry year	Consolidated	
	2022	2021
2023	-	305,914
2024	390,907	270,888
2025	376,066	261,465
2026	264,066	133,135
2027	571,692	42,225
2028	6,637	-
	<u>1,609,368</u>	<u>1,013,627</u>
Funding cost (long term)	(11,199)	(6,076)
Total	1,598,169	1,007,551

10.4. Guarantees

Financing with FINAME resources is guaranteed by the financed assets and was raised essentially to build a fleet of vehicles for operating the subsidiaries. These financings take place through accredited financial institutions, for the production and acquisition of new machinery and equipment, manufactured in Brazil, accredited by the National Bank for Economic and Social Development (BNDES).

Working capital loans are guaranteed by guarantees from Group companies and Shareholders of the companies, and for the companies listed below, the minority shareholder.

Segment	Company	Value
Environmental ESG	Amazon	179
	Boomer PR	2,988
	Fox Comércio de Aparas	565
	Suprema	5,808
Total ESG		<u>9,540</u>
Response	Controlpar	3,335
	C-TANK	1,071
	Fauna e Flora	48
	Flyone	18,757
	RG	305
Response Total		<u>23,516</u>
Grand total		<u>33,056</u>

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11. Debentures

11.1. Breakdown

	Financial charges - pa %	Maturity	Parent company			
			Current*		Non-current	
			2022	2021	2022	2021
Debentures	CDI + 2.75 and 3.1	Jan/2028	121,300	14,232	2,497,335	493,359
			<u>121,300</u>	<u>14,232</u>	<u>2,497,335</u>	<u>493,359</u>

	Financial charges - pa %	Maturity	Consolidated			
			Current*		Non-current	
			2022	2021	2022	2021
Debentures	CDI + 2.75 and 3.1	July/2027	439,452	74,232	4,574,664	1,318,007
			<u>439,452</u>	<u>74,232</u>	<u>4,574,664</u>	<u>1,318,007</u>

(*) Balances of debentures classified as current that mature within the next twelve months following the closing of these financial statements.

11.2. Payment schedule of installments of non-current liabilities

Year of maturity	Parent company		Consolidated	
	2022	2021	2022	2021
2023	-	-	-	240.000
2024	125.000	125.000	420.250	365.000
2025	312.500	125.000	670.250	365.000
2026	745.771	125.000	1.229.401	245.000
2027	745.865	125.000	1.109.489	125.000
2028	620.865	-	984.526	-
2029	-	-	245.904	-
Total	<u>2,550,001</u>	<u>500,000</u>	<u>4,659,820</u>	<u>1,340,000</u>

Funding cost (long term)	(52,666)	(6,641)	(85,156)	(21,993)
	<u>2,497,335</u>	<u>493,359</u>	<u>4,574,664</u>	<u>1,318,007</u>

(*) For the maturity year, the Company considers the period from January 2023 to December 2023 as current, and so on for other years in the segregation of non-current.

11.3. Issuance of debentures

Ambipar Participações e Empreendimentos S.A.

On July 15, 2021, the members of the Company's Board of Directors deliberated and approved the 2nd issue of simple, non-convertible, unsecured debentures, with an additional personal guarantee, in a single series, in the amount of R\$ 500,000. The funds raised were used to recompose the Company's cash.

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The debentures have final maturity in July 2027, the principal payment will be made in 4 annual installments, the first in July 2024 and interest will be paid semi-annually, with the first payment in January 2022.

On December 14, 2021, the members of the Company's Board of Directors deliberated and approved the 3rd issue of simple, non-convertible, unsecured debentures, with an additional personal guarantee, in a single series, in the amount of R\$750,000. The funds raised were used to recompose the Company's cash position, as well as to finance its expansion plan with strategic acquisitions, thus expanding its capillarity and portfolio of services.

The debentures were issued on January 10, 2022, with final maturity in January 2028, the principal payment will be made in 4 annual installments, the first in July 2024 and the interest will be paid semi-annually, the first being payment in July 2022.

On August 22, 2022, the members of the Company's Board of Directors deliberated and approved the 4th issue of simple, non-convertible, unsecured debentures, with an additional personal guarantee, in a single series, in the amount of R\$1,000. 000. The totality of the net resources raised will be used for investments, future payments or refunds in Eligible Projects, for sustainable qualification purposes.

The debentures have final maturity in August 2028. Principal payment will be made in 3 consecutive annual installments, the first in August 2026 and interest will be paid semi-annually, with the first payment in February 2023.

On December 20, 2022, the members of the Company's Board of Directors deliberated and signed the term of the 1st issue of book-entry commercial notes, in a single series, in the amount of R\$300,000. The total proceeds through the issuance will be used, wholly and exclusively, for cash effort and/or refinancing of existing debts.

The commercial notes will have a maturity period of 2,192 (two thousand, one hundred and ninety-two days) days, counted from the date of issue, falling due, therefore, on December 20, 2028. The remuneration of the commercial notes will be paid semi-annually, the first payment being on June 20, 2023.

Emergência Participações S.A.

On February 4, 2022, the Management of the subsidiary Emergência Participações S.A., at an Extraordinary General Meeting, resolved and approved the 1st issue of simple debentures, non-convertible into shares, of the unsecured type, with an additional fiduciary guarantee, in a single series, in the amount of R \$400,000. The funds were raised to finance the expansion of the Group's businesses.

The debentures have final maturity in February 2028, the principal payment will be made in 6 annual installments, with the first and second installments due in August 2023 and February 2024 and interest will be paid semi-annually, with the first payment in August 2022.

On September 15, 2022, the Management of the subsidiary Emergência Participações S.A., at the Company's Extraordinary General Meeting, resolved and approved the 2nd issue of simple debentures, non-convertible into shares, of the unsecured type, with an additional fiduciary guarantee, in a single series, in the value of BRL 250,000. The funds raised were used to recompose the Company's cash and general corporate purposes.

The debentures mature final in September 2028, the payment of the principal will be made in 4 consecutive annual installments, the first in September 2025 and the interest will be paid semi-annually, with the first payment in March 2023.

Environmental ESG Participações S.A.

On June 16, 2021, the Management of the subsidiary Environmental ESG Participações S.A., in an Extraordinary General Meeting, deliberated and approved the 1st issue of debentures, with the issue of 900,000 simple debentures, not convertible into shares, of the type with real guarantee, with additional guarantee fidejussory, in a single series, with a total nominal value of R\$ 900,000. The funds raised were mainly allocated to the acquisition corresponding to 100% of the share capital of Disal Ambiental Holding S.A.

The debentures have final maturity in June 2026, interest and principal will be paid quarterly, with the first payment in September 2021 and December 2021, respectively.

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On November 22, 2022, the members of the Company's Board of Directors deliberated and approved the 2nd issue of debentures, with the issue of 1,000,000 simple, non-convertible, unsecured debentures, with personal guarantee, in a single series, in the total amount of BRL 1,000,000. The resources raised were destined for investments, future payments or refinancing of Eligible Projects, for sustainable qualification purposes.

The debentures have final maturity in December 2029, principal payment will be made in 4 annual installments, the first in December 2026 and interest will be paid semi-annually, with the first payment in June 2023.

11.4. Contractual restrictions and covenants

The Company and its subsidiaries Environmental ESG Participações S.A. and Emergência Participações S.A. have certain obligations, including compliance with financial ratios (covenants). They are basically linked to the Net Debt/EBITDA* compliance ratio, which must be measured every six months by the Company.

In addition, the Company needs to communicate in advance the performance of: incorporation, merger, spin-off or corporate reorganization, liquidation, extinguishment or dissolution, capital reduction, distribution of dividends higher than the mandatory minimum or any transfer of assets of the Company and its subsidiaries, as well as an entry with a request for judicial recovery.

On December 31, 2022, there were no events that could lead to breach of contract.

(*) EBITDA: or EBITDA, refers to profit before financial result, income tax and social contribution and depreciation and amortization, considering the accumulated pro forma result, with the pro forma results under the control of the Group.
pro-forma result is considering last quarter's Ebitda as the basis for calculating the historical result.

12. Trade accounts payable

	Consolidated	
	Current	
	2022	2021
Trade - National Operations	50,499	26,210
Trade - International Operations	195,515	73,170
	<u>246,014</u>	<u>99,380</u>

The balances presented above reflect the debt position with suppliers, at present value, without any open negotiation or outstanding title. We do not operate with drawn risk and any other financial form, which is not already properly and fully disclosed in these financial statements.

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13. Lease

	lease liability	Consolidated Unearned interest on lease agreements (AVP)	Net lease liability
Opening balance on January 1, 2022	82,262	(6,051)	76,211
Recognition of new contracts	146,143	(15,286)	130,857
Initial Purchase Accrual	18,997	(1,373)	17,624
Non-cash transfer	(15,204)	-	(15,204)
Main Payment	(107,258)	-	(107,258)
Interest payment	(3,869)	2	(3,867)
Appropriation of Interest	-	8,376	8,376
Exchange variation	917	51	968
Final Balance on December 31, 2022	<u>121,988</u>	<u>(14,281)</u>	<u>107,707</u>
Current	46,924	(5,933)	40,991
Non-current	75,064	(8,348)	66,716

It is due to the lease liability, measured at the present value of the expected lease payments until the end of the contract projected at the real rate and discounted at the nominal rate, considering possible renewals or cancellations.

Below, for demonstration purposes only, in accordance with CVM requirements, as they differ when crossing the current balance at present value, the future lease payment flows, considering the projected inflation until the maturity of the contracts, in relation to the leasing commitments of right of use:

Year of maturity (*)	With Inflation Consolidated 2022
2023	43,525
2024	28,892
2025	26,063
2026	19,452
from 2027	4,247
	<u>122,179</u>

(*) For the maturity year, the Company considers the period from January 2023 to December 2023 as current, and so on for other years in the segregation of non-current.

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14. Provision for contingencies and court deposits

14.1. Breakdown

On December 31, 2022 and December 31, 2021, the subsidiaries had the following liabilities, and corresponding judicial deposits, related to contingencies:

	Consolidated			
	2022		2021	
	Court deposits	Provision for contingencies	Court deposits	Provision for contingencies
Probable contingencies:				
Labor and social security contingencies	3,794	2,373	2,377	2,327
	<u>3,794</u>	<u>2,373</u>	<u>2,377</u>	<u>2,327</u>

The Company and its subsidiaries are parties to labor, social security and civil proceedings, and are discussing these issues both at the administrative and judicial levels, which, when applicable, are mostly supported by court appeal deposits.

The respective provisions for contingencies were constituted considering the estimate made by the legal advisors, for the processes whose probability of loss in the respective outcomes was evaluated as probable. Management believes that the resolution of these issues will not have an effect significantly different from the provisioned amount.

There are no additional liabilities to be considered in relation to attorneys' fees and loss of suit, or additional costs of settling legal proceedings.

14.1. Provision for contingencies rollforward

The changes in the provision for contingencies on December 31, 2022 and December 31, 2021 are shown below:

	Consolidated
(=) Balance on January 1, 2021	2,579
(+) Initial collection for the purchase	273
(-) Write-offs/Reversals	(525)
(=) Balance on December 31, 2021	<u>2,327</u>
(+) Addition	46
(=) Balance on December 31, 2022	<u><u>2,373</u></u>

14.2. Nature of contingencies

Labor and social security contingencies refer to lawsuits filed by former employees linked to funds arising from the employment relationship and various indemnity claims. The civil lawsuits refer to lawsuits brought by former suppliers and former partners linked to compensation for property damage resulting from the commercial relationship that existed with the Company's subsidiaries.

The subsidiaries have contingencies classified as a loss considered possible on December 31, 2022 in the amount estimated by their legal advisors of R\$ 6,691 (As of December 31, 2021, amounting to R\$6,638).

14.3. Asset contingencies

The indirect subsidiary Ambipar Logistics (Environment segment) filed a claim for damages and indemnity against a former client due to defaulting receivables supported by the effective provision of services and a contractual fine for breach of contract.

The restated amount on December 31, 2022 of the cause is R\$ 2,439 (on December 31, 2021 in the amount of R\$ 2,439), whose estimate evaluated by the subsidiary's legal advisors is likely to be successful in the case. The process is being conducted by the Group's internal legal department and there are no additional liabilities due to costs and fees.

The indirect subsidiary Response (Response segment) filed a claim for damages and indemnification against a former client due to defaulted receivables supported by the effective provision of services and a contractual fine for breach of contract.

The restated amount on December 31, 2022 of the cause is BRL 721, whose estimate evaluated by the subsidiary's legal advisors is likely to be successful in the case. The process is being conducted by the Group's internal legal department and there are no additional liabilities due to costs and fees.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

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15. Related parts

15.1. Composition

Transactions with related parties in the Group are as follows:

	Parent company	
	2022	2021
Asset:		
Dividends receivable:		
Ambipar Bank Intermediação de Negócios, Pagamentos e Participações Ltda	165	-
Environmental ESG Participações S.A.	15,675	2,536
Emergência Participações S.A.	69,509	31,155
	<u>85,349</u>	<u>33,691</u>
Loan (non-current):		
Ambipar Bank Intermediação de Negócios, Pagamentos e Participações Ltda	136,308	4,990
Universo Ambiental - Desentupidora e dedetizadora	1,254	-
Ambipar Financial Participações S.A.	4,999	-
Ambify Ltda	186,085	-
Ambipar Decarbonisation Ltda	190	-
Environmental ESG Participações S.A.	1,148,688	471,094
Ambipar Environmental Solution - Soluções Ambientais Ltda	101,163	70,669
Ambipar R&D Pesquisa e Desenvolvimento Ltda.	1732	156
Ambipar Logistics Ltda	365	365
Ambipar EcoProducts S.A.	461	461
Ambipar Environment Waste Logistics Ltda	318	318
Ambipar Environmental Centroeste S.A.	1,000	570
Ambipar Coprocessing Ltda	419	419
Ambipar Environment Reverse Manufacturing S.A.	486	488
Brasil Coleta Gerenciamento de Resíduos Ltda	765	-
Emergência Participações S.A.	652,591	424,698
Ambipar Response S.A.	48,295	44,713
Ambipar Response Limited (Reino Unido)	888	1,119
Ambipar Response Gás Ltda	1,391	291
	<u>2,287,398</u>	<u>1,020,351</u>
Liabilities:		
Dividends payable:		
Controlling shareholder	9,267	20,944
Non-controlling shareholders	5,882	13,295
	<u>15,149</u>	<u>34,239</u>
Loan (non-current):		
Bleu Empreendimentos Digitais Ltda	13,000	13,000
Ambipar Financial Participacoes S.A.	-	1
Ambipar Compliance Solutions S.A.	507	-
Ambipar Workforce Solution - Mão de Obra Temporária	5,845	5,846
Ambipar Environment Reverse Manufacturing S.A.	-	1
Ambipar Facilities Ltda	1	1
Ambipar Response Insurance - Atendimento a Seguros Ltda	4,500	4,500
Atmo Hazmat Ltda	-	6
Ambipar Environmental Solutions - Soluções Ambientais Ltda.	-	131
	<u>23,853</u>	<u>23,486</u>

Loans

Are current account transactions carried out mainly between wholly-owned subsidiaries of the Company, that is, subsidiaries in which the Company has full control. These transactions, whose contracts are for an indefinite period and without remuneration, are carried out and are characterized by the concept of cash centralization aimed at better management of financial resources.

Commercial transactions - market conditions

Until June 2021, refers to related parties linked to the Chilean non-controlling shareholder, which has strictly commercial transactions, that is, entered into for the purpose of providing environmental services, leases, as well as providing emergency response services. For the execution of such transactions, there is observance of commercial conditions of the local market.

Shared costs between companies

Part of the amount payable to the parent company Ambipar Participações comes from sharing the costs of the shared office (Centro de Soluções Compartilhadas - CSC), which is distributed among the companies in Brazil according to the revenue of each company in relation to the Group.

Lease

The Group has a debt with Amazônia Incorporação e Participações SA, corresponding to the monthly rental amount of the Unit used by CSC, SP - Nova Odessa, signed in April 2020 and its term is 5 years, extendable. The monthly amount paid to the related party is R\$ 772, adjusted annually, according to the same variation of the General Market Price Index - IGPM, measured by *Fundação Getúlio Vargas*, this contract is recognized as a lease according to note 8(e).

15.2. Key personnel compensation

The remuneration of all group directors and board of directors corresponding to short-term benefits was R\$59,018 for the year ended December 31, 2022 (R\$22,708 as of December 31, 2021).

Compensation related to statutory directors and board of directors in 2022 and 2021 are within the limit approved in the respective AGO.

There are benefits granted for the use of vehicles, reimbursements, travel and others to directors and members of the Board of Directors. In the year ended December 31, 2022, these benefits totaled R\$3,788 (R\$1,492 on December 31, 2021).

On December 31, 2022, no long-term benefits, employment contract termination or share-based compensation were granted.

16. Equity

16.1. Share capital

The subscribed and paid-in capital stock is represented by 112,935,588 registered common shares (112,935,588 registered common shares in 2021), in the amount of R\$ 1,151,602.

Expenses with the issuance of shares are classified as a reduction account of shareholders' equity linked to the share capital, due to the public offering of shares carried out by the Company in 2020.

16.2. Profit reserves

Legal reserve

The legal reserve is constituted annually with the allocation of 5% of the net income for the year and cannot exceed 20% of the share capital.

The purpose of the legal reserve is to ensure the integrity of the share capital and can only be used to offset losses and increase capital.

Unearned profit reserve

The unrealized earnings reserve is represented by undistributed earnings, due to the unrealized equity income of its investees.

Approval of 2021 profit allocations

Management approved at the Ordinary General Meeting (AGO) of May 4, 2022 the retention of net income for the year 2021, after the constitution of the legal reserve and mandatory minimum dividends, as "Reserve for unrealized profits" in the amount of R \$ 102,716 , in which it may be realized when the profits attributed to the result of equity investments are realized, for example, with the receipt of dividends from subsidiaries.

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On July 5, 2022, the Company distributed dividends in the amount of R\$34,239, as mandatory minimum dividends for the year 2021, with no need for a supplement to be resolved.

Approval of 2022 profit allocations

Management will propose at the Ordinary General Meeting (AGO) to be held on April 28, 2023 the retention of net income for the year 2022, after the constitution of the legal reserve and mandatory minimum dividends in the amount of R\$ 15,149, as "Reserve for profits to be realized" in the amount of R\$ 45,446, which may be realized when the profits attributed to the result of equity investments are also realized, such as, for example, receiving dividends from subsidiaries.

16.3. Earnings per share

Basic

Basic earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of shares issued during the year, excluding shares purchased by the Company and held as treasury shares. Any dividends on preferred shares and any premiums paid on the issuance of preferred shares during the year are deducted from the profit attributable to the parent company's shareholders.

Earnings per share	2022	2021
Profit from operations attributable to shareholders of the parent before deductions	108,745	168,871
Number of common and preferred shares	112,935,588	112,935,588
Net earnings per basic share (in Reais)	0.96	1.50
Net earnings per share-diluted (in Reais)	0.96	1.50

Diluted

As of December 31, 2022, the Company has no dilution of common shares.

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16.4. Cumulative translation adjustment

Refers substantially to exchange variation on investees abroad and goodwill paid on the acquisition of businesses in other countries, whose functional currencies are different from the Company and the acquiring subsidiaries.

The exchange variation of investees abroad in the Parent Company, in the year ended December 31, 2022 is R\$ 180,279, disclosed in the Statement of Comprehensive Income. Refers to the existing reflex equivalence in international holdings: Canada, USA, Chile, UK.

16.5. Capital transaction

It mainly refers to the acquisition by the subsidiary Emergência Participações S.A. of the remaining 50% of Suatrans Chile S.A. through the acquisition of the holding company Inversiones Disal Emergências S.A. (Chile). Since it is a goodwill paid based on the expectation of future profitability in another functional currency, the exchange variation that occurred in the year ended December 31, 2022 was recorded with a corresponding entry in Accumulated Conversion Adjustment - Shareholders' Equity.

	Response
	Inversiones Disal Emergências
Assets and liabilities acquired at fair value	
Cash and cash equivalents	1,005
Other assets	25,650
Other liabilities	(326)
Total identifiable net assets	26,329
Total amount of consideration transferred	144,430
(-) Cash acquired	(1,005)
(-) Assumed value of the obligation to pay	-
Cash paid, net of cash received/receivable	143,425
Determination of goodwill	
Total amount of the consideration transferred, Net	144,430
Total amount of identifiable net liabilities	(26,329)
Goodwill resulting from expected future profitability	118,101
Date of acquisition	06/28/2021
Control start month	07/2021
Company that acquired control	Emergência Participações S.A.
Acquisition Value	US\$ 26,185 thousand
Percentage acquired	99.99%

16.6. Participation of non-controlling shareholders

Changes in non-controlling interests mentioned in the statement of changes in shareholders' equity refer substantially to the acquisition of subsidiaries that retain the right of equity interest to other partners/shareholders, as well as their existing changes in interest, exchange variation when they are controlled abroad (functional currency different from the Company), earned income and distribution of deliberated profits.

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17. Information by segment

Management defined the Company's operating segments, based on the reports used for strategic decision-making, reviewed by Management, which are segmented into environmental ("Environment") and emergency ("Response") services. Other businesses are linked to the Company itself, business holding and other activities, mainly linked to technology and innovation, not previously linked and mentioned in Note 1.1.

The main operations by business segment corresponding to December 31, 2022 and December 31, 2021 are as follows:

Description	Environment		Response		Others		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021
Total asset value	5,627,569	3,143,651	3,413,489	1,336,215	841,853	381,503	9,882,911	4,861,369
Total liability amount	3,668,391	2,461,424	2,153,281	515,958	2,761,689	579,255	8,583,361	3,556,637

The main information on results by business segment corresponding to December 31, 2022 and 2021 are as follows:

Description	Environmental ESG	
	2022	2021
Net revenue from domestic sales and services	2,102,826	1,092,769
Costs and expenses	(1,510,933)	(812,260)
Financial income	90,514	10,970
Financial expenses	(308,575)	(116,715)
Depreciation and amortization	(222,999)	(131,969)
Expense or income with income taxes and social contribution	(79,051)	(16,047)
Operating profit	374,028	152,609

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Response		
Description	2022	2021
Net revenue from domestic sales and services	1,684,897	822,203
Costs and expenses	(1,252,273)	(601,304)
Financial income	9,567	11,824
Financial expenses	(108,928)	(10,428)
Depreciation and amortization	(112,029)	(56,215)
Equity	3,628	-
Expense or income with income taxes and social contribution	(44,910)	(37,748)
Operating profit	336,759	176,869
Others		
Description	2022	2021
Net revenue from domestic sales and services	2,068	1,360
Costs and expenses	(1,228)	(1904)
Financial income	56,011	15,481
Financial expenses	(247,936)	(17,208)
Depreciation and amortization	(7)	(11)
Equity	-	-
Expense or income with income taxes and social contribution	30,173	-
Operational result	1,093	(736)
Consolidated		
Description	2022	2021
Net revenue from domestic sales and services	3,789,791	1,916,332
Costs and expenses	(2,764,434)	(1,415,468)
Financial income	156,092	38,275
Financial expenses	(665,439)	(144,351)
Depreciation and amortization	(335,035)	(188,195)
Equity	3,628	-
Expense or income with income taxes and social contribution	(93,788)	(53,795)
Operating profit	711,880	328,742

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The consolidated result considers the elimination of sales between the Company's companies. As of December 31, 2022 and 2021, the Company and its subsidiaries do not have any customers representing more than 10% of their net revenue.

18. Net operating revenue

	Consolidated	
	2022	2021
Gross revenue from services rendered	4,242,599	2,197,459
Cancellations	(22,824)	(16,334)
Incident taxes	(429,984)	(264,793)
Net operating revenue	3,789,791	1,916,332
	2022	2021
Gross revenue in the domestic market	2,411,275	1,234,586
Gross revenue in the foreign market (*)	1,831,324	962,873
Total	4,242,599	2,197,459

(*) Gross revenue in the foreign market comes from investees abroad.

19. Costs and expenses by nature

	Consolidated	
	2022	2021
Materials used in the provision of services	(278,723)	(65,561)
Personnel and labor charges	(1,296,990)	(712,494)
Fuels	(147,312)	(65,597)
Freight and tolls	(47,848)	(26,020)
Maintenance of machinery, apparatus and equipment and vehicles	(157,086)	(97,196)
Tributes	(33,728)	(17,767)
Rent and Condominium	(17,143)	(13,873)
Leasing of goods, vehicles, machinery and equipment	(19,821)	(17,609)
Telephone expenses	(8,748)	(4,245)
Travel expenses	(44,395)	(15,950)
Depreciation and amortization	(335,035)	(188,195)
Advertising and marketing	(23,750)	(12,555)
Third-party services	(475,199)	(220,717)
Other expenses	(195,761)	(129,811)
	(3,081,539)	(1,587,590)
Cost of services provided	(2,949,218)	(1,499,772)
General, administrative and sales	(150,251)	(103,891)
Other operating income (expenses), net	17,930	16,073
	(3,081,539)	(1,587,590)

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20. Financial result, net

	Parent company		Consolidated	
	2022	2021	2022	2021
Financial income:				
Discounts obtained	1,622	254	5,316	609
Interest charged	4,551	-	2,511	1,178
Income from financial application	53,443	14,887	132,592	23,317
Active exchange variation	-	255	8,675	9,190
Active monetary variation	274	-	1,150	202
Others	-	-	5,848	3,779
	<u>59,890</u>	<u>15,396</u>	<u>156,092</u>	<u>38,275</u>
Financial expenses:				
Interest paid	(2,540)	(706)	(33,153)	(14,466)
Right of Use Interest	-	-	(8,376)	-
Interest on loans	(3,940)	(881)	(150,452)	(46,874)
Interest on debentures	(229,779)	(14,232)	(414,134)	(62,428)
Intercompany interest	(35)	-	-	-
Discounts given	-	-	(2,598)	(1,590)
Bank expenses	(320)	(450)	(6,260)	(3,775)
Tax on financial transaction (IOF)	(2,860)	(467)	(12,536)	(6,092)
Passive exchange variation	(231)	(193)	(15,310)	(2,710)
Passive monetary variation	(1,277)	(230)	(1,930)	(364)
Others	(5,544)	(34)	(20,690)	(6,052)
	<u>(246,526)</u>	<u>(17,193)</u>	<u>(665,439)</u>	<u>(144,351)</u>
	<u>(186,636)</u>	<u>(1,797)</u>	<u>(509,347)</u>	<u>(106,076)</u>

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21. Income tax and social contribution

(a) Expense detail

	Consolidated	
	2022	2021
Current income tax and social contribution	(109,464)	(47,055)
Deferred income tax and social contribution	15,676	(6,740)
income tax expense	<u>(93,788)</u>	<u>(53,795)</u>

(b) Reconciliation of income tax and social contribution expense

	Consolidated	
	2022	2021
Profit (Loss) before income tax and social contribution	202,533	222,666
Tax calculated based on nominal rate (Brazil) - 34%	(68,861)	(75,706)
Reconciliation:		
Equity	(3,628)	-
Recognition of deferred IRPJ/CSLL on tax loss	31,849	23,774
Adjustments for Permanent Differences in Other Jurisdictions	21,955	42,567
Adjustment Tax regime differences	(17,162)	(12,548)
Other adjustments for temporary and permanent differences	(57,941)	(31,882)
Income tax and social contribution	<u>(93,788)</u>	<u>(53,795)</u>
Effective income tax and social contribution rate - %	46.3%	24.2%

(c) Deferred income tax and social contribution

The subsidiaries record deferred income tax and social contribution assets and liabilities at the limit of their realization, to reflect future tax effects on temporary differences between the tax base of assets and liabilities and their respective book value, as well as loss tax and social contribution negative basis, calculated at the combined tax rate provided for in each jurisdiction, as well as, it demonstrates the basis for constituting the deferred income tax and social contribution liability, constituted taking into account existing obligations in other jurisdictions, shown separately in assets and liabilities because they are different tax authorities, as follows:

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	Consolidated	
	2022	2021
Tax bases - Assets		
Tax loss and negative base	175,460	78,048
Temporary differences in another jurisdiction	25,770	18,647
Provisions - temporary differences	23,692	-
	<u>224,922</u>	<u>96,695</u>
Tax - 25%	56,231	24,173
Social contribution - 9%	20,243	8,703
(-) PERT compensation	-	-
Income tax and social contribution - asset	<u>76,474</u>	<u>32,876</u>

	Consolidated	
	2022	2021
Tax bases - liabilities		
Provisions - temporary differences	(485,466)	(368,621)
Temporary differences in another jurisdiction	(436,602)	(101,684)
	<u>(922,068)</u>	<u>(470,305)</u>
Income tax - 25%	(230,517)	(117,577)
Social contribution - 9%	(82,986)	(42,327)
Income Tax and Social Contribution - liabilities	<u>(313,503)</u>	<u>(159,904)</u>

(d) Changes in deferred income tax and social contribution

	Consolidated	
	2022	2021
Opening balance - asset	32,876	(996)
Achievement in result	15,676	(6,740)
Other transactions	27,922	40,612
Final balance - asset	<u>76,474</u>	<u>32,876</u>

	Consolidated	
	2022	2021
Opening balance - liabilities	(159,904)	(996)
Achievement in result	15,676	(6,740)
Other transactions	(169,275)	(152,168)
Final balance - liabilities	<u>(313,503)</u>	<u>(159,904)</u>

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(e) Realization of deferred income tax and social contribution

Realization for year	Consolidated	
	2022	2021
2023	-	8,219
2024	19,119	8,219
2025	19,119	8,219
2026	19,119	8,219
2027 forth	19,117	-
	<u>76,474</u>	<u>32,876</u>

22. Insurance

The Company and its subsidiaries have an insurance and risk management program that provides coverage and protection compatible with its equity assets and operations.

The contracted coverages are based on risk and loss study criteria, being the contracted insurance modalities considered, by the Management, sufficient to cover eventual claims that may occur, considering the nature of the activities of the Company and its subsidiaries. The main ones on December 31, 2022 are detailed below:

Segment	Cover	Object	Effective date	Insured Amount
Environmental	General	Provision of services at third-party locations	Until Oct/2023	8,319
Environmental	Civil responsibility	Provision of services at third-party locations	Until Dec/2023	39,361
Environmental	Civil liability for freight transport	Cargo accident and cargo coverage on international travel	Until Feb/2024	3,265
Environmental	General Insurance	Coverage of claims in the administrative building	Until Dec/2023	36,300
Response	General	Provision of services at third-party locations	Until Apr/2023	500
Response	Civil responsibility	Provision of services at third-party locations	Until Dec/2023	32,681
Response	Life insurance	Employee life insurance	Until May/2025	1,850
Response	General Insurance	Coverage of claims in the administrative building	Until Dec/2023	10,916
Response	Aeronautical Civil Liability	Coverage for passengers, crew and hand luggage, third parties and boarding .	Until Jan/2024	23,726
				<u>156,918</u>

Notes to the individual and consolidated financial statements
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23. Additional information to cash flows

Cash flow transactions from investments and financing that did not involve cash.

	Consolidated	
	2022	2021
Cash flow from investing activities		
Acquisition of fixed assets through financing	321,587	276,541
Assignment of rights - Accounts receivable	157,827	-
Balance payable for the acquisition of investment	443,207	261,157
	<u>922,621</u>	<u>537,698</u>
Cash flow from financing activities		
Operating lease	130,857	24,777
Accumulated conversion adjustment	(180,279)	(19,614)
Participation of non-controlling	24,598	7,353
Proposed Dividends	15,149	34,239
Dividends Receivable	51,658	33,691
	<u>41,983</u>	<u>80,446</u>

24. Private pension

The subsidiary Ambipar Mining (Environment segment) grants all its employees the option of joining the Renda Total Empresarial Ambipar Mining private pension plan (defined monthly contribution) administered by Brasilprev Seguros e Previdência SA In this plan, all participating members have the amount monthly contributions, limited to 4% of gross income, with the subsidiary Ambipar Mining responsible for contributing the same amount.

The total spent during the year ended December 31, 2022 as a contribution by the subsidiary Ambipar Mining was R\$ 127 (On December 31, 2021 it was R\$ 118).

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated financial statements For the years ended on December 31, 2022 and 2021 (In thousands of Brazilian Reais, unless otherwise stated)

25. Subsequent events

Item	Event	Date	Description
1	Closing approval of the joint venture O'Brien's do Brasil Consultoria em Emergências e Meio Ambiente SA	Jan /23	On January 17, 2023, the Company disclosed to its shareholders and the market in general that, in agreement with OceanPact Serviços Marítimos SA (" OceanPact "), they decided to close the joint venture O'Brien's do Brasil Consultoria em Emergências e Meio Ambiente SA (" O'Brien's Brasil ") whose activity is the provision of specialized consulting services in Brazil ("Agreement"). The purpose of this Agreement was to avoid the overlapping of activities and operations between Ambipar Response SA ("Ambipar Response") and OceanPact . Environpact Consultoria em Engenharia e Meio Ambiente Ltda. (" Environpact "), a wholly-owned subsidiary of OceanPact , will hold 100% of the shares representing the capital stock of O'Brien's Brasil, and will no longer use the " O'Brien's " brand, changing its name to " EnvironPact Sustainability and Resilience ". Ambipar Response owns 100% of the capital of O'Brien's Response Management Inc, will receive, in two installments, the amount of R\$11 million for 50% of the shares representing the capital stock of O'Brien's Brasil. The O'Brien's brand will continue to be used by Ambipar Response, which continues with its strategic plan and with its activities in Brazil and worldwide.
2	Federal Supreme Court ("STF") changes understanding related to res judicata in tax matters	Feb /23	On February 8, 2023, the Federal Supreme Court (STF) ruled on Items 881 - Extraordinary Appeal No. 949,297 and 885 - Extraordinary Appeal No. 955,227. The ministers who participated in these issues unanimously concluded that judicial decisions taken definitively in favor of taxpayers should be annulled if, later, the Supreme Court has a different understanding on the subject. That is, if years ago a company obtained authorization from the Court to stop paying any tax, this permission will automatically expire if, and when, the STF understands that the payment is due. Management evaluated with its internal legal advisors the possible impacts of this STF decision and concluded that the decision of the STF does not result, based on management's assessment supported by its legal advisors, and in line with CPC25/IAS37 Provisions, Contingent Liabilities and Contingent Assets, CPC 32/IAS 12 Income Taxes, ICPC 22 / IFRIC 23 Uncertainty about the treatment of income taxes and CPC24/IAS10 Subsequent Events, without significant impacts on the financial statements as of December 31, 2022.

INDEPENDENT AUDITORS' REPORT ON THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To the
Shareholders, Board of Directors and Management of
Ambipar Participações e Empreendimentos S.A.
São Paulo - SP

Opinion in the individual and consolidated financial statements

We have audited the individual and consolidated financial statements of Ambipar Participações e Empreendimentos S.A. ("Company"), identified as company and consolidated, respectively, which comprise the individual and consolidated statements of financial position as at December 31, 2021 and the respective individual and consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, as well as the corresponding notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the abovementioned individual and consolidated financial statements present fairly, in all material respects, the individual and consolidated financial position of AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A. as at December 31, 2021, the individual and consolidated performance of its operations and cash flows for the year then ended according to Brazilian practices and International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB).

Basis for opinion on the individual and consolidated financial statements

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities, in accordance with these standards, are described in the section below entitled "Auditor's responsibilities for the audit of the individual and consolidated financial statements". We are independent in relation to the Company and its subsidiaries, in accordance with the relevant ethical principles set out in the Accountant's Code of Professional Ethics and in the professional standards issued by the Federal Accounting Council, and we comply with other ethical responsibilities in accordance with these standards. We believe that the audit evidence obtained is sufficient and appropriate to support our opinion.

Key audit matters

Key audit matters are those that, in our professional judgment, were the most significant in our current year audit. These matters were dealt with in the context of our audit of the individual and consolidated financial statements as a whole and in forming our opinion on these individual and consolidated financial statements and, therefore, we do not express a separate opinion on these matters.

Revenue Recognition - consolidated

As mentioned in Notes Nº 2.19 and Nº 18, the amount of net revenue in the consolidated is R\$ 1,916,332 thousand, which the revenue recognition involves controls with the objective of ensuring the integrity of the transaction records, conditioning the aspects of transferring risks and benefits linked to products and at the appropriate time when services are provided. provided and recognized by the client. Considering the volume of transactions involved, portfolio of services and products, geographical situation of logistics and customer service, the recognition of revenue involves a high dependence on the proper functioning of the internal controls determined by the Company and its subsidiaries. In this sense, based on the relevance of the dependence and functioning of the aforementioned controls, and the impact that any absence of functioning of these controls could have on the consolidated financial statements, we consider this matter to be significant for our audit.

Audit response on this matter

Our audit procedures included, among others:

- Evaluation of the internal controls of significant cycles related to the recognition of revenues, including: basis of contracts with customers in relation to the service to be provided and price negotiated; measurements related to services provided and product supply; checking of accounting records;
- Documentary testing, on a sample basis, of checking invoices with measurements of services performed;
- Integrity test of revenue database with accounting records;
- Tests related to manual entries made;
- Analytical procedures on revenue, considering: analysis of key business indicators, average term for receiving sales, alignment of expectations developed with what has been achieved; and
- Evaluation of the adequate disclosure of information in explanatory notes to the consolidated financial statements.

Based on the audit procedures performed in the revenue recognition processes of the Company and its subsidiaries, and the audit evidence obtained that support our tests, including our analysis and understanding, we believe that the recognition of the Company's revenue, as well as the respective disclosures in the explanatory notes, they are adequate, in the context of the consolidated financial statements, taken as a whole.

Intangible asset impairment assessment, especially for those with an indefinite useful life

Audit response on this matter

As disclosed in note Nº 9 to the individual and consolidated financial statements, the Company and controlled have intangible assets in the amount of R\$ 2,004,124 thousand as of December 31, 2021. Most of the rights involved are related to its business operations and include goodwill paid by expected future profitability, whose recoverable amount must be assessed annually, as required by Technical Pronouncement CPC 01(R1)/IAS36 - Reduction to the Recoverable Value of Assets. As mentioned in the aforementioned explanatory note, the Company and controlled performs an impairment test, which involves a high degree of judgment of estimates by the Management, based on the discounted cash flow method, which takes into account several assumptions, such as: discount, inflation projection, economic growth, among others. Therefore, this matter was considered by the audit as a risk area due to the uncertainties inherent in the process of determining the estimates and judgments involved in the preparation of future cash flows discounted to present value, such as market demand projections, operating margins and discount rates that could significantly change the expected realization of said assets.

Our audit procedures included, among others:

- Assessment of internal or external signs that could bring evidence of the occurrence of devaluation of assets;
- Use of specialized professionals to assist in reviewing the impairment test of assets, evaluating the assumptions and methodology used by the Company's Management together with its external experts hired to prepare the analysis reports;
- Ongoing challenge of assumptions used by Management, aiming to corroborate if there would be inconsistent assumptions and/or that should be revised, such as: revenue growth, costs and expenses, and several other inflation and price indicators; and
- Assess whether the required disclosures in the individual and consolidated financial statements were appropriate;

Based on the procedures performed, we consider that the assumptions and methodologies used by the Company and controlled to assess the recoverable amount of said assets are reasonable, as well as the due disclosures, are adequate, in the context of the individual and consolidated financial statements taken as a whole.

Business combination

As disclosed in Notes Nº 2.23 and Nº 7.1, in 2021, some companies was acquired, which includes goodwill with expected future profitability, in the amount of R\$ 1,287,903 thousand (consolidated). The process of valuation and measurement of assets acquired and liabilities assumed at fair values and the determination of the acquisition price was carried out by the Company and controlled's Management and also involved the hiring of external specialist appraisers. We consider this matter as one of the main audit matters due to the inherent complexity of business combination processes, which involve determining the acquisition date, as well as identifying and determining the fair values of acquired assets, assumed liabilities and goodwill arising from negotiations.

Audit response on this matter

Our audit procedures included, among others:

- Reading of the contract and meeting minutes related to the acquisition, as well as obtaining evidence that supported the determination of the date of acquisition of control by the Company and controlled;
- Involvement of our specialists in business valuation to analyze the methodology used by external appraisers hired by the Company and controlled, to measure the fair value of acquired assets and assumed liabilities and assess the reasonableness of the assumptions used and calculations made comparing them, when available, with market information;
- Assessment of opening balances on the date control is acquired, as to whether the accounting practices adopted by the acquired company are consistent with accounting practices adopted in Brazil and the international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB);
- Review of the calculation to determine the final goodwill calculated on the transactions; and
- Assessing the proper disclosure of information in the explanatory notes to the individual and consolidated financial statements.

Based on the result of the audit procedures on the business combination, which is consistent with the assessment made, we consider that the judgments and assumptions used by Management in the process of identifying and measuring the fair value of assets acquired and liabilities assumed in the business combination and the determination of goodwill with expectation of future recovery, are acceptable, as well as the respective disclosures in the explanatory notes, are adequate, in the context of the individual and consolidated financial statements taken as a whole.

Other matters

Individual and consolidated statements of value added – additional information

The individual and consolidated statements of value added (DVA) for the year ended December 31, 2021, prepared under the responsibility of the Company's Management, and presented as supplementary information for IFRS purposes, were submitted to audit procedures performed together with the audit of the Company's individual and consolidated financial statements. To form our opinion, we assessed whether these statements are reconciled with the individual and consolidated financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of added value have been duly prepared, in all material respects, in accordance with the criteria defined in this Technical Pronouncement and are consistent with the individual and consolidated financial statements taken as a whole.

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

The Company's management is responsible for these others information, which comprise the Management Report.

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

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

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

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

Those charged with governance in the Company and in its controlled companies are responsible for overseeing the Company's financial reporting process that comprehend the Board of the Company and its controlled companies.

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

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

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

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its controlled companies' internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its controlled 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 individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its controlled companies to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical 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, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters.

We describe these matters in our 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.

Campinas, March 14, 2022.



BDO RCS Auditores Independentes SS
CRC 2 SP 013846/O-1

A handwritten signature in blue ink, appearing to read "Esmir de Oliveira".

Esmir de Oliveira
Accountant CRC 1 SP 109628/O-0

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Balance sheet

As of December 31, 2021 and 2020

(Values expressed in thousands of Brazilian Reais)

Assets						Liabilities and net equity					
	Note	Parenty Company		Consolidated			Note	Parenty Company		Consolidated	
		2021	2020	2021	2020			2021	2020	2021	2020
Current						Current					
Cash and cash equivalents	4	268,281	474,276	793,241	591,608	Loans and financing	10	20,000	-	267,862	44,876
Accounts receivable	5	-	-	540,021	217,917	Debentures	11	14,232	-	74,232	-
Recoverable taxes	6	4,603	485	51,297	22,687	Trade accounts payable	12	5,049	363	99,380	17,803
Prepaid expenses		3,433	1,640	24,711	6,692	Payroll and social charges payable		1,740	133	69,029	26,797
Dividends Receivable	15	33,691	-	-	-	Dividends Payable	15	34,239	10,646	36,133	10,646
Other accounts receivable		2,739	189	90,903	27,375	Taxes payable		790	888	68,684	18,812
		312,747	476,590	1,500,173	866,279	Obligations due to investment acquisition	7	8,590	1,500	255,965	38,467
						Lease liability	13	-	4,739	26,238	7,645
						Others accounts payable		-	-	-	603
								84,640	18,269	897,523	165,649
Noncurrent						Noncurrent					
Related-party	15	1,020,351	12,218	-	-	Loans and financing	10	-	-	1,007,551	162,260
Accounts receivable	5	-	-	9,129	4,489	Debentures	11	493,359	-	1,318,007	-
Recoverable taxes	6	359	20	12,407	4,202	Taxes payable		-	-	8,839	2,000
Deferred income tax and social contribution	21	-	-	32,876	12,999	Related-party	15	23,486	12,728	-	-
Court deposits	14	-	-	2,377	2,463	Provision for loss on investments	7	-	1,054	-	-
Other accounts receivable		-	-	13,071	5,094	Deferred income tax and social contribution	21	-	-	159,904	13,995
						Obligations on account of investment acquisition	7	400	13,990	112,513	51,257
Investments in controlled companies	7	444,412	751,772	-	-	Provision for contingencies	14	-	-	2,327	2,579
Fixed assets	8	1,186	24,422	1,287,212	356,514	Lease liability	13	-	17,203	49,973	20,671
Intangible assets	9	58	-	2,004,124	392,121			517,245	44,975	2,659,114	252,762
		1,466,366	788,432	3,361,196	777,882						
						Net equity					
						Share capital	16	1,151,602	1,151,602	1,151,602	1,151,602
						Expenses for issuing shares		(107,937)	(107,937)	(107,937)	(107,937)
						Capital Transactions		(128,544)	(10,520)	(128,544)	(10,520)
						Profit reserves		267,781	157,857	267,781	157,857
						Accumulated Conversion Adjustment		(5,674)	10,776	(5,674)	10,776
						Attributable to controlling interest		1,177,228	1,201,778	1,177,228	1,201,778
						Non-controlling interest		-	-	127,504	23,972
								1,177,228	1,201,778	1,304,732	1,225,750
Total assets		1,779,113	1,265,022	4,861,369	1,644,161	Total liabilities and equity		1,779,113	1,265,022	4,861,369	1,644,161

Management's explanatory notes are an integral part of the individual and consolidated financial statements

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Income Statements

Years ended December 31, 2021 and 2020

(Amounts expressed in thousands of Brazilian Reais, except earnings per share)

	Note	Parenty Company		Consolidated	
		2021	2020	2021	2020
Net operating revenue	18	-	-	1,916,332	701,612
Cost of services rendered	19	-	-	(1,499,772)	(542,819)
Gross Profit		-	-	416,560	158,793
Operating (expenses)/revenues					
General, administrative and selling	19	-	(12,306)	(103,891)	(31,151)
Equity in earnings of controlled companies	7	145,960	76,809	-	-
Other operating revenues/(expenses), net	19	-	810	16,073	1,484
		145,960	65,313	(87,818)	(29,667)
Operating income before financial income		145,960	65,313	328,742	129,126
Financial results					
Financial expenses	20	(17,193)	(26,288)	(144,351)	(69,217)
Financial income	20	15,396	5,799	38,275	14,595
		(1,797)	(20,489)	(106,076)	(54,622)
Net income before income and social contribution taxes		144,163	44,824	222,666	74,504
Current income tax and social contribution	21	-	-	(47,055)	(12,421)
Income tax and social contribution - Deferred	21	-	-	(6,740)	(12,560)
Income for the year		144,163	44,824	168,871	49,523
Attributable to					
Controlling interest				144,163	44,824
Non-controlling interest				24,708	4,699
Number of shares at period end		112,935,588	112,935,588		
Earnings per share (basic and diluted) at the end of the period - in R\$		1.28	0.40		

Management's explanatory notes are an integral part of the individual and consolidated financial statements.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Individual and consolidated statements of comprehensive income

Years ended December 31, 2021 and 2020

(Values expressed in thousands of Brazilian Reais)

	Parenty Company		Consolidated	
	2021	2020	2021	2020
Income for the year	144,163	44,824	168,871	49,523
Items that may affect results in subsequent periods:				
Equity Valuation Adjustment	-	(984)	-	(984)
Exchange Variation on Agio on an investee abroad	475	2,437	(2,349)	4,070
Accumulated Conversion Adjustment	(16,925) #	9,139	(14,661)	9,139
Other comprehensive results	<u>127,713</u>	<u>55,416</u>	<u>151,861</u>	<u>61,748</u>
Attributable to:				
Controlling interest	127,713	55,416	127,713	55,416
Non-controlling interest	-	-	24,148	6,332

Management's explanatory notes are an integral part of the individual and consolidated financial statements.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Demonstrações das mutações do patrimônio líquido

Years ended December 31, 2021 and 2020

(Values expressed in thousands of Brazilian Reais)

	Profit Reserves							Accumulated profits	Total assignable to controller	Participation of non-controlling shareholders	Total
	Share capital	Expenses on Issuance of Shares	Legal reserve	Unrealized profit reserve	Capital Transactions	Equity Valuation Adjustment	Accumulated Conversion Adjustment				
Balances on January 1, 2020	69,202	-	7,833	117,946	-	984	(800)	-	195,165	13,832	208,997
				#			#				
Capital increase	1,082,400	-	-	-	-	-	-	-	1,082,400	-	1,082,400
Expenses on issuance of shares	-	(107,937)	-	-	-	-	-	-	(107,937)	-	(107,937)
Profit Distribution - previous periods	-	-	-	(2,100)	-	-	-	-	(2,100)	-	(2,100)
Participation of non-controllers	-	-	-	-	-	-	-	-	-	5,441	5,441
Other Comprehensive Results	-	-	-	-	-	(984)	11,576	-	10,592	-	10,592
Variation in percentage of interest in subsidiary	-	-	-	-	(10,520)	-	-	-	(10,520)	-	(10,520)
Net income for the year	-	-	-	-	-	-	-	44,824	44,824	4,699	49,523
Profit destination											
Legal reserve	-	-	2,241	-	-	-	-	(2,241)	-	-	-
Mandatory minimum dividends	-	-	-	-	-	-	-	(10,646)	(10,646)	-	(10,646)
Unrealized profit reserve	-	-	-	31,937	-	-	-	(31,937)	-	-	-
On December 31, 2020	<u>1,151,602</u>	<u>(107,937)</u>	<u>10,074</u>	<u>147,783</u>	<u>(10,520)</u>	<u>-</u>	<u>10,776</u>	<u>-</u>	<u>1,201,778</u>	<u>23,972</u>	<u>1,225,750</u>
Balances on January 1, 2021	<u>1,151,602</u>	<u>(107,937)</u>	<u>10,074</u>	<u>147,783</u>	<u>(10,520)</u>	<u>-</u>	<u>10,776</u>	<u>-</u>	<u>1,201,778</u>	<u>23,972</u>	<u>1,225,750</u>
				#			#				
Expenses on issuance of shares	-	-	-	-	-	-	-	-	-	76,560	76,560
Participation of non-controllers	-	-	-	-	-	-	-	-	-	2,264	(14,186)
Other Comprehensive Results	-	-	-	-	-	-	(16,450)	-	(16,450)	-	(118,024)
Variation in percentage of interest in subsidiary	-	-	-	-	(118,024)	-	-	-	(118,024)	-	-
Net income for the year	-	-	-	-	-	-	-	144,163	144,163	24,708	168,871
Profit destination											
Legal reserve	-	-	7,208	-	-	-	-	(7,208)	-	-	-
Mandatory minimum dividends	-	-	-	-	-	-	-	(34,239)	(34,239)	-	(34,239)
Unrealized profit reserve	-	-	-	102,716	-	-	-	(102,716)	-	-	-
On December 31, 2021	<u>1,151,602</u>	<u>(107,937)</u>	<u>17,282</u>	<u>250,499</u>	<u>(128,544)</u>	<u>-</u>	<u>(5,674)</u>	<u>-</u>	<u>1,177,228</u>	<u>127,504</u>	<u>1,304,732</u>

Management's explanatory notes are an integral part of the individual and consolidated financial statements.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Statements of cash flows

Years ended December 31, 2021 and 2020

(Values expressed in thousands of Brazilian Reais)

	Parenty Company		Consolidated	
	2021	2020	2021	2020
Cash flows from operating activities				
Income for the year	144,163	44,824	168,871	49,523
Adjustments to reconcile income to cash from (applied to) operations:				
Depreciation and amortization	-	3,449	188,195	68,428
Allowance for doubtful accounts	-	-	(905)	41
Residual value of disposed fixed and intangible assets	-	-	52,544	16,046
Provision for contingencies	-	-	(525)	(4,853)
Income tax and social contribution - Deferred	-	-	(6,740)	(12,560)
Equity in earnings of controlled companies	(145,960)	(76,809)	-	-
Realization of equity valuation adjustment	-	(984)	-	(984)
Interest on loans and financing, debentures, leases and exchange rate variation	14,463	9,754	102,936	24,121
Amortization on issuance of debentures	-	3,509	-	3,509
Changes in assets and liabilities				
Accounts receivable	-	-	(83,238)	(65,667)
Recoverable taxes	(4,457)	26	(20,872)	15,141
Prepaid expenses	(1,793)	(1,640)	(11,834)	(5,852)
Other accounts receivable	4,197	(186)	66,260	(6,844)
Court deposits	-	-	2,687	3,140
Trade accounts payable	4,686	363	(92,024)	(26,834)
Payroll and social charges	1,607	133	9,656	2,680
Taxes payable	(98)	888	(70,900)	12,528
Other accounts payable	-	-	(603)	(15,491)
Lease	-	-	-	-
Cash from (invested in) operations	16,808	(16,673)	303,508	56,072
Interest paid on loans and financing	-	(4,955)	(49,416)	(27,742)
Interest paid on debentures	-	(5,031)	(39,733)	(6,386)
Interest paid on leasing	(706)	-	(2,703)	-
Paid income tax and social contribution	-	-	(47,055)	(12,421)
Net cash from (invested in) operating activities	16,102	(26,659)	164,601	9,523
Cash flows from investing activities				
Cash spent on business acquisitions, net of cash received	-	(36,374)	(1,435,610)	(107,233)
Payment of obligations on account of acquisition of investments	(50,000)	-	(260,097)	-
Acquisition of property, plant and equipment and intangible assets	(279)	(2,886)	(140,790)	(89,308)
Net cash invested in investment activities	(50,279)	(39,260)	(1,836,497)	(196,541)
Cash flows from financing activities				
Attributed to shareholders				
Capital increase	-	1,082,400	-	1,082,400
Payment of expenses with issuance of shares	-	(107,937)	-	(107,937)
Profit Distribution - previous periods	(10,646)	(2,100)	(8,822)	(2,100)
Receipt of Dividends	311	-	-	-
Assigned to financing				
Related parts	(669,945)	(341,294)	-	(14,952)
Lease payments	(4,014)	(4,320)	(20,014)	(10,889)
Borrowings and financing	20,000	163,000	661,657	214,242
Debenture funding	500,000	-	1,400,000	-
Costs in raising debentures	(6,641)	-	(21,993)	-
Interest payments on loans and financing	(883)	(209,307)	(99,138)	(356,720)
Debenture payments	-	(100,000)	(19,831)	(106,160)
Net Increase in cash and cash equivalents	(171,818)	480,442	1,891,859	697,884
Increase (decrease) in cash and cash equivalents	(205,995)	414,523	219,963	510,866
Exchange variation of cash and cash equivalents	-	-	(18,330)	3,103
Cash and cash equivalents at beginning of period	474,276	59,753	591,608	77,639
Cash and cash equivalents at end of period	268,281	474,276	793,241	591,608

Management's explanatory notes are an integral part of the individual and consolidated financial statements.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Added Value Statements

On December 31, 2020 and 2019

(Values expressed in thousands of Brazilian Reais)

	Parenty Company		Consolidated	
	2021	2020	2021	2020
Revenues				
Sales of products, goods and services	-	-	2,177,887	786,885
Other revenues	-	-	19,572	13,522
Allowance for doubtful debts - reversal / (constitution)	-	-	(41)	132
	-	-	2,197,418	800,539
Inputs acquired from third parties				
Costs of products, goods and services sold, plus materials, energy, third party services and other	-	(8,745)	(707,850)	(227,534)
	-	(8,745)	(707,850)	(227,534)
Net value added generated	-	(8,745)	1,489,568	573,005
Depreciation, amortization and depletion, net	-	(3,449)	(188,195)	(68,428)
Net value added generated by the Company	-	(12,194)	1,301,373	504,577
Value added received in transfer				
Equity Income	145,960	76,809	-	-
Other income / recoveries	-	984	22,423	2,802
Financial income and monetary and exchange rate measures	15,396	5,799	38,275	14,595
	161,356	83,592	60,698	17,397
Total value added to be distributed	161,356	71,398	1,362,071	521,974
Payroll, charges and benefits				
Personnel, charges and benefits				
Direct compensation	-	-	547,666	205,816
Benefits	-	-	86,779	45,169
FGTS (Severance Pay Fund)	-	-	18,902	9,667
Taxes, fees and contributions				
Federal	467	639	343,790	118,716
State	-	-	27,303	10,374
Municipal	-	-	30,501	15,513
Return on debt capital				
Financial expenses, exchange rate gains (losses) and monetary changes	16,726	25,935	138,259	67,196
Return on equity capital				
Retained earnings for the period	144,163	44,824	144,163	44,824
Non-controlling interest in retained earnings	-	-	24,708	4,699
	161,356	71,398	1,362,071	521,974

Management's explanatory notes are an integral part of the individual and consolidated financial statements.

1. General information

Ambipar Participações e Empreendimentos S.A. ("Company" or "Ambipar") is a publicly-held corporation headquartered in the city of São Paulo, at Avenida Pacaembu, 1,088. It was created on October 26, 2010 and its objective is to act as a holding company, controlling shareholdings. Formed by two reference segments in the environmental management market "Environment" and "Response", it has in its DNA the commitment to sustainable issues, working on the ESG ("Environment, Social and Governance") pillars within its businesses and supporting its customers.

With several environmental solutions developed through the RD&I (Research, Development and Innovation) sector, it has registered patents for sustainable products, promotes circular economy and assists companies with the correct disposal of their waste.

Ambipar went public on July 13, 2020. It was the first environmental management company to join B3, the Brazilian stock exchange, starting to trade its shares in the Novo Mercado corporate governance segment with stock ticker code AMBP3.

1.1. Ownership interest

The Company and its subsidiaries (jointly called "Ambipar Group") operate in the following business segments:

- **Environment:** pioneers in the entire chain of environmental services, from waste planning, management and recovery to project execution. Experienced in the development of technologies and constant innovation for the protection of the environment. Its operations are triple certified, according to environmental quality and occupational health and safety standards. In addition, it has in its portfolio consultancy and environmental audit, quality, health and safety services with the development of management software, ensuring effective compliance to its customers, relying on technology and artificial intelligence.
- **Response:** It acts in prevention, management and response to the emergency of accidents with dangerous or non-dangerous products in all modes of transport, with its own bases and presence in 16 countries in South America, Europe, Africa, North America and Antarctica. In addition, it provides industrial firefighters who work at customer facilities and has the largest and most complete training field in Latin America, training employees and customers with the most complete structure focused on emergency response and management in multimodal scenarios.

Notes to the individual and consolidated financial statements
For the years ended December 31, 2021 and 2020
(In thousands of Brazilian Reais, unless otherwise stated)

- Outros: The Others segment comprises the Company and the company listed listed in the table in note 2.4.

As of December 31, 2021, the Company's shareholdings and their respective areas of operation are shown in note 2.4 "Basis of Consolidation".

1.2. Authorization to issue this individual and consolidated financial statements

The issuance of these individual and consolidated financial statements was authorized by the Board of Directors on March 14, 2022.

2. Summary of main accounting policies

2.1. Bases of preparation

The financial statements have been prepared and are presented in accordance with the Brazilian accounting practices, based on the provisions included in Brazilian Corporate Law, pronouncements, interpretations and guidelines issued by the Committee of Accounting Pronouncements (CPC), standards issued by the Brazilian Securities and Exchange Commission (CVM), and International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and evidence all material information specific to the financial statements, which is consistent with the information used by Management. The Consolidated financial statements are identified as "Consolidated" and the Parent Company's Individual financial statements are identified as "Parent Company".

The Company's individual and consolidated financial statements are expressed in thousands of Brazilian reais ("R\$"). Additionally, disclosures of amounts in different currencies, when necessary, were also expressed in thousands. Items disclosed in Brazilian Reais are informed when applicable.

The preparation of the Company's individual and consolidated financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, including contingent liabilities. However, the uncertainty related to these assumptions and estimates may lead to results requiring significant adjustments to the book value of certain assets and liabilities in future years.

The Company's management states that all relevant information on the financial statements is being evidenced and corresponds to the information used by the Company's Management on its administration .

Notes to the individual and consolidated financial statements
For the years ended December 31, 2021 and 2020
(In thousands of Brazilian Reais, unless otherwise stated)

The individual and consolidated financial statements were prepared considering the historical cost as a basis of value and certain assets and liabilities measured at fair value.

The accounting policies and calculation methods used in the preparation of these financial statements were the same adopted in the preparation of the Company's financial statements for the year ended December 31, 2020.

2.2. New or revised pronouncements applied for the first time in 2021

- a) Reform of the Reference Interest Rate – IBOR “phase 2” (Changes to the IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Reform of the Reference Interest Rate – IBOR “phase 2”) - The amendments are mandatory for periods beginning on or after January 1, 2021, and clarify aspects related to the definition of the reference interest rate for application in these rules. No significant impact has been assessed by the Company.

- b) Impacts of COVID-19 on rental concessions (Amendments to IFRS 16)

As of June 1, 2020 (with further change to as of June 1, 2021), IFRS 16 has been amended to provide a practical expedient for lessees accounting for rental concessions received as a direct consequence of the COVID pandemic. -19 and satisfy all of the following conditions:

- i. The change in lease payments results in revised consideration for the lease that is substantially equal to or less than the consideration for the lease immediately prior to the change;
- ii. Any contract booking agreement reduction only those due on or before contract 30, 2021 (for example, an accrual benefit on a lease) on small lease packages on or before June 30, 2021 and on increased rent payments that are after June 30, 2021 (with the analysis extended to June 30, 2022);
- iii. There is no material change to other terms and conditions of the lease agreement.

Rental concessions that meet these criteria can be accounted for according to practical expedient, which means that the lessee does not assess whether the rental concession meets the definition of a lease modification.

Notes to the individual and consolidated financial statements
For the years ended December 31, 2021 and 2020
(In thousands of Brazilian Reais, unless otherwise stated)

We chose not to use the practical expedient for all rental concessions that met these criteria.

The first adoption of IFRS 16/CPC 06 (R2) at January 1, 2019 generated the following accounting recognition:

	Value
Total assets non-current	<u>6,030</u>
Current liabilities	
Lease liabilities	2,276
Interest to be appropriated from lease agreements	(120)
Nom-current liabilities	
Lease liabilities	5,121
Interest to be appropriated from lease agreements	<u>(1,247)</u>
Total liabilities	<u>6,030</u>

The Company adopted the simplified retrospective model as permitted by the standard. Notes 8 (f) and 14 present the new information and breakdown of the balances as required by the new standard.

The discount rate used is 8% p.a. and corresponds to the average market cost of debt in the form of asset acquisition, in that occasion.

2.3. New standards, reviews and interpretations issued that were not yet in force on December 31, 2021

a) Onerous contracts - Cost of contract compliance (Amendments to IAS 37)

They apply to annual periods beginning on or after January 1, 2022 for contracts existing on the date the changes are first applied. The change specifically determines which costs should be considered when calculating the cost of fulfilling a contract. The Company does not expect significant impacts upon the adoption of this standard.

b) Other standards

For the following standards or changes, management has not yet determined whether there will be significant impacts on the Company's financial statements, namely :

- Change in the standard IAS 16 Property, plant and equipment - Classification of the result generated before the property, plant and equipment is in projected conditions of use. Clarifies aspects to be considered for the classification of items produced before the fixed asset is in the projected conditions of use. This standard change is effective for years beginning on or after January 1, 2022;

Notes to the individual and consolidated financial statements
For the years ended December 31, 2021 and 2020
(In thousands of Brazilian Reais, unless otherwise stated)

- Annual improvements in IFRS Standards 2018-2020 effective for periods beginning on or after January 1, 2022. Makes changes to IFRS 1 standards, addressing aspects of first adoption in a subsidiary; IFRS 9, addressing the 10% test criterion for the reversal of financial liabilities; IFRS 16, addressing illustrative examples of leasing and IAS 41, addressing aspects of measurement at fair value. These standard changes are effective for years beginning on or after January 1, 2022;
- Amendment to IFRS 3 - includes conceptual alignments of this standard with the conceptual structure of IFRS. The amendments to IFRS 3 are effective for periods beginning on or after 1 January 2022;
- Amendment to IAS 8 - changes the definition of accounting estimate, which is now considered as "monetary values in the financial statements subject to measurement uncertainty", effective for periods beginning on or after 01/01/2023;
- Amendment to IAS 12 - brings an additional exception to the exemption from initial recognition of deferred tax related to assets and liabilities resulting from a single transaction, effective for periods beginning on or after 01/01/2023;
- Amendment to IFRS 17 - includes clarification of aspects related to insurance contracts. Amendment to IFRS 17 effective for periods beginning on or after 1 January 2023;
- Amendment to IFRS 17 - includes clarification of aspects related to insurance contracts. Amendment to IFRS 17 effective for periods beginning on or after 1 January 2023; and
- Amendment to IAS 1 - Classification of liabilities as Current or Non-current. This amendment clarifies aspects to be considered for the classification of liabilities as current and non-current. Amendment to IAS 1 effective for periods beginning on or after 1 January 2023. In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether a liability is classified as current or non-current. These amendments clarify that the current classification is based on whether an entity has the right at the end of the reporting period to defer settlement of liability for at least twelve months after the reporting period. The amendments also clarify that the "agreement" includes the transfer of cash, goods, services or equity instruments, unless the obligation to transfer cash, goods, services or equity instruments arises from a conversion facility classified as an equity instrument. separately from the liability component of a compound financial instrument. The changes were originally effective for annual reports beginning on or after January 1, 2022. However, in May 2020, the effective date was deferred for annual reporting periods beginning on January 1, 2023.

The Company is currently evaluating the impact of these new standards and accounting changes. The Company will assess the impact of the final amendments to IAS 1 on the classification of its liabilities as they are issued by the IASB. The Group does not believe that the amendments to IAS 1, in its current form, will have a significant impact on the classification of its liabilities, as the conversion facility in its convertible debt instruments is classified as an equity instrument and, therefore, is not affects the classification of your convertible debt as a non-current liability.

Other pronouncements and interpretations

There are no other standards, amendments to standards and interpretation that are not in effect that the Company and its subsidiaries expect to have a material impact from their application in their individual and consolidated financial statements.

2.4. Consolidation basis

Subsidiary is an entity, including an entity not constituted in the form of a company such as a partnership, in which the controlling company, directly or through other subsidiaries, holds shareholder rights that permanently ensure preponderance in corporate resolutions and the power to elect the majority of directors.

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The consolidated financial statements cover the following companies and companies:

Environment Segment Companies	Short Name	Countries	Activity	12.31.2021		12.31.2020	
				Directly	Indirect	Directly	Indirect
Environmental ESG Participações S.A.	Holding Environmental ESG	Brazil	Holding in airlines that operate in total management, movement of industrial vehicles, post-consumption, environmental focus and specialized services with valorization. Environmental consulting and auditing and management software development.	100,00%	-	100,00%	-

Response Segment Companies	Short Name	Countries	Activity	12.31.2021		12.31.2020	
				Directly	Indirect	Directly	Indirect
Ambipar Howells Consultancy Limited	Ambipar Howells	UK	Emergency Response	-	100,00%	100,00%	-
Ambipar Response Limited	Ambipar Response UK	UK	Emergency Response	-	100,00%	100,00%	-
Emergência Participações S.A.	Emergência Participações	Brazil, USA, UK, Canada, Ireland, Chile, Peru and Uruguay	Holding with participation in companies that work in training, prevention and assistance to Emergencies.	100,00%	-	100,00%	-

Others Segment Companies	Short Name	Countries	Activity	12.31.2021		12.31.2020	
				Directly	Indirect	Directly	Indirect
Ambipar Bank Intermediação de Negócios, Pagamentos e Participações Ltda	Ambipar Bank	Brazil	Financial services intermediation and agency .	100,00%	-	-	-
Universe Ambipar Serviços Comércio e Consultoria S.A.	Universe	Brazil	Development of derivative products with e-commerce	100,00%	-	-	-
Bleu Empreendimentos Digitais Ltda	Bleu	Brazil	Asset tokenization solutions, digital wallet management, development of smartcontracts on blockchain technology	50,00%	-	-	-
Ambipar Financial Participações S.A.	Financial	Brazil	Equity interest in financial institutions	100%	-	-	-

2.5. Currency translation

(a) Funcional and reporting currency

Items included in the Company's individual and consolidated financial statements are measured using the currency of the primary economic environment in which the Company operates (functional currency). The individual and consolidated financial statements are presented in Brazilian Reais (R\$) which is the functional currency. All financial statements disclosed was rounded to the nearest unit, unless otherwise stated.

(b) Foreign currency

Transactions in foreign currency are translated into the functional currency at the exchange rates in effect on the dates of the transactions or valuation, when the items are measured. Exchange rate gains and losses resulting from the settlement of those transactions and from the translation at the year-end exchange rates, referring to monetary assets and liabilities in foreign currency, are recognized in the statement of income. Exchange rate gains and losses related to trade accounts receivable and payables and to loans are recognized in the statement of income as financial income or expenses.

(c) Use of estimates and assumptions

The preparation of the individual and consolidated financial statements in accordance with Brazilian accounting practices requires management to apply its best judgment to determine and report its accounting estimates. The settlement of transactions involving these estimates may result in amounts different from those estimated, due to inaccuracies inherent in the process of their determination.

Estimates and assumptions are continuously reviewed. Reviews of accounting estimates are recognized in the year in which the estimates are reviewed and in any future years affected.

Information on critical assumptions related to the adopted accounting practices that affect the values recognized in the individual and consolidated financial statements is included in the following notes:

- Note 2.13 – Impairment of non-financial assets;
- Note 2.16 - Provision for landfill restructuring;
- Note 5 – Allowance for doubtful accounts;
- Note 8 - Residual value and estimated useful life of fixed assets;
- Note 14 – Provision for contingencies; and
- Note 22 – Insurance.

2.6. Cash and Cash equivalents

Cash and cash equivalents include cash, bank deposits, highly liquid short-term investments, redeemable in up to three months or less, with an insignificant risk of change in fair value and with the objective of meeting short-term commitments.

2.7. Financial assets and liabilities

2.7.1. Financial assets

Classification

Upon initial recognition, a financial asset is classified as measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL").

A financial asset is measured at amortized cost if it satisfies both of the following conditions: (i) the asset is maintained within a business model in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset give rise, on specific dates, to cash flows that are only payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI only if it satisfies both of the following conditions: (i) the asset is maintained within a business model whose objective is achieved both by collecting contractual cash flows and by selling financial assets; and (ii) the contractual terms of the financial asset give rise, on specific dates, to cash flows that represent payments of principal and interest on the principal amount outstanding. All other financial assets are classified as measured at fair value through profit or loss.

In addition, upon initial recognition, the Company may, irrevocably, designate a financial asset, which meets the requirements to be measured at amortized cost, FVOCI or even FVTPL. This designation has the objective of eliminating or significantly reducing a possible accounting mismatch resulting from the result produced by the respective asset.

Recognition and measurement

Purchases and sales of financial assets are recognized on the trade date. Investments are initially recognized at fair value, plus transaction costs for all financial assets not classified as at fair value recognized in profit or loss.

Financial assets at fair value recognized in the income statement are initially recognized at fair value, and the transaction costs are charged to the income statement in the period in which they occur.

The fair value of publicly quoted investments is based on the current purchase price. If the market for a financial asset is not active, the Company establishes fair value using valuation techniques. These techniques include the use of recent operations contracted with third parties, the reference to other instruments that are substantially similar, the analysis of discounted cash flows and the option pricing models, privileging market information and minimizing the use of information generated by Management.

Recoverable value (impairment) of financial assets – assets measured at amortized cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or Group of financial assets is impaired. The criteria used by the Company to determine whether there is objective evidence of an impairment loss include: (i) significant financial difficulty for the issuer or borrower; (ii) a breach of contract, such as default or delay in payment of interest or principal; (iii) probability that the debtor will declare bankruptcy or financial reorganization; and (iv) extinction of the active market for that financial asset due to financial problems.

Derecognition of financial assets

A financial asset (or, when applicable, a portion of a financial asset or part of a Group of similar financial assets) is written off mainly when: (i) the rights to receive cash flows from the asset have expired; and (ii) the Company transferred its rights to receive cash flows from the asset or assumed an obligation to pay the received cash flows in full, without significant delay, to a third party under a “pass-through” agreement; and (a) the Company transferred substantially all risks and benefits related to the asset; or (b) the Company did not transfer and did not substantially retain all risks and benefits related to the asset, but transferred control over that asset.

When the Company has transferred its rights to receive cash flows from an asset, or has executed a transfer agreement and has not transferred or retained substantially all the risks and benefits related to the asset, an asset is recognized to the extent of the Company's continued involvement with that asset.

2.7.2. Financial liabilities

Recognition and measurement

A financial liability is classified as measured at fair value through statement of income when it is designated as held for trading or designated as such at initial recognition. Transaction costs are recognized in statement of income as incurred. These financial liabilities are measured at fair value, and possible changes in fair value, including gains on interest and dividends, are recognized in statement of income for the year.

The Company's financial liabilities, which are initially recognized at fair value, include trade accounts payable and other accounts payable, loans and financing and debentures, are added the directly related transaction cost.

Subsequent measurement

After initial recognition, loans and financing, debentures, suppliers and accounts payable are subsequently measured at amortized cost, using the effective interest rate method.

Loan costs

Loan costs attributed to the acquisition, construction or production of an asset, necessarily requiring a significant amount of time to be ready for its intended use or sale, are capitalized as part of the cost of these assets.

Loan costs refer to interest and other costs incurred by the Company that are related to the raising of funds.

Derecognition of financial liabilities

A financial liability is written-off when the obligation is revoked, cancelled or expired. When an existing financial liability is replaced by another of the same lender with significantly different terms, or when the terms of an existing liability are significantly changed, this substitution or amendment is recognized as a write-off of the original liability and recognition of a new one, and the difference in their book values is recognized in the statement of income.

2.8. Trade accounts receivable

Trade accounts receivable consist of amounts receivable from customers for services rendered over the normal course of the Company's transactions. If the collection period is one year or less (or another period in line with the Company's operating cycle), accounts receivable are classified as current assets. Otherwise, they are stated in noncurrent assets.

Trade accounts receivable are firstly recognized at fair value and then measured at the amortized cost by using the effective interest rate method, less allowance for doubtful account (impairment). Actually, they are normally recognized at their billed amount, adjusted by impairment, if applicable.

2.9. Other accounts receivable (current and non-current)

These are initially recognized at their fair value and later measured at net realizable value.

Expenses related to the acquisition of carbon credits that will be traded are also recorded under Other accounts receivable, at their acquisition cost value and subsequently measured, whichever is lower, between the fair value, net of costs to sell and the cost value recorded on the base date. The contra entry is recorded in income for the year, in accordance with IAS 02/CPC 16R1.

2.10. Investments in subsidiaries

Investments held in a subsidiary are measured using the equity method (Note 7). The financial statements of subsidiaries are adjusted, when applicable, to the Company's accounting practices.

Investments are initially recognized at cost and, subsequently, adjusted by recognizing the interest attributed to the Company in the changes in the net assets of the investees, less provisions for impairment, when applicable.

The financial statements of investments abroad are converted to the same accounting practices and presentation currency of the Company. Currency adjustments are classified under "Cumulative translation adjustment - shareholders' equity". Realization occurs when the write-off, sale, receipt of dividends from these investments.

2.11. Intangible assets

Acquired software licenses are capitalized according to costs incurred to acquire the software and make it ready for use. These costs are amortized during their estimated useful lives .

Costs associated with software maintenance are recognized as an expense, as incurred. Development costs that are directly attributable to the design and testing of identifiable and exclusive software products, controlled by the Company, are recognized as intangible assets when the following criteria are met.

Other expenses on development that do not meet those criteria are recognized as expenses when incurred. Development costs previously recognized as expenses are not recognized as assets in a following period.

Software development costs recognized as assets are amortized during their estimated useful lives.

2.12. Fixed Assets

Sanitary landfills are evaluated at the cost of areas and investments in preparation for operation. They are amortized according to the amount of waste deposited versus the total waste capacity. Plots of land and buildings mainly comprise warehouses and offices.

Fixed assets are measured at historical cost less accumulated depreciation. The historical cost includes expenses directly attributable to the acquisition of assets. It also includes financing costs related to the acquisition of qualifying assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits will flow associated with the item and when the item's cost can be reliably measured. The carrying amount of items or spare parts is written off. All other repairs and maintenance are recognized in statement of income for the year, as incurred.

Plots of land are not depreciated. The depreciation of other assets is calculated using the straight line method to allocate costs to residual values during the estimated useful life, except for sanitary landfills.

The residual values and useful lives of assets are reviewed and adjusted if appropriate, at each year end.

The carrying value of an asset is immediately written down according to its recoverable amount if the carrying value of the asset is greater than its estimated recoverable amount.

Gains and losses from disposals are determined by comparing results with book value and are recognized under "Other operating revenues (losses), net" in the statement of income.

2.13. Impairment of non-financial assets

The assets which are subject to depreciation and amortization are tested for impairment whenever events or circumstances indicate that their carrying value may not be recoverable.

An impairment loss is recognized to the extent the carrying amount of the asset exceeds its recoverable amount. The latter is the higher of the fair value of an asset less selling costs or its value in use.

For impairment testing purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets, should they be impaired, are subsequently reviewed to analyze a possible reversal of impairment at the reporting date.

2.14. Trade accounts payable and other accounts payable

Trade accounts payable and other accounts payable are obligations payable for assets or services acquired from suppliers in the ordinary course of business. They are classified as current liabilities if payment is due in a period of up to one year, otherwise, accounts payable are stated as non-current liabilities.

They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. In fact, they are normally recognized at the corresponding billed amount.

2.15. Loans and financing

Loans and financing are initially recognized at fair value, net of costs incurred in the transaction, and are then stated at their amortized cost.

Any difference between amounts raised (net of transaction costs) and the settlement amount is recognized in the statement of income during the period in which loans are outstanding, using the effective interest rate method.

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Loans and financing are classified as current liabilities, unless the Company has an unconditional right to defer the settlement of a liability for at least 12 months after the balance sheet date.

2.16. Provisions

The provisions for lawsuits (labor, civil and tax) are recognized when: The Company has a present or informal obligation (constructive obligation) as a result of past events; it is probable that an outflow of funds is required to settle the obligation; and the amount has been reliably estimated. The provisions are not recognized in regard to future operating losses.

In the case a series of similar obligations exists, the likelihood of settlement is determined considering the class of obligations as a whole. A provision is recognized even when the likelihood of settlement related to any individual item included in the same class of obligations is small.

The provisions are measured at the present value of the expenses required to settle the obligation, at a rate before taxes that reflects the current market evaluations of the time value of money and of the specific risks of the obligation. The increase of liabilities over time is recognized as a financial expense.

The sanitary landfill restructuring provision is initially recognized considering the estimated landfill remediation costs in compliance with environmental legislation in Brazil, under the heading "Other accounts payable" with a corresponding to the "Property, plant and equipment" item in the Landfill class. Management keeps its studies up-to-date considering monetary updates, third-party budgets to be contracted and internal costs, revising its estimate in case of changes in the original budget.

2.17. Current and deferred income tax and social contribution

2.17.1. Current income tax and social contribution

Companies adopting the deemed profit regime

There are companies that have opted for taxation based on deemed profit. Current and deferred income tax and social contribution are calculated at the rates of 15%, plus a surtax of 10% on taxable income exceeding R\$ 240 for income tax and 9% on taxable income for social contribution tax.

Companies adopting the actual profit regime

Current income tax and social contribution are calculated at the following rates: 15% plus a 10% surtax on taxable income in excess of R\$ 240 thousand for income tax, and 9% on taxable income for social contribution tax, considering, if any, income tax and social contribution losses carry forwards, up to 30% of taxable income.

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Companies in the Simples Nacional regime

Simples Nacional is a differentiated tax regime for micro and small companies that allows the collection of several federal, state and municipal taxes in a single guide. The rate is different, varying according to the billing, which is separated into billing ranges, up to the annual gross revenue of R\$ 4.8 million.

The Company and most of its subsidiaries were taxed at taxable income, with the exception of:

Companies	Country	Taxation
Environment Segment		
Excelência e Sustentabilidade Ltda - WATU	Brazil	Simples Nacional
Ecológica Nordeste Eireli	Brazil	Deemed profit
Ecológica Resíduos Industriais S/A	Brazil	Simples Nacional
MCZ Soluções Ambientais Ltda	Brazil	Deemed profit
Amazon Resíduos Ltda	Brazil	Deemed profit
Boomera Lar Indústria e Comércio de Plásticos Ltda	Brazil	Deemed profit
Disal Ambiental Holding S.A.	Chile	Country legislation
Biofílica Ambipar Environmental Investments S.A.	Brazil	Deemed profit
Ambipar Boomera Environmental Machines S.A.	Brazil	Simples Nacional
SIR Ambiente Inteligência Ambiental Ltda	Brazil	Deemed profit
Brasil Coleta Indústria e Tratamento de Resíduos Ltda	Brazil	Deemed profit
Response Segment		
Ambipar Response Insurance - Atendimento a Seguros LTDA	Brazil	Deemed profit
Suatrans Chile S.A.	Chile	Country legislation
Suatrans Peru S.A.C	Peru	Country legislation
Suatrans Training S.A.	Chile	Country legislation
SIS S.A.	Chile	Country legislation
Horvefel S.A.	Uruguay	Country legislation
SABI Tech S.A.S - Suatrans Chile	Colombia	Country legislation
Ambipar Holding USA, INC	USA	Country legislation
Allied International Emergency, LLC	USA	Country legislation
One Stop Environmental, LLC	USA	Country legislation
Intracoastal Environmental, LLC	USA	Country legislation
Custom Environmental Services, Inc	USA	Country legislation
Environmental Management System (EMS)	USA	Country legislation
Ambipar Holdings UK Limited	UK	Country legislation
Enviroclear Site Service Limited	UK	Country legislation
Ambipar Holding Ireland Limited	Ireland	Country legislation
Lehane Environmental & Industrial Services Ltd	Ireland	Country legislation
Ambipar Holding Canadá, INC	Canada	Country legislation
Orion Environmental Services Ltd.	Canada	Country legislation
Desentupidora Belo Ltda	Brazil	Deemed profit
Inversiones Disal Emergências S.A.	Chile	Country legislation
Ambipar Response Espírito Santo S.A.	Brazil	Deemed profit
Ambipar Response Orbitgeo Ltda	Brazil	Deemed profit
Ambipar Response Ogtec Facilities Ltda	Brazil	Deemed profit
Ambipar Response Wastewater Control Ltda	Brazil	Deemed profit
Ambipar Response Geoweb Ltda	Brazil	Deemed profit
Ambipar Response Geociências Ltda	Brazil	Deemed profit
Swat Consulting Inc.	USA	Country legislation
Professional Emergency Resource Services	USA	Country legislation
Fênix Emergências Ambientais Ltda	Brazil	Deemed profit
APW Ambiental e Transporte Ltda.	Brazil	Simples Nacional
Emerge Hydrovac Inc.	Canada	Country legislation
Lynx Creek Industrial & Hydrovac Ltd.	Canada	Country legislation
Ambipar Howells Consultancy Limited	UK	Country legislation
Ambipar Response Limited	UK	Country legislation
Others Segment		
Bleu Empreendimentos Digitais Ltda	Brazil	Simples Nacional

2.17.2. Deferred income tax and social contribution

Deferred income tax and social contribution are recognized by employing the liability method to temporary differences between the tax bases of existing assets and liabilities and their financial statement carrying amounts. However, deferred income tax and social contribution are not accounted for if they result from the initial recognition of an asset or liability in an operation other than a business combination which, at the time of the transaction, does not affect book income or taxable income (tax loss). Deferred income tax and social contribution are determined using enacted, or substantially enacted, tax rates (and laws) at the balance sheet date and should be applied when the corresponding deferred tax asset is realized or when the deferred tax liability is settled.

Deferred income tax and social contribution assets are only recognized if it is considered probable that there will be sufficient future taxable income against which the temporary differences can be utilized.

Deferred income tax and social contribution assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.18. Employees' benefits

(a) Termination benefits

The Company does not have termination benefit plans for employees.

(b) Profit sharing and bonus

Profit sharing is usually recognized at year end, when the amount can be reliably measured by the Company.

2.19. Revenue recognition

Revenue is presented net of taxes, returns, rebates and discounts. Its recognition is in accordance with CPC 47 - Revenue from customer contracts, which establishes a five-step model to determine how and when it will be recognized, as well as its measurement, as long as revenues and costs can be safely measured. In addition, specific criteria for each of the Company's activities must be met, as described below:

a) Service rendered

The Company and its subsidiaries provide services that comprise the complete chain of environmental management (Environment) and emergency response, which includes prevention, training and emergency response (Response).

Revenue from services rendered is recognized based on services performed during the period up to the balance sheet date.

b) Financial income

Financial income is recognized according to the elapsed time using the effective interest rate method.

2.20. Leases

All leases are accounted for by recognizing a right-of-use asset and a lease liability, except for:

- Leasing of low value assets; and
- Leases lasting less than 12 months.

Lease liabilities are measured at the present value of contractual payments due to the lessor over the lease term, with the discount rate implied in the contract, unless (as is usually the case) this is not easily determinable, in which case the incremental rate on the Company's loans at the beginning of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes that the variable element will remain unchanged throughout the term of the contract. Other variable lease payments are spent in the period to which they are related.

At initial recognition, the carrying amount of the lease liability also includes:

- amounts to be paid under any residual value guarantee;
- the exercise price of any call option granted in favor of the Company and its subsidiaries, if it is reasonable to evaluate this option;
- any penalties to be paid for terminating the lease, if the term of the lease has been estimated based on the termination option being exercised.

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Right-of-use assets are initially measured at the value of the lease liability, less any incentives received, plus:

- lease payments made up to the start date of the contract;
- initial direct costs incurred; and
- the amount of any provision recognized when the Company and its subsidiaries are contractually required to dismantle, remove or restore the underlying asset.

After the initial measurement, the lease liabilities increase as a result of interest charged at a constant rate on the outstanding balance and are reduced by the lease payments made. Use rights assets are amortized using the straight-line method over the remaining lease term or over the remaining economic life of the asset if, rarely, it is considered to be less than the lease term.

When the Company and its subsidiaries revise their term estimates for any lease (because, for example, it reevaluates the probability that a lessee extension or termination option will be exercised), they adjust the carrying amount of the lease liability to reflect payments to do over the revised term, which are discounted using a revised discount rate. The carrying amount of lease liabilities is reviewed in a similar manner when the variable element of future lease payments dependent on a rate or index is reviewed, unless the discount rate remains unchanged. In both cases, an equivalent adjustment is made to the book value of the asset with the right to use, with the revised book value being amortized over the remaining (revised) lease term. If the carrying amount of the asset with the right to use is adjusted to zero, any additional reduction is recognized in the income statement.

When the Company and its subsidiaries renegotiate the contractual terms of a lease with the lessor, the accounting depends on the nature of the change:

- if the renegotiation results in one or more additional assets being leased at an amount compatible with the individual price for the additional use rights obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- in all other cases where the renegotiation increases the scope of the lease (either an extension of the lease term, or one or more additional assets being leased), the lease liability is reevaluated using the discount rate applicable on the date of the modification, with the right of use asset being adjusted by the same amount;
- if the renegotiation results in a reduction in the scope of the lease, both the carrying amount of the lease liability and the right-of-use asset are reduced by the same proportion to reflect the partial or total termination of the lease with any difference recognized in profit or prejudice. The lease liability is then adjusted to ensure that its book value reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the date of the modification. The right-to-use asset is adjusted by the same amount.

For contracts that convey the right to the Company and its subsidiaries to use an identified asset and require services to be provided to the Company and its subsidiaries by the lessor, the Company and its subsidiaries have chosen to account for the entire agreement as a lease, that is, it does not allocate any amount of contractual payments, separately accounting for any services provided by the supplier as part of the contract.

2.21. Distribution of dividends and interest on equity capital

The distribution of dividends and interest on equity capital for the Company's shareholders is recognized as a liability in the Company's individual and consolidated financial statements at year end, based on the Company's bylaws.

Any amount above the minimum mandatory payout is only provided for at the date in which the said payout is approved by the shareholders.

The tax benefit of interest on equity capital is recognized in the statement of income.

2.22. Ajuste a valor presente

The components of assets and liabilities arising from long-term operations, or short-term operations, when there are relevant effects, are adjusted to present value based on discount rates that reflect the best current market assessments of the value of money in the time and the specific risks of the asset and liability. Management analyzed the amounts of assets and liabilities, not having identified balances and transactions for which the adjustment to present value is applicable and relevant for the purposes of the individual and consolidated financial statements.

2.23. Business Combination

Pursuant to CPC 15 (R1) - Business Combinations, business acquisitions are accounted for under the acquisition method. Consideration transferred on a business combination is measured at fair value, calculated by the sum of the fair values of the assets transferred, the liabilities incurred on the date of acquisition to the former controlling shareholders of the acquired company, and the shares issued in exchange for control over the acquired company. The costs related to the acquisition are normally recognized in the statements of income, when incurred.

Goodwill is measured as the excess of the aggregate of the fair value of consideration transferred plus the fair value of any non-controlling interest in the acquiree and the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree (if any) over the fair value of the net amount of identifiable assets acquired less liabilities assumed.

If, after assessment, the net amounts of assets acquired and liabilities assumed identifiable on the date of acquisition are higher than the sum of the consideration transferred, of the non-controlling interest in the acquiree and of the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree, the excess is immediately recognized as a gain in the statement of income.

If the initial accounting of a business combination is incomplete at the end of the year in which such combination occurred, the temporary amounts of the items whose accounting is incomplete are recognized. These temporary amounts are adjusted during the measurement period (which may not exceed one year as from the date of acquisition), or additional assets and liabilities are recognized to reflect the new information obtained in relation to facts and circumstances existing at the date of acquisition which, if known, would have affected the amounts recognized on that date.

2.24. Segment reporting disclosure

The segment reporting information are disclosed in a manner consistent with the decision making process of the chief operating decision-maker. The chief operating decision-maker, responsible for the allocation of funds and for evaluating the performance of operating segments is the Company's management, also responsible for the Company's strategic decisions.

2.25. Earning per share – basic and diluted

The Company calculates basic earnings per share using the total average weighted number of outstanding common and preferred shares during the period corresponding to income (loss), in accordance with accounting pronouncement CPC 41/IAS 33.

2.26. Statement of added value – supplementary information to IFRS

The statement of added value is being prepared and disclosed, consistently with technical pronouncement CPC 09, in compliance with Brazilian corporate law for publicly traded companies and regulated by the Brazilian Securities and Exchange Commission.

2.27. Prepaid expenses

These are basically disbursements made in advance, which will be included in the result as soon as the expenses are effectively incurred, significantly represented by the Group's marketing and advertising expenses.

3. Financial risk management

The Company and its subsidiaries participate in transactions involving financial instruments in order to finance their activities or invest their available financial resources.

These risks are managed through the definition of conservative strategies, aiming at liquidity, profitability and security. The control policy consists of permanently monitoring contracted rates versus those in force in the market.

In the years ended December 31, 2021 and 2020, no transactions were carried out involving derivative financial instruments with speculative purposes and compound financial instruments with embedded derivatives.

Financial instruments are only recognized as from the date the Company becomes a party of the agreements of financial instruments. When recognized, they are initially recognized at fair value plus transactions costs directly attributable to its acquisition or issue (when applicable). Their later measurement happens at balance sheet date, according to the rules established for each type of classification of financial assets and liabilities.

3.1. Financial risk factors

The activities of the Company expose it to several financial risks: market risk (including interest rate on fair value, interest rate on cash flow), price risk, credit risk and liquidity risk. The Company's risk management program focuses on the unpredictability of finance markets and aims to reduce possible adverse effects on the Company's financial performance.

Risk management is performed by the Company's senior management and according to policies approved by the shareholders. The Company's top management identifies, evaluates and hedges the Company against eventual financial risks.

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(a) Market risk

(i) Interest rate risk

The interest rate risk arises from debt portion indexed at TJLP (Long-term Interest Rate) and financial investments indexed at CDI (Interbank Deposit Rate), which may affect the financial income or expenses in case of an unfavorable change in interest rates or inflation. Loans issued at variable rates expose the Company to cash flow interest rate risk.

Loans issued at fixed rates expose the Company and its subsidiaries to the fair value risk associated with the interest rate. Considering that a substantial part of the loans of the Company and its subsidiaries is linked to fixed rates, Management understands that the risk of significant changes in income and cash flows is low.

The Company defined 3 scenarios (probable, possible and remote) to be simulated. Probably, the rates defined by BM&F were defined by Management, and the possible and remote scenarios, a deterioration of 25% and 50%, respectively, in the variables. The calculation basis used is the amount presented in the notes to the cash and cash equivalents, loans and finance lease:

2021

Index risk	Scenarios (Consolidated)			
	Basis	Probable	Possible	Remote
CDI - Financial Investments	659,853	84,131	63,098	42,066
CDI - Debentures	(1,392,239)	(177,510)	(133,133)	(88,755)
Net exposure	<u>(732,386)</u>	<u>(93,379)</u>	<u>(70,035)</u>	<u>(46,689)</u>

2020

Risco com indexadores	Scenarios (Consolidated)			
	Basis	Probable	Possible	Remote
CDI - Financial Investments	538,806	68,698	51,524	34,349
Net exposure	<u>538,806</u>	<u>68,698</u>	<u>51,524</u>	<u>34,349</u>

Due to the nature, complexity and isolation of a single variable rate, the presented estimates may not truly represent the amount of losses, should such rate have its depreciation disclosed. The calculation was made for a gain/loss scenario in the period of one month.

The indirect environmental subsidiary has with Banco Bocom BBM SA Branch of Nassau in the amount of USD 9,917 thousand (nine million, nine hundred and seventeen thousand United States Dollars), for this operation we have contracted the SWAP instrument, considering the rate, amount and term, exchanging the exchange rate to expose the fixed rate.

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Hedge accounting

The purpose of the Company's hedging operation is to protect cash flows denominated in US dollars arising from the loan in foreign currency (as per Note 10.2) since practically all of the Company's operations are denominated in local currency.

Thus, the transaction is classified as cash flow hedge, applying accounting according to CPC 48 - Financial instruments.

The objective of hedge accounting (understood as the hedge accounting policy adopted) is to affect the Company's results only by the local interest rates to which it is exposed, considering only the net effect of the contracted hedge.

The agreement in effect on December 31, 2021 is as follows:

Instrument	Type of financial instrument	Operation	notional value	Due date	Protection indexer	Contracted rate
Swap contract	Cash flow hedge	Swap USD X CDI	USD 9,917 thousand	6/2022	Exchange VariationI + 2.91% p.a.	100% of CDI

The outstanding balances are shown below:

Description	Principal amount (notional) – In thousands of USD	Curve value	Fair value	Fair value adjustment gain (loss)
Swap contract				
Active tip:				
Dollar long position	9,917	55,380	55,418	38
Passive tip:				
Short position at fixed rate	(9,917)	(50,133)	(50,133)	-
Total net financial instrument	-	5,247	5,285	38

In accordance with applicable accounting practices, the adjustment to the fair value determined for the financial instrument was R\$ 38 (R\$ 25, net of tax effect) and is recorded in the income statement.

It is worth noting that the current hedge operation is fully linked, including contractually, to the loan contracted under the 4131 modality, and cannot be undone individually.

(ii) Foreign currency exchange rate risk

The associated risk arises from the possibility that the Company may incur losses due to fluctuations in exchange rates, which reduce nominal amounts billed or increase amounts raised in the market. The Company periodically monitors the net exposure of assets and liabilities in foreign currency.

The indirect subsidiary Ambipar Response settled in July 2020 a loan with Banco Bradesco Europa SA in the amount of USD 1,203 thousand (one million, two hundred and three thousand United States Dollars), for this operation had contracted the SWAP instrument, considering rate, amount and exchange rate exposure to the fixed rate variation.

(iii) Risk of commodities price

The Company has no transactions quoted at commodities price; therefore, it is not exposed to risks of commodities prices.

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits in banks and financial institutions, as well as exposures to customers' credit. In the case of banks and financial institutions, only notes from top-tier institutions are accepted.

The department of credit analysis evaluates the quality of clients' credit, considering the customer's financial position, past experience and other factors.

The individual risk limits are determined based on internal or external classifications according to the limits established by Management. The use of credit limits is regularly monitored.

No credit limit was surpassed during the period and management does not expect any loss resulting from default of other parties, in addition to the provision already recognized (Note 5).

(c) Liquidity risk

Cash flow forecasts are calculated by the Company's management. Management monitors the continual projections of liquidity requirements of the Company to guarantee that it has sufficient cash to meet its operating needs. This forecast considers the plans of financing for the Company's debt, compliance with contractual clauses, meeting internal targets of balance sheet ratio and, if applicable, external or legal requirements, such as currency restrictions.

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The excess cash held by the Company, in addition to the balance required for working capital management, is invested in interest-bearing current accounts, time deposits and short-term deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient margin as required, determined by the aforementioned forecasts. As of December 31, 2021, the Company had short-term invested funds of R\$659,853 (R\$538,806 as of December 31, 2020) (consolidated) that are expected to promptly generate cash inflows to manage liquidity risk.

The following table analyzes the non-derivative financial liabilities of the Company and its subsidiaries, by maturity ranges, corresponding to the remaining period in the balance sheet until the contractual maturity date:

	Less than one year	Between one and two years	Between two and five years	Over five years	Total
As at December 31, 2021					
- Consolidated					
Loans and financing	267,862	304,395	660,931	42,225	1,275,413
Debentures	74,232	595,664	722,343	-	1,392,239
Lease Liabilities	26,238	19,650	30,323	-	76,211
Trade accounts payable and other accounts payable	99,380	-	-	-	99,380
	<u>467,712</u>	<u>919,709</u>	<u>1,413,597</u>	<u>42,225</u>	<u>2,843,243</u>
As at December 31, 2020					
- Consolidated					
Loans and financing	44,876	50,642	111,618	-	207,136
Trade accounts payable and other accounts payable	18,406	-	-	-	18,406
	<u>63,282</u>	<u>50,642</u>	<u>111,618</u>	<u>-</u>	<u>225,542</u>

(d) Regulatory and environmental risks

The Company and its subsidiaries are subject to laws and regulations in the countries in which they operate. The Company's management has established certified environmental policies and procedures to meet environmental laws.

Management carries out regular analyses to identify environmental risks and to ensure that the controls over operation are adequate and properly certified.

3.2. Capital management

The Company's purposes in managing its capital are guaranteeing its going concern capacity in order to bring gains to shareholders and benefits to the other interested parties, in addition to keeping an ideal capital structure to reduce costs.

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In order to keep or adjust its capital structure, the Company may review its policy on the payment of dividends, return capital to shareholders, or even sell assets in order to reduce indebtedness levels, for example.

The Company monitors capital based on financial leverage indexes. This index corresponds to net debt divided by total capital. Net debt corresponds to total loans and financing (including short and long-term loans and financing, as shown in the statement of financial position), less the amount of cash and cash equivalents.

Total capital is calculated through the sum of the equity, as stated in the statement of financial position, with the net debt.

The financial leverage index as of December 31, 2021 and 2020 can be summarized as follows:

Consolidated financial statements	2021	2020
Total loans, financing and debentures	2,667,652	207,136
Less: cash and cash equivalents	(793,241)	(591,608)
Net debt	1,874,411	(384,472)
Total net equity	1,304,732	1,225,750
Total capital	3,179,143	841,278
Financial leverage index (%)	59.0	(45.7)

3.3. Fair value estimation

It is assumed that the balances of trade accounts receivables and payables at their carrying amounts, less impairment, approximate their fair values, considering the realization and settlement of those balances from 30 to 60 days.

The fair value of financial liabilities for reporting purposes is estimated through the discount of future contractual cash flows at the effective interest rate in market, which is available to the Company for similar financial instruments. Interest rates in effect at balance sheet date are the regular ones in the market and their fair values approximate the balances in accounting records.

Financial investments, represented by investments in CDI (Note 4) and classified as loans and receivables, were evaluated based on the interest rate agreed with the respective financial institution, considered as the regular market rate.

Fair value is the value by which an asset may be changed, or a liability settled, between the parties on an arm's length basis. The fair value hierarchy has the following levels:

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- Level 1: Prices quoted (not adjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices in active markets included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3.4. Financial instruments by category

	Category	Parent company	
		Book value	Fair value (*)
Financial asset			
Cash and cash equivalents	Amortized cost	3	3
Financial investments	Fair value through profit or loss	268,278	268,278
Financial liabilities			
Operating leasing	Amortized cost	20,000	20,000
Debentures	Amortized cost	507,591	507,591

	Category	Consolidated	
		Book value	Fair value (*)
Financial assets			
Cash and cash equivalents	Amortized cost	133,388	133,388
Financial investments	Fair value through profit or loss	659,853	659,853
Accounts receivable	Amortized cost	549,150	549,150
Financial liabilities			
Loans and leases	Amortized cost	1,275,413	1,275,413
Debentures	Amortized cost	1,392,239	1,392,239
Trade payable	Amortized cost	99,380	99,380
Lease Liabilities	Amortized cost	76,211	76,211

(*) Fair value is measured at level 2 of the fair value hierarchy. The Company and its subsidiaries do not have any operations classified in the fair value hierarchy levels 1 and 3.

4. Cash and cash equivalents

	Parent Company		Consolidated	
	2021	2020	2021	2020
Cash and banks	3	2	133,388	52,802
Financial investments	268,278	474,274	659,853	538,806
	<u>268,281</u>	<u>474,276</u>	<u>793,241</u>	<u>591,608</u>

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Financial investments are mainly represented by Bank Deposit Certificates and Capitalization Bonds from first-rate financial institutions, with low credit risk, whose yield is linked to the variation of the Interbank Deposit Certificate (CDI), and have immediate liquidity and maturity up to 90 days, with an index rate of 105% of the CDI.

5. Accounts receivable

	Consolidated	
	2021	2020
Notes receivable		
Private	556,945	223,526
Public	1,673	1,673
Related parties	-	807
	<u>558,618</u>	<u>226,006</u>
Allowance for doubtful accounts	(9,468)	(3,600)
	<u>549,150</u>	<u>222,406</u>
Current	540,021	217,917
Noncurrent	9,129	4,489

Breakdown per maturity of overdue and falling due amounts:

	Consolidated	
	2021	2020
Due	375,889	199,122
Overdue up to 30 days	61,493	7,118
Overdue from 31 to 90 days	54,921	6,910
Overdue from 91 to 180 days	20,170	4,387
Overdue from 181 to 360 days	16,954	2,732
Overdue for more than 361 days	29,191	5,737
	<u>558,618</u>	<u>226,006</u>

We present below the changes in the allowance for doubtful accounts receivable:

	Consolidated
(=) Balance as at January 1, 2020	(3,559)
(+) Additions	(41)
(=) Balance as at December 31, 2020	(3,600)
(+) Initial Collection for the purchase	(6,773)
(+) Write-offs	905
(=) Balance as at December 31, 2021	<u>(9,468)</u>

The expected loss for doubtful accounts is established when there is objective evidence that the Company and its subsidiaries will not be able to collect all amounts due in accordance with the original terms of accounts receivable.

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It is accrued in an amount considered sufficient by the Management to face the probable losses in the realization of the credits based on: analysis of the default risk of each client, the client's financial situation compromised in the market, history of negotiations carried out, signed agreements not being fulfilled, mainly taking into account risk scenarios in which the behavior is observable in the market, and with special attention to long-overdue loans.

With respect to receivables overdue for more than 181 days, the collection and settlement processes and procedures, even if paid in installments for receipt, are in progress, whose probability of success is relatively high.

6. Recoverable taxes

	Parent Company		Consolidated	
	2021	2020	2021	2020
IRRF (Withholding income tax) to offset	4,601	339	27,485	10,008
Recoverable INSS (Social security tax) withheld	-	-	3,834	3,636
Recoverable PIS (Tax on sales)	2	36	1,247	536
Recoverable COFINS (Tax on sales)	-	110	5,828	2,492
Recoverable ICMS (State VAT)	-	-	4,454	2,471
Prepaid Income tax and social contribution (IR/CS)	359	20	17,891	7,572
Other recoverable taxes	-	-	2,965	174
	<u>4,962</u>	<u>505</u>	<u>63,704</u>	<u>26,889</u>
Current	4,603	485	51,297	22,687
Non-current	359	20	12,407	4,202

7. Investments in subsidiáries

	Parent company	
	2021	2020
Investments in subsidiaries	357,152	603,494
Goodwill paid on the acquisition of investments due to expected future profitability (Note 7.4)	87,260	148,278
	<u>444,412</u>	<u>751,772</u>
Investment loss in subsidiaries	-	(1,054)
	<u>-</u>	<u>(1,054)</u>

7.1. Business Combination

Throughout 2021, the Ambipar Group carried out the following corporate movements already organized by its Environment and Response business divisions:

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	Environment							
Assets and liabilities acquired at fair value (*)	Environmental Nordeste	Centro Oeste	Metal Ar	Boomera do Brasil	Disal	Ecológica Nordeste	Drypol	Suprema
Cash and cash equivalents	8,956	338	9,348	(88)	90,699	6	8,785	9,133
Other assets	35,710	24,171	101,880	35,504	396,646	2,897	56,144	49,749
Other liabilities	(37,337)	(48,063)	(54,873)	(15,730)	(232,836)	(1,402)	(17,958)	(37,375)
Separately Identified Intangibles	-	-	32,419	-	271,303	-	-	-
Added Value of Fixed Assets	-	-	15,784	-	30,164	-	-	-
(-) Deferred tax on added Value	-	-	(16,390)	-	(102,499)	-	-	-
Total identifiable net assets	7,329	(23,554)	88,168	19,686	453,477	1,501	46,971	21,507
Total amount of the consideration transferred	20,000	16,400	108,818	43,000	918,866	19,843	82,421	105,725
(-) Cash acquired	(8,956)	(338)	(9,348)	88	(90,699)	(6)	(8,785)	(9,133)
(-) Assumed amount of the obligation to pay	-	(10,000)	(50,000)	(16,000)	-	(11,906)	(20,000)	(51,422)
Cash paid, net of cash received	11,044	6,062	49,470	27,088	828,167	7,931	53,636	45,170
Determination of goodwill (*)								
Total amount of consideration, net	20,000	16,400	108,818	43,000	918,866	19,843	82,421	105,725
Total identifiable net assets	(3,665)	16,488	(88,168)	(9,845)	(453,477)	(1,501)	(25,834)	(15,055)
Goodwill paid for expected future profitability	16,335	32,888	20,650	33,155	465,389	18,342	56,587	90,670
Date of acquisition	01/20/2021	05/11/2021	05/14/2021	06/01/2021	06/28/2021	06/11/2021	07/30/2021	08/31/2021
Control start date	01/2021	05/2021	05/2021	05/2021	06/2021	06/2021	07/2021	08/2021
Company that acquired control	Enviromental ESG Participações S.A.	Enviromental ESG Participações S.A.	Enviromental ESG Participações S.A.	Enviromental ESG Participações S.A.	Enviromental ESG Participações S.A.	Ambipar Enviromental Nordeste Ltda.	Enviromental ESG Participações S.A. e Boomera Ambipar Gestão Ambiental S.A.	Enviromental ESG Participações S.A.
Aquisition Value	R\$ 20,000	R\$ 16,400	R\$ 108,818	R\$ 43,000	US\$ 184,745	R\$ 19,843	R\$ 82,421	R\$ 105,725
Percentage acquired	50.000004%	70%	100%	50.01%	100.00%	100%	55%	70%

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	Environment						
Assets and liabilities acquired at fair value (*)	SIR	Biofflica	Boomera Machines	Brasil Coleta Gerenc.	MCZ Soluções	Ecológica Resíduos (**)	Excelência e Sustentabilidade
Cash and cash equivalents	202	2,689	153	6,142	3	2	134
Other assets	10,682	59,383	22,299	72,341	1,572	10,896	309
Other liabilities	(311)	(3,277)	(1,884)	(94,895)	(26)	(473)	(74)
Separately Identified Intangibles	-	-	-	-	-	-	-
Added Value of Fixed Assets	-	-	-	-	-	-	-
(-) Deferred tax on added Value	-	-	-	-	-	-	-
Total identifiable net assets	10,573	58,795	20,568	(16,412)	1,549	10,425	369
Total amount of the consideration transferred	21,771	90,000	25,805	85,450	3,163	6,120	1,600
(-) Cash acquired	(202)	(2,689)	(153)	(6,142)	(3)	(2)	(134)
(-) Assumed amount of the obligation to pay	-	(29,000)	(15,700)	(85,450)	-	(2,520)	(800)
Cash paid, net of cash received	21,569	58,311	9,952	(6,142)	3,160	3,598	666
Determination of goodwill (*)							
Total amount of consideration, net	21,771	90,000	25,805	85,450	3,163	6,120	1,600
Total identifiable net assets	(6,872)	(31,497)	(12,341)	8,370	(1,549)	(6,255)	(369)
Goodwill paid for expected future profitability	14,899	58,503	13,464	93,820	1,614	(135)	1,231
Date of acquisition	08/31/2021	07/07/2021	07/29/2021	09/29/2021	10/21/2021	10/29/2021	10/29/2021
Control start date	08/2021	07/2021	07/2021	09/2021	12/2021***	11/2021***	10/2021
Company that acquired control	Enviromental ESG Participações S.A.	Enviromental ESG Participações S.A.	Enviromental ESG Participações S.A. e Boomera Ambiental S.A.	Enviromental ESG Participações S.A.	Ambipar Environmental Nordeste Ltda	Ambipar Environmental Nordeste Ltda	Ambipar Green Tech Ltda
Aquisition Value	R\$ 21,771	R\$ 90,000	R\$ 25,805	R\$ 85,450	R\$ 3,163	R\$ 6,120	R\$ 1,600
Percentage acquired	65%	53.57%	60%	51%	100%	60%	100%

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	Response										
Assets and liabilities acquired at fair value (*)	Enviroclear	Orion (Canadá)	EMS Environmental	SABI	SWAT	Controlpar	PERS	Lynx	Emerge	Lehane	Outros
Cash and cash equivalents	1,718	(2,548)	736	72	12,546	6,458	2,033	552	2,206	6,798	3,284
Other assets	57,672	54,480	5,068	12,057	5,192	39,269	716	12,254	22,848	33,044	9,573
Other liabilities	(55,524)	(50,394)	(623)	(9,157)	(38,450)	(17,175)	(494)	(7,312)	(15,857)	(3,403)	(8,105)
Separately Identified Intangibles	3,866	1,538	5,181	2,972	(20,712)	28,552	2,255	5,494	9,197	36,439	4,752
Added Value of Fixed Assets											
(-) Deferred tax on added Value	36,534	72,390	15,006	13,363	23,201	61,946	27,144	18,922	28,300	51,923	43,624
Total identifiable net assets	(1,718)	2,548	(736)	(72)	(12,546)	(6,458)	(2,033)	(552)	(2,206)	(6,798)	(3,284)
	(22,059)	(55,297)	(11,255)	-	(13,598)	(31,946)	(13,572)	(9,461)	(14,150)	(15,588)	(28,745)
Total amount of the consideration transferred	12,757	19,641	3,015	13,291	(2,943)	23,542	11,539	8,909	11,944	29,537	11,595
(-) Cash acquired											
(-) Assumed amount of the obligation to pay											
Cash paid, net of cash received	36,534	72,390	15,006	13,363	23,201	61,946	27,144	18,922	28,300	51,923	43,624
	(3,866)	(1,538)	(5,181)	(2,972)	20,712	(19,986)	(2,255)	(5,494)	(9,197)	(36,439)	(4,301)
Determination of goodwill (*)	32,668	70,852	9,825	10,391	43,913	41,960	24,889	13,428	19,103	15,484	39,323
Total amount of consideration, net											
Total identifiable net assets	02/04/2021	02/11/2021	06/25/2021	07/04/2021	07/06/2021	07/29/2021	07/30/2021	09/01/2021	09/08/2021	09/20/2021	01/2021
Goodwill paid for expected future profitability	02/2021	02/2021	06/2021	07/2021	07/2021	07/2021	07/2021	09/2021	09/2021	09/2021	01/2021
	Ambipar Holdings UK	Ambipar Holding Canadá	Ambipar Holding USA, Inc.	Suatrans Chile S.A.	Ambipar Holding USA, Inc.	Emergência Participações S.A.	Ambipar Holding USA, Inc.	Ambipar Holding Canadá Inc.	Ambipar Holding Canadá Inc.	Ambipar Holdings UK Limited.	Emergência Participações S.A.
Date of acquisition	£ 4.649	PEN 15.971	US\$ 3.000	CLP 1.949.895	US\$ 4.530	R\$ 61.946	US\$ 5.300	CAD 4.407	CAD 6.592	€ 8.244	R\$ 43.624
Control start date	100%	100%	100%	100%	100%	70%	100%	100%	100%	100%	Control

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	Others	
	Bleu	Universo
Assets and liabilities acquired at fair value (*)		
Cash and cash equivalents	53	-
Other assets	20,355	-
Other liabilities	(250)	-
Total identifiable net assets	20,158	-
Total amount of the consideration transferred	40,000	3,500
(-) Cash acquired	(53)	-
(-) Assumed amount of the obligation to pay	(13,000)	-
Cash paid, net of cash received/receivable	26,947	3,500
Determination of goodwill (*)		
Total amount of consideration, net	40,000	3,500
Total identifiable net assets	(10,079)	-
Goodwill paid for expected future profitability	29,921	3,500
Date of acquisition	09/27/2021	07/20/2021
Control start date	09/2021	07/2021
Company that acquired control	Ambipar Participações e Empreendimentos S.A.	Ambipar Participações e Empreendimentos S.A.
Acquisition Value	R\$ 40,000	R\$ 3,500
Percentage acquired	50%	100%

(*) On the acquisition date, although the Company evaluates the base date of the initial balance sheet of the acquired companies for the purpose of determining the allocation of the purchase price and goodwill (discount). These acquisitions have provisional reports. The goodwill amount for expected future profitability calculated referring to these acquisitions on December 31, 2021 was in the amount of R\$ 1,287,903 (consolidated).

(**) The acquisition agreement provides for the realization in two tranches, and, at the end, the consideration transferred will be up to R\$ 6,120, through the subscription and payment of new shares in which Ambipar Environmental Nordeste Ltda is guaranteed a 60% interest in the capital subsidiary company. This acquisition has a provisional report.

(***) The change of control took place after the contractual clauses determined were fulfilled.

The following is the payment schedule for the obligations on account of the acquisition of investment:

Expiration year	Parent company	Consolidated
2022	8,590	255,965
2023	400	81,405
2024	-	24,043
2025	-	2,065
2026	-	5,000
	8,990	368,478

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7.2. Subsidiaries' information

The Shareholders' equity of the subsidiaries are presented as follow:

	Segment	Net equity as at 12/31/2021	Percentage (%) 2021
Subsidiaries (Directs)			
Holding Enviromental	Enviroment	16,512	100
Emergência Participações	Response	329,746	100
Ambipar Bank	Others	1,073	100
Bleu	Others	19,637	50
Ambipar Financial	Others	1	100
Universo	Others	1	100

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7.3. Changes in investments in subsidiaries

	Balance as at 12.31.2020							Balance as at 12.31.2021				
	Investments	Provision for investments losses	Investment Acquisition	Investment transfers	Exchange rate fluctuation on investments abroad	Advance for Future Capital Increase	Dividends Received	Provisioned Dividends	Capital Transactions	Equity	Investments	Provision for investments losses
Subsidiaries												
Ambipar Environmental Solutions – Soluções Ambientais Ltda (f)	220,541	-	-	(220,541)	-	-	-	-	-	-	-	-
Ambipar Logistics Ltda (g)	13,789	-	-	(13,789)	-	-	-	-	-	-	-	-
Holding Environmental Ambipar Environment Reverse Manufacturing S.A. (h)	15,786	-	-	-	(9,630)	-	-	(2,536)	-	12,892	16,512	-
Emergência Participações (p)	2,985	-	-	(2,985)	-	-	-	-	-	-	-	-
Ambipar Response UK (p)	307,146	-	-	49,022	(8,172)	-	(311)	(31,155)	(118,024)	131,240	329,746	-
Ambipar Howells (p)	6,597	-	-	(16,882)	(23,747)	31,719	-	-	-	2,313	-	-
Ambipar Environment Waste Logistics Ltda (i)	-	(1,054)	-	1,088	(34)	-	-	-	-	-	-	-
Ambipar EcoProducts S.A. (j)	9,573	-	-	(9,573)	-	-	-	-	-	-	-	-
Ambipar Workforce Solution Mão de Obra Temp.Ltda (k)	12,046	-	-	(12,046)	-	-	-	-	-	-	-	-
Ambipar Coprocessing Ltda (l)	1,932	-	-	(1,932)	-	-	-	-	-	-	-	-
Ambipar Facilities Ltda (m)	3,402	-	-	(3,402)	-	-	-	-	-	-	-	-
Ambipar Compliance Solutions S.A. (n)	2,135	-	-	(2,135)	-	-	-	-	-	-	-	-
Ambipar Bank Bleu (o)	6,264	-	-	(6,264)	-	-	-	-	-	-	-	-
Ambipar Financial Universo	1,298	-	-	-	-	-	-	-	-	(225)	1,073	-
	-	-	10,079	-	-	-	-	-	-	(260)	9,819	-
	-	-	1	-	-	-	-	-	-	-	1	-
	-	-	1	-	-	-	-	-	-	-	1	-
	603,494	(1,054)	10,081	(239,439)	(41,583)	31,719	(311)	(33,691)	(118,024)	145,960	357,152	-

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	Saldo em 12.31.2019						Saldo em 12.31.2020			
	Investments	Provision for investments losses	Investment transfers	Exchange rate fluctuation on investments abroad	Capital Transactions	Advance for Future Capital Increase	Transferred amount	Equity	Investments	Provision for investments losses
Subsidiaries										
Ambipar Environmental Solutions – Soluções Ambientais Ltda	159,373	-	-	-	(859)	50,000	-	12,027	220,541	-
Ambipar Logistics Ltda	10,148	-	-	-	-	3,500	-	141	13,789	-
Holding Environmental Ambipar Environment Reverse Manufacturing S.A.	354	-	-	-	-	16,000	-	(568)	15,786	-
Emergência Participações	-	(2,107)	-	-	-	3,570	-	1,522	2,985	-
Ambipar Response UK	54,719	-	2,574	12,159	-	176,000	-	61,694	307,146	-
Ambipar Howells	7,010	-	-	(2,757)	-	-	-	2,344	6,597	-
Ambipar Environment Waste Logistics Ltda	-	(791)	-	(263)	-	-	-	-	-	(1,054)
Ambipar EcoProducts S.A.	5,876	-	-	-	-	4,500	-	(803)	9,573	-
Ambipar Workforce Solution Mão de Obra Temp. Ltda (a)	6,829	-	-	-	-	5,000	-	217	12,046	-
Ambipar Coprocessing Ltda (b)	-	-	(2,574)	-	-	-	5,900	(1,394)	1,932	-
Ambipar Facilities Ltda (c)	-	-	-	-	-	3,000	40	362	3,402	-
Ambipar Compliance Solutions S.A. (d)	-	-	-	-	-	2,300	309	(474)	2,135	-
Soubank (e)	-	-	-	-	(9,661)	-	14,184	1,741	6,264	-
	-	-	-	-	-	-	1,298	-	1,298	-
	<u>244,309</u>	<u>(2,898)</u>	<u>-</u>	<u>9,139</u>	<u>(10,520)</u>	<u>263,870</u>	<u>21,731</u>	<u>76,809</u>	<u>603,494</u>	<u>(1,054)</u>

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- (a) On March 20, 2020, the Company acquired the 99,999 shares of the investee Ambipar Workforce Solution Mão de Obra Temp. Ltda of the subsidiary Emergencia Participações. The shares were transferred for consideration by the subsidiary Emergencia Participações. On the same date, the Company increased the share capital of the investee Ambipar Workforce with the issuance of 5,900 new shares of share capital, continuing to hold 100% of the investee's capital;
- (b) On April 3, 2020, the Company acquired 892,000 shares of the capital stock of the company Ambipar Coprocessing Ltda, as mentioned in note 7.1;
- (c) On July 2, 2020, the Company acquired 299,999 shares in the capital stock of the investee Ambipar Facilities Ltda, as mentioned in note 7.1;
- (d) On July 1, 2020, the Company acquired 4,960 shares of capital stock of the investee Ambipar Compliance Solutions SA, as mentioned in note 7.1 and on October 22, 2020 it acquired another 2,660 shares, holding 95.25% of the share capital of investee;
- (e) On December 22, 2020, the Company acquired 2,082,000 shares of the capital stock of the investee Ambipar Bank, as mentioned in note 7.1.
- (f) On January 1, 2021, the Company transferred the 96,599,998 shares it held in investee Ambipar Environmental Solutions - Soluções Ambientais Ltda to subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (g) On January 1, 2021, the Company transferred the 4,634,998 shares it held in investee Ambipar Logistics Ltda to subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (h) On January 1, 2021, the Company transferred the 47,663 shares it held in investee Ambipar Environment Reverse Manufacturing S.A. to subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (i) On January 1, 2021, the Company transferred the 1,868,911 shares it held in the investee Ambipar Environment Waste Logistics Manufacturing S.A. to the subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (j) On January 1, 2021, the Company transferred the 171,032,169 shares it held in investee Ambipar Ecoproducts S.A. to subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (k) On January 1, 2021, the Company transferred the 5,999,998 shares it held over the investee Ambipar Workforce Solution Manpower Temp. Ltda to the subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (l) On January 1, 2021, the Company transferred the 891,998 shares held in investee Ambipar Coprocessing Ltda to subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (m) On January 1, 2021, the Company transferred the 299,998 shares it held in investee Ambipar Facilities Ltda to subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (n) On January 1, 2021, the Company transferred the 7,620 shares it held in investee Ambipar Compliance Solutions S.A. to subsidiary Environmental Participações. The investment was transferred for consideration and classified as related parties;
- (o) On September 27, 2021, the Company acquired 100,000 shares of capital stock of the investee Bleu Empreendimentos Digitais Ltda., as mentioned in note 7.1. On the same date, the Company increased the investee's capital with the issuance of 100,000 new shares of capital stock, now holding 50% of the investee's capital;
- (p) On October 5, 2021, the Company increased capital in the investee Emergencia Participações and the payment of the capital stock was through the transfer of investments in the following companies: Ambipar Response UK and Ambipar Howells.

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7.4. Breakdown of goodwill from expected future profitability

	Parent Company		Consolidated	
	2021	2020	2021	2020
Composition of goodwill by Segment				
Environment	-	-	1,020,440	53,596
Response	-	-	579,141	182,955
Others	87,260	148,278	87,260	148,278
	<u>87,260</u>	<u>148,278</u>	<u>1,686,841</u>	<u>384,829</u>

According to Technical Interpretation ICPC 09 - Individual Financial Statements, Separate Statements, Consolidated Statements and Adoption of the Equity Method, in the consolidated statement of financial position, goodwill from expected future profitability is recorded in the subgroup Intangible Assets, since it refers to the expectation of profitability of the acquired controlled company, whose assets and liabilities are consolidated in the parent company. However, in the Parent company's individual statement of financial position, this goodwill shall be in the subgroup of Investments, in the same group of Noncurrent assets, because to the investor this is part of its investment in the acquisition of the controlled company.

Goodwill arising from the acquisition of related (indirect) subsidiaries is recorded in the direct investment in the Parent Company and segregated in the Consolidated, as the other goodwill mentioned above, under the caption Intangible Assets.

We show below the rollforward of goodwill :

Rollforward	Parent Company		Consolidated	
	2021	2020	2021	2020
Opening balance	148,278	115,712	384,829	135,127
Exchange variation	475	2,437	(2,349)	4,070
Acquisition of Allied International Emergency LLC	-	-	-	39,871
Acquisition of Ambipar Coprocessing Ltda	-	4,140	-	4,140
Acquisition of Ambipar Facilities Ltda	-	5,991	-	5,991
Acquisition of Ambipar Compliance Solutions S.A.	-	18,496	-	18,496
Acquisition of Intracoastal Environmental, LLC	-	-	-	64,649
Acquisition of One Stop Environmental, LLC	-	-	-	32,746
Acquisition of Ambipar Green Tech Ltda	-	-	-	36,913
Acquisition of Custom Environmental Services, Inc	-	-	-	41,324
Transfer of Bioland (a)	(4,794)	-	-	-
Transfer of SOS Cotec (b)	(6,938)	-	-	-
Transfer of Ambipar Environment Reverse Manufacturing (a)	(3,302)	-	-	-

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	Parent Company		Consolidated	
	2021	2020	2021	2020
Rollforward				
Transfer of Multiambiental (a)	(15,987)	-	-	-
Transfer of Avangard (a)	(781)	-	-	-
Transfer of Ambipar Insurance e				
Ambipar Workforce (a)	(9,395)	-	-	-
Transfer of Atmo Hazmat Ltda.				
(b)	(16,658)	-	-	-
Transfer of Ambipar				
Cooprocessing Ltda. (a)	(4,140)	-	-	-
Transfer of Ambipar Facilities				
Ltda. (a)	(5,991)	-	-	-
Transfer of Ambipar Compliance				
Solution S.A. (a)	(18,496)	-	-	-
Acquisition of AFC Logística				
Ambiental Ltda	-	-	16,335	-
Acquisition of Orion				
Environmental Services Ltda.	-	-	68,595	-
Saldo acervo inicial AFC Logística				
Ambiental Ltda	-	-	11,586	-
Acquisition of Enviroclear Site				
Services Limited	-	-	31,276	-
Acquisition of Centroeste				
Resíduos Ltda.	-	-	32,888	-
Acquisition of Metal Ar				
Engenharia Ltda.	-	-	20,650	-
Acquisition of Boomera Ambipar				
Gestão Ambiental S.A.	-	-	33,155	-
Acquisition of Disal Ambiental				
Holding S.A.	-	-	465,388	-
Acquisition of Ecológica Nordeste				
EIRELI e Ecológica Gestão				
Ambiental Ltda.	-	-	18,342	-
Acquisition of EMS Environmental,				
Inc.	-	-	12,080	-
Acquisition of Bleu				
Empreendimentos Digitais Ltda	29,921	-	29,921	-
Acquisition of Universo Ambipar				
Serviços Comércio e Consultoria				
S.A.	3,500	-	3,500	-
Acquisition of SABI Tech S.A.S -				
Suatrans Chile	-	-	9,951	-
Acquisition of Swat Consulting				
Inc.	-	-	48,386	-
Acquisition of ControlPar				
Participações S.A.	-	-	41,960	-
Acquisition of Professional				
Emergency Resource Services	-	-	27,061	-
Acquisition of Fênix Emergências				
Ambientais Ltda	-	-	7,677	-
Acquisition of APW Ambiental e				
Transporte Ltda.	-	-	7,557	-
Acquisition of Lynx Creek				
Industrial & Hydrovac Ltd.	-	-	14,720	-
Acquisition of Emerge Hydrovac				
Inc.	-	-	24,462	-
Acquisition of Lehane				
Environmental & Industrial				
Services Ltd	-	-	23,666	-
Acquisition of Drypol Indústria e				
Comércio de Polímeros Ltda	-	-	56,587	-

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	Parent Company		Consolidated	
	2021	2020	2021	2020
Rollforward				
Acquisition of Suprema Serviços Industriais Ltda	-	-	90,670	-
Acquisition of SIR Ambiente Inteligência Ambiental Ltda	-	-	14,899	-
Acquisition of Biofílica Investimentos Ambientais S.A.	-	-	58,503	-
Acquisition of ZCT Publicidade e Consultoria Ambiental LTDA	-	-	13,464	-
Acquisition of Brasil Coleta Gerenciamento de Resíduos Ltda	-	-	93,820	-
Transfer of Response Uk e Howells (c)	(8,432)	-	-	-
Acquisition of others	-	1,502	27,262	1,502
Final balance	<u>87,260</u>	<u>148,278</u>	<u>1,686,841</u>	<u>384,829</u>

- (a) The goodwill was transferred to the subsidiary Environmental Participações at the time of the transfer of shares. The investment was transferred for consideration and classified as related parties ;
- (b) The goodwill was transferred to the subsidiary Emergencia Participações at the time of the transfer of shares. The investment was transferred for consideration and classified as related parties ;
- (c) The goodwill was transferred to the subsidiary Emergencia Participações at the time of the transfer of shares. The investment was transferred as payment of share capital in the investee .

Impairment test of intangible assets:

Goodwill is an asset with an indefinite useful life that shall be annually tested or whenever there is indication of any impairment. Assets and liabilities are grouped in CGUs (Cash Generating Units) for purposes of impairment test.

Any impairment loss is immediately recognized as loss in the statement of income and is not subject to subsequent reversal.

As required by Brazilian accounting practices and International Financial Reporting Standards (IFRS), the Company annually tests its assets for impairment.

The Company used the value in use method for impairment test. For all CGUs, five years of projection were considered, with growth in perpetuity, in addition to having observed the financial budgets prepared by Management to begin projection of cash flows.

Cash flows were discounted to present value through the application of the rate determined by the weighted average capital cost (WACC) that was calculated using the Capital Asset Pricing Model (CAPM) method and that also considers several components of financing, debt and equity capital used by the Company to finance its activities.

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As a result of the impairment test, on December 31, 2021, and evaluating the scenario that there were no changes in the significant risk variables and in the assumptions used for future cash flow of the acquired businesses, since the last closing of the individual financial statements and consolidated statements, no losses were identified for the CGUs for the goodwill recorded in the Company and its subsidiaries.

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8. Fixed Assets

(a) Rollforward and changes

The changes in fixed assets are stated as follows:

	2021 (consolidated)												
	CTR (**)	Buildings	Facilities	Machinery and equipments	IT equipments	Furniture and Fixture	Vehicles	Leasehold Improvement	Construction in progress	Vessels	Lease	Others	Total
Cost													
Opening balance	49,473	1,566	1,096	186,640	8,010	5,660	258,489	29,513	18,845	5,311	54,647	19	619,269
Transfers	-	-	-	7,525	(40)	-	3,052	-	(1,376)	-	(9,161)	-	-
Additions	29,701	1,403	(75)	178,083	5,709	1,336	235,580	3,010	65,329	818	34,205	-	555,100
Write-offs	(421)	(7,222)	(365)	(53,155)	(258)	(190)	(21,032)	(329)	(16,964)	(20)	(3,621)	(19)	(103,596)
Initial purchase collection (*)	50,218	53,917	1,793	531,392	18,770	6,643	457,582	5,387	35,058	-	83,025	-	1,243,784
Appropriation fair value of surplus value	-	(10,777)	(29)	37,270	1,581	328	17,575	-	-	-	-	-	45,948
Exchange rate gains (losses)	(2,017)	344	-	(7,706)	(567)	186	(11,116)	156	(22)	153	1,763	-	(18,826)
Final balance	126,954	39,231	2,420	880,049	33,205	13,963	940,130	37,737	100,870	6,262	160,858	-	2,341,679
Accumulated depreciation													
Opening balance	(7,206)	(1,091)	(557)	(94,292)	(5,048)	(4,379)	(115,883)	(6,942)	-	(1,742)	(25,604)	(11)	(262,755)
Transfers	-	-	-	(4,631)	(1)	-	(2,108)	-	-	-	6,740	-	-
Additions	(578)	(1,912)	(239)	(46,685)	(3,694)	(794)	(85,955)	(5,667)	-	(210)	(28,300)	-	(174,035)
Write-offs	3	183	450	23,106	576	133	17,618	117	-	960	7,895	11	51,052
Initial purchase balance (*)	(405)	(13,670)	(908)	(301,117)	(9,518)	(3,817)	(303,705)	(2,773)	-	-	(41,486)	-	(677,398)
Appropriation fair value of surplus value	-	216	2	(1,720)	(35)	(13)	(381)	-	-	-	-	-	(1,931)
Exchange rate gains (losses)	(24)	532	-	3,131	293	(186)	5,790	(123)	-	(99)	1,286	-	10,600
Final balance	(8,210)	(15,742)	(1,252)	(422,208)	(17,427)	(9,056)	(484,624)	(15,388)	-	(1,091)	(79,469)	-	(1,054,467)
Cost	126,954	39,231	2,420	880,049	33,205	13,963	940,130	37,737	100,870	6,262	160,858	-	2,341,679
Depreciation and Amortization	(8,210)	(15,742)	(1,252)	(422,208)	(17,427)	(9,056)	(484,624)	(15,388)	-	(1,091)	(79,469)	-	(1,054,467)
	118,744	23,489	1,168	457,841	15,778	4,907	455,506	22,349	100,870	5,171	81,389	-	1,287,212

(*) Initial collection for the purchase of investees Enviroclear Site Services Limited (United Kingdom), Orion Environmental Services Ltd. (Canada), EMS Invironmental, Inc (USA), Ambipar Environmental Nordeste SA, Metal Ar Engenharia Ltda., Centroeste Resíduos Ltda., Boomer do Brasil - Gestão Ambiental Ltda. and Disal Ambiental Holding S.A. (Chile).

(**) Waste Treatment Center.

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	2020 (consolidated)												Total
	CTR (**)	Buildings	Facilities	Machinery and equipments	IT equipments	Furnitur e and Fixture	Vehicles	Leasehold Improvement	Constructi on in progress	Vessels	Lease	Reorganization or Restructuring Expenses	
Cost													
Opening balance	49,284	1,102	1,076	121,806	4,125	2,395	160,691	24,812	17,791	2,775	19,336	-	405,193
Transfers	-	-	(21)	(115)	100	27	-	-	-	9	-	-	-
Additions	189	83	31	56,842	2,359	353	100,613	3,024	13,360	625	32,095	17	209,591
Write-offs	-	-	-	(21,761)	(8)	(35)	(17,529)	-	(13,289)	-	(1,381)	-	(54,003)
Transferred purchase amount(*)	-	-	10	19,041	1,371	2,751	15,278	1,682	983	2,062	-	2	43,180
Exchange rate gains (losses)	-	381	-	10,827	63	169	(564)	(5)	-	(160)	4,597	-	15,308
Final balance	49,473	1,566	1,096	186,640	8,010	5,660	258,489	29,513	18,845	5,311	54,647	19	619,269
Accumulated depreciation													
Opening balance	(6,615)	(691)	(416)	(83,898)	(3,273)	(1,670)	(87,204)	(1,074)	-	(246)	(11,792)	-	(196,879)
Transfers	-	-	6	65	(33)	(30)	-	-	-	(8)	-	-	-
Additions	(591)	(186)	(130)	(15,731)	(518)	(188)	(30,636)	(5,206)	-	(161)	(11,213)	(9)	(64,569)
Write-offs	-	10	-	24,060	75	68	12,656	-	-	-	1,088	-	37,957
Initial purchase balance (*)	-	-	(4)	(12,905)	(1,246)	(2,434)	(10,955)	(667)	-	(1,442)	-	(2)	(29,655)
Exchange rate gains (losses)	-	(224)	(13)	(5,883)	(53)	(125)	256	5	-	115	(3,687)	-	(9,609)
Final balance	(7,206)	(1,091)	(557)	(94,292)	(5,048)	(4,379)	(115,883)	(6,942)	-	(1,742)	(25,604)	(11)	(262,755)
Cost	49,473	1,566	1,096	186,640	8,010	5,660	258,489	29,513	18,845	5,311	54,647	19	619,269
Depreciation and Amortization	(7,206)	(1,091)	(557)	(94,292)	(5,048)	(4,379)	(115,883)	(6,942)	-	(1,742)	(25,604)	(11)	(262,755)
	42,267	475	539	92,348	2,962	1,281	142,606	22,571	18,845	3,569	29,043	8	356,514

(*) Initial collection for the purchase of investees Ambipar Coprocessing Ltda., Ambipar Facilities Ltda., Ambipar Compliance Solutions SA, Allied International Emergency LLC (USA), Intracoastal Environmental, LLC (USA), One Stop Environmental, LLC (USA) and Custom Environmental Services, Inc (USA).

(**) Waste Treatment Center.

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(b) Depreciation and amortization rates

Depreciation and amortization rates are shown below:

Ativos	Useful life (in years)	Annual weighted average rate (%)
Buildings	10 to 25	5
Sanitary landfill (*)	5,5 to 12	8.00
Leasehold improvement	3 to 25	18.67
Vessels	4 to 20	8.64
Tools	3 to 10	13.07
IT equipments	3 to 20	19.28
Facilities	3 to 10	14.55
Machinery and equipments	3 to 12	14.88
Machinery and equipments - Fleets	3 to 20	18.00
Furniture and fixture	3 to 12	12.72
Vehicles	3 a 25	20.31
Software use license	5	20.00
Software	3 to 5	21.11
Vehicles - Fleets	2 to 30	23.86
Research and development	2	50.00

(c) Assets given in guarantee

As of December 31, 2021, the amount of BRL 507,533 (BRL 180,445 as of December 31, 2020) is represented by the assets comprising the fixed assets in the classes of vehicles (primarily represented by trucks), machines, appliances and equipment, which are the guarantees of the respective financing in the form of FINAME and Lease.

(d) Impairment (Fixed assets and intangibles)

Management annually reviews the book value of assets in order to assess events or changes in economic or operational circumstances that may indicate impairment or loss of their recoverable value. If such evidence is identified and for the net book value that exceeds the recoverable value, an impairment provision is set up adjusting the net book value to the recoverable value.

Intangible assets with indefinite useful lives are subject to annual impairment analysis regardless of whether or not there is any indication of impairment.

The recoverable amount of an asset is defined as the lower of its carrying amount and its value in use. The calculation of value in use is based on the discounted cash flow model, considering two CGUs: environmental and emergency. The business growth assumptions are based on the annual budget for 2021 and long-term projections of its subsidiaries. Estimated future cash flows were discounted at a rate equivalent to the weighted average cost of capital.

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The estimated EBITDA was projected considering the history and forecasts as follows:

- The revenues of the CGUs include provision of services. Revenue growth was projected considering the economic recovery and price increases / decreases based on inflation estimates;
- The operating costs and expenses were projected considering the historical performance of the UGC and the trends in readjustment of personnel costs and investments in structure; and
- Capital expenditures were estimated considering the maintenance of the existing infrastructure, machines, equipment and vehicles for continuous operation and compliance with contracts with customers.

For the years ended December 31, 2021 and 2020, the estimated value in use exceeded the carrying amount.

(e) Right of use asset - Consolidated

	Balance in January 1, 2021	New contracts	Initial Purchase Collection	Depreciation	Cost	Accumulated Depreciation	Net income
Right of use	29,043	29,926	41,539	(19,119)	160,858	(79,469)	81,389

They mainly refer to properties and fleets that are leased from third parties and to conduct the business of the Company and its subsidiaries in various locations in the country. As of April, 2020, the lease agreement with related parties of the properties in Nova Odessa/SP and the Company's headquarters in São Paulo/SP was initiated, which are subject to market conditions.

9. Intangible assets

(a) Breakdown

	Annual Amortization rate	Consolidated	
		2021	2020
Cost			
Trademarks and patents		93,330	1,971
Right of use Software	20%	25,944	5,598
Research and Development (*)	50%	8,619	8,840
Goodwill paid with expected future profitability		1,686,841	384,829
Client portfolio	50%	209,499	3,891
Work force (**)	20%	12,032	853
		<u>2,036,265</u>	<u>405,982</u>
Accumulated amortization			
Trademarks and patents		-	(97)
Right of use Software		(12,456)	(5,115)
Research and Development		(8,516)	(5,109)
Client portfolio		(10,791)	(3,540)
Accumulated amortization		<u>(378)</u>	<u>-</u>
		<u>(32,141)</u>	<u>(13,861)</u>
Net total		<u>2,004,124</u>	<u>392,121</u>

(*) Substantially refers to investments in Research & Development of products from waste generated by the Company's customers and its subsidiaries; and

(**) Amortized from 2022 in accordance with the business plan defined in the acquisition.

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(b) Intangible assets rollforward

	Consolidated (2021)						Total
	Trademarks and patents	Right of use Software	Research and Development	Client portfolio	Goodwill paid with expected future profitability	Work force	
Cost							
Opening balance	1,094	6,475	8,840	3,891	384,829	853	405,982
Additions	809	3,961	-	729	1,275,700	-	1,281,199
Initial collection	2,041	16,318	-	1,800	11,759	-	31,918
Appropriation fair value of surplus value	89,386	-	-	203,156	-	11,179	303,721
Write-offs	-	(455)	(232)	-	-	-	(687)
Exchange rate	-	(355)	11	(77)	14,553	-	14,132
Final balance	93,330	25,944	8,619	209,499	1,686,841	12,032	2,036,265
Accumulated depreciation							
Opening balance	-	(5,212)	(5,109)	(3,540)	-	-	(13,861)
Additions	-	(1,201)	(3,617)	-	-	-	(4,818)
Initial collection	-	(5,915)	-	(228)	-	-	(6,143)
Appropriation fair value of surplus value	-	-	-	(7,033)	-	(378)	(7,411)
Write-offs	-	-	219	-	-	-	219
Exchange rate	-	(128)	(9)	10	-	-	(127)
Final balance	-	(12,456)	(8,516)	(10,791)	-	(378)	(32,141)
Cost	93,330	25,944	8,619	209,499	1,686,841	12,032	2,036,265
Accumulated amortization	-	(12,456)	(8,516)	(10,791)	-	(378)	(32,141)
	93,330	13,488	103	198,708	1,686,841	11,654	2,004,124

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	Consolidated (2020)						Total
	Trademarks and patents	Right of use Software	Research and Development	Client portfolio	Goodwill paid with expected future profitability	Work force	
Cost							
Opening balance	2,407	4,017	7,800	3,891	135,127	853	154,095
Transfers	(2,155)	2,155	-	-	-	-	-
Additions	286	193	821	-	247,206	-	248,506
Transferred amount	122	110	240	-	-	-	472
Write-Offs	(118)	-	-	-	-	-	(118)
Exchange rate	552	-	(21)	-	2,496	-	3,027
Final balance	1,094	6,475	8,840	3,891	384,829	853	405,982
Accumulated depreciation							
Opening balance	(988)	(3,406)	(1,385)	(3,540)	-	-	(9,319)
Transfers	1,375	(1,375)	-	-	-	-	-
Additions	(45)	(300)	(3,514)	-	-	-	(3,859)
Transferred amount	(118)	(110)	(228)	-	-	-	(456)
Write-Offs	118	-	-	-	-	-	118
Exchange rate	(342)	(21)	18	-	-	-	(345)
Final balance	-	(5,212)	(5,109)	(3,540)	-	-	(13,861)
Cost	1,094	6,475	8,840	3,891	384,829	853	405,982
Accumulated amortization	-	(5,212)	(5,109)	(3,540)	-	-	(13,861)
	1,094	1,263	3,731	351	384,829	853	392,121

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10. Loans and financing

10.1. Breakdown

Type	Financial Charge - % a.a. (*)	Maturity	Consolidated			
			2021		2020	
			Current	Non-current	Current	Non-current
Working capital	3,16 + CDI	July 2026	138,730	629,150	7,080	19,611
Investment	10,84	June 2027				
financing			97,382	349,137	37,006	141,771
Finance lease	8,51	November 2025	31,750	29,264	790	878
			<u>267,862</u>	<u>1,007,551</u>	<u>44,876</u>	<u>162,260</u>

(*) Effective weighted average annual cost of interest on December 31, 2021.

As provided for in the Final Prospectus of the Public Offering of Primary Distribution of Common Shares Issued by the Company, Management renegotiated and, anticipated, payments of loan contracts with high funding costs during the month of July 2020. Working capital loans were considered Therefore, the Company decided to liquidate them. The costs related to the prepayment of the loans were recorded as financial expenses, in the amount of R\$ 17,900.

10.2. Description

- (i) Working capital: Working capital operations are fixed at a weighted average rate of 3.16% p.a. plus CDI, and maturities from August 2021 to July 2026;

Turnover in foreign currency - Resolution 4131

In June 2021, subsidiary Environmental entered into a loan agreement in US dollars in the amount of USD 9,917 thousand, equivalent to R\$ 50,000, on the transaction date, with the financing agent Banco Bocom BBM S.A. Nassau Branch, guaranteed by a letter of guarantee assumed by the Company and the shareholder, with interest of 2.91% p.a. and exchange variation, with payment of principal and interest in 12 monthly installments.

To hedge the loan, subsidiary Environmental contracted a derivative financial instrument, cash flow swap, with Banco BBM S.A. in the same amount and maturities, exchanging the exposure of the variation of the USD currency plus a fixed rate of 2.91% per year, for the fixed rate of 100% of the CDI per year, and with that, assigning the credit rights of the swap operation as collateral to the lender of the US dollar loan;

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- (ii) Financing investments (FINAME): Acquisition of heavy vehicles and machinery used in the operations of subsidiaries. The contracts have a fixed rate with a weighted average of 10.84% p.a., with monthly amortization and the last installment due in June 2027;
- (iii) Finance lease : Contracts with a fixed rate with a weighted average of 8.51% p.a., monthly amortization and maturity of the last installment in November 2025.

10.3. Payment schedule of non-current liabilities installments

Year of maturity	Consolidated	
	2021	2020
2022	-	50,642
2023	305,914	52,151
2024	270,888	38,909
2025	261,465	20,558
2026	133,135	-
As from 2027	42,225	-
	<u>1,013,627</u>	<u>162,260</u>
Funding cost (long term)	(6,076)	-
	<u>1,007,551</u>	<u>162,260</u>

10.4. Guarantees

Financing with FINAME funds is guaranteed by the financed assets and was raised primarily to set up fleet of vehicles for the operation of the subsidiaries. This financing is made through certified financial institutions, for the production and acquisition of new machines and equipment, domestically manufactured, certified with the National Bank for Economic and Social Development (BNDES).

Loans for working capital are guaranteed by the Company's shareholders approval.

11. Debentures

11.1. Breakdown

	Financial charges - %	Year of maturity	Parent Company			
			Current		Non-current	
			2021	2020	2021	2020
Debentures	CDI + 2,75	July/2027	<u>14,232</u>	-	<u>493,359</u>	-
			<u>14,232</u>	-	<u>493,359</u>	-
	Financial charges - %	Year of maturity	Consolidated			
			Current		Non-current	
			2021	2020	2021	2020
Debentures	CDI + 2,75 e 2,85	July/2027	<u>74,232</u>	-	<u>1,318,007</u>	-
			<u>74,232</u>	-	<u>1,318,007</u>	-

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11.2. Payment schedule for non-current liability installments

Year as maturity	Parent Company		Consolidated	
	2021	2020	2021	2020
2023	-	-	240,000	-
2024	125,000	-	365,000	-
2025	125,000	-	365,000	-
2026	125,000	-	245,000	-
2027	125,000	-	125,000	-
Total	500,000	-	1,340,000	-
Funding cost (long term)	(6,641)	-	(21,993)	-
	493,359	-	1,318,007	-

11.3. Issuance of debentures

Ambipar Participações e Empreendimentos S.A.

On July 15, 2021, the members of the Company's Board of Directors at the Extraordinary Shareholders' Meeting resolved and approved the 2nd issue of simple, non-convertible debentures, of the unsecured type, with additional personal guarantee, in a single series, in the amount of BRL 500,000. The funds raised were used to recompose the Company's cash.

The debentures have final maturity in July 2027, the payment of the principal will be made in 4 annual installments, the first being in July 2024 and the interest will be paid semi-annually, with the first payment in January 2022.

Environmental ESG Participações S.A.

On June 16, 2021, the Management of the subsidiary Environmental ESG Participações SA, at an Extraordinary General Meeting, resolved and approved the 1st issue of debentures, with the issuance of 900,000 simple, non-convertible debentures, of the type with real guarantee, with additional guarantee trust, in a single series, in the total face value of R\$ 900,000. The funds raised were substantially allocated to the Acquisition of corresponding to 100% of the capital stock of Disal Ambiental Holding S.A.

The debentures have final maturity in June 2026, interest and principal will be paid quarterly, with the first payment in September 2021 and December 2022, respectively.

11.4. Contractual restrictions and covenants

The subsidiary Environmental ESG Participações S.A. has a debenture agreement that has certain obligations, including compliance with financial indices (covenants). They are basically linked to the Net Debt / EBITDA* compliance ratio, which must be measured every six months by the Company.

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In addition, the Company must notify in advance of: incorporation, merger, spin-off or corporate reorganization, liquidation, extinction or dissolution, capital reduction, distribution of dividends above the mandatory minimum or any transfer of assets of the Company and its subsidiaries, as well as as an entry with a request for judicial recovery.

As of December 31, 2021, there were no events that could lead to breach of contract.

12. Trade accounts payable

	Consolidated	
	Current	
	2021	2020
Trade - National operations	26,210	12,011
Trade - International operations	73,170	5,157
Trade - Related parties	-	635
	<u>99,380</u>	<u>17,803</u>

13. Lease liabilities

	Consolidated		
	Lease liabilities	Unrecognized interest of lease contracts (AVP)	Net lease liabilities
Opening balance as at January 1, 2021	31,781	(3,465)	28,316
Recognition of new contracts *	29,806	(5,029)	24,777
Initial Purchase Collection	40,529	(152)	40,377
Main Payment	(20,014)	-	(20,014)
Interest Payment	(2,703)	-	(2,703)
Interest Appropriation	-	2,595	2,595
Exchange rate fluctuation	2,863	-	2,863
Final balance as at December 31, 2021	<u>82,262</u>	<u>(6,051)</u>	<u>76,211</u>
Current	29,058	(2,820)	26,238
Non-current	53,204	(3,231)	49,973

* The amount of PIS and COFINS included in this amount is R\$688.

	Consolidated		
	Lease liabilities	Unrecognized interest of lease contracts (AVP)	Net lease liabilities
Opening balance as at January 1, 2020	10,035	(1,259)	8,776
Recognition of new contracts	31,264	(3,641)	27,623
Payment	(10,889)	-	(10,889)
Recognition of interest	-	1,435	1,435
Exchange rate fluctuation	1,371	-	1,371
Final balance as at December 31, 2020	<u>31,781</u>	<u>(3,465)</u>	<u>28,316</u>
Current	8,844	(1,199)	7,645
Non-current	22,937	(2,266)	20,671

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These refer to lease liabilities measured at the present value of lease payments expected until the end of the agreement, considering possible renewals or cancellations.

The following shows, for demonstration purposes only, the flows of future lease payments, considering the projected inflation until the maturity of the contracts, in relation to the lease commitments for the right to use:

Year of maturity	Consolidated 2021
2022	29,078
2023	23,595
2024	21,547
2025	14,170
as from 2026	7,274
	<u>95,664</u>

14. Provision for contingencies and court deposits

14.1. Breakdown

At December 31, 2021 and 2020, the subsidiaries reported the following liabilities and corresponding court deposits related to contingencies:

	Consolidated			
	2021		2020	
	Court deposits	Provision for contingencies	Court deposits	Provision for contingencies
Probable contingencies:				
Social security and labor contingencies	<u>2,377</u>	<u>2,327</u>	<u>2,463</u>	<u>2,579</u>
	<u>2,377</u>	<u>2,327</u>	<u>2,463</u>	<u>2,579</u>

The Company and its subsidiaries are parties to labor, social security and civil lawsuits, and are discussing these issues at both administrative and judicial levels, which, when applicable, are mostly supported by judicial appeals.

The respective provisions for contingencies were constituted considering the estimate made by the legal advisors, for lawsuits whose probability of loss in the respective outcomes was assessed as probable.

Management believes that resolving these issues will not have an effect significantly different from the amount accrued.

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14.2. Provision for contingencies rollforward

Changes in the provision for contingencies in December 31, 2021 and 2020 are as follows:

	<u>Consolidated</u>
(=)Balance on January 1, 2020	7,432
(-) Write-offs/Reversals	(4,853)
(=)Balance as at December 31, 2020	<u>2,579</u>
(+) Initial collection for the purchase	273
(-) Write-offs/Reversals	(525)
(=)Balance as at December 31, 2021	<u><u>2,327</u></u>

14.3. Nature of the contingencies

Labor and social security contingencies refer to suits filed by former employees related to amounts arising from work relationships and various indemnity requests. Civil contingencies refer to lawsuits filed by former suppliers and former partners related to indemnity for material damages arising from the business relation with the Company's subsidiaries.

As at December 31, 2021, Management reassessed the criteria of provision for labor contingencies, considering the risk of loss in each suit and started to record the estimated amount of probable loss in each filing in the lawsuits.

The Company has contingencies classified as possible losses as at December 31, 2021 in the amount of R\$ 6,638 (as at December 31, 2020 R\$ 7,501).

14.4. Asset contingencies

The controlled company Ambipar Logistics has filed a lawsuit for damages and indemnity against a former client due to receivables in default supported by the effective rendering of services and a contractual fine for breach of contract signed.

As at December 31, 2021, the adjusted amount of the suit is R\$ 2,439, whose estimate for a favorable outcome evaluated by the controlled company's legal counselors is probable. The process has been conducted by the internal legal department of the Group and there are no additional liabilities due to costs and fees.

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15. Related-party transactions

15.1. Breakdown

The main transaction with related parties in the Ambipar Group was carried out under the following conditions:

	Parent company	
	2021	2020
Asset		
Dividends receivable:		
Environmental ESG Participações S.A.	2,536	-
Emergência Participações S.A.	31,155	-
	33,691	-
Loan (non-current)		
Ambipar Environment Reverse Manufacturing S.A.	488	453
Ambipar R&D Pesquisa e Desenvolvimento Ltda.	156	156
Ambipar Logistics Ltda	365	365
Ambipar Response Limited (Reino Unido)	1,119	1,056
Ambipar Response S.A.	44,713	3,209
Environmental ESG Participações S.A.	471,094	725
Ambipar EcoProducts S.A.	461	461
Emergência Participações S.A.	424,698	-
Ambipar Coprocessing Ltda.	419	419
Ambipar Bank Intermediação de Negócios, Pagamentos e Participações Ltda	4,990	-
Ambipar Environmental Solution - Soluções Ambientais Ltda	70,669	5,056
Ambipar Environment Waste Logistics Ltda	318	318
Ambipar Environmental Centroeste S.A.	570	-
MDTEC Engenharia e Serviços Ltda.	291	-
	<u>1,020,351</u>	<u>12,218</u>
Liabilities		
Dividends payable		
Controlling shareholder	20,944	6,523
Non-controlling shareholders	13,295	4,123
	<u>34,239</u>	<u>10,646</u>
Loan (non-current)		
Emergência Participações S.A.	-	2,342
Ambipar Response Insurance - Atendimento a Seguros Ltda	4,500	4,500
Ambipar Facilities Ltda	1	-
Atmo Hazmat Ltda	6	6
Ambipar Workforce Solution - Mão de Obra Temporária Ltda	5,846	5,880
Ambipar Environmental Solutions - Soluções Ambientais Ltda.	131	-
Ambipar Financial Participações S.A.	1	-
Ambipar Environment Reverse Manufacturing S.A.	1	-
Bleu Empreendimentos Digitais Ltda	13,000	-
	<u>23,486</u>	<u>12,728</u>

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Loans

Are current account transactions carried out exclusively between wholly-owned subsidiaries of the Company, that is, subsidiaries in which the Company has full control. These transactions, whose contracts are for an indefinite period and without remuneration, are carried out and are characterized by the concept of cash centralization aiming at a better management of financial resources.

	Consolidated	
	2021	2020
Result (trade transactions)		
Revenue		
Disal Chile Sanitarios Portables Ltda.	-	51
Ingeniería en Sanitización S.A.	-	1
Ingeclean Perú SAC	-	7
Gestión de Servicios Ambientales SAC	-	50
Inmobiliaria e Inversiones D&G Ltda.	-	28
	-	137
Cost		
Disal Chile Sanitarios Portables Ltda.	-	(14)
Gestión de Servicios Ambientales SAC	-	(191)
Inversiones Algarrobo S.A.	-	(296)
	-	(501)
Net result	-	(364)
Remuneration of key personnel	22,708	12,839

Trade transactions

In 2020, it refers to related parties linked to the Chilean non-controlling shareholder, which has strictly commercial transactions, that is, entered into for the purpose of providing environmental services, leases, as well as providing emergency response services. For the execution of such transactions, the commercial conditions of the local market are observed.

15.2. Compensation of key management personnel

The remuneration of all the managers of the group and Board of Directors corresponding to short-term benefits amounted to R\$ 22,708 in the fiscal year 2021 (R\$ 12,839 in 2020).

There is benefit to use vehicles, reimbursements, travel and others offered to directors and members of the Board of Directors. In the fiscal year 2021, these benefits amount R\$ 1,492 (R\$ 769 in 2020).

In 2021, there were no long-term benefits, termination of employment contracts or share-based compensation.

16. Equity

16.1. Share capital

Share capital, subscribed and paid in, is represented by 112.935.588 nominative common shares (112.935.588 shares in 2020), in the amount of R\$ 1,151,602.

On July 10, 2020, the initial public offering of shares issued by the Company ("Offer") was registered. The Offer consisted of the primary public distribution of 38.028.987 new common shares issued by the Company at a price of R\$ 24.75, carried out in accordance with CVM Instruction 400, of December 29, 2003, as amended.

On July 20, 2020, the Supplementary Shares option was fully exercised under the Offer, with the issuance of 5.704.347 new common shares of the Company, each in the amount of R\$ 24,75. Issuance cost of shares were calculated in the amount of R\$ 107,937, and recorded in a specific account in shareholders's equity.

16.2. Profit reserves

Legal Reserve

The legal reserve is constituted annually as a destination of 5% of the net income for the year and cannot exceed 20% of the share capital.

The purpose of the legal reserve is to ensure the integrity of the share capital and can only be used to offset losses and increase capital.

Unrealized profit reserve

The unrealized profit reserve is represented by undistributed profits, due to the fact that equity income is not realized from its investees.

Approval of 2020 profit allocations

On April 30, 2021, the Company approved in the AGM the allocation of net income verified in the fiscal year ended on December 31, 2020, corresponding to the amount of R\$ 44,824, as follows: R\$ 2,241 was allocated to the constitution of a reserve legal, R\$10,646 was allocated to the distribution of shareholders, as dividends, and R\$31,937 was allocated to the unrealized profit reserve.

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Approval of 2021 profit allocations

Management will propose at the Annual Shareholders' Meeting (AGO) the retention of the net income for the year, after the constitution of the legal reserve and mandatory minimum dividends, as "Reserve for unrealized profits" in the amount of R\$ 102,716, which may be realized when of the profits attributed to the result of the equivalence of investments are realized, for example, with the receipt of dividends from subsidiaries and joint ventures.

In the 2022 fiscal year, the Company will distribute dividends in the amount of R\$34,239, as mandatory minimum dividends for the 2021 fiscal year, with no supplement required to be resolved.

As a result of the above, the Company's net income has been allocated as follows:

	2021	2020
Net income for the year	144,163	44,824
Distribution of profit reserve	(34,239)	(10,646)
Appropriation of legal reserve (5%)	(7,208)	(2,241)
Appropriation of unrealized profit reserve	102,716	31,937

16.3. Allocation of additional profits from prior years

In the quarter ended March 31, 2020, the Company distributed as additional profits from previous years the amount of R\$ 2,100, approved by the shareholders at the AGE dated March 27, 2020.

16.4. Earnings per share

Basic

Basic earnings (losses) per share are calculated by dividing the income attributable to the Company's shareholders by the weighted average number of shares issued during the year, excluding those shares bought by the Company and held as treasury shares. Any dividends of preferred shares and any premiums paid upon the issue of preferred shares during the year are deducted from the income attributed to the parent company's shareholders.

Earning per share	2021	2020
Earning per share operations attributable to shareholders of the parent company before deductions	168,871	49,523
Number of common and preferred shares	112.935.588	112.935.588
Basic earnings per share (in Reais)	1.50	0.44
Diluted earnings per share (in Reais)	1.50	0.44

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Diluted

As of December 31, 2020, the Company has no dilution of common shares.

16.5. Cumulative translation adjustment

Refers substantially to exchange variation on foreign investments and goodwill paid on the acquisition of businesses in other countries, whose functional currencies are different from the Company and its subsidiaries.

16.6. Equity valuation adjustment

Substantially refers to the reflex equivalence of investees acquired in the Ambipar Group, which have equity valuation adjustment as a result of the initial adoption of ICPC 10 in relation to their property, plant and equipment.

16.7. Capital transaction

Refers to the Acquisition of by the subsidiary Emergencia Participações S.A. of the remaining 50% of Suatrans Chile S.A. through the Acquisition of the holding company Inversiones Disal Emergencias S.A. (Chile).

	Response
	Inversiones Disal Emergencias
Assets and liabilities acquired at fair value (*)	
Cash and cash equivalents	1,005
Other assets	25,650
Other liabilities	(326)
Total identifiable net assets	26,329
Total amount of the consideration transferred	144,430
(-) Cash acquired	(1,005)
(-) Assumed amount of the obligation to pay	-
Cash paid, net of cash received	143,425
Determining goodwill from expected future profitability (*)	
Total amount of the consideration transferred, Net	144,430
Total amount of identifiable net liabilities	(26,329)
Goodwill resulting from expected future profitability	118,101
Acquisition Month	06/28/2021
Control start Month	07/2021
Company that acquired control	Emergência Participações S.A.
Acquisition Value	US\$ 26.185
Percentage acquired	99.99%

16.8. Participation of non-controlling shareholders

The changes in non-controlling interests mentioned in the statement of changes in equity refer substantially to the acquisition of the indirect subsidiary Ambipar Environmental Nordeste SA, Metal Ar Engenharia Ltda., Boomera do Brasil - Gestão Ambiental Ltda., Centroeste Resíduos Ltda., ControlPar Participações SA, Bioflica Investimentos Ambientais SA, Drypol Indústria e Comércio de Polímeros Ltda., Suprema Serviços Industriais Ltda., SIR Ambiente Inteligência Ambiental Ltda., Brazil Coleta Gestão de Resíduos Ltda. and Bleu Empreendimentos Digitais Ltda.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated financial statements

For the years ended December 31, 2021 and 2020

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17. Information by segment

Management defined the Company's operating segments, based on the reports used to make strategic decisions, reviewed by Management, which are segmented between environmental ("Environment") and emergency ("Response") services. Other businesses are linked to the Company itself, business holding and other activities not previously linked and mentioned in Note N° 1.1.

The main operations by business segment corresponding to December 31, 2021 and 2020 are as follows:

Description	Environment		Response		Outros		Consolidado	
	2021	2020	2021	2020	2021	2020	2021	2020
Total asset value	3,143,651	511,727	1,336,215	526,557	381,503	605,877	4,861,369	1,644,161
Total liability value	2,461,424	195,455	515,958	218,272	579,255	4,684	3,556,637	418,411
Net sales and national services revenue	1,092,769	336,430	822,203	365,182	1,360	-	1,916,332	701,612
Cost and expenses	(812,260)	(241,325)	(601,304)	(255,186)	(1,904)	(9,031)	(1,415,468)	(505,542)
Financial income	10,970	1,414	11,824	7,382	15,481	5,799	38,275	14,595
Financial expenses	(116,715)	(28,724)	(10,428)	(14,205)	(17,208)	(26,288)	(144,351)	(69,217)
Depreciation and amortization	(131,969)	(43,377)	(56,215)	(21,602)	(11)	(3,449)	(188,195)	(68,428)
Equity	-	-	-	-	-	-	-	-
Expenses or revenue with corporate income tax and social contribution	(16,047)	(8,149)	(37,748)	(16,832)	-	-	(53,795)	(24,981)
Operating profit	152,609	52,726	176,869	87,896	(736)	(11,496)	328,742	129,126

The consolidated result considers the elimination of sales between the Company's companies. As of December 31, 2021, the Company has no customer representing more than 10% of its net revenue.

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Notes to the individual and consolidated financial statements
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18. Net operating revenue

The reconciliation of gross revenues with net revenues from services rendered is as follows:

	Consolidated	
	2021	2020
Gross revenue for service rendered	2,197,459	800,407
Cancellations	(16,334)	(7,001)
Sales tax	(264,793)	(91,794)
Net operating income	<u>1,916,332</u>	<u>701,612</u>

	Consolidated	
	2021	2020
Gross revenue in the domestic market	1,234,586	571,546
Gross revenue in the foreign market (*)	962,873	228,861
Total	<u>2,197,459</u>	<u>800,407</u>

(*) Gross revenue in the foreign market comes from investments abroad (Allied International Emergency LLC (USA), One Stop Environmental, LLC (USA), Intracoastal Environmental, LLC (USA), Custom Environmental Services, Inc (USA), Swat Consulting Inc (US), Professional Emergency Resource Services (US), Enviroclear Site Services Limited (UK), Lehane Environmental & Industrial Services Ltd (Ireland), Orion Environmental Services Ltd. (Canada), Emerge Hydrovac Inc. (Canada), Lynx Creek Industrial & Hydrovac Ltd. (Canada), Suatrans Chile SA (Chile) and subsidiaries and Disal Ambiental Holding SA and subsidiaries).

19. Costs and expenses by nature

	Parent company		Consolidated	
	2021	2020	2021	2020
Materials used providing services	-	-	(65,561)	(9,672)
Labor charges and personal	-	(2,133)	(712,494)	(280,107)
Fuels	-	(3)	(65,597)	(18,394)
Freight and tolls	-	(22)	(26,020)	(19,947)
Maintenance of machinery, devices and equipment and vehicles	-	-	(97,196)	(18,370)
Taxes	-	(175)	(17,767)	(6,354)
Rent and HOA fees	-	(318)	(13,873)	(5,231)
Lease of assets, vehicles, machinery and equipment	-	-	(17,609)	(3,185)
Telephone expenses	-	(4)	(4,245)	(2,813)
Traves expenses	-	(92)	(15,950)	(7,199)
Depreciation and amortization	-	(3,449)	(188,195)	(68,428)
Advertising and publicity	-	(359)	(12,555)	(5,958)
Third-party services	-	(3,385)	(220,717)	(56,843)
Other expenses	-	(1,556)	(129,811)	(69,985)
	<u>-</u>	<u>(11,496)</u>	<u>(1,587,590)</u>	<u>(572,486)</u>
Cost of services rendered	-	-	(1,499,772)	(542,819)
General, administrative and selling	-	(12,306)	(103,891)	(31,151)
Others revenues (expenses) operating, net	-	810	16,073	1,484
	<u>-</u>	<u>(11,496)</u>	<u>(1,587,590)</u>	<u>(572,486)</u>

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

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20. Financial income and expenses, net

	Parent company		Consolidated	
	2021	2020	2021	2020
Financial income				
Discounts revenue	254	7	609	477
Interest charged	-	43	1,178	570
Revenue from financial investment	14,888	5,193	23,317	5,361
Exchange rate gains	254	556	9,190	7,527
Monetary gain	-	-	202	623
Others	-	-	3,779	37
	15,396	5,799	38,275	14,595
Financial expenses				
Interest paid	(706)	(9)	(14,466)	(4,530)
Amortization costs	(881)	(15,903)	(46,874)	(17,900)
Interest on loans	(14,232)	(5,283)	(62,428)	(29,927)
Interest on debentures	-	(4,470)	(1,590)	(3,322)
Discounts granted	(450)	-	(3,775)	(1,665)
Bank expenses	(467)	(211)	(6,092)	(1,841)
Tax on financial transaction (IOF)	(193)	(353)	(2,710)	(2,020)
Exchange rate losses	(230)	(59)	(364)	(5,709)
Others	(34)	-	(6,052)	(2,303)
	(17,193)	(26,288)	(144,351)	(69,217)
Financial result, net	<u>(1,797)</u>	<u>(20,489)</u>	<u>(106,076)</u>	<u>(54,622)</u>

21. Imposto de renda e contribuição social

(a) Breakdown of expenses

	Consolidated	
	2021	2020
Current income tax and social contribution	(47,055)	(12,421)
Deferred income tax and social contribution	(6,740)	(12,560)
Income tax expense	<u>(53,795)</u>	<u>(24,981)</u>

(b) Reconciliation of income tax and social contribution expenses

	Consolidated	
	2021	2020
Profit before income tax and social contribution	222,666	74,504
Tax calculated based on effective tax rate - 34%	(75,706)	(25,331)
Reconciliation:		
Recognition of deferred IRPJ/CSLL on tax loss	23,774	(2,912)
Adjustments for permanent differences in other jurisdictions	35,111	10,205
Adjustment Differences in tax regime	(12,548)	-
Other adjustments on temporary and permanent differences	(24,426)	(6,943)
Income tax and social contribution	<u>(53,795)</u>	<u>(24,981)</u>
Tax rate on income tax and social contribution - %	<u>24.2%</u>	<u>33.5%</u>

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(c) Deferred income tax and social contribution

The Company has updated the registration and presents deferred income tax and social contribution assets at the limit of their realization, to reflect future tax effects on temporary differences between the tax basis of assets and their respective carrying amounts, calculated at the combined tax rate of 34%, as well as demonstrates the basis for constituting deferred income tax and social contribution liabilities, constituted taking into account the obligations existing in other jurisdictions, shown separately in assets and liabilities because they are different tax authorities, as follows:

	Consolidated	
	2021	2020
Tax basis - Asset		
Tax loss and negative basis	78,048	26,773
Temporary differences in another jurisdiction	<u>18,647</u>	<u>11,459</u>
	96,695	38,232
Income tax - 25%	24,173	9,558
Social contribution - 9%	8,703	3,441
Income tax and social contribution - asset	<u>32,876</u>	<u>12,999</u>
	Consolidated	
	2021	2020
Tax basis - liabilities		
Provisions - temporary differences	(368,621)	(31,765)
Temporary differences in other jurisdiction	<u>(101,684)</u>	<u>(9,397)</u>
	(470,305)	(41,162)
Income tax - 25%	(117,577)	(10,290)
Social contribution - 9%	(42,327)	(3,705)
Income tax and social contribution - liabilities	<u>(159,904)</u>	<u>(13,995)</u>

(d) Deferred income tax and social contribution rollforward

	Consolidated	
	2021	2020
Rollforward		
Opening balance - asset, net liabilities	(996)	11,762
Net income	(6,740)	(12,560)
Others transactions - tax calculation basis	(119,292)	(198)
Final balance - asset, net liabilities	<u>(127,028)</u>	<u>(996)</u>

(e) Realization of deferred income tax and social contribution

	Realization for year	2021
2022		8,219
2023		8,219
2024		8,219
2025 forth		<u>8,219</u>
		<u>32,876</u>

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22. Insurance

The Company and its subsidiaries have an insurance and risk management program that provides coverage and protection compatible with their equity assets and their operation.

The coverage contracted is based on criteria for the study of risks and losses, and the types of insurance contracted are considered by Management to be sufficient to cover any claims that may occur, in view of the nature of the activities of the Company and its subsidiaries. The main ones as of December 31, 2021 are detailed below:

Segmento	Cover	Object	Insured amount	Effective date
Environment	Civil responsibility	Provision of services in third party locations	9,581	until Dez/2022
Environment	Civil liability for cargo transport	Cargo Accident and cargo coverage on international travel	2,316	until Mar/2023
Environment	General Insurance	Claims coverage in the administrative building	6,000	until Feb/2023
Response	Civil responsibility	Provision of services at third-party locations	15,000	until Set/2022
Response	General	Provision of services at third-party locations	1,700	until Set/2022
Response	Life insurance	Employee life insurance	1,851	until Mai/2025

23. Additional information to cash flows

Investment and financing transactions that did not involve cash.

	Consolidated	
	2021	2020
Acquisition of fixed assets through financing	276,541	120,283
Operating leasing	24,777	27,623
Balance to be paid for investment acquisition	261,157	79,011
Cumulative translation adjustment	(19,614)	11,576
Non-controlling interest	7,353	5,441
Proposed Dividends	34,239	10,646
Dividends Receivable	33,691	-

24. Impacts on the Company and its subsidiaries - COVID-19

Since the beginning of the pandemic, we have installed a Contingency Committee, which is working on several fronts and meeting periodically to make the necessary decisions aimed mainly at taking care of the health of all our employees. Among the actions adopted, we can highlight: installation of the decontamination tunnel in the entrance to the Company's facilities; environment disinfection performed periodically; adoption of home office for part of the employees, including those considered as risk group; and availability of a Virtual Doctor. The decisions taken are constantly reassessed, according to the current events and facts, and the determinations and guidelines of the competent authorities.

The Management of the Company and its subsidiaries believes that the profile of the services provided by our business units has proven to be in line with the current situation, as a substantial part of the revenue is based on long-term contracts with high income predictability and considered essential to our customers and Society. Furthermore, we started offering disinfection services for commercial, industrial and administrative spaces, which demonstrates the Company's capacity for innovation in capturing opportunities, even in adverse times.

If the length of the contagion curve of the pandemic resulting from COVID-19 extends over time, it may bring a natural slowdown in the economy within the countries in which we operate, however, we can say that the Company has a robust and sufficient capital structure to surpass an even more adverse scenario.

We emphasize that the Company's management also periodically reviews its cost structure, maintaining a robust growth plan with investments in complementing our service portfolio and global action, combining expansion and quality in the services rendered.

25. Private pension

The subsidiary Metal Ar grants all its employees the option of joining the Renda Total Empresarial Metal Ar private pension plan (defined monthly contribution) managed by Brasilprev Seguros e Previdência SA. monthly contributions, limited to 4% of gross income, with subsidiary Metal Ar responsible for contributing the same amount. As of December 31, 2021, the number of participants was:

	31/12/2021
Employees opting for the private pension plan	85
Total employees	596
% de colaboradores no plano	14,26%

The total spent during 2021 as a contribution by the subsidiary Metal Ar was R\$118.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated financial statements For the years ended December 31, 2021 and 2020 (In thousands of Brazilian Reals, unless otherwise stated)

26. Subsequent events

Item	Event	Date	Description
1	3rd Issue of Ambipar Participações e Empreendimentos S.A. debentures	January/2022	On January 10, 2022, the Company concluded the 3rd issue of simple, non-convertible debentures, in a single series of the unsecured type with additional personal guarantee. The issuance of 750,000 debentures, in the total amount of R\$750,000, with a unit par value of R\$1, with final maturity in January 2028.
2	Start of construction of the GIRI project by Disal Ambiental Holding S.A.	January/2022	In January 2022, the indirect subsidiary Disal Ambiental Holdings S.A. announced the start of construction of the GIRI Project located in the city of Santiago, Chile, which will be a classification, pre-treatment and preparation plant for recycling and recovery of waste with a capacity of 60,000 tons per year, with a potential net revenue of USD 8 million and potential EBITDA margin of 70% per year. The total investment of the Project will be approximately USD 18 million and the start-up is scheduled for early January 2023.
3	Announcement of the acquisition of 100% of the company First Response, through its indirect subsidiary Ambipar Holding Canada Inc.	February/2022	In February 2022, the Company announced the Acquisition of 100% of the company First Response through its indirect subsidiary Ambipar Holding Canada Inc., a company founded in 2007, First Response is a specialist in environmental emergencies with a focus on fire, training, simulations and outsourcing of firefighters and firefighting equipment, being a reference in its segment, it has 8 operational bases in Canada, in the states of British Columbia and Alberta. In 2021, it had revenues of 10.2 million Canadian dollars with EBITDA of 2.1 million Canadian dollars.
4	Announcement of the acquisition of 100% of the companies Fox Comércio de Aparas Ltda. and Fox Indústria e Comércio de Plásticos Recicladados Ltda. ("FOX") through its direct subsidiary Environmental ESG Participações S.A.	February/2022	In February 2022, the Company announced the acquisition of 100% of the companies Fox Comércio de Aparas Ltda. and Fox Indústria e Comércio de Plásticos Recicladados Ltda through its direct subsidiary Environmental ESG Participações SA, companies that have been in the Waste Management market for over 40 years and are specialized in capturing and marketing industrial waste and recyclable materials, including logistics reverse.
5	Partnership with the company BP Carbon Trading Limited through its indirect subsidiary Biofílica Ambipar Environmental S.A.	March/2022	The Company informs that the indirect subsidiary Biofílica Ambipar Environmental S.A. has signed an of Partnership with the company BP Carbon Trading Limited ("British Petroleum") with the objective of form a Joint Venture to promote, develop and operate nature-based solutions (NBS) in Peru, aiming to become the largest Nature-based company Solutions in the world in the medium and long term."

INDEPENDENT AUDITORS' REPORT ON THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To the
Shareholders, Board of Directors and Management of
Ambipar Participações e Empreendimentos S.A.
São Paulo - SP

Opinion

We have audited the individual and consolidated financial statements of **Ambipar Participações e Empreendimentos S.A.** (the "Company"), identified as company and consolidated, respectively, which comprise the individual and consolidated statements of financial position as at December 31, 2020 and the respective individual and consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, as well as the corresponding notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the abovementioned individual and consolidated financial statements present fairly, in all material respects, the individual and consolidated financial position of **Ambipar Participações e Empreendimentos S.A.** as at December 31, 2020, the individual and consolidated performance of its operations and cash flows for the year then ended according to Brazilian practices and International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB).

Basis for opinion

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities, in accordance with these standards, are described in the section below entitled "Auditor's responsibilities for the audit of the individual and consolidated financial statements". We are independent in relation to the Company and its subsidiaries, in accordance with the relevant ethical principles set out in the Accountant's Code of Professional Ethics and in the professional standards issued by the Federal Accounting Council, and we comply with other ethical responsibilities in accordance with these standards. We believe that the audit evidence obtained is sufficient and appropriate to support our opinion.

Key audit matters

Key audit matters are those that, in our professional judgment, were the most significant in our current year audit. These matters were dealt with in the context of our audit of the individual and consolidated financial statements as a whole and in forming our opinion on these individual and consolidated financial statements and, therefore, we do not express a separate opinion on these matters.

Revenue Recognition - consolidated

As mentioned in Notes Nº 2.19 and Nº 19, the amount of net revenue in the consolidated is R\$ 701,612 thousand, which the revenue recognition involves controls with the objective of ensuring the integrity of the transaction records, conditioning the aspects of transferring risks and benefits linked to products and at the appropriate time when services are provided. provided and recognized by the client. Considering the volume of transactions involved, portfolio of services and products, geographical situation of logistics and customer service, the recognition of revenue involves a high dependence on the proper functioning of the internal controls determined by the Company and its subsidiaries. In this sense, based on the relevance of the dependence and functioning of the aforementioned controls, and the impact that any absence of functioning of these controls could have on the individual and consolidated financial statements, we consider this matter to be significant for our audit.

Audit response on this matter

Our audit procedures included, among others:

- Evaluation of the internal controls of significant cycles related to the recognition of revenues, including: basis of contracts with customers in relation to the service to be provided and price negotiated; measurements related to services provided and product supply; checking of accounting records;
- Documentary testing, on a sample basis, of checking invoices with measurements of services performed;
- Integrity test of revenue database with accounting records;
- Tests related to manual entries made;
- Analytical procedures on revenue, considering: analysis of key business indicators, average term for receiving sales, alignment of expectations developed with what has been achieved; and
- Evaluation of the adequate disclosure of information in explanatory notes to the individual and consolidated financial statements.

Based on the audit procedures performed in the revenue recognition processes of the Company and its subsidiaries, and the audit evidence obtained that support our tests, including our analysis and understanding, we believe that the recognition of the Company's revenue, as well as the respective disclosures in the explanatory notes, they are adequate, in the context of the individual and consolidated financial statements, taken as a whole.

Impairment assessment of property, plant and equipment and intangible assets, especially those with indefinite useful lives

As mentioned in Notes N° 8 and N° 9 to the consolidated financial statements, the Company has fixed and intangible assets, in the amounts of R\$ 356,514 thousand and R\$ 392,121 thousand, respectively, on December 31, 2020. Most of the assets and rights involved are related to their UGC trading operations and include goodwill paid for expected future profitability, the recoverable amount of which must be evaluated annually, as required by Technical Pronouncement CPC 01 (R1) / IAS36 - Impairment of Assets. The other assets in the case of signs of impairment. As mentioned in the aforementioned notes, the Company performs an impairment test, which involves a high degree of judgment of estimates by Management, based on the discounted cash flow method, which takes into account several assumptions, such as: discount, projection of inflation, economic growth, among others. Therefore, this matter was considered by the audit as an area of risk due to the uncertainties inherent in the process of determining the estimates and judgments involved in the preparation of future cash flows discounted to present value, such as market demand projections, operating margins and discount rates that can significantly change the expectation of realization of these assets.

Audit response on this matter

Our audit procedures included, among others:

- Assessment of internal or external evidence that could bring evidence of the devaluation of assets;
- Use of specialized professionals to assist in the review of the impairment test of assets, evaluating the premises and methodology used by the Company's Management in conjunction with its external specialists hired to prepare the analysis reports;
- Continued challenge to the assumptions used by Management, aiming to corroborate if there are assumptions that are not consistent and / or that should be revised, such as: growth in revenues, costs and expenses, and several other inflation and price indicators; and
- Assessing whether the disclosures required in the individual and consolidated financial statements were appropriate;

Based on the audit procedures performed, we consider that the assumptions and methodologies used by the Company to assess the recoverable value of said assets are reasonable, and the information presented in the individual and consolidated financial statements is appropriate in the context of the financial statements taken as a whole.

Business combination

As mentioned in Notes No. 2.23 and No. 7.1, in 2020 there were several business acquisitions, which include goodwill in the amount of R\$ 30,129 thousand (Company) and R\$ 245,632 thousand (Consolidated). The valuation and measurement process of the assets acquired and liabilities assumed at fair values and the determination of the acquisition price was carried out by the Management of the Company and its subsidiaries and even involved the hiring of external expert appraisers. We consider this matter as one of the main audit matters due to the complexity inherent to the business combination processes, which involve determining the acquisition date, as well as identifying and determining the fair values of the assets acquired, liabilities assumed and goodwill arising from the negotiations.

Audit response on this matter

Our audit procedures included, among others:

- Reading of the contracts and meeting minutes related to the acquisition, as well as obtaining evidence that justified the determination of the date of acquisition of control by the Company and its subsidiaries;
- Involvement of our specialists in company valuation to analyze the methodology used by the external appraisers hired by the Company and its subsidiaries, to measure the fair value of the assets acquired and liabilities assumed and assess the reasonableness of the assumptions used and calculations carried out comparing them, when available, with market information;
- Evaluation of the initial balance sheets on the date the control is acquired, regarding the accounting practices adopted by the acquired companies are consistent with the accounting practices adopted in Brazil and the international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB);
- Review of the calculation of the determination of the preliminary or definitive goodwill determined in the transactions; and
- Evaluation of the adequate disclosure of information in explanatory notes to the individual and consolidated financial statements.

Based on the result of the audit procedures on the business combination, which is consistent with Management's assessment, we consider that the judgments and assumptions used by Management in the process of identifying and measuring the fair value of the assets acquired and liabilities assumed in the combination of business and the determination of goodwill with expectation of future recovery, are acceptable, as well as the respective disclosures in the explanatory notes, are adequate, in the context of the individual and consolidated financial statements, taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added (DVA) for the year ended December 31, 2020, prepared under the responsibility of the Company's Management, and presented as supplementary information for IFRS purposes, were submitted to audit procedures performed together with the audit of the Company's individual and consolidated financial statements. To form our opinion, we assessed whether these statements are reconciled with the individual and consolidated financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of added value have been duly prepared, in all material respects, in accordance with the criteria defined in this Technical Pronouncement and are consistent with the individual and consolidated financial statements taken as a whole.

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

The Company's management is responsible for these others information, which comprise the Management Report.

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

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

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

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

Those charged with governance in the Company and in its controlled companies are responsible for overseeing the Company's financial reporting process that comprehend the Board of the Company and its controlled companies.

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

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

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

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its controlled companies' internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its controlled 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 individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its controlled companies to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical 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, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters.

We describe these matters in our 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.

Campinas, March 17, 2021.



BDO RCS Auditores Independentes SS
CRC 2 SP 013846/O-1

A handwritten signature in black ink, appearing to read "Esmir de Oliveira".

Esmir de Oliveira
Accountant CRC 1 SP 109628/O-0

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Statements of financial position As at December 31, 2020 and 2019 (In thousands of Brazilian Reais)

Assets						Liabilities and net equity					
		Parent company		Consolidated				Parent company		Consolidated	
	Note	2020	2019	2020	2019		Note	2020	2019	2020	2019
Current						Current					
Cash and cash equivalents	4	474,276	59,753	591,608	77,639	Loans and financing	10	-	12,312	44,876	70,520
Accounts receivable	5	-	-	217,917	116,508	Debentures	11	-	562	-	1,745
Recoverable taxes	6	485	131	22,687	16,311	Trade accounts payable	12	363	-	17,803	20,714
Prepaid expenses		1,640	-	6,692	-	Payroll and social charges payable		133	-	26,797	19,650
Other accounts receivable		189	3	27,375	16,513	Dividends Payable	17	10,646	-	10,646	-
		476,590	59,887	866,279	226,971	Taxes payable	13	888	-	18,812	13,243
						Obligations due to investment acquisition	7	1,500	-	38,467	-
						Lease liability	14	4,739	-	7,645	4,129
						Others accounts payable		-	-	603	2,565
								18,269	12,874	165,649	132,566
Noncurrent						Noncurrent					
Related-party	16	12,218	32,083	-	-	Loans and financing	10	-	34,546	162,260	145,595
Accounts receivable	5	-	-	4,489	5,183	Debentures	11	-	96,491	-	102,822
Recoverable taxes	6	20	-	4,202	12,558	Taxes payable	13	-	-	2,000	15,219
Deferred income tax and social contribution	22	-	-	12,999	15,171	Related-party	16	12,728	110,017	-	-
Court deposits	15	-	-	2,463	5,519	Provision for loss on investments	7	1,054	2,898	-	-
Other accounts receivable		-	-	5,094	4,130	Deferred income tax and social contribution	22	-	-	13,995	3,409
Investments in controlled companies	7	751,772	360,021	-	-	Obligations on account of investment acquisition	7	13,990	-	51,257	-
Fixed assets	8	24,422	-	356,514	208,314	Provision for contingencies	15	-	-	2,579	7,432
Intangible assets	9	-	-	392,121	144,776	Lease liability	14	17,203	-	20,671	4,647
		788,432	392,104	777,882	395,651	Other accounts payable and sundry provisions		-	-	-	1,935
								44,975	243,952	252,762	281,059
						Equity					
						Share capital	17	1,151,602	69,202	1,151,602	69,202
						Issuance cost of shares		(107,937)	-	(107,937)	-
						Profit reserve		157,857	125,779	157,857	125,779
						Capital Transactions		(10,520)	-	(10,520)	-
						Equity valuation adjustments		-	984	-	984
						Cumulative translation adjustment		10,776	(800)	10,776	(800)
						Attributable to controlling interest		1,201,778	195,165	1,201,778	195,165
						Non-controlling interest		-	-	23,972	13,832
								1,201,778	195,165	1,225,750	208,997
Total assets		1,265,022	451,991	1,644,161	622,622	Total liabilities and net equity		1,265,022	451,991	1,644,161	622,622

The accompanying notes are an integral part of these individual and consolidated financial statements.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Statements of income

For the years ended December 31, 2020 and 2019

(In thousands of Brazilian Reais, except earnings per share)

	Note	Parent company		Consolidated	
		2020	2019	2020	2019
Net operating revenue	19	-	-	701,612	484,385
Cost of services rendered	20	-	-	(542,819)	(374,870)
Gross Profit		-	-	158,793	109,515
Operating (expenses)/revenues					
General, administrative and selling	20	(12,306)	-	(31,151)	(26,099)
Equity in earnings of controlled companies	7	76,809	40,316	-	-
Other operating revenues/(expenses), net	20	810	3	1,484	1,221
		65,313	40,319	(29,667)	(24,878)
Operating income before financial income		65,313	40,319	129,126	84,637
Financial results					
Financial expenses	21	(26,288)	(8,950)	(69,217)	(42,201)
Financial income	21	5,799	129	14,595	2,185
		(20,489)	(8,821)	(54,622)	(40,016)
Net income before income and social contribution taxes		44,824	31,498	74,504	44,621
Current income tax and social contribution	22	-	-	(12,421)	(6,149)
Deferred income tax and social contribution	22	-	-	(12,560)	(3,004)
Net income before non-controlling interest		44,824	31,498	49,523	35,468
Attributable to					
Controlling interest		-	-	44,824	31,498
Non-controlling interest		-	-	4,699	3,970
Number of shares at year end		112,935,588	69,202,254		
Earnings per share at year end - in R\$		0.40	0.46		
The accompanying notes are an integral part of these individual and consolidated financial statements.					

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Statements of comprehensive income

For the years ended December 31, 2020 and 2019

(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	2020	2019	2020	2019
Net income for the year	44,824	31,498	49,523	35,468
items will be affect the net income in subsequent periods:				
Equity valuation adjustments	(984)	984	(984)	984
Cumulative translation adjustments (note 7.3)	11,576	(1,775)	11,576	(1,775)
Other comprehensive income	<u>55,416</u>	<u>30,707</u>	<u>60,115</u>	<u>34,677</u>
Attributable to:				
Controlling interest	55,416	30,707	55,416	30,707
Non-controlling interest	-	-	4,699	3,970

The accompanying notes are an integral part of these individual and consolidated financial statements.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Statements of changes in equity For the years ended December 31, 2020 and 2019 (In thousands of Brazilian Reals)

	Profit reserves										Total
	Share capital	Issuance cost of shares	Legal reserve	Unrealized profit reserve	Capital Transactions	Equity valuation adjustment	Cumulative translation adjustment	Retained earnings	Total attributable to controlling interest	Non-controlling interest	
Balances on January 1, 2019	67,192	-	6,258	96,547	-	-	975	-	170,972	10,613	181,585
Capital increase	2,010	-	-	-	-	-	-	-	2,010	-	2,010
Early Profit Distribution	-	-	-	-	-	-	-	(8,524)	(8,524)	-	(8,524)
Non-controlling interest	-	-	-	-	-	-	-	-	-	(751)	(751)
Other comprehensive income	-	-	-	-	-	984	(1,775)	-	(791)	-	(791)
Net income for the year	-	-	-	-	-	-	-	31,498	31,498	3,970	35,468
Profit allocation	-	-	-	-	-	-	-	-	-	-	-
Statutory reserve	-	-	1,575	-	-	-	-	(1,575)	-	-	-
Unrealized income reserve	-	-	-	21,399	-	-	-	(21,399)	-	-	-
Balances as at December 31, 2019	69,202	-	7,833	117,946	-	984	(800)	-	195,165	13,832	208,997
Balances on January 1, 2020	69,202	-	7,833	117,946	-	984	(800)	-	195,165	13,832	208,997
Capital increase	1,082,400	-	-	-	-	-	-	-	1,082,400	-	1,082,400
Issuance cost of shares	-	(107,937)	-	-	-	-	-	-	(107,937)	-	(107,937)
Profit distribution - prior periods	-	-	-	(2,100)	-	-	-	-	(2,100)	-	(2,100)
Non-controlling interest	-	-	-	-	-	-	-	-	-	5,441	5,441
Other comprehensive income	-	-	-	-	-	(984)	11,576	-	10,592	-	10,592
Percentage change in interest in subsidiary	-	-	-	-	(10,520)	-	-	-	(10,520)	-	(10,520)
Net income for the year	-	-	-	-	-	-	-	44,824	44,824	4,699	49,523
Profit allocation	-	-	-	-	-	-	-	-	-	-	-
Statutory reserve	-	-	2,241	-	-	-	-	(2,241)	-	-	-
Minimum mandatory dividends	-	-	-	-	-	-	-	(10,646)	(10,646)	-	(10,646)
Unrealized income reserve	-	-	-	31,937	-	-	-	(31,937)	-	-	-
Balances as at December 31, 2020	1,151,602	(107,937)	10,074	147,783	(10,520)	-	10,776	-	1,201,778	23,972	1,225,750

The accompanying notes are an integral part of these individual and consolidated financial statements.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Statements of cash flows

For the years ended December 31, 2020 and 2019

(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	2020	2019	2020	2019
Cash flows from operating activities				
Net income for the year	44,824	31,498	49,523	35,468
Adjustment to reconcile income before income and social contribution taxes to cash from operations:				
Depreciation and amortization	3,449	-	68,428	47,338
Allowance for doubtful accounts	-	-	41	1,867
Residual value of disposed fixed and intangible assets	-	-	16,046	11,855
Provision for contingencies	-	-	(4,853)	2,827
Income tax and social contribution - Deferred	-	-	(12,560)	(3,004)
Equity in earnings of controlled companies	(76,809)	(40,316)	-	-
Equity valuation adjustment	(984)	-	(984)	-
Interest on loans and financing and exchange rate gains (losses)	9,754	8,234	24,121	31,095
Issuance cost amortization of debentures	3,509	-	3,509	-
Changes in assets and liabilities				
Accounts receivable	-	-	(65,667)	(24,557)
Recoverable taxes	26	(61)	15,141	6,828
Prepaid expenses	(1,640)	-	(5,852)	668
Other accounts receivable	(186)	-	(6,844)	(5,321)
Court deposits	-	-	3,140	(1,093)
Trade accounts payable	363	-	(26,834)	552
Payroll and social charges	133	-	2,680	3,452
Taxes payable	888	-	12,528	11,380
Other accounts payable	-	-	(15,491)	(1,895)
Cash from (invested in) operations	(16,673)	(645)	56,072	117,460
Interest paid on loans and financing	(4,955)	(7,120)	(27,742)	(26,384)
Interest paid on debentures	(5,031)	-	(6,386)	(407)
Paid income tax and social contribution	-	-	(12,421)	(6,149)
Net cash from (invested in) operating activities	(26,659)	(7,765)	9,523	84,520
Cash flows from investing activities				
Received dividends	-	9,779	-	425
Cash spent to acquire companies, net of received cash	(36,374)	-	(107,233)	-
Acquisition of fixed and intangible asset items	(2,886)	-	(89,308)	(86,267)
Net cash from (invested in) investment activities	(39,260)	9,779	(196,541)	(85,842)
Cash flows from financing activities				
Attributed to shareholders				
Capital increase	1,082,400	2,010	1,082,400	2,010
Payment to issuance cost of shares	(107,937)	-	(107,937)	-
Dividends paid on profits from prior years	(2,100)	(9,000)	(2,100)	(9,000)
Attributed to financing				
Related-party transactions	(341,294)	(18,004)	(14,952)	-
Lease payments	(4,320)	-	(10,889)	(3,563)
Raising of loans and financing	163,000	115,491	214,242	174,498
Payments of loans and financing	(209,307)	(34,813)	(356,720)	(105,829)
Payments of debentures	(100,000)	-	(106,160)	(840)
Net cash from (invested in) financing activities	480,442	55,684	697,884	57,276
Net Increase in cash and cash equivalents	414,523	57,698	510,866	55,954
Exchange variation on cash and cash equivalents	-	-	3,103	(149)
Cash and cash equivalents at beginning of year	59,753	2,055	77,639	21,834
Cash and cash equivalents at end of year	474,276	59,753	591,608	77,639
Net Increase in cash and cash equivalents	474,276	59,753	591,608	77,639

The accompanying notes are an integral part of these individual and consolidated financial statements.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Statements of value added

For the years ended December 31, 2020 and 2019

(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	2020	2019	2020	2019
Revenues				
Sales of products, goods and services	-	-	786,885	534,267
Other revenues	-	-	13,522	22,250
Allowance for doubtful accounts - Reversal/(recognition)	-	-	(41)	(1,867)
	-	-	800,366	554,650
Inputs acquired from third parties				
Costs of products, goods and services sold, plus materials, energy, third party services and other	(8,745)	3	(227,361)	(160,409)
	(8,745)	3	(227,361)	(160,409)
Net value added generated	(8,745)	3	573,005	394,241
Depreciation, amortization and depletion, net	(3,449)	-	(68,428)	(47,338)
Net value added generated by the Company	(12,194)	3	504,577	346,903
Value added received in transfer				
Equity in earnings	76,809	40,316	-	-
Other revenues/recovery	984	-	2,802	1,608
Financial revenues, exchange rate gains (losses) and monetary changes	5,799	129	14,595	2,185
	83,592	40,445	17,397	3,793
Total value added to be distributed	71,398	40,448	521,974	350,696
Value added distribution				
Payroll, charges and benefits				
Direct compensation	-	-	205,816	132,274
Benefits	-	-	45,169	28,550
FGTS (Severance Pay Fund)	-	-	9,667	7,573
Taxes, fees and contributions				
Federal	639	328	118,716	85,119
State	-	-	10,374	8,120
Municipal	-	-	15,513	13,297
Return on debt capital				
Financial expenses, exchange rate gains (losses) and monetary changes	25,935	8,622	67,196	40,295
Return on equity capital				
Interest on own capital and dividends	-	8,524	-	8,524
Retained earnings for the period	44,824	22,974	44,824	22,974
Non-controlling interest in retained earnings	-	-	4,699	3,970
	71,398	40,448	521,974	350,696

The accompanying notes are an integral part of these individual and consolidated financial statements.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated financial statements

For the years ended December 31, 2020 and 2019

(In thousands of Brazilian Reais, unless otherwise stated)

1. General information

Ambipar Participações e Empreendimentos S.A. ("Company" or "Ambipar") is a publicly-held corporation headquartered in the city of São Paulo, at Avenida Pacaembu, 1,088. It was created on October 26, 2010 and its objective is to act as a holding company, controlling shareholdings. Formed by two reference segments in the environmental management market "Environment" and "Response", it has in its DNA the commitment to sustainable issues, working on the ESG ("Environment, Social and Governance") pillars within its businesses and supporting its customers.

With several environmental solutions developed through the RD&I (Research, Development and Innovation) sector, it has registered patents for sustainable products, promotes circular economy and assists companies with the correct disposal of their waste.

Ambipar went public on July 13, 2020. It was the first environmental management company to join B3, the Brazilian stock exchange, starting to trade its shares in the *Novo Mercado* corporate governance segment with stock ticker code AMBP3.

1.1. Ownership interest

The Company and its subsidiaries (jointly called "Ambipar Group") operate in the following business segments:

Environment: pioneers in the entire chain of environmental services, from waste planning, management and recovery to project execution. Experienced in the development of technologies and constant innovation for the protection of the environment. Its operations are triple certified, according to environmental quality and occupational health and safety standards. In addition, it has in its portfolio consultancy and environmental audit, quality, health and safety services with the development of management software, ensuring effective compliance to its customers, relying on technology and artificial intelligence. The Environment segment comprehends the companies listed in the table in note 2.4.

Response: It acts in prevention, management and response to the emergency of accidents with dangerous or non-dangerous products in all modes of transport, with its own bases and presence in 16 countries in South America, Europe, Africa, North America and Antarctica. In addition, it provides industrial firefighters who work at customer facilities and has the largest and most complete training field in Latin America, training employees and customers with the most complete structure focused on emergency response and management in multimodal scenarios. The Response segment comprehends the companies listed in the table in note 2.4.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated financial statements For the years ended December 31, 2020 and 2019 (In thousands of Brazilian Reais, unless otherwise stated)

Others: The Others segment comprises the Company and the company listed listed in the table in note 2.4.

As of December 31, 2020, the Company's shareholdings and their respective areas of operation are shown in note 2.5 "Basis of Consolidation".

1.2. Authorization to issue this individual and consolidated financial statements

The issuance of these individual and consolidated financial statements was approved by Management Board on March 17, 2021.

2. Summary of main accounting policies

2.1. Bases of preparation

The financial statements have been prepared and are presented in accordance with the Brazilian accounting practices, based on the provisions included in Brazilian Corporate Law, pronouncements, interpretations and guidelines issued by the Committee of Accounting Pronouncements (CPC), standards issued by the Brazilian Securities and Exchange Commission (CVM), and International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and evidence all material information specific to the financial statements, which is consistent with the information used by Management. The Consolidated financial statements are identified as "Consolidated" and the Parent Company's Individual financial statements are identified as "Parent Company".

The Company's individual and consolidated financial statements are expressed in thousands of Brazilian reais ("R\$"). Additionally, disclosures of amounts in different currencies, when necessary, were also expressed in thousands. Items disclosed in Brazilian Reais are informed when applicable.

The preparation of the Company's individual and consolidated financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, including contingent liabilities. However, the uncertainty related to these assumptions and estimates may lead to results requiring significant adjustments to the book value of certain assets and liabilities in future years.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated financial statements For the years ended December 31, 2020 and 2019 (In thousands of Brazilian Reais, unless otherwise stated)

The Company's management states that all relevant information on the financial statements is being evidenced and corresponds to the information used by the Company's Management on its administration.

The accounting practices and calculation methods used in the preparation of these financial statements were the same adopted in the preparation of the Company's financial statements for the year ended December 31, 2019, except for the adoption at January 1, 2020 of a Definition of a business (changes to IFRS 3) and the impacts of COVID-19 on rental concessions (changes to IFRS 16).

2.2. New or revised pronouncements applied for the first time in 2020

a) Definition of a business (changes to IFRS 3)

Amendments to IFRS 3 are mandatory for periods beginning on or after January 1, 2020. The Company must apply the revised definition of a business for acquisitions that occurred on or after January 1, 2020 to determine whether they should be accounted for in accordance with IFRS 3. It is not allowed to reassess acquisitions that took place before the effective date of the aforementioned review. See note 7 for disclosures related to the Company's business combination that occurred during the year ended December 31, 2020.

b) Impacts of COVID-19 on rental concessions (Amendments to IFRS 16)

As of June 1, 2020, IFRS 16 was amended to provide a practical expedient for tenants who account for rental concessions received as a direct consequence of the COVID-19 pandemic and satisfy all of the following conditions:

- a) the change in lease payments results in a revised consideration for the lease that is substantially equal to or less than the consideration for the lease immediately prior to the change;
- b) any reduction in lease payments affects only payments originally due on or before June 30, 2021 (for example, a benefit granted on a lease would fulfill this condition if it resulted in reduced lease payments on or before June 30, 2021 and in increased lease payments extending after June 30, 2021);
- c) there is no substantial change to other terms and conditions of the lease.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated financial statements For the years ended December 31, 2020 and 2019 (In thousands of Brazilian Reais, unless otherwise stated)

Rental concessions that meet these criteria can be accounted for according to practical expedient, which means that the lessee does not assess whether the rental concession meets the definition of a lease modification.

We chose not to use the practical expedient for all rental concessions that met these criteria.

The first adoption of IFRS 16/CPC 06 (R2) at January 1, 2019 generated the following accounting recognition:

	Value
Total assets non-current	6,030
Current liabilities	
Lease liabilities	2,276
Interest to be appropriated from lease agreements	(120)
Nom-current liabilities	
Lease liabilities	5,121
Interest to be appropriated from lease agreements	(1,247)
Total liabilities	6,030

The Company adopted the simplified retrospective model as permitted by the standard. Notes 8 (f) and 14 present the new information and breakdown of the balances as required by the new standard.

The discount rate used is 8% p.a. and corresponds to the average market cost of debt in the form of asset acquisition, in that occasion.

2.3. New standards, reviews and interpretations issued that were not yet in force on December 31, 2020

a) Onerous contracts - Cost of contract compliance (Amendments to IAS 37)

Effective to annual periods beginning on or after January 1, 2022 for existing contracts on the date the changes are first applied. The change specifically determines which costs should be considered when calculating the cost of fulfilling a contract. The Company does not expect significant impacts when adopting this standard.

b) Other standards

For the following standards or changes, management has not yet determined whether there will be significant impacts on the Company's financial statements, namely:

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated financial statements

For the years ended December 31, 2020 and 2019

(In thousands of Brazilian Reais, unless otherwise stated)

- Change in the standard IAS 16 Property, plant and equipment - Classification of the result generated before the property, plant and equipment is in projected conditions of use. Clarifies aspects to be considered for the classification of items produced before the fixed asset is in the projected conditions of use. This standard change is effective for years beginning on or after January 1, 2022;
- Annual improvements in IFRS Standards 2018-2020 effective for periods beginning on or after January 1, 2022. Makes changes to IFRS 1 standards, addressing aspects of first adoption in a subsidiary; IFRS 9, addressing the 10% test criterion for the reversal of financial liabilities; IFRS 16, addressing illustrative examples of leasing and IAS 41, addressing aspects of measurement at fair value. These standard changes are effective for years beginning on or after January 1, 2022;
- Amendment to IFRS 3 - includes conceptual alignments of this standard with the conceptual structure of IFRS. The amendments to IFRS 3 are effective for periods beginning on or after 1 January 2022;
- Amendment to IFRS 17 - includes clarification of aspects related to insurance contracts. Amendment to IFRS 17 effective for periods beginning on or after January 1, 2023;
- Amendment to IAS 1 - Classification of liabilities as Current or Non-current. This amendment clarifies aspects to be considered for the classification of liabilities as current and non-current. Amendment to IAS 1 effective for periods beginning on or after January 1, 2023;
- Amendment to IFRS 4 - Extension of temporary exemptions from the application of IFRS 9 for insurance companies. Clarifies aspects related to insurance contracts and the temporary exemption from application of the IFRS 9 standard for insurance companies. Amendment to IFRS 4 effective for periods beginning on or after January 1, 2023; and
- Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Reference Interest Rate Reform - IBOR “phase 2”) - Changes are mandatory for periods beginning on or after January 1, 2021, and clarify aspects related to the definition of the reference interest rate for application in these standards.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated financial statements

For the years ended December 31, 2020 and 2019

(In thousands of Brazilian Reais, unless otherwise stated)

Other pronouncements and interpretations

There are no other standards, amendments to standards and interpretation that are not in force that the Company and its subsidiaries expect to have a material impact as a result of their application in their individual and consolidated financial statements.

2.4. Base of consolidation

A Subsidiary is an entity, including those not incorporated in the form of a company such as a partnership, in which the parent company, directly or indirectly by means of other subsidiaries, holds interest rights that permanently guarantee its prevalence in the decisions of such subsidiaries and the power to elect the majority of managers.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated financial statements For the years ended December 31, 2020 and 2019 (In thousands of Brazilian Reais, unless otherwise stated)

The consolidated financial statements includes the following Companies:

Environment Segment Companies	Short Name	Countries	Activity	Directly	Indirect	Directly	Indirect
Ambipar Environmental Solutions - Soluções Ambientais Ltda	Ambipar Environment	Brazil	Total waste management and specialized environmental services.	100,00%	-	100,00%	-
Ambipar Logistics Ltda	Ambipar Logistics	Brazil	Carrier specialized in Chemical products.	100,00%	-	100,00%	-
Ambipar Environment Reverse Manufacturing S.A.	Ambipar Environment Reverse Manufacturing	Brazil	Post-consumer waste management.	51,00%	49,00%	51,00%	49,00%
Ambipar EcoProducts S.A.	Ambipar EcoProducts	Brazil	Manufacture of Products for Environmental Protection.	100,00%	-	100,00%	-
Ambipar Environment Waste Logistics Ltda	Ambipar Environment Waste Logistics	Brazil	Automotive Waste Management.	100,00%	-	100,00%	-
Ambipar Cooprocessing Ltda	Ambipar Cooprocessing	Brazil	Total management of industrial waste.	100,00%	-	-	-
Ambipar Facilities Ltda	Ambipar Facilities	Brazil	Outsourcing of recyclable waste handling.	100,00%	-	-	-
Ambipar Compliance Solutions S.A.	Ambipar Compliance	Brazil	Environmental Consulting and auditing, and development of management software.	95,25%	-	-	-
Ambipar R&D Pesquisa e Desenvolvimento Ltda.	Ambipar R&D	Brazil	Research and development of new products.	-	100,00%	-	51,00%
Ambipar Green Tech Ltda	Green Tech	Brazil	Environmental Consulting and auditing, and development of management software.	-	100,00%	-	-
Environmental Participações S.A.	Holding Environmental	Brazil	Holding of companies in the Environmental segment	100,00%	-	100,00%	-
Verde Ghaia Gestão e Franquia Ltda	Ambipar Franquia	Brazil	Franchise Licensing Consultancy.	-	80,00%	-	-

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Response Segment Companies	Short Name	Countries	Activity	31.12.2020		31.12.2019	
				Directly	Indirect	Directly	Indirect
Ambipar Howells Consultancy Limited	Ambipar Howells	UK	Emergency Assistance.	100,00%	-	100,00%	-
Ambipar Response Limited	Ambipar Response UK	UK	Emergency Assistance.	100,00%	-	100,00%	-
Ambipar Workforce Solution - Mão de Obra Temporária Ltda	Ambipar Workforce	Brazil	Emergency Assistance..	100,00%	-	-	100,00%
Ambipar Response S.A.	Ambipar Response	Brazil	Emergency Assistance..	-	100,00%	-	100,00%
Ambipar Insurance Corretora de Seguros Ltda	Ambipar Seguros	Brazil	Corretagem de seguro.	-	100,00%	-	100,00%
Ambipar Response Insurance - Atendimento a Seguros Ltda	Ambipar Insurance	Brazil	Emergency Assistance.	-	100,00%	-	100,00%
Atmo Hazmat Ltda	Atmo	Brazil	Emergency Assistance.	-	100,00%	-	100,00%
Suatrans Chile S.A.	Suatrans Chile	Chile	Emergency Assistance.	-	50,00%	-	50,00%
Suatrans Peru SAC	Suatrans Peru	Peru	Emergency Assistance.	-	49,89%	-	49,89%
Suatrans Training S.A.	Training	Chile	Provisiono f training services.	-	50,00%	-	37,75%
SIS - Servicios Industriales Especializados S.A.	SIS	Chile	Emergency Assistance.	-	49,95%	-	49,95%
Horvefel S.A.	Horvefel	Uruguay	Emergency Assistance.	-	50,00%	-	50,00%
Allied International Emergency LLC.	Allied	USA	Emergency Assistance.	-	100,00%	-	-
One Stop Environmental, LLC	One Stop	USA	Emergency Assistance.	-	100,00%	-	-
Intracoastal Environmental, LLC	Intracoastal	USA	Emergency Assistance.	-	100,00%	-	-
Custom Environmental Services, INC	CES	USA	Emergency Assistance.	-	100,00%	-	-
Emergência Participações S.A.	Emergência Participações	Brazil	Holding of companies: Ambipar Response, Suatrans Chile, Ambipar Seguros, Atmo, Ambipar Insurance e Holding USA.	100,00%	-	100,00%	-
Ambipar Holding USA, INC	Ambipar Holding USA	USA	Holding of companies: Allied, Intracoastal, One Stop e CES.	-	100,00%	-	-
Ambipar Holdings UK Limited	Ambipar Holdings UK	UK	Holding of companies: Enviroclear	-	100,00%	-	-
Ambipar Holding Canadá, INC	Ambipar Holding Canadá	Canadá	Holding of companie: Orion	-	100,00%	-	-
Others Segment Companies	Short Name	Countries	Activity	31.12.2020		31.12.2019	
				Directly	Indirect	Directly	Indirect
Ambipar Bank Intermediação de Negócios, Pagamentos e Participações Ltda	Ambipar Bank	Brazil	Financial services intermediation and agency.	100,00%	-	-	-

2.5. Currency translation

(a) Funcional and reporting currency

Items included in the Company's individual and consolidated financial statements are measured using the currency of the primary economic environment in which the Company operates (functional currency). The individual and consolidated financial statements are presented in Brazilian Reais (R\$) which is the functional currency. All financial statements disclosed was rounded to the nearest unit, unless otherwise stated.

(b) Foreign currency

Transactions in foreign currency are translated into the functional currency at the exchange rates in effect on the dates of the transactions or valuation, when the items are measured. Exchange rate gains and losses resulting from the settlement of those transactions and from the translation at the year-end exchange rates, referring to monetary assets and liabilities in foreign currency, are recognized in the statement of income. Exchange rate gains and losses related to trade accounts receivable and payables and to loans are recognized in the statement of income as financial income or expenses.

(c) Use of estimates and assumptions

The preparation of the individual and consolidated financial statements in accordance with Brazilian accounting practices requires management to apply its best judgment to determine and report its accounting estimates. The settlement of transactions involving these estimates may result in amounts different from those estimated, due to inaccuracies inherent in the process of their determination.

Estimates and assumptions are continuously reviewed. Reviews of accounting estimates are recognized in the year in which the estimates are reviewed and in any future years affected.

Information on critical assumptions related to the adopted accounting practices that affect the values recognized in the individual and consolidated financial statements is included in the following notes:

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- **Note 2.13** - Impairment of non-financial assets;
- **Note 2.16** - Provision for landfill restructuring;
- **Note 5** - Allowance for doubtful accounts;
- **Note 8** - Residual value and estimated useful life of fixed assets; and
- **Note 15** - Provision for contingencies;
- **Note 23** - Insurance.

2.6. Cash and Cash equivalents

Cash and cash equivalents include cash, bank deposits, highly liquid short-term investments, redeemable in up to three months or less, with an insignificant risk of change in fair value and with the objective of meeting short-term commitments.

2.7. Financial assets and liabilities

2.7.1. Financial assets

Classification

Upon initial recognition, a financial asset is classified as measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL").

A financial asset is measured at amortized cost if it satisfies both of the following conditions: (i) the asset is maintained within a business model in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset give rise, on specific dates, to cash flows that are only payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI only if it satisfies both of the following conditions: (i) the asset is maintained within a business model whose objective is achieved both by collecting contractual cash flows and by selling financial assets; and (ii) the contractual terms of the financial asset give rise, on specific dates, to cash flows that represent payments of principal and interest on the principal amount outstanding. All other financial assets are classified as measured at fair value through profit or loss.

In addition, upon initial recognition, the Company may, irrevocably, designate a financial asset, which meets the requirements to be measured at amortized cost, FVOCI or even FVTPL. This designation has the objective of eliminating or significantly reducing a possible accounting mismatch resulting from the result produced by the respective asset.

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Recognition and measurement

Purchases and sales of financial assets are recognized on the trade date. Investments are initially recognized at fair value, plus transaction costs for all financial assets not classified as at fair value recognized in profit or loss.

Financial assets at fair value recognized in the income statement are initially recognized at fair value, and the transaction costs are charged to the income statement in the period in which they occur.

The fair value of publicly quoted investments is based on the current purchase price. If the market for a financial asset is not active, the Company establishes fair value using valuation techniques. These techniques include the use of recent operations contracted with third parties, the reference to other instruments that are substantially similar, the analysis of discounted cash flows and the option pricing models, privileging market information and minimizing the use of information generated by Management.

Recoverable value (impairment) of financial assets - assets measured at amortized cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or Group of financial assets is impaired. The criteria used by the Company to determine whether there is objective evidence of an impairment loss include: (i) significant financial difficulty for the issuer or borrower; (ii) a breach of contract, such as default or delay in payment of interest or principal; (iii) probability that the debtor will declare bankruptcy or financial reorganization; and (iv) extinction of the active market for that financial asset due to financial problems.

Derecognition of financial assets

A financial asset (or, when applicable, a portion of a financial asset or part of a Group of similar financial assets) is written off mainly when: (i) the rights to receive cash flows from the asset have expired; and (ii) the Company transferred its rights to receive cash flows from the asset or assumed an obligation to pay the received cash flows in full, without significant delay, to a third party under a “pass-through” agreement; and (a) the Company transferred substantially all risks and benefits related to the asset; or (b) the Company did not transfer and did not substantially retain all risks and benefits related to the asset, but transferred control over that asset.

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When the Company has transferred its rights to receive cash flows from an asset, or has executed a transfer agreement and has not transferred or retained substantially all the risks and benefits related to the asset, an asset is recognized to the extent of the Company's continued involvement with that asset.

2.7.2. Financial liabilities

Recognition and measurement

A financial liability is classified as measured at fair value through statement of income when it is designated as held for trading or designated as such at initial recognition. Transaction costs are recognized in statement of income as incurred. These financial liabilities are measured at fair value, and possible changes in fair value, including gains on interest and dividends, are recognized in statement of income for the year.

The Company's financial liabilities, which are initially recognized at fair value, include trade accounts payable and other accounts payable, loans and financing and debentures, are added the directly related transaction cost.

Subsequent measurement

After initial recognition, loans and financing, debentures, suppliers and accounts payable are subsequently measured at amortized cost, using the effective interest rate method.

Loan costs

Loan costs attributed to the acquisition, construction or production of an asset, necessarily requiring a significant amount of time to be ready for its intended use or sale, are capitalized as part of the cost of these assets.

Loan costs refer to interest and other costs incurred by the Company that are related to the raising of funds.

Derecognition of financial liabilities

A financial liability is written-off when the obligation is revoked, cancelled or expired. When an existing financial liability is replaced by another of the same lender with significantly different terms, or when the terms of an existing liability are significantly changed, this substitution or amendment is recognized as a write-off of the original liability and recognition of a new one, and the difference in their book values is recognized in the statement of income.

2.8. Trade accounts receivable

Trade accounts receivable consist of amounts receivable from customers for services rendered over the normal course of the Company's transactions. If the collection period is one year or less (or another period in line with the Company's operating cycle), accounts receivable are classified as current assets. Otherwise, they are stated in noncurrent assets.

Trade accounts receivable are firstly recognized at fair value and then measured at the amortized cost by using the effective interest rate method, less allowance for doubtful account (impairment). Actually, they are normally recognized at their billed amount, adjusted by impairment, if applicable.

2.9. Other accounts receivable (current and non-current)

These are initially recognized at their fair value and later measured at net realizable value.

2.10. Investments in subsidiaries

Investments held in a subsidiary are measured using the equity method (Note 7). The financial statements of subsidiaries are adjusted, when applicable, to the Company's accounting practices. Investments are initially recognized at cost and, subsequently, adjusted by recognizing the interest attributed to the Company in the changes in the net assets of the investees, less provisions for impairment, when applicable.

The financial statements of investments abroad are converted to the same accounting practices and presentation currency of the Company. Currency adjustments are classified under "Cumulative translation adjustment - shareholders' equity". Realization occurs when the write-off, sale, receipt of dividends from these investments.

2.11. Intangible assets

Acquired software licenses are capitalized according to costs incurred to acquire the software and make it ready for use. These costs are amortized during their estimated useful lives.

Costs associated with software maintenance are recognized as an expense, as incurred. Development costs that are directly attributable to the design and testing of identifiable and exclusive software products, controlled by the Company, are recognized as intangible assets when the following criteria are met.

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Other expenses on development that do not meet those criteria are recognized as expenses when incurred. Development costs previously recognized as expenses are not recognized as assets in a following period.

Software development costs recognized as assets are amortized during their estimated useful lives.

2.12. Fixed Assets

Sanitary landfills are evaluated at the cost of areas and investments in preparation for operation. They are amortized according to the amount of waste deposited versus the total waste capacity. Plots of land and buildings mainly comprise warehouses and offices.

Fixed assets are measured at historical cost less accumulated depreciation. The historical cost includes expenses directly attributable to the acquisition of assets. It also includes financing costs related to the acquisition of qualifying assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits will flow associated with the item and when the item's cost can be reliably measured. The carrying amount of items or spare parts is written off. All other repairs and maintenance are recognized in statement of income for the year, as incurred.

Plots of land are not depreciated. The depreciation of other assets is calculated using the straight line method to allocate costs to residual values during the estimated useful life, except for sanitary landfills.

The residual values and useful lives of assets are reviewed and adjusted if appropriate, at each year end.

The carrying value of an asset is immediately written down according to its recoverable amount if the carrying value of the asset is greater than its estimated recoverable amount.

Gains and losses from disposals are determined by comparing results with book value and are recognized under "Other operating revenues (losses), net" in the statement of income.

2.13. Impairment of non-financial assets

The assets which are subject to depreciation and amortization are tested for impairment whenever events or circumstances indicate that their carrying value may not be recoverable.

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An impairment loss is recognized to the extent the carrying amount of the asset exceeds its recoverable amount. The latter is the higher of the fair value of an asset less selling costs or its value in use.

For impairment testing purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets, should they be impaired, are subsequently reviewed to analyze a possible reversal of impairment at the reporting date.

2.14. Trade accounts payable and other accounts payable

Trade accounts payable and other accounts payable are obligations payable for assets or services acquired from suppliers in the ordinary course of business. They are classified as current liabilities if payment is due in a period of up to one year, otherwise, accounts payable are stated as non-current liabilities.

They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. In fact, they are normally recognized at the corresponding billed amount.

2.15. Loans and financing

Loans and financing are initially recognized at fair value, net of costs incurred in the transaction, and are then stated at their amortized cost.

Any difference between amounts raised (net of transaction costs) and the settlement amount is recognized in the statement of income during the period in which loans are outstanding, using the effective interest rate method.

Loans and financing are classified as current liabilities, unless the Company has an unconditional right to defer the settlement of a liability for at least 12 months after the balance sheet date.

2.16. Provisions

The provisions for lawsuits (labor, civil and tax) are recognized when: The Company has a present or informal obligation (constructive obligation) as a result of past events; it is probable that an outflow of funds is required to settle the obligation; and the amount has been reliably estimated. The provisions are not recognized in regard to future operating losses.

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In the case a series of similar obligations exists, the likelihood of settlement is determined considering the class of obligations as a whole. A provision is recognized even when the likelihood of settlement related to any individual item included in the same class of obligations is small.

The provisions are measured at the present value of the expenses required to settle the obligation, at a rate before taxes that reflects the current market evaluations of the time value of money and of the specific risks of the obligation. The increase of liabilities over time is recognized as a financial expense.

The sanitary landfill restructuring provision is initially recognized considering the estimated landfill remediation costs in compliance with environmental legislation in Brazil, under the heading “Other accounts payable” with a corresponding to the “Property, plant and equipment” item in the Landfill class. Management keeps its studies up-to-date considering monetary updates, third-party budgets to be contracted and internal costs, revising its estimate in case of changes in the original budget.

2.17. Current and deferred income tax and social contribution

2.17.1. Current income tax and social contribution

Companies adopting the deemed profit regime

There are companies that have opted for taxation based on deemed profit. Current and deferred income tax and social contribution are calculated at the rates of 15%, plus a surtax of 10% on taxable income exceeding R\$ 240 for income tax and 9% on taxable income for social contribution tax.

Companies adopting the actual profit regime

Current income tax and social contribution are calculated at the following rates: 15% plus a 10% surtax on taxable income in excess of R\$ 240 thousand for income tax, and 9% on taxable income for social contribution tax, considering, if any, income tax and social contribution losses carry forwards, up to 30% of taxable income.

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The Company and its subsidiaries were taxed under taxable income, except for the subsidiaries Ambipar Response Insurance - Atendimento a Seguros Ltda., Ambipar Workforce Solution - Mão de Obra Temporária Ltda., and Ambipar Compliance Solutions S.A. which opted for the presumed profit and also for Ambipar Response Limited, Ambipar Howells Consultancy Limited, Ambipar Holding USA INC, Allied International Emergency LLC, Intracoastal Environmental, LLC, One Stop Environmental, LLC, Custom Environmental Services, INC (USA), Ambipar Holding Canadá, INC, Ambipar Holding UK Limited and Suatrans Chile S.A. and subsidiaries, which are taxed based on legislation of their jurisdictions.

2.17.2. Deferred income tax and social contribution

Deferred income tax and social contribution are recognized by employing the liability method to temporary differences between the tax bases of existing assets and liabilities and their financial statement carrying amounts. However, deferred income tax and social contribution are not accounted for if they result from the initial recognition of an asset or liability in an operation other than a business combination which, at the time of the transaction, does not affect book income or taxable income (tax loss). Deferred income tax and social contribution are determined using enacted, or substantially enacted, tax rates (and laws) at the balance sheet date and should be applied when the corresponding deferred tax asset is realized or when the deferred tax liability is settled.

Deferred income tax and social contribution assets are only recognized if it is considered probable that there will be sufficient future taxable income against which the temporary differences can be utilized.

Deferred income tax and social contribution assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.18. Employees' benefits

(a) Termination benefits

The Company does not have termination benefit plans for employees.

(b) Profit sharing and bonus

Profit sharing is usually recognized at year end, when the amount can be reliably measured by the Company.

2.19. Revenue recognition

Revenue is presented net of taxes, returns, rebates and discounts. Its recognition is in accordance with CPC 47 - Revenue from customer contracts, which establishes a five-step model to determine how and when it will be recognized, as well as its measurement, as long as revenues and costs can be safely measured. In addition, specific criteria for each of the Company's activities must be met, as described below:

a) Service rendered

The Company and its subsidiaries provide services that comprise the complete chain of environmental management (Environment) and emergency response, which includes prevention, training and emergency response (Response).

Revenue from services rendered is recognized based on services performed during the period up to the balance sheet date.

b) Financial income

Financial income is recognized according to the elapsed time using the effective interest rate method.

2.20. Leases

All leases are accounted for by recognizing a right-of-use asset and a lease liability, except for:

- Leasing of low value assets; and
- Leases lasting less than 12 months.

Lease liabilities are measured at the present value of contractual payments due to the lessor over the lease term, with the discount rate implied in the contract, unless (as is usually the case) this is not easily determinable, in which case the incremental rate on the Company's loans at the beginning of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes that the variable element will remain unchanged throughout the term of the contract. Other variable lease payments are spent in the period to which they are related.

At initial recognition, the carrying amount of the lease liability also includes:

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- amounts to be paid under any residual value guarantee;
- the exercise price of any call option granted in favor of the Company and its subsidiaries, if it is reasonable to evaluate this option;
- any penalties to be paid for terminating the lease, if the term of the lease has been estimated based on the termination option being exercised.

Right-of-use assets are initially measured at the value of the lease liability, less any incentives received, plus:

- lease payments made up to the start date of the contract;
- initial direct costs incurred; and
- the amount of any provision recognized when the Company and its subsidiaries are contractually required to dismantle, remove or restore the underlying asset.

After the initial measurement, the lease liabilities increase as a result of interest charged at a constant rate on the outstanding balance and are reduced by the lease payments made. Use rights assets are amortized using the straight-line method over the remaining lease term or over the remaining economic life of the asset if, rarely, it is considered to be less than the lease term.

When the Company and its subsidiaries revise their term estimates for any lease (because, for example, it reevaluates the probability that a lessee extension or termination option will be exercised), they adjust the carrying amount of the lease liability to reflect payments to do over the revised term, which are discounted using a revised discount rate. The carrying amount of lease liabilities is reviewed in a similar manner when the variable element of future lease payments dependent on a rate or index is reviewed, unless the discount rate remains unchanged. In both cases, an equivalent adjustment is made to the book value of the asset with the right to use, with the revised book value being amortized over the remaining (revised) lease term. If the carrying amount of the asset with the right to use is adjusted to zero, any additional reduction is recognized in the income statement.

When the Company and its subsidiaries renegotiate the contractual terms of a lease with the lessor, the accounting depends on the nature of the change:

- if the renegotiation results in one or more additional assets being leased at an amount compatible with the individual price for the additional use rights obtained, the modification is accounted for as a separate lease in accordance with the above policy;

- in all other cases where the renegotiation increases the scope of the lease (either an extension of the lease term, or one or more additional assets being leased), the lease liability is reevaluated using the discount rate applicable on the date of the modification, with the right of use asset being adjusted by the same amount;
- if the renegotiation results in a reduction in the scope of the lease, both the carrying amount of the lease liability and the right-of-use asset are reduced by the same proportion to reflect the partial or total termination of the lease with any difference recognized in profit or prejudice. The lease liability is then adjusted to ensure that its book value reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the date of the modification. The right-to-use asset is adjusted by the same amount.

For contracts that convey the right to the Company and its subsidiaries to use an identified asset and require services to be provided to the Company and its subsidiaries by the lessor, the Company and its subsidiaries have chosen to account for the entire agreement as a lease, that is, it does not allocate any amount of contractual payments, separately accounting for any services provided by the supplier as part of the contract.

2.21. Distribution of dividends and interest on equity capital

The distribution of dividends and interest on equity capital for the Company's shareholders is recognized as a liability in the Company's individual and consolidated financial statements at year end, based on the Company's bylaws.

Any amount above the minimum mandatory payout is only provided for at the date in which the said payout is approved by the shareholders.

The tax benefit of interest on equity capital is recognized in the statement of income.

2.22. Present value adjustment

Assets and liabilities arising from long-term transactions, or short-term ones when material, are discounted to present value using rates that reflect the best current market valuations according to the value of money over time and the specific risks of the asset and liability.

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The Company's management analyzed the amounts of assets and liabilities and has not identified balances and transactions for which the discount to present value is applicable and significant to the individual and consolidated financial statements.

2.23. Business Combination

Pursuant to CPC 15 (R1) - Business Combinations, business acquisitions are accounted for under the acquisition method. Consideration transferred on a business combination is measured at fair value, calculated by the sum of the fair values of the assets transferred, the liabilities incurred on the date of acquisition to the former controlling shareholders of the acquired company, and the shares issued in exchange for control over the acquired company. The costs related to the acquisition are normally recognized in the statements of income, when incurred.

Goodwill is measured as the excess of the aggregate of the fair value of consideration transferred plus the fair value of any non-controlling interest in the acquiree and the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree (if any) over the fair value of the net amount of identifiable assets acquired less liabilities assumed.

If, after assessment, the net amounts of assets acquired and liabilities assumed identifiable on the date of acquisition are higher than the sum of the consideration transferred, of the non-controlling interest in the acquiree and of the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree, the excess is immediately recognized as a gain in the statement of income.

If the initial accounting of a business combination is incomplete at the end of the year in which such combination occurred, the temporary amounts of the items whose accounting is incomplete are recognized. These temporary amounts are adjusted during the measurement period (which may not exceed one year as from the date of acquisition), or additional assets and liabilities are recognized to reflect the new information obtained in relation to facts and circumstances existing at the date of acquisition which, if known, would have affected the amounts recognized on that date.

2.24. Segment reporting disclosure

The segment reporting information are disclosed in a manner consistent with the decision making process of the chief operating decision-maker. The chief operating decision-maker, responsible for the allocation of funds and for evaluating the performance of operating segments is the Company's management, also responsible for the Company's strategic decisions.

2.25. Earning per share - basic and diluted

The Company calculates basic earnings per share using the total average weighted number of outstanding common and preferred shares during the period corresponding to income (loss), in accordance with accounting pronouncement CPC 41/IAS 33.

2.26. Statement of added value - supplementary information to IFRS

The statement of added value is being prepared and disclosed, consistently with technical pronouncement CPC 09, in compliance with Brazilian corporate law for publicly traded companies and regulated by the Brazilian Securities and Exchange Commission.

2.27. Prepaid expenses

They are basically disbursements made in advance, which will incur the result as soon as the expenses are actually realized.

3. Financial risk management

The Company and its subsidiaries participate in transactions involving financial instruments in order to finance their activities or invest their available financial resources.

These risks are managed through the definition of conservative strategies, aiming at liquidity, profitability and security. The control policy consists of permanently monitoring contracted rates versus those in force in the market.

In the years ended December 31, 2020 and 2019, there were no transactions involving derivative financial instruments for speculative purposes and compound financial instruments with embedded derivatives.

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Financial instruments are only recognized as from the date the Company becomes a party of the agreements of financial instruments. When recognized, they are initially recognized at fair value plus transactions costs directly attributable to its acquisition or issue (when applicable). Their later measurement happens at balance sheet date, according to the rules established for each type of classification of financial assets and liabilities.

3.1. Financial risk factors

The activities of the Company expose it to several financial risks: market risk (including interest rate on fair value, interest rate on cash flow), price risk, credit risk and liquidity risk. The Company's risk management program focuses on the unpredictability of finance markets and aims to reduce possible adverse effects on the Company's financial performance.

Risk management is performed by the Company's senior management and according to policies approved by the shareholders. The Company's top management identifies, evaluates and hedges the Company against eventual financial risks.

(a) Market risk

(i) Interest rate risk

The interest rate risk arises from debt portion indexed at TJLP (Long-term Interest Rate) and financial investments indexed at CDI (Interbank Deposit Rate), which may affect the financial income or expenses in case of an unfavorable change in interest rates or inflation. Loans issued at variable rates expose the Company to cash flow interest rate risk.

Loans issued at fixed rates expose the Company and its subsidiaries to the fair value risk associated with the interest rate. Considering that a substantial part of the loans of the Company and its subsidiaries is linked to fixed rates, Management understands that the risk of significant changes in income and cash flows is low.

The Company defined 3 scenarios (probable, possible and remote) to be simulated. Probably, the rates defined by BM&F were defined by Management, and the possible and remote scenarios, a deterioration of 25% and 50%, respectively, in the variables. The calculation basis used is the amount presented in the notes to the cash and cash equivalents, loans and finance lease:

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▪ 2020:

Index risk	Scenarios (Consolidated)			
	Basis	Probable	Possible	Remote
CDI - Financial Investments	538,806	68,698	51,524	34,349
Net exposure	538,806	68,698	51,524	34,349

▪ 2019:

Index risk	Scenarios (Consolidated)			
	Basis	Probable	Possible	Remote
CDI - Financial investment	69,632	8,878	6,659	4,439
TJLP - Debentures	(104,567)	(5,228)	(6,535)	(7,842)
Net exposure	(34,935)	3,650	124	(3,403)

Due to the nature, complexity and isolation of a single variable rate, the presented estimates may not truly represent the amount of losses, should such rate have its depreciation disclosed. The calculation was made for a gain/loss scenario in the period of one month.

(ii) Foreign currency exchange rate risk

The associated risk arises from the possibility that the Company may incur losses due to fluctuations in exchange rates, which reduce nominal amounts billed or increase amounts raised in the market. The Company periodically monitors the net exposure of assets and liabilities in foreign currency.

The indirect subsidiary Ambipar Response settled in July 2020 a loan with Banco Bradesco Europa SA in the amount of USD 1,203 thousand (one million, two hundred and three thousand United States Dollars), for this operation had contracted the SWAP instrument, considering rate, amount and exchange rate exposure to the fixed rate variation.

(iii) Risk of commodities price

The Company has no transactions quoted at commodities price; therefore, it is not exposed to risks of commodities prices.

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits in banks and financial institutions, as well as exposures to customers' credit. In the case of banks and financial institutions, only notes from top-tier institutions are accepted. The department of credit analysis evaluates the quality of clients' credit, considering the customer's financial position, past experience and other factors.

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The individual risk limits are determined based on internal or external classifications according to the limits established by Management. The use of credit limits is regularly monitored.

No credit limit was surpassed during the period and management does not expect any loss resulting from default of other parties, in addition to the provision already recognized (Note 5).

(c) Liquidity risk

Cash flow forecasts are calculated by the Company's management. Management monitors the continual projections of liquidity requirements of the Company to guarantee that it has sufficient cash to meet its operating needs. This forecast considers the plans of financing for the Company's debt, compliance with contractual clauses, meeting internal targets of balance sheet ratio and, if applicable, external or legal requirements, such as currency restrictions.

Excess cash held by the Company, in addition to the balance required to working capital management, is invested in current accounts bearing interest, time and short-term deposits, choosing instruments with adequate maturities or enough liquidity to provide sufficient margin, according to the forecasts referred to above. As at December 31, 2020, the Company had short-term financial investments amounting to R\$ 538,806 (R\$ 69,632 as at December 31, 2019) (consolidated), expected to promptly generate cash inflows for managing liquidity risk.

The table below analyzes the Company's non-derivative financial liabilities (Consolidated), by maturity range corresponding to the remaining period from balance sheet date to the contractual maturity date.

	Less than one year	Between one and two years	Between two and five years	Over five years	Total
As at December 31, 2020 - Consolidated					
Loans and financing	44,876	50,642	111,618	-	207,136
Trade accounts payable and other accounts payable	18,406	-	-	-	18,406
	63,282	50,642	111,618	-	225,542
As at December 31, 2019 - Consolidated					
Loans and financing	70,520	86,038	49,262	10,295	216,115
Debentures	1,745	37,086	65,736	-	104,567
Trade accounts payable and other accounts payable	23,279	1,935	-	-	25,214
	95,544	125,059	114,998	10,295	345,896

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(d) Regulatory and environmental risks

The Company and its subsidiaries are subject to laws and regulations in the countries in which they operate. The Company's management has established certified environmental policies and procedures to meet environmental laws.

Management carries out regular analyses to identify environmental risks and to ensure that the controls over operation are adequate and properly certified.

3.2. Capital management

The Company's purposes in managing its capital are guaranteeing its going concern capacity in order to bring gains to shareholders and benefits to the other interested parties, in addition to keeping an ideal capital structure to reduce costs.

In order to keep or adjust its capital structure, the Company may review its policy on the payment of dividends, return capital to shareholders, or even sell assets in order to reduce indebtedness levels, for example.

The Company monitors capital based on financial leverage indexes. This index corresponds to net debt divided by total capital. Net debt corresponds to total loans and financing (including short and long-term loans and financing, as shown in the statement of financial position), less the amount of cash and cash equivalents.

Total capital is calculated through the sum of the equity, as stated in the statement of financial position, with the net debt.

The financial leverage index as at December 31, 2020 and 2019 can be summarized as follows:

Consolidated	2020	2019
Total loans, financing and debentures	207,136	320,682
Less: cash and cash equivalents	(591,608)	(77,639)
Net debt	(384,472)	243,043
Total net equity	1,225,750	208,997
Total capital	841,278	452,040
Financial leverage index (%)	(45.7)	53.8

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3.3. Fair value estimation

It is assumed that the balances of trade accounts receivables and payables at their carrying amounts, less impairment, approximate their fair values, considering the realization and settlement of those balances from 30 to 60 days.

The fair value of financial liabilities for reporting purposes is estimated through the discount of future contractual cash flows at the effective interest rate in market, which is available to the Company for similar financial instruments. Interest rates in effect at balance sheet date are the regular ones in the market and their fair values approximate the balances in accounting records.

Financial investments, represented by investments in CDI (Note 4) and classified as loans and receivables, were evaluated based on the interest rate agreed with the respective financial institution, considered as the regular market rate.

Fair value is the value by which an asset may be changed, or a liability settled, between the parties on an arm's length basis. The fair value hierarchy has the following levels:

- **Level 1:** Prices quoted (not adjusted) in active markets for identical assets or liabilities;
- **Level 2:** inputs other than quoted prices in active markets included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3.4. Financial instruments by category

	Category	Parent company	
		Book value	Fair value (*)
Financial asset			
Cash and cash equivalents*	Amortized cost	2	2
Financial investments	Amortized cost	474,274	474,274
Financial liabilities			
Operating leasing	Amortized cost	21,942	21,942

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	Category	Consolidated	
		Book value	Fair value (*)
Financial assets			
Cash and cash equivalents*	Amortized cost	52,802	52,802
Financial investments	Amortized cost	538,806	538,806
Accounts receivable	Amortized cost	222,406	222,406
Financial liabilities			
Loans and leases	Amortized cost	207,136	207,136
Trade payable	Amortized cost	17,803	17,803
Operating leasing	Amortized cost	28,316	28,316

(*) Fair value is measured at level 2 of the fair value hierarchy. The Company and its subsidiaries have no transaction classified under fair value levels 1 and 3.

4. Cash and cash equivalents

	Parent Company		Consolidated	
	2020	2019	2020	2019
Cash and banks	2	23	52,802	8,007
Financial investments	474,274	59,730	538,806	69,632
	474,276	59,753	591,608	77,639

Financial investments are mainly represented by Bank Deposit Certificates and Capitalization Bonds from first-tier financial institutions, with low credit risk, whose yield is linked to the variation of the Interbank Deposit Certificate (CDI), and have immediate liquidity and maturity. original up to 90 days.

5. Accounts receivable

	Consolidated	
	2020	2019
Notes receivable		
Private	223,526	122,963
Public	1,673	1,576
Related parties	807	711
	226,006	125,250
Allowance for doubtful accounts	(3,600)	(3,559)
	222,406	121,691
Current	217,917	116,508
Noncurrent	4,489	5,183
	222,406	121,691

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Breakdown per maturity of overdue and falling due amounts:

	Consolidated	
	2020	2019
Due	199,122	103,365
Overdue up to 30 days	7,118	6,704
Overdue from 31 to 90 days	6,910	3,807
Overdue from 91 to 180 days	4,387	2,281
Overdue from 181 to 360 days	2,732	3,840
Overdue for more than 361 days	5,737	5,253
	226,006	125,250

We present below the changes in the allowance for doubtful accounts receivable:

	Consolidated
(=) Balance as at January 1, 2019	(1,692)
(+) Additions	(1,867)
(=) Balance as at December 31, 2019	(3,559)
(+) Additions	(41)
(=) Balance as at December 31, 2020	(3,600)

The expected loss for doubtful accounts is established when there is objective evidence that the Company and its subsidiaries will not be able to collect all amounts due in accordance with the original terms of accounts receivable.

It is accrued in an amount considered sufficient by the Management to face the probable losses in the realization of the credits based on: analysis of the default risk of each client, the client's financial situation compromised in the market, history of negotiations carried out, signed agreements not being fulfilled, mainly taking into account risk scenarios in which the behavior is observable in the market, and with special attention to long-overdue loans.

With respect to receivables overdue for more than 181 days, the collection and settlement processes and procedures, even if paid in installments for receipt, are in progress, whose probability of success is relatively high.

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6. Recoverable taxes

	Parent Company		Consolidated	
	2020	2019	2020	2019
IRRF (Withholding income tax) to offset	339	123	10,008	6,354
Recoverable INSS (Social security tax) withheld	-	-	3,636	11,556
Recoverable PIS (Tax on sales)	36	-	536	424
Recoverable COFINS (Tax on sales)	110	-	2,492	2,063
Recoverable ICMS (State VAT)	-	-	2,471	2,982
Prepaid Income tax and social contribution (IR/CS)	20	8	7,572	5,453
Other recoverable taxes	-	-	174	37
	505	131	26,889	28,869
Current	485	131	22,687	16,311
Non-current	20	-	4,202	12,558
	505	131	26,889	28,869

7. Investments in subsidiaries

	Parent company	
	2020	2019
Investments in subsidiaries	603,494	244,309
Goodwill paid on the acquisition of investments due to expected future profitability (Note 7.4)	148,278	115,712
	751,772	360,021
Investment loss in subsidiaries	(1,054)	(2,898)
	(1,054)	(2,898)

7.1. Business Combination

Throughout 2020, Ambipar Group made the following corporate changes:

Base date	Target company	Acquired interest (%)	New interest (%)
January/20	Allied International Emergency LLC.	100	100
April/20	Ambipar Cooprocessing Ltda	100	100
July/20	Ambipar Facilites Ltda	100	100
July/20	Ambipar Compliance Solutions S.A.	62	62
September/20	Intracoastal Environmental, LLC	100	100
September/20	One Stop Environmental, LLC	100	100
October/20	Ambipar Green Tech Ltda	100	100
December/20	Others	100	100
December/20	Custom Environmental Services, INC (EUA)	100	100

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	Environment				Response				Others
	Ambipar Cooprocessing	Ambipar Facilities	Ambipar Compliance (**)	Green Tech	Allied	Intracoastal	One Stop	CES	
Assets and liabilities acquired at fair value (*)									
Cash and cash equivalents	230	1,361	3,807	103	1,021	3,492	1,898	175	51
Other assets	4,228	3,571	1,200	4,003	4,976	9,523	14,554	3,189	1,414
Other liabilities	(4,418)	(4,623)	(525)	(9,019)	(2,776)	(17,679)	(20,511)	(33,596)	(167)
Total identifiable net assets	40	309	4,482	(4,913)	3,221	(4,664)	(4,059)	(30,232)	1,298
Total amount of the consideration transferred	4,180	6,300	21,275	32,000	43,092	59,985	28,687	11,092	2,800
(-) Cash acquired	(230)	(1,361)	(3,807)	(103)	(1,021)	(3,492)	(1,898)	(175)	(51)
(-) Assumed amount of the obligation to pay	(2,090)	(3,000)	(10,000)	(16,000)	(26,538)	(14,395)	(14,146)	(5,168)	(400)
Cash paid, net of cash received	1,860	1,939	7,468	15,897	15,533	42,098	12,643	5,749	2,349
Determining goodwill from expected future profitability (*)									
Total amount of the consideration transferred, Net	4,180	6,300	21,275	32,000	43,092	59,985	28,687	11,092	2,800
Total amount of identifiable net liabilities	(40)	(309)	(2,779)	4,913	(3,221)	4,664	4,059	30,232	(1,298)
Goodwill resulting from expected future profitability	4,140	5,991	18,496	36,913	39,871	64,649	32,746	41,324	1,502
Date of acquisition	04/03/2020	07/02/2020	07/01/2020	10/21/2020	01/29/2020	09/29/2020	09/29/2020	12/31/2020	12/22/2020
Control start date	04/01/2020	07/01/2020	07/01/2020	10/01/2020	01/01/2020	09/30/2020	09/30/2020	12/31/2020	12/31/2020
Company that acquired control	Ambipar Participações	Ambipar Participações	Ambipar Participações	Environmental Participações	Ambipar Holding USA	Ambipar Holding USA	Ambipar Holding USA	Ambipar Holding USA	Ambipar Participações
Aquisition Value	R\$ 4,180	R\$ 6,300	R\$ 21,275	R\$ 32,000	USD 8,452,546	USD 10,634,000	USD 5,085,700	USD 1,934,500	R\$ 2,800
Percentage acquired	100%	100%	62%	100%	100%	100%	100%	100%	100%

(*) On the acquisition date, although the Company assesses the base date of the initial balance sheet of the acquired companies for the purpose of determining the allocation of the purchase price and goodwill (negative goodwill). These acquisitions have a final report. The amount of goodwill for expected future profitability in 2020 was R\$ 30,129 (parent company) and R\$ 245,632 (consolidated).

(**) On October 22, 2020, it acquired an additional 2,660 shares, now holding 95.25% of the investee's capital stock. The goodwill recorded in this transaction was allocated to shareholders's equity as a Capital Transaction.

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The following is the payment schedule for the obligations on account of the acquisition of investment:

Expiration year	Parent company	Consolidated
2021	1,500	38,467
2022	3,590	40,857
2023	5,400	5,400
2024	5,000	5,000
	15,490	89,724

7.2. Subsidiaries' information

The Shareholders' equity of the subsidiaries are presented as follow:

	Net equity as at 12/31/2019	Net equity as at 12/31/2020	Percentage (%) - 2020
Subsidiaries (Directs)			
Ambipar Environment	159,373	220,541	100
Ambipar Logistics	10,148	13,789	100
Planeta Ambiental	354	15,786	100
Ambipar Environment Reverse Manufacturing	(4,132)	5,853	51
Emergência Participações	54,719	307,146	100
Ambipar Response UK	7,010	6,597	100
Ambipar Howells	(791)	(1,054)	100
Ambipar Environment Waste Logistics	5,876	9,573	100
Ambipar EcoProducts	6,829	12,046	100
Ambipar Workforce	-	1,932	100
Ambipar Cooprocessing	-	3,402	100
Ambipar Facilities	-	2,135	100
Ambipar Compliance	-	6,588	95.25
Ambipar Bank	-	1.298	100

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7.3. Changes in investments in subsidiaries

	Balance as at 12/31/2019						Balance as at 12/31/2020			
	Investments	Provision for investments losses	Investment transfers	Exchange rate fluctuation on investments abroad	Capital Transactions	Advance for Future Capital Increase	Transferred amount	Equity	Investments	Provision for investments losses
Subsidiaries										
Ambipar Environment	159,373	-	-	-	(859)	50,000	-	12,027	220,541	-
Ambipar Logistics	10,148	-	-	-	-	3,500	-	141	13,789	-
Planeta Ambiental	354	-	-	-	-	16,000	-	(568)	15,786	-
Ambipar Environment Reverse Manufacturing	-	(2,107)	-	-	-	3,570	-	-	-	-
Emergência Participações	54,719	-	2,574	12,159	-	176,000	-	1,522	2,985	-
Ambipar Response UK	7,010	-	-	(2,757)	-	-	-	61,694	307,146	-
Ambipar Howells	-	(791)	-	(263)	-	-	-	2,344	6,597	-
Ambipar Environment Waste Logistics	5,876	-	-	-	-	4,500	-	-	-	(1,054)
Ambipar EcoProducts	6,829	-	-	-	-	5,000	-	(803)	9,573	-
Ambipar Workforce (f)	-	-	(2,574)	-	-	-	5,900	217	12,046	-
Ambipar Cooprocessing (g)	-	-	-	-	-	3,000	(1,394)	362	1,932	-
Ambipar Facilities (h)	-	-	-	-	-	2,300	309	40	3,402	-
Ambipar Compliance (i)	-	-	-	-	(9,661)	-	14,184	(474)	2,135	-
Ambipar Bank (j)	-	-	-	-	-	-	1,298	1,741	6,264	-
	244,309	(2,898)	-	9,139	(10,520)	263,870	21,731	76,809	603,494	(1,054)

	Balance as at 12/31/2018						Balance as at 12/31/2019			
	Investments	Provision for investments losses	Investments transfers	Exchange rate fluctuation on investments abroad	Dividends received	Equity	Investments	Provision for investments losses		
Subsidiaries										
Ambipar Environment	146,293	-	-	-	(2,212)	15,292	159,373	-		
Ambipar Logistics	9,386	-	-	-	-	762	10,148	-		
Planeta Ambiental	562	-	-	-	-	(208)	354	-		
Ambipar Environment Reverse Manufacturing	-	(2,260)	-	-	-	153	-	(2,107)		
Emergência Participações (b)	48,541	-	(1,061)	(788)	(6,767)	14,794	54,719	-		
Ambipar Insurance (d)	6,207	-	(12,332)	-	(800)	6,925	-	-		
Ambipar Workforce (b)	-	(2,841)	3,268	-	-	(427)	-	-		
Ambipar Response UK	6,609	-	-	(933)	-	1,334	7,010	-		
Ambipar Howells	-	(737)	-	(54)	-	-	-	(791)		
Ambipar Environment Waste Logistics (c)	-	-	4,903	-	-	973	5,876	-		
Ambipar EcoProducts (a)	-	-	6,111	-	-	718	6,829	-		
	217,598	(5,838)	889	(1,775)	(9,779)	40,316	244,309	(2,898)		

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- (a) On March 13, 2019, the Company became the holder of 171,032,169 shares in the invested company Ambipar EcoProducts. The shares were transferred for consideration by the subsidiary Emergência Participações;
- (b) On March 26, 2019, the Company transferred the 99,999 shares it held over the investee Ambipar Workforce to the subsidiary Emergência Participações. The investment was transferred against payment;
- (c) On August 16, 2019, the Company now holds 1,868,912 quotas in the capital stock of the investee Ambipar Environment Waste Logistics. The shares were transferred for consideration by the subsidiary Emergência Participações;
- (d) On August 16, 2019, the Company transferred the 1,923,499 shares it held over the investee Ambipar Insurance to the subsidiary Emergência Participações. Investment was transferred against payment;
- (e) The effect of this movement, added to the exchange variation of goodwill paid abroad (see Note 7.4), is in the accumulated translation adjustment in the parent company's column - Shareholders' Equity;
- (f) On March 20, 2020, the Company acquired the 99,999 shares of paid in capital of subsidiary Ambipar Workforce from the controlled company Emergência Participações. The shares were transferred upon payment by the controlled company Emergência Participações. At the same date, the Company increased capital of the subsidiary Ambipar Workforce by issuing 5,900 new shares of paid in capital, continuing to hold 100% of interest in the subsidiary;
- (g) On April 3, 2020, the Company acquired 892,000 quotas in the share capital of the company Ambipar Cooprocessing, as mentioned in note 7.1;
- (h) On July 2, 2020, the Company acquired 299,999 quotas in the share capital of the company Ambipar Facilities, as mentioned in note 7.1;
- (i) On July 1, 2020, the Company acquired 4,960 quotas in the share capital of the company Ambipar Compliance, as mentioned in note 7.1 and October 22, 2020, acquired another 2,660 shares, now holding 95.25% of the share capital of the company;
- (j) On December 22, 2020, the Company acquired 2,082,000 quotas of the share capital of the investee Ambipar Bank, as mentioned in note 7.1.

7.4. Breakdown of goodwill from expected future profitability

	Parent Company		Consolidated	
	2020	2019	2020	2019
Goodwill detail				
Bioland	4,794	4,794	4,794	4,794
SOS Cotec	6,938	6,938	6,938	6,938
Ambipar Environment Reverse Manufacturing	3,302	3,302	19,985	19,985
Multiamiental	15,987	15,987	15,987	15,987
Emergência Participações	52,337	52,337	52,337	52,337
Avangard	781	781	781	781
Ambipar Response UK e Ambipar Howells	7,957	5,520	7,957	5,520
Ambipar Insurance e Ambipar Workforce	9,395	9,395	9,395	9,395
Ambipar EcoProducts	-	-	2,575	2,575
Training	-	-	217	157
Atmo	16,658	16,658	16,658	16,658
Allied	-	-	49,111	-
Ambipar Cooprocessing	4,140	-	4,140	-
Ambipar Facilities	5,991	-	5,991	-
Ambipar Compliance	18,496	-	18,496	-
Intracoastal	-	-	59,560	-
One Stop	-	-	30,168	-
Green Tech	-	-	36,913	-
Ambipar Bank	1,502	-	1,502	-
CES	-	-	41,324	-
	148,278	115,712	384,829	135,127

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According to Technical Interpretation ICPC 09 - Individual Financial Statements, Separate Statements, Consolidated Statements and Adoption of the Equity Method, in the consolidated statement of financial position, goodwill from expected future profitability is recorded in the subgroup Intangible Assets, since it refers to the expectation of profitability of the acquired controlled company, whose assets and liabilities are consolidated in the parent company. However, in the Parent company's individual statement of financial position, this goodwill shall be in the subgroup of Investments, in the same group of Noncurrent assets, because to the investor this is part of its investment in the acquisition of the controlled company.

Goodwill arising from the acquisition of related (indirect) subsidiaries is recorded in the direct investment in the Parent Company and segregated in the Consolidated, as the other goodwill mentioned above, under the caption Intangible Assets.

We show below the rollforward of goodwill:

Rollforward	Parent Company		Consolidated	
	2020	2019	2020	2019
Opening balance	115,712	99,054	135,127	118,476
Exchange variation	2,437	-	4,070	(7)
Acquisition of Atmo	-	16,658	-	16,658
Acquisition of Allied	-	-	39,871	-
Acquisition of Ambipar	-	-	-	-
Cooprocessing	4,140	-	4,140	-
Acquisition of Ambipar Facilities	5,991	-	5,991	-
Acquisition of Ambipar Compliance	18,496	-	18,496	-
Acquisition of Intracoastal	-	-	64,649	-
Acquisition of One Stop	-	-	32,746	-
Acquisition of Green Tech	-	-	36,913	-
Acquisition of Ambipar Bank	1,502	-	1,502	-
Acquisition of CES	-	-	41,324	-
Final balance	<u>148,278</u>	<u>115,712</u>	<u>384,829</u>	<u>135,127</u>

Impairment test of intangible assets

Goodwill is an asset with an indefinite useful life that shall be annually tested or whenever there is indication of any impairment. Assets and liabilities are grouped in CGUs (Cash Generating Units) for purposes of impairment test.

Any impairment loss is immediately recognized as loss in the statement of income and is not subject to subsequent reversal.

As required by Brazilian accounting practices and International Financial Reporting Standards (IFRS), the Company annually tests its assets for impairment.

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The Company used the value in use method for impairment test. For all CGUs, five years of projection were considered, with growth in perpetuity, in addition to having observed the financial budgets prepared by Management to begin projection of cash flows.

Cash flows were discounted to present value through the application of the rate determined by the weighted average capital cost (WACC) that was calculated using the Capital Asset Pricing Model (CAPM) method and that also considers several components of financing, debt and equity capital used by the Company to finance its activities.

As a result of the impairment test, on December 31, 2020, and evaluating the scenario that there were no changes in the significant risk variables and in the assumptions used in the future cash flow of the acquired businesses, since the last closing of the annual individual and consolidated financial statements, no losses were identified for the CGUs for the goodwill recognized by the Company and its subsidiaries.

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8. Fixed Assets

(a) Rollforward and changes

The changes in fixed assets are stated as follows:

	2020 (consolidated)												
						Furniture and Fixture	Vehicles	Leasehold Improvement	Construction in progress	Vessels	Lease	Reorganization or Restructuring Expenses	Total
	CTR (**)	Buildings	Facilities	Machinery and equipments	IT equipments								
Cost													
Opening balance	49,284	1,102	1,076	121,806	4,125	2,395	160,691	24,812	17,791	2,775	19,336	-	405,193
Transfers	-	-	(21)	(115)	100	27	-	-	-	9	-	-	-
Additions	189	83	31	56,842	2,359	353	100,613	3,024	13,360	625	32,095	17	209,591
Write-offs	-	-	-	(21,761)	(8)	(35)	(17,529)	-	(13,289)	-	(1,381)	-	(54,003)
Transferred purchase amount(*)	-	-	10	19,041	1,371	2,751	15,278	1,682	983	2,062	-	2	43,180
Exchange rate gains (losses)	-	381	-	10,827	63	169	(564)	(5)	-	(160)	4,597	-	15,308
Final balance	49,473	1,566	1,096	186,640	8,010	5,660	258,489	29,513	18,845	5,311	54,647	19	619,269
Accumulated depreciation													
Opening balance	(6,615)	(691)	(416)	(83,898)	(3,273)	(1,670)	(87,204)	(1,074)	-	(246)	(11,792)	-	(196,879)
Transfers	-	-	6	65	(33)	(30)	-	-	-	(8)	-	-	-
Additions	(591)	(186)	(130)	(15,731)	(518)	(188)	(30,636)	(5,206)	-	(161)	(11,213)	(9)	(64,569)
Write-offs	-	10	-	24,060	75	68	12,656	-	-	-	1,088	-	37,957
Initial purchase balance (*)	-	-	(4)	(12,905)	(1,246)	(2,434)	(10,955)	(667)	-	(1,442)	-	(2)	(29,655)
Exchange rate gains (losses)	-	(224)	(13)	(5,883)	(53)	(125)	256	5	-	115	(3,687)	-	(9,609)
Final balance	(7,206)	(1,091)	(557)	(94,292)	(5,048)	(4,379)	(115,883)	(6,942)	-	(1,742)	(25,604)	(11)	(262,755)
Cost	49,473	1,566	1,096	186,640	8,010	5,660	258,489	29,513	18,845	5,311	54,647	19	619,269
Depreciation and Amortization	(7,206)	(1,091)	(557)	(94,292)	(5,048)	(4,379)	(115,883)	(6,942)	-	(1,742)	(25,604)	(11)	(262,755)
	42,267	475	539	92,348	2,962	1,281	142,606	22,571	18,845	3,569	29,043	8	356,514

(*) Initial balance for the purchase of the investee Ambipar Cooprocessing, Ambipar Facilities, Ambipar Compliance, Allied, Intracoastal, One Stop e CES.

(**) Waste Treatment Center.

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12.31.2019 (consolidated)												
	CTR	Buildings	Facilities	Machinery and equipments	IT equipments	Furniture and Fixture	Vehicles	Leasehold Improvement	Construction in progress	Vessels	Lease (*)	Total
Cost												
Opening balance	49,116	938	814	101,035	3,399	2,097	125,877	1,400	14,486	1,496	6,741	307,399
Transfers	-	-	-	-	-	-	(6,348)	3,463	(3,463)	-	6,348	-
Additions	168	184	262	30,646	647	297	45,160	19,949	18,913	1,657	6,741	124,624
Write-offs	-	-	-	(10,650)	(11)	(34)	(3,122)	-	(12,145)	(378)	(58)	(26,398)
Exchange rate gains (losses)	-	(20)	-	775	90	35	(876)	-	-	-	(436)	(432)
Final balance	49,284	1,102	1,076	121,806	4,125	2,395	160,691	24,812	17,791	2,775	19,336	405,193
Depreciação acumulada												
Opening balance	(6,115)	(590)	(320)	(71,057)	(3,001)	(1,526)	(81,916)	(976)	-	(231)	(711)	(166,443)
Transfers	-	-	-	-	-	-	9,098	-	-	-	(9,098)	-
Additions	(500)	(114)	(96)	(18,533)	(188)	(129)	(23,305)	(98)	-	(108)	(2,382)	(45,453)
Write-offs	-	-	-	6,400	-	-	8,048	-	-	93	-	14,541
Exchange rate gains	-	13	-	(708)	(84)	(15)	871	-	-	-	399	476
Final balance	(6,615)	(691)	(416)	(83,898)	(3,273)	(1,670)	(87,204)	(1,074)	-	(246)	(11,792)	(196,879)
Cost	49,284	1,102	1,076	121,806	4,125	2,395	160,691	24,812	17,791	2,775	19,336	405,193
Depreciation and amortization	(6,615)	(691)	(416)	(83,898)	(3,273)	(1,670)	(87,204)	(1,074)	-	(246)	(11,792)	(196,879)
	42,669	411	660	37,908	852	725	73,487	23,738	17,791	2,529	7,544	208,314

(*) Refers to operating lease balances due to the initial adoption of CPC 06 (R2) on January 1, 2019.

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(b) Depreciation and amortization rates

Depreciation and amortization rates are stated below:

Assets	Useful life (for years)	Annual weighted average rate (%)
Buildings	10 a 25	7.00
Sanitary landfill (*)	12	8.33
Leasehold improvement	3 a 25	18.00
Vessels	18 a 20	5.00
Tools	5 a 10	15.00
IT equipments	3 a 10	18.00
Facilities	3 a 20	15.56
Machinery and equipments	3 a 10	19.27
Furniture and fixture	4 a 10	12.06
Vehicles	2,5 a 5	27.00
Software use license	5	20.00
Software	5	20.00
Vehicles - lease	2,5 a 5	27.00
Research and development	2	50.00

(c) Assets offered as guarantee

As at December 31, 2020, the amount of R\$ 180,445 (R\$ 86,889 in December 31, 2019) is represented by fixed asset items in vehicle classes (basically represented by trucks), machinery, devices and equipment, which are the guarantees of the respective financing of FINAME and lease.

(d) Impairment (fixed and intangible assets)

Management annually reviews the book value of assets in order to assess events or changes in economic or operational circumstances that may indicate impairment or loss of their recoverable value. If such evidence is identified and for the net book value that exceeds the recoverable value, an impairment provision is set up adjusting the net book value to the recoverable value.

Intangible assets with indefinite useful lives are subject to annual impairment analysis regardless of whether or not there is any indication of impairment.

The recoverable amount of an asset is defined as the lower of the carrying amount and the value in use. The calculation of the value in use is based on the discounted cash flow model, considering two CGUs: environmental and emergency. The business growth assumptions are based on the annual budget for 2020 and long-term projections of its subsidiaries. The estimated future cash flows were discounted at the rate equivalent to the weighted average cost of capital.

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The estimated EBITDA was projected considering the history and forecasts as follows:

- The revenues of the CGUs include provision of services. Revenue growth was projected considering the economic recovery and price increases / decreases based on inflation estimates;
- The operating costs and expenses were projected considering the historical performance of the UGC and the trends in readjustment of personnel costs and investments in structure; and
- Capital expenditures were estimated considering the maintenance of the existing infrastructure, machines, equipment and vehicles for continuous operation and compliance with contracts with customers.

For the years ended December 31, 2020 and 2019, the estimated value in use has exceeded the book value.

(e) Lending - Improvements to third-party properties

The Company and its subsidiaries have a loan agreement for the use of the properties in Nova Odessa / SP and the Company's headquarters in São Paulo / SP with a related company of the Ambipar Group, which owns the property, for a period of five years, signed in 2015 .

(f) Right of use asset - Consolidated

	Balance in January 1, 2020	New contracts	Depreciation	Cost	Accumulated Depreciation	Net income
Right of use	7,544	35,311	(13,812)	54,647	(25,604)	29,043
	<u>7,544</u>	<u>35,311</u>	<u>(13,812)</u>	<u>54,647</u>	<u>(25,604)</u>	<u>29,043</u>

They mainly refer to properties and fleets that are leased from third parties and to conduct the business of the Company and its subsidiaries in various locations in the country. As of April, 2020, the lease agreement with related parties of the properties in Nova Odessa/SP and the Company's headquarters in São Paulo/SP was initiated, which are subject to market conditions.

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9. Intangible assets

(a) Breakdown

	Annual Amortization rate	Consolidated	
		2020	2019
Cost			
Trademarks and patents		3,249	2,407
Right of use Software	20%	4,320	4,017
Research and Development (*)	50%	8,840	7,800
Goodwill paid with expected future profitability		384,829	135,127
Client portfolio	50%	3,891	3,891
Work force (**)	20%	853	853
		405,982	154,095
Accumulated amortization			
Trademarks and patents		(1,375)	(988)
Right of use Software		(3,837)	(3,406)
Research and Development		(5,109)	(1,385)
Client portfolio		(3,540)	(3,540)
		(13,861)	(9,319)
Net total		392,121	144,776

(*) Refers substantially to investments in Research & Development of products arising from waste generated by the customers of the Company and its subsidiaries; and

(**) Will be amortized in 2021 according to the business plan defined in the acquisition.

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(b) Intangible assets rollforward

	Consolidated (2020)						Total
	Trademarks and patents	Right of use Software	Research and Development	Client portfolio	Goodwill paid with expected future profitability	Work force	
Cost							
Opening balance	2,407	4,017	7,800	3,891	135,127	853	154,095
Additions	286	193	821	-	247,206	-	248,506
Transferred amount	122	110	240	-	-	-	472
Write-Offs	(118)	-	-	-	-	-	(118)
Exchange rate	552	-	(21)	-	2,496	-	3,027
Final balance	3,249	4,320	8,840	3,891	384,829	853	405,982
Accumulated depreciation							
Opening balance	(988)	(3,406)	(1,385)	(3,540)	-	-	(9,319)
Additions	(45)	(300)	(3,514)	-	-	-	(3,859)
Transferred amount	(118)	(110)	(228)	-	-	-	(456)
Write-Offs	118	-	-	-	-	-	118
Exchange rate	(342)	(21)	18	-	-	-	(345)
Final balance	(1,375)	(3,837)	(5,109)	(3,540)	-	-	(13,861)
Cost	3,249	4,320	8,840	3,891	384,829	853	405,982
Accumulated amortization	(1,375)	(3,837)	(5,109)	(3,540)	-	-	(13,861)
	1,874	483	3,731	351	384,829	853	392,121

Consolidated (2019)

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	Trademarks and patents	Right of use Software	Research and Development	Client portfolio	Goodwill paid with expected future profitability	Work force	Total
Cost							
Opening balance	2,080	3,999	3,614	3,760	118,476	-	131,929
Additions	318	14	4,186	131	16,658	853	22,160
Write-Offs	(43)	-	-	-	-	-	(43)
Exchange rate	52	4	-	-	(7)	-	49
Final balance	2,407	4,017	7,800	3,891	135,127	853	154,095
Amortização acumulada							
Opening balance	(893)	(2,929)	-	(3,540)	-	-	(7,362)
Additions	(27)	(473)	(1,385)	-	-	-	(1,885)
Exchange rate	(68)	(4)	-	-	-	-	(72)
Final balance	(988)	(3,406)	(1,385)	(3,540)	-	-	(9,319)
Cost	2,407	4,017	7,800	3,891	135,127	853	154,095
Accumulated amortization	(988)	(3,406)	(1,385)	(3,540)	-	-	(9,319)
	1,419	611	6,415	351	135,127	853	144,776

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10. Loans and financing

10.1. Breakdown

			Parent Company			
			2020		2019	
Type	Financial Charge - % a.a. (*)	Maturity	Current	Non-current	Current	Non-current
Working capital	8.86	-	-	-	12,312	34,546
			-	-	12,312	34,546

			Consolidated			
			2020		2019	
Type	Financial Charge - % a.a. (*)	Maturity	Current	Non-current	Current	Non-current
Working capital	8.86	May 2027	7,080	19,611	47,718	81,508
Investment		December 2025				
financing	10.43		37,006	141,771	18,720	62,233
Finance lease	18.39	November 2022	790	878	4,082	1,854
			44,876	162,260	70,520	145,595

(*) Annual weighted average cost of interest at December 31, 2020.

As provided for in the Final Prospectus of the Public Offering of Primary Distribution of Common Shares Issued by the Company, Management renegotiated and, anticipated, payments of loan contracts with high funding costs during the month of July 2020. Working capital loans were considered Therefore, the Company decided to liquidate them. The costs related to the prepayment of the loans were recorded as financial expenses, in the amount of R\$ 17,900.

10.2. Description

- (i) **Working capital:** working capital transactions are fixed at a weighted average rate of 8,86 % p.a., maturing from January 2021 to May 2027;
- (ii) **Financing investments (FINAME):** acquisition of heavy vehicles and machinery used for the operation of the subsidiaries. The contracts have a fixed rate with a weighted average of 10.43% p.a., with monthly amortization and maturity of the last installment occurring in December 2025; and
- (iii) **Finance lease:** The contracts with a weighted average fixed rate of 18,39% p.a., monthly amortization and last installment due date in November 2022.

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10.3. Payment schedule of non-current liabilities installments

Year of maturity	Parent company		Consolidated	
	2020	2019	2020	2019
2021	-	10,842	-	51,257
2022	-	8,090	50,642	35,017
2023	-	5,027	52,151	27,276
As from 2024	-	10,587	59,467	32,045
	-	34,546	162,260	145,595

10.4. Guarantees

Financing with FINAME funds is guaranteed by the financed assets and was raised primarily to set up fleet of vehicles for the operation of the subsidiaries. This financing is made through certified financial institutions, for the production and acquisition of new machines and equipment, domestically manufactured, certified with the National Bank for Economic and Social Development (BNDES).

Loans for working capital are guaranteed by the Company's shareholders approval.

11. Debentures

11.1. Breakdown

	Parent Company		Consolidated	
	2020	2019	2020	2019
Current	-	562	-	1,745
Non-current	-	96,491	-	102,822
Total	-	97,053	-	104,567

11.2. Payment schedule for non-current liability installments

Year as maturity	Parent Company		Consolidated	
	2020	2019	2020	2019
2021	-	2,682	-	3,814
2022	-	32,189	-	33,271
2023	-	32,189	-	33,222
As from 2024	-	29,431	-	32,515
Total	-	96,491	-	102,822

As provided for in the Final Prospectus for the Public Offering of Primary Distribution of Common Shares Issued by the Company, Management renegotiated and anticipated debt payments, both from the Company and from Ambipar Environment Reverse Manufacturing, during the month of July 2020. The balance due from debentures was considered high.

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12. Trade accounts payable

	Consolidated	
	Current	
	2020	2019
Trade - National operations	12,011	15,216
Trade - International operations	5,157	4,301
Trade - Related parties	635	1,197
	17,803	20,714

13. Taxes payable

13.1. Breakdown

	Consolidated			
	2020		2019	
	Current	Non-current	Current	Non-current
Corporate income tax	1,646	-	1,668	-
Social contribution	105	-	273	-
Withholding income e tax	1,019	-	159	-
Sales tax (PIS)	882	-	373	-
Sales tax (COFINS)	4,057	-	2,747	-
(VAT) ICMS	578	-	385	-
Service tax(ISS)	986	-	803	-
Other taxes	8,402	-	2,603	-
Reassessment	1,137	2,000	4,232	15,219
	18,812	2,000	13,243	15,219

13.2. Reassessment taxes

Special Tax Regularization Program (PERT) - Law nº 13.496/2017

The subsidiaries Ambipar Environment, Ambipar Logistics, Ambipar EcoProducts, Ambipar Environment Waste Logistics and Ambipar Response joined the PERT on August 30, 2017. The tax balances overdue up to April 2017, arising from debts with the National Treasury Attorney General, negotiated in 150 installments, with the value of the installments in the first 5 months corresponding to 5% of the debt, and the remaining balance in 145 installments. The adjustment index applied to the instalments is the Central Bank's Overnight Rate (Selic).

Additionally, MP 783/17 was converted into Law No. 13.496/17 on October 25, 2017 including a new type of reassessment, which allows the use of income tax and social contribution losses to reduce the debt consolidated with the Brazilian Revenue Service (RFB).

The effects of joining the PERT were recognized at the time of debt consolidation by the Federal Revenue Service and the Attorney General of the National Treasury, which took place in December 2018, which is considered by the Administration to be the homologation of the installment plan.

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In August 2020, the subsidiaries of Company settled the PERT installments.

13.3. Payment schedule for non-current liability installments

Year of maturity	Consolidated	
	2020	2019
2021	-	1,130
2022	750	1,130
2023	499	1,130
2024	166	1,130
2025	112	1,130
as from 2025	473	9,569
	2,000	15,219

14. Lease liabilities

	Lease liabilities	Consolidated	
		Unrecognized interest of lease contracts (AVP)	Net lease liabilities
Opening balance as at January 1, 2020	10,035	(1,259)	8,776
Recognition of new contracts	31,264	(3,641)	27,623
Payment	(10,889)	-	(10,889)
Recognition of interest	-	1,435	1,435
Exchange rate fluctuation	1,371	-	1,371
Final balance as at December 31, 2020	31,781	(3,465)	28,316
Current	8,844	(1,199)	7,645
Non-current	22,937	(2,266)	20,671

These refer to lease liabilities measured at the present value of lease payments expected until the end of the agreement, considering possible renewals or cancellations. The lease liability is recognized under the heading "Other accounts payable" - in current and non-current liabilities.

The following shows, for demonstration purposes only, the flows of future lease payments, considering the projected inflation until the maturity of the contracts, in relation to the lease commitments for the right to use:

Year of maturity	Consolidated 2020
2021	7,990
2022	7,036
2023	7,003
2024	6,961
as from 2025	1,706
	30,696

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15. Provision for contingencies and court deposits

15.1. Breakdown

At December 31, 2020 and 2019, the subsidiaries reported the following liabilities and corresponding court deposits related to contingencies:

	Consolidated			
	2020		2019	
	Court deposits	Provision for contingencies	Court deposits	Provision for contingencies
Probable contingencies:				
Social security and labor contingencies	2,463	2,579	5,519	7,432
	<u>2,463</u>	<u>2,579</u>	<u>5,519</u>	<u>7,432</u>

The Company and its subsidiaries are parties to labor, social security and civil lawsuits, and are discussing these issues at both administrative and judicial levels, which, when applicable, are mostly supported by judicial appeals.

The respective provisions for contingencies were constituted considering the estimate made by the legal advisors, for lawsuits whose probability of loss in the respective outcomes was assessed as probable.

Management believes that resolving these issues will not have an effect significantly different from the amount accrued.

15.2. Provision for contingencies rollforward

Changes in the provision for contingencies in December 31, 2020 and 2019 are as follows:

	Consolidated
(=) Balance on January 1, 2019	4,605
(+) Additions	2,827
(=) Balance as at December 31, 2019	<u>7,432</u>
(-) Write-offs/Reversals	(4,853)
(=) Balance as at December 31, 2020	<u>2,579</u>

15.3. Nature of the contingencies

Labor and social security contingencies refer to suits filed by former employees related to amounts arising from work relationships and various indemnity requests. Civil contingencies refer to lawsuits filed by former suppliers and former partners related to indemnity for material damages arising from the business relation with the Company's subsidiaries.

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As at December 31, 2020, Management reassessed the criteria of provision for labor contingencies, considering the risk of loss in each suit and started to record the estimated amount of probable loss in each filing in the lawsuits.

The Company has contingencies classified as possible losses as at December 31, 2020 in the amount of R\$ 7,501 (as at December 31, 2019, in the amount of R\$ 7,022).

15.4. Asset contingencies

The controlled company Ambipar Logistics has filed a lawsuit for damages and indemnity against a former client due to receivables in default supported by the effective rendering of services and a contractual fine for breach of contract signed.

As at December 31, 2020, the adjusted amount of the suit is R\$ 2,439, whose estimate for a favorable outcome evaluated by the controlled company's legal counselors is probable. The process has been conducted by the internal legal department of the Group and there are no additional liabilities due to costs and fees.

16. Related-party transactions

16.1. Breakdown

The main transaction with related parties in the Ambipar Group was carried out under the following conditions:

	Parent company	
	2020	2019
Asset		
Loan (non-current)		
Ambipar Environment Reverse Manufacturing	453	-
Ambipar R&D	156	51
Ambipar Logistics	365	-
Ambipar Response UK	1,056	1,651
Ambipar Response	3,209	27,439
Holding Environmental	725	527
Ambipar EcoProducts	461	2,395
Ambipar Workforce	-	20
Ambipar Cooprocessing	419	-
Ambipar Environment	5,056	-
Ambipar Environment Waste Logistics	318	-
	12,218	32,083

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	Parent company	
	2020	2019
Liabilities		
Dividends payable		
Controlling shareholder	6,523	-
Non-controlling shareholders	4,123	-
	10,646	-
Loan (non-current)		
Ambipar Environment	-	83,828
Ambipar Environment Reverse Manufacturing	-	33
Ambipar Logistics	-	7,878
Emergência Participações	2,342	11,810
Ambipar Insurance	4,500	5,928
Ambipar Environment Waste Logistics	-	417
Atmo	6	123
Ambipar Workforce	5,880	-
	12,728	110,017

Loans

Are current account transactions carried out exclusively between wholly-owned subsidiaries of the Company, that is, subsidiaries in which the Company has full control. These transactions, whose contracts are for an indefinite period and without remuneration, are carried out and are characterized by the concept of cash centralization aiming at a better management of financial resources.

	Consolidated	
	2020	2019
Result (trade transactions)		
Revenue		
Disal Chile Sanitarios Portables Ltda.	51	39
Ingeniería en Sanitización S.A.	1	-
Ingeclean Perú SAC	7	-
Gestión de Servicios Ambientales SAC	50	244
Inmobiliaria e Inversiones D&G Ltda.	28	-
	137	283
Cost		
Disal Chile Sanitarios Portables Ltda.	(14)	(23)
Ingeniería en Sanitización S.A.	-	(10)
Gestión de Servicios Ambientales SAC	(191)	(465)
Inversiones Algarrobo S.A.	(296)	-
	(501)	(498)
Net result	(364)	(215)
Remuneration of key personnel	12,839	6,732

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Trade transactions

Related parties linked to the Chilean non-controlling shareholder, which has strictly commercial transactions, that is, entered into for the purpose of providing environmental services, leases, as well as providing emergency response services. For the execution of such transactions, commercial conditions in the local market are observed.

16.2. Compensation of key management personnel

The remuneration of all the managers of the group and Board of Directors corresponding to short-term benefits amounted to R\$ 12,839 in the fiscal year 2020 (R\$ 6,732 in 2019).

There is benefit to use vehicles, reimbursements, travel and others offered to directors and members of the Board of Directors. In the fiscal year 2020, these benefits amount R\$ 769 (R\$ 775 in 2019).

In 2020, there were no long-term benefits, termination of employment contracts or share-based compensation.

17. Equity

17.1. Share capital

Share capital, subscribed and paid in, is represented by 112,935,588 nominative common shares (69,202,254 shares in 2019), in the amount of R\$ 1,151,602.

On July 10, 2020, the initial public offering of shares issued by the Company ("Offer") was registered. The Offer consisted of the primary public distribution of 38,028,987 new common shares issued by the Company at a price of R\$ 24,75, carried out in accordance with CVM Instruction 400, of December 29, 2003, as amended. On July 20, 2020, the Supplementary Shares option was fully exercised under the Offer, with the issuance of 5.704.347 new common shares of the Company, each in the amount of R\$ 24,75. Issuance cost of shares were calculated in the amount of R\$ 107,937, and recorded in a specific account in shareholders's equity.

17.2. Profit reserves

Legal Reserve

The legal reserve is constituted annually as a destination of 5% of the net income for the year and cannot exceed 20% of the share capital.

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The purpose of the legal reserve is to ensure the integrity of the share capital and can only be used to offset losses and increase capital.

Unrealized profit reserve

The unrealized profit reserve is represented by undistributed profits, due to the fact that equity income is not realized from its investees.

Approval of 2019 profit allocations

On June 18, 2020, the Company approved in AGO the allocation of net income verified in the fiscal year ended on December 31, 2019 corresponding to the amount of R\$ 31,498, as follows: R\$ 1,575 was allocated to the constitution of legal reserve, R\$ 8,524 was allocated to the distribution of shareholders, as dividends, and R\$ 21,399 was allocated to the unrealized profit reserve.

Approval of 2020 profit allocations

Management will propose at the Annual Shareholders' Meeting (AGM) the retention of net income for the year, after the constitution of the legal reserve and mandatory minimum dividends, as "Unrealized profits reserve" in the amount of R\$ 31,937, in which it may be realized when the profits attributed to the result of investment equivalence are realized, for example, with the receipt of dividends from the subsidiaries and jointly subsidiaries.

In the year 2021, the Company will distribute dividends in the amount of R\$ 10,696, as mandatory minimum dividends for the year 2020, and there is no need for a complement to be decided.

As a result of the above, the Company's net income has been allocated as follows:

	2020	2019
Net income for the year	44,824	31,498
Distribution of profit reserve	(10,646)	(8,524)
Appropriation of legal reserve (5%)	(2,241)	(1,575)
Apropriation of unrealized profit reserve	<u>31,937</u>	<u>21,399</u>

17.3. Allocation of additional profits from prior years

In the quarter ended March 31, 2020, the Company distributed as additional profits from previous years the amount of R\$ 2,100, approved by the shareholders at the AGE dated March 27, 2020.

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17.4. Earnings per share

Basic

Basic earnings (losses) per share are calculated by dividing the income attributable to the Company's shareholders by the weighted average number of shares issued during the year, excluding those shares bought by the Company and held as treasury shares. Any dividends of preferred shares and any premiums paid upon the issue of preferred shares during the year are deducted from the income attributed to the parent company's shareholders.

Earning per share	2020	2019
Earning per share operations attributable to shareholders of the parent company before deductions	49,523	35,468
Number of common and preferred shares	112,935,588	69,202,254
Basic earnings per share (in Reais)	0.44	0.51
Diluted earnings per share (in Reais)	0.44	0.51

Diluted

As of December 31, 2020, the Company has no dilution of common shares.

17.5. Cumulative translation adjustment

Refers substantially to exchange variation on foreign investments and goodwill paid on the acquisition of businesses in other countries, whose functional currencies are different from the Company and its subsidiaries.

17.6. Equity valuation adjustment

Refers substantially to reflex equivalence of investees acquired in the Ambipar Group, which have an equity valuation adjustment as a result of the initial adoption of ICPC 10 in relation to their fixed assets.

18. Information by segment

Management defined the Company's operating segments, based on the reports used for strategic decision-making, reviewed by Management, which are segmented between environmental ("Environment") and emergency ("Response") services.

The main equity information by business segment corresponding to December 31, 2020 and 2019 are as follows:

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Description	Environment		Response		Others		Consolidated	
	2020	2019	2020	2019	2020	2019	2020	2019
Total asset value	511,727	275,621	526,557	159,874	605,877	187,127	1,644,161	622,622
Total liability value	195,455	198,246	218,272	88,179	4,684	127,200	418,411	413,625
Net sales and national services revenue	336,430	257,774	365,182	226,611	-	-	701,612	484,385
Cost and expenses	(241,325)	(187,086)	(255,186)	(168,208)	(9,031)	1,663	(505,542)	(353,631)
Financial income	1,414	1,033	7,382	1,023	5,799	129	14,595	2,185
Financial expenses	(28,724)	(26,101)	(14,205)	(7,149)	(26,288)	(8,951)	(69,217)	(42,201)
Depreciation and amortization	(43,377)	(24,692)	(21,602)	(22,646)	(3,449)	-	(68,428)	(47,338)
Equity	-	113	-	-	-	(113)	-	-
Expenses or revenue with corporate income tax and social contribution	(8,149)	(2,724)	(16,832)	(6,434)	-	5	(24,981)	(9,153)
Operating profit	52,726	46,510	87,896	36,603	(11,496)	1,524	129,126	84,637

The consolidated result considers the elimination of sales between the Company's companies. As of December 31, 2020, the Company has no customer representing more than 10% of its net revenue.

The Company's results are obtained mainly in Brazil.

19. Net operating revenue

The reconciliation of gross revenues with net revenues from services rendered is as follows:

	Consolidated	
	2020	2019
Gross revenue for service rendered	800,407	556,517
Cancellations	(7,001)	(3,123)
Sales tax	(91,794)	(69,009)
Net operating income	701,612	484,385

	Consolidated	
	2020	2019
Gross revenue in the domestic market	571,546	433,777
Gross revenue in the foreign market (*)	228,861	122,740
Total	800,407	556,517

(*) Gross revenue in the foreign market comes from investees abroad (Ambipar Response UK, Allied and Suatrans Chile and subsidiaries).

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20. Costs and expenses by nature

	Parent company		Consolidated	
	2020	2019	2020	2019
Materials used providing services	-	-	(9,672)	(11,733)
Labor charges and personal	(2,133)	-	(280,107)	(189,767)
Fuels	(3)	-	(18,394)	(19,690)
Freight and tolls	(22)	-	(19,947)	(16,011)
Maintenance of machinery, devices and equipment and vehicles	-	-	(18,370)	(15,277)
Taxes	(175)	-	(6,354)	(5,099)
Rent and HOA fees	(318)	-	(5,231)	(4,703)
Lease of assets, vehicles, machinery and equipment	-	-	(3,185)	(32)
Telephone expenses	(4)	-	(2,813)	(2,113)
Traves expenses	(92)	-	(7,199)	(4,082)
Depreciation and amortization	(3,449)	-	(68,428)	(47,338)
Advertising and publicity	(359)	-	(5,958)	(4,562)
Third-party services	(3,385)	-	(56,843)	(42,141)
Other expenses	(1,556)	3	(69,985)	(37,200)
	(11,496)	3	(572,486)	(399,748)
Cost of services rendered	-	-	(542,819)	(374,870)
General, administrative and selling	(12,306)	-	(31,151)	(26,099)
Others revenues (expenses) operating, net	810	3	1,484	1,221
	(11,496)	3	(572,486)	(399,748)

21. Financial income and expenses, net

	Parent company		Consolidated	
	2020	2019	2020	2019
Financial income				
Discounts revenue	7	-	477	163
Interest charged	43	-	570	345
Revenue from financial investment	5,193	129	5,361	118
Exchange rate gains	556	-	7,527	673
Monetary gain	-	-	623	835
Others	-	-	37	51
	5,799	129	14,595	2,185
Financial expenses				
Interest paid	(9)	(231)	(4,530)	(2,062)
Amortization costs	(15,903)	-	(17,900)	-
Interest on loans	(5,283)	(7,260)	(29,927)	(31,724)
Interest on debentures	(4,470)	(974)	(3,322)	(974)
Discounts granted	-	-	(1,665)	(2,339)
Bank expenses	(211)	(157)	(1,841)	(2,003)
Tax on financial transaction (IOF)	(353)	(328)	(2,020)	(1,906)
Exchange rate losses	(59)	-	(5,709)	(348)
Others	-	-	(2,303)	(845)
	(26,288)	(8,950)	(69,217)	(42,201)
Financial result, net	(20,489)	(8,821)	(54,622)	(40,016)

22. Income tax and social contribution

(a) Breakdown of expenses

	Consolidated	
	2020	2019
Current income tax and social contribution	(12.421)	(6.149)
Deferred income tax and social contribution	(12.560)	(3.004)
Income tax expense	(24.981)	(9.153)

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(b) Reconciliation of income tax and social contribution expenses

	Consolidated	
	2020	2019
Profit before income tax and social contribution	74,504	44,621
Tax calculated based on effective tax rate - 34%	(25,331)	(15,170)
Reconciliation:		
Recognition of deferred IRPJ/CSLL on tax loss	(2,912)	-
Adjustments for permanent differences in other jurisdictions	10,205	1,589
Other adjustments on temporary and permanent differences	(6,943)	4,428
Income tax and social contribution	(24,981)	(9,153)
Tax rate on income tax and social contribution - %	33.5%	20.5%

(c) Deferred income tax and social contribution

The Company has updated the registration and presents deferred income tax and social contribution assets at the limit of their realization, to reflect future tax effects on temporary differences between the tax basis of assets and their respective carrying amounts, calculated at the combined tax rate of 34%, as well as demonstrates the basis for constituting deferred income tax and social contribution liabilities, constituted taking into account the obligations existing in other jurisdictions, shown separately in assets and liabilities because they are different tax authorities, as follows:

	Consolidated	
	2020	2019
Tax basis - Asset		
Tax loss and negative basis	26,773	31,307
Differences temporary and permanent	11,459	9,288
Provision - differences temporary	-	4,026
	38,232	44,621
Income tax - 25%	9,558	11,155
Social contribution - 9%	3,441	4,016
Income tax and social contribution - asset	12,999	15,171

	Consolidated	
	2020	2019
Tax basis - liabilities		
Provisions - temporary differences	(31,765)	-
Temporary differences in other jurisdiction	(9,397)	(10,026)
	(41,162)	(10,026)
Income tax - 25%	(10,290)	(2,507)
Social contribution - 9%	(3,705)	(902)
Income tax and social contribution - liabilities	(13,995)	(3,409)

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(d) Deferred income tax and social contribution rollforward

	Consolidated	
	2020	2019
Rollforward		
Opening balance - asset, net liabilities	11,762	11,936
Net income	(12,560)	(3,004)
Others transactions - tax calculation basis	(198)	2,830
Final balance - asset, net liabilities	(996)	11,762

(e) Realization of deferred income tax and social contribution

Realization for year	2020	2019
2020	1,054	4,500
2021	4,216	4,500
2022	4,216	4,500
2023 forth	3,513	1,671
	12,999	15,171

23. Insurance

The Company and its subsidiaries have an insurance and risk management program that provides coverage and protection compatible with their equity assets and their operation.

The coverage contracted is based on criteria for the study of risks and losses, and the types of insurance contracted are considered by Management to be sufficient to cover any claims that may occur, in view of the nature of the activities of the Company and its subsidiaries. The main ones as of December 31, 2020 are detailed below:

Insured Company	Cover	Object	Insured amount	Effective date
Ambipar Environment	Civil responsibility	Provision of services in third party locations	1,000	07/05/2021
	Optional Civil Liability for Missing Cargo - RCF-DC			08/31/2021
Ambipar Logistics	Civil Liability of the Cargo Road Transporter - RCTR-C	Cargo theft	1,080,000	08/31/2021
Ambipar Logistics	Civil Liability International Travel Carrier - RCTR-VI	Cargo accident	1,080,000	08/31/2021
Ambipar Logistics		Cargo coverage on international trips	39,259	09/13/2021
Ambipar Response	Civil responsibility	Provision of services in third party locations	15,000	08/23/2021
Ambipar Response	Business	Provision of services in third party locations	1,700	

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24. Additional information to cash flows

Investment and financing transactions that did not involve cash.

	Consolidated	
	2020	2019
Acquisition of fixed assets through financing	120,283	50,052
Operating leasing	27,623	-
Balance to be paid for investment acquisition	79,011	-
Cumulative translation adjustment	11,576	(791)
Non-controlling interest	5,441	(751)

25. Impacts on the Company and its subsidiaries - COVID-19

Since the beginning of the pandemic, we have installed a Contingency Committee, which is working on several fronts and meeting periodically to make the necessary decisions aimed mainly at taking care of the health of all our employees. Among the actions adopted, we can highlight: installation of the decontamination tunnel in the entrance to the Company's facilities; environment disinfection performed periodically; adoption of home office for part of the employees, including those considered as risk group; and availability of a Virtual Doctor. The decisions taken are constantly reassessed, according to the current events and facts, and the determinations and guidelines of the competent authorities.

The Management of the Company and its subsidiaries believes that the profile of the services provided by our business units has proven to be in line with the current situation, as a substantial part of the revenue is based on long-term contracts with high income predictability and considered essential to our customers and Society. Furthermore, we started offering disinfection services for commercial, industrial and administrative spaces, which demonstrates the Company's capacity for innovation in capturing opportunities, even in adverse times.

If the length of the contagion curve of the pandemic resulting from COVID-19 extends over time, it may bring a natural slowdown in the economy within the countries in which we operate, however, we can say that the Company has a robust and sufficient capital structure to surpass an even more adverse scenario.

We emphasize that the Company's management also periodically reviews its cost structure, maintaining a robust growth plan with investments in complementing our service portfolio and global action, combining expansion and quality in the services rendered.

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26. Subsequent events

a) Business acquisition

Item	Evento	Data	Descrição
1	Acquisition of control of AFC	January/2021	On January 20, 2021, the subsidiary Environmental Participações acquired 60% of the quotas of AFC Soluções Ambientais Holding S.A. through a 100% primary contribution whose activity is to respond to chemical emergencies in the northeast region of Brazil.
2	Acquisition of control of Enviroclear	February/2021	On February 4, 2021, the subsidiary Emergência Participações, through its subsidiary Ambipar Holdings UK Limited Inc, acquired 100% of the quotas of Enviroclear Site Services Limited., Whose activity is to deal with chemical emergencies in Wales, United Kingdom, and in 2020 it reached sales of £ 10.4 million.
3	Acquisition of control of Orion	February/2021	On February 11, 2021, the subsidiary Emergência Participações, through its subsidiary Ambipar Holdings Canada Inc., acquired 100% of the shares of Orion Environmental Services Ltd., whose activity is to deal with chemical emergencies in the province of Alberta in Canada, and in 2020 reached sales of CAN \$ 12.3 million.

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