# Hypera S.A.

Quarterly information report

September 30, 2024

# Content

# Hypera Pharma reports Net Revenue of R$1,915.9 million in 3Q24, with 11% growth in sell-out[1] and 23.2% growth in Free Cash Flow

**São Paulo, November 13, 2024 – Hypera S.A. ("Hypera Pharma" or "Company"; B3: HYPE3; Bloomberg: HYPE3 BZ; ISIN: BRHYPEACNOR0; Reuters: HYPE3.SA; ADR: HYPMY)** announces its financial results for the 3rd quarter of 2024. Financial data disclosed here are taken from the consolidated financial statements of Hypera S.A., prepared in accordance with the Brazilian Accounting Pronouncement Committee (CPC) and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

## 3Q24 Highlights

- 11% sell-out[1] growth over 3Q23
- Demand normalization for Flu, Respiratory, Pain and Fever products
- Free Cash Flow of R$551.8 million, 23.2% higher than 3Q23
- Interest on Equity approval of R$185.4 million (R$0.29/share) during 3Q24
- 10% increase in the Dow Jones Sustainability Index score

Table 1

| (R$ million) | 3Q23 | % NR | 3Q24 | % NR | Δ % | 9M23 | % NR | 9M24 | % NR | Δ % |
|---|---|---|---|---|---|---|---|---|---|---|
| Gross Revenue, net of Returns and Unconditional Discounts | 2,485.7 | 116.2% | 2,297.7 | 119.9% | -7.6% | 6,975.5 | 115.0% | 6,935.7 | 116.9% | -0.6% |
| Net Revenue | 2,138.5 | 100.0% | 1,915.9 | 100.0% | -10.4% | 6,067.7 | 100.0% | 5,931.5 | 100.0% | -2.2% |
| Gross Profit | 1,353.8 | 63.3% | 1,145.7 | 59.8% | -15.4% | 3,849.1 | 63.4% | 3,594.6 | 60.6% | -6.6% |
| SG&A (excl. Marketing and R&D) | (280.5) | -13.1% | (309.6) | -16.2% | 10.4% | (821.4) | -13.5% | (861.8) | -14.5% | 4.9% |
| Research & Development | (45.1) | -2.1% | (38.0) | -2.0% | -15.8% | (128.7) | -2.1% | (123.3) | -2.1% | -4.2% |
| Marketing | (327.8) | -15.3% | (347.1) | -18.1% | 5.9% | (950.3) | -15.7% | (942.9) | -15.9% | -0.8% |
| EBITDA from Continuing Operations | 797.2 | 37.3% | 561.2 | 29.3% | -29.6% | 2,175.4 | 35.9% | 1,964.1 | 33.1% | -9.7% |
| Net Income from Continuing Operations | 499.5 | 23.4% | 370.1 | 19.3% | -25.9% | 1,343.3 | 22.1% | 1,253.5 | 21.1% | -6.7% |
| Free Cash Flow | 447.8 | 20.9% | 551.8 | 28.8% | 23.2% | 885.2 | 14.6% | 1,329.5 | 22.4% | 50.2% |

**EARNINGS CONFERENCE CALL – PORTUGUESE: 11/14/2024, 11am (Brasília) / 9am (New York)**
**Webcast:** click here / **Phone:** +55 (11) 4700-9668 **ID**: 847 9665 8398 **Passcode:** 559812
**Replay:** ri.hypera.com.br

**EARNINGS CONFERENCE CALL – ENGLISH: (Simultaneous translation): 11/14/2024, 11am (Brasília) / 9am (New York)**
**Webcast:** click here / **Phone:** +1 (720) 707-2699 **ID**: 847 9665 8398 **Passcode:** 559812
**Replay:** ri.hypera.com.br/en

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*Note: (1) Sell-out PMB/FMB PPP (Pharmacy Purchase Price), as reported by IQVIA, considers the average purchase price by pharmacies and chains*

# Operating Scenario

Hypera Pharma's sell-out[1] grew by 11% in 3Q24 when compared to the same period last year and was mainly driven by (i) the launches of new products in recent years, highlighting launches in chronic and preventive treatments; and (ii) the demand normalization for products related to Flu, Respiratory, Pain and Fever, which the Company is a leader with major position.

**The demand normalization for products related to Flu, Respiratory, Pain and Fever, which are more relevant to Hypera Pharma's sales than to the pharmaceutical retail sales, allowed the Company to increase sell-out growth in 3Q24, when compared to 2Q24, a quarter in which the sell-out growth had been of 6% over 2Q23. In this quarter, the sell-out growth in the Flu, Respiratory, Pain and Fever categories was 11%, while in 2Q24, sell-out in these categories had fallen by 1% compared to 2Q23.**

**It should be noted that the demand normalization for products related to Flu, Respiratory, Pain and Fever is also benefiting the sell-out performance in 4Q24. October's sell-out growth reached 13%, according to preliminary data from IQVIA, resulting in a 9% accumulated year-on-year growth between January and October 2024. The year-to-date sell-out growth is in line with the Company's expectations and has not been affected by the beginning of the working capital optimization process announced on October 18,** which negatively affects the growth of Net Revenue, EBITDA and Net Income in the short term.

**The working capital optimization seeks to increase cash generation in R$2.5 billion by 2028, and in R$7.5 billion over the next 10 years, mainly due to: (i) the reduction in inventories at clients and the consequent reduction in days of accounts receivable; and (ii) the expected increase in the Company's profitability, mainly due to the reduction in returns, discounts and discards.**

The beginning of the working capital optimization process in 3Q24 took into account the several operational advances observed over the last few years, such as: (i) the reduction in the lead time for the delivery of products to clients by 30% since 2022; (ii) the inauguration of the new optimized distribution center with more efficient logistical picking; (iii) the improvement in demand predictability of around 20% over the last 3 years; (iv) the more stable demand for acute medicines; and (v) the pilot projects carried out with smaller customers over the last 12 months.

In addition, over the last years, it has also been possible to observe an increase in the number of distribution centers by the Company's clients, which has reduced the lead time for delivery of products to the points of sale, as well as the supply of raw material normalization, with a significant reduction in delivery times by suppliers after the end of the Covid-19 pandemic.

**Based on these important advances, Hypera Pharma will bring the inventories of its products at clients to a similar level to what is currently practiced by the pharmaceutical industry in Brazil, without compromising the sell-out growth estimated for the coming years. It should also be noted that the optimization of working capital does not alter Hypera Pharma's commitment to the remuneration of its shareholders or the planned investments in marketing, innovation and increased production capacity.**

Also in this quarter, the Board of Directors approved the distribution of Interest on Equity of R$185.4 million (R$0.29/share), and the Company was once again highlighted in the Corporate Sustainability Assessment of **S&P Global (DJSI)**, with a 10% increase in its score in the **Dow Jones Sustainability Index.**

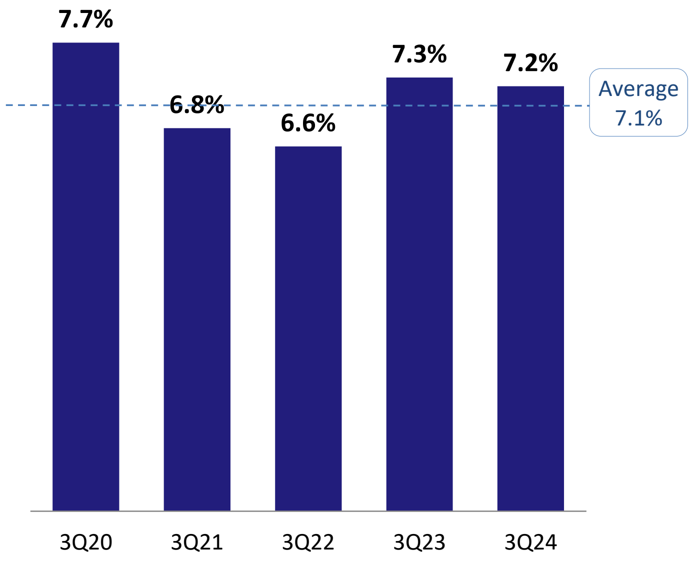
Finally, it is worth highlighting the important progress made in the Company's corporate governance. The Regulations of the Board of Directors and Advisory Committees were recently revised and published on the Investor Relations website https://ri.hypera.com.br/en on November 13, 2024. This work, coordinated throughout the year by the Governance and Sustainability Committee and approved by the Board of Directors, further strengthens efficiency among the Company's governance bodies and transparency in decision-making processes.

*Note: (1) Sell-out PMB/FMB PPP (Pharmacy Purchase Price), as reported by IQVIA, considers the average purchase price by pharmacies and chains.*

## Innovation & Launches

Graph 1

LTM R&D Investments (% of Net Revenue)[1]




Total investments in R&D, including the amount capitalized as an intangible asset, represented 7.2% of Net Revenue in the last 12 months, a similar level to 3Q23. In 3Q24, these investments amounted to R$138.6 million.

The Freshness Index, which corresponds to the percentage of Net Revenue coming from products launched in the last five years, including the brands acquired from Takeda, Sanofi and Boehringer Ingelheim, was 24% in 3Q24, same level as in 3Q23.

**Hypera Pharma strengthened its product portfolio with important launches in 3Q24, especially the line extensions in Skincare and Consumer Health, and the launches in Endocrinology, Central Nervous System, Cardiology and Gastroenterology.**

**It should also be noted that Hypera Pharma was the pharmaceutical industry that approved the highest number of new medicines at ANVISA in 2024.**

The Company has an innovation pipeline of more than 500 products to be launched in the coming years, focusing on categories related to chronic and preventive treatments, whose growth estimated by IQVIA for the next 5 years is higher than the average growth expected for the pharmaceutical retail.

*Note: (1) Considers the R&D expenses and the amount capitalized as intangible assets. Excludes the effect of the Lei do Bem and the R&D amortization.*

## Earnings Discussion

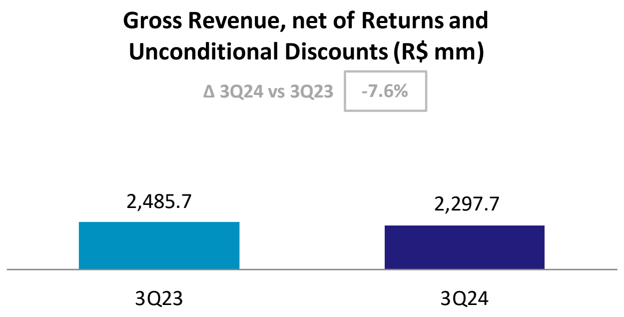
# Income Statement

Table 2

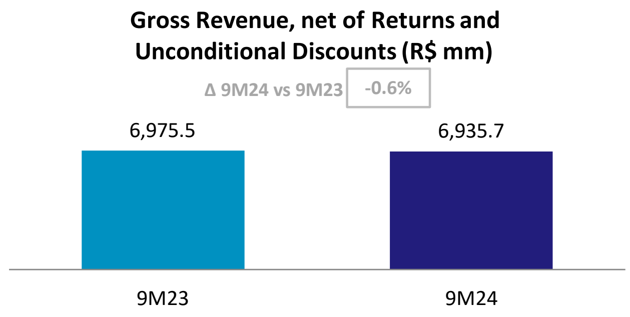
| (R$ million) | 3Q23 | % NR | 3Q24 | % NR | Δ % | 9M23 | % NR | 9M24 | % NR | Δ % |
|---|---|---|---|---|---|---|---|---|---|---|
| **Net Revenue** | **2,138.5** | ***100.0%*** | **1,915.9** | ***100.0%*** | ***-10.4%*** | **6,067.7** | ***100.0%*** | **5,931.5** | ***100.0%*** | ***-2.2%*** |
| **Gross Profit** | **1,353.8** | ***63.3%*** | **1,145.7** | ***59.8%*** | ***-15.4%*** | **3,849.1** | ***63.4%*** | **3,594.6** | ***60.6%*** | ***-6.6%*** |
| Marketing Expenses | (327.8) | *-15.3%* | (347.1) | *-18.1%* | *5.9%* | (950.3) | *-15.7%* | (942.9) | *-15.9%* | *-0.8%* |
| Selling Expenses | (236.4) | *-11.1%* | (249.3) | *-13.0%* | *5.4%* | (690.2) | *-11.4%* | (719.0) | *-12.1%* | *4.2%* |
| General and Administrative Expenses | (89.2) | *-4.2%* | (98.3) | *-5.1%* | *10.2%* | (259.9) | *-4.3%* | (266.1) | *-4.5%* | *2.4%* |
| Other Operating Revenues (Expenses) | 23.0 | *1.1%* | 22.2 | *1.2%* | *-3.6%* | 48.2 | *0.8%* | 77.9 | *1.3%* | *61.6%* |
| Equity in Subsidiaries | 12.4 | *0.6%* | 18.1 | *0.9%* | *45.2%* | 8.8 | *0.1%* | 13.4 | *0.2%* | *51.2%* |
| **EBIT from Continuing Operations** | **735.8** | ***34.4%*** | **491.3** | ***25.6%*** | ***-33.2%*** | **2,005.8** | ***33.1%*** | **1,757.9** | ***29.6%*** | ***-12.4%*** |
| Net Financial Expenses | (261.5) | *-12.2%* | (196.6) | *-10.3%* | *-24.8%* | (789.6) | *-13.0%* | (619.2) | *-10.4%* | *-21.6%* |
| Income Tax and CSLL | 25.1 | *1.2%* | 75.4 | *3.9%* | *200.2%* | 127.1 | *2.1%* | 114.8 | *1.9%* | *-9.7%* |
| Net Income from Continuing Operations | 499.5 | *23.4%* | 370.1 | *19.3%* | *-25.9%* | 1,343.3 | *22.1%* | 1,253.5 | *21.1%* | *-6.7%* |
| Net Income from Discontinued Operations | (0.2) | *0.0%* | 0.4 | *0.0%* | *-* | (0.8) | *0.0%* | (1.6) | *0.0%* | *86.6%* |
| Net Income | 499.3 | *23.3%* | 370.5 | *19.3%* | *-25.8%* | 1,342.4 | *22.1%* | 1,251.9 | *21.1%* | *-6.7%* |
| **EBITDA from Continuing Operations** | **797.2** | ***37.3%*** | **561.2** | ***29.3%*** | ***-29.6%*** | **2,175.4** | ***35.9%*** | **1,964.1** | ***33.1%*** | ***-9.7%*** |

## Net Revenue

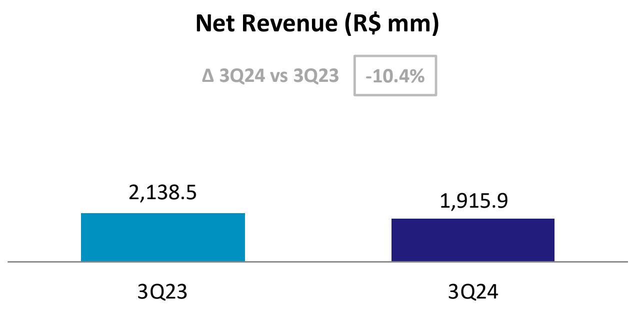
Graph 2




Graph 3




Graph 4




Graph 5

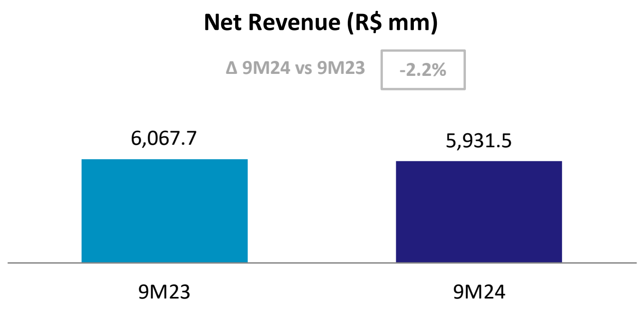



Table 3

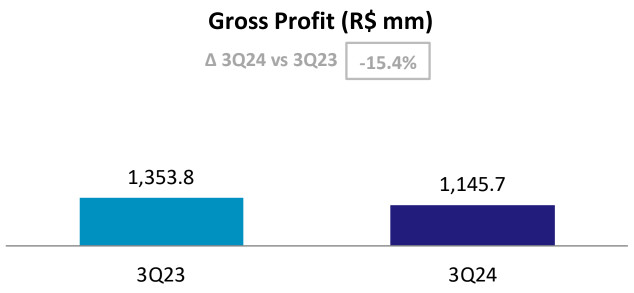
| (R$ million) | 3Q23 | 3Q24 | Δ % | 9M23 | 9M24 | Δ % |
|---|---|---|---|---|---|---|
| **Gross Revenue, net of Returns and Unconditional Discounts** | **2,485.7** | **2,297.7** | *-7.6%* | **6,975.5** | **6,935.7** | *-0.6%* |
| Promotional Discounts | (177.8) | (209.9) | *18.0%* | (423.3) | (505.3) | *19.4%* |
| Taxes | (169.4) | (171.9) | *1.5%* | (484.5) | (498.9) | *3.0%* |
| **Net Revenue** | **2,138.5** | **1,915.9** | *-10.4%* | **6,067.7** | **5,931.5** | *-2.2%* |

Net Revenue totaled R$1,915.9 million in 3Q24, compared to R$2,138.5 million in 3Q23. The reduction in Net Revenue compared to the same period last year is a consequence of the beginning of the working capital optimization process, which consists of reducing the inventory levels of the Company's products at its clients and, consequently, reducing the number of days of accounts receivable.

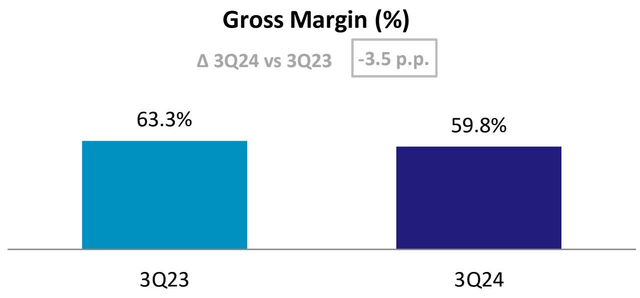
**The working capital optimization seeks to increase the cash generation in R$2.5 billion by 2028 and in R$7.5 billion over the next 10 years, as well as to increase the Company's profitability, mainly due to the reduction in returns, discounts and discards.**

## Gross Profit

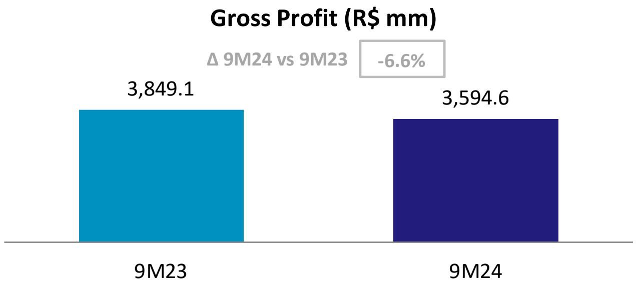
Graph 6




Graph 7




Graph 8




Graph 9

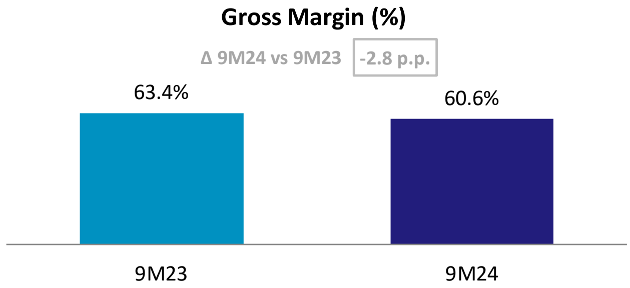



Table 4

| (R$ million) | 3Q23 | % NR | 3Q24 | % NR | Δ % | Δ p.p. | 9M23 | % NR | 9M24 | % NR | Δ % | Δ p.p. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Gross Profit | 1,353.8 | *63.3%* | 1,145.7 | *59.8%* | *-15.4%* | *-3.5 p.p.* | 3,849.1 | *63.4%* | 3,594.6 | *60.6%* | *-6.6%* | *-2.8 p.p.* |

Gross Profit reached R$1,145.7 million in the quarter, with a Gross Margin of 59.8%, or 3.5 percentage points lower than in 3Q23. The variation in Gross Margin compared to 3Q23 is mainly the result of the lower dilution of fixed costs due to the reduction in Net Revenue because of the beginning of the working capital optimization process.

## Marketing Expenses

Table 5

| (R$ million) | 3Q23 | % NR | 3Q24 | % NR | Δ % | 9M23 | % NR | 9M24 | % NR | Δ % |
|---|---|---|---|---|---|---|---|---|---|---|
| Marketing Expenses | (327.8) | -15.3% | (347.1) | -18.1% | 5.9% | (950.3) | -15.7% | (942.9) | -15.9% | -0.8% |
| Advertisement and Consumer Promotion | (96.4) | -4.5% | (105.5) | -5.5% | 9.4% | (274.1) | -4.5% | (276.9) | -4.7% | 1.0% |
| Trade Deals | (79.6) | -3.7% | (65.2) | -3.4% | -18.1% | (158.2) | -2.6% | (149.6) | -2.5% | -5.4% |
| Medical Visits, Promotions and Others | (151.8) | -7.1% | (176.3) | -9.2% | 16.2% | (518.0) | -8.5% | (516.4) | -8.7% | -0.3% |

Marketing Expenses grew by 5.9% to R$347.1 million in 3Q24, driven by higher expenses in Advertising and Consumer Promotion and Medical Visits, Promotions and Others, reflecting additional expenses with marketing campaigns, free samples and an increase in medical visitation teams with the aim of boosting the sell-out growth.

## Selling Expenses

Table 6

| (R$ million) | 3Q23 | % NR | 3Q24 | % NR | Δ % | 9M23 | % NR | 9M24 | % NR | Δ % |
|---|---|---|---|---|---|---|---|---|---|---|
| Selling Expenses | (236.4) | -11.1% | (249.3) | -13.0% | 5.4% | (690.2) | -11.4% | (719.0) | -12.1% | 4.2% |
| Commercial Expenses | (144.8) | -6.8% | (160.6) | -8.4% | 10.9% | (421.0) | -6.9% | (448.2) | -7.6% | 6.4% |
| Freight and Logistics Expenses | (46.5) | -2.2% | (50.7) | -2.6% | 9.0% | (140.4) | -2.3% | (147.5) | -2.5% | 5.0% |
| Research & Development | (45.1) | -2.1% | (38.0) | -2.0% | -15.8% | (128.7) | -2.1% | (123.3) | -2.1% | -4.2% |

Selling Expenses grew by 5.4% in 3Q24, mainly reflecting the increase in expenses with the sales teams at a similar level to the wage increases in the period. Over the last 9 months, the sales expenses growth was 4.2%, lower than the sell-out growth in the same period.

Total investments in Research and Development (R&D), including the amount capitalized as intangible assets, represented 7.2% of Net Revenue in the quarter, evidencing the Company's commitment to the constant innovation of its product portfolio and the additional investments in R&D to develop the innovation pipeline to support the growth in the Non-Retail Market. In 3Q24, the benefit from the *Lei do Bem* was R$12.5 million, compared to R$6.5 million in 3Q23.

## General and Administrative Expenses & Other Operating Revenues / Expenses, Net

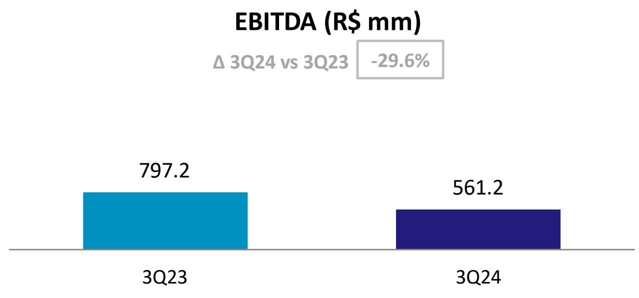
Table 7

| (R$ million) | 3Q23 | % NR | 3Q24 | % NR | Δ % | 9M23 | % NR | 9M24 | % NR | Δ % |
|---|---|---|---|---|---|---|---|---|---|---|
| General & Administrative Expenses | (89.2) | -4.2% | (98.3) | -5.1% | 10.2% | (259.9) | -4.3% | (266.1) | -4.5% | 2.4% |
| Other Operating Revenues (Expenses) | 23.0 | 1.1% | 22.2 | 1.2% | -3.6% | 48.2 | 0.8% | 77.9 | 1.3% | 61.6% |

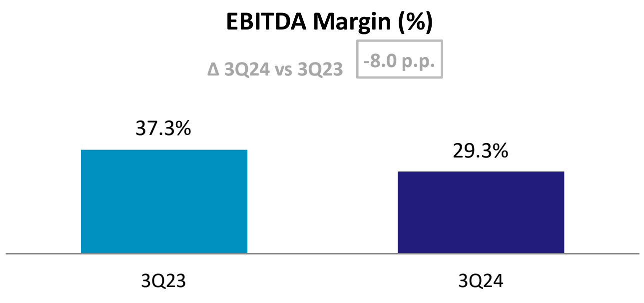
General and Administrative Expenses amounted to R$98.3 million in the quarter, an increase of R$9.1 million over the same period last year, mainly because of the higher level of personal expenses related to the administrative teams and advisory and consultancy services.

## EBITDA from Continuing Operations

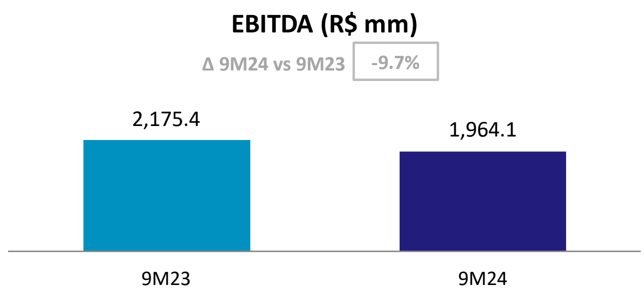
**Graph 10**




**Graph 11**




**Graph 12**




**Graph 13**

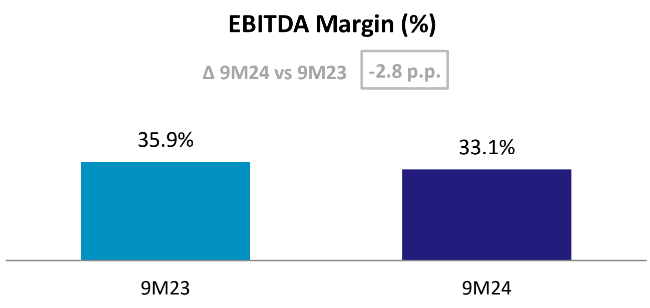



**Table 8 – EBITDA from Continuing Operations**

| (R$ million) | 3Q23 | % NR | 3Q24 | % NR | Δ % | 9M23 | % NR | 9M24 | % NR | Δ % |
|---|---|---|---|---|---|---|---|---|---|---|
| EBITDA from Continuing Operations | 797.2 | *37.3%* | 561.2 | *29.3%* | *-29.6%* | 2,175.4 | *35.9%* | 1,964.1 | *33.1%* | *-9.7%* |

EBITDA from Continuing Operations was R$561.2 million, with a margin of 29.3%, compared to 37.3% in 3Q23. In the last 9 months, the EBITDA from Continuing Operations Margin was 33.1%, or 2.8 percentage points lower than in 9M23.

The reduction in the EBITDA from Continuing Operations Margin, both in 3Q24 and in the last 9 months, is mainly the result of the lower dilution of fixed costs and expenses due to the reduction in Net Revenue in 3Q24, as a consequence of the beginning of the working capital optimization process.

## Net Financial Expenses

**Table 9**

| (R$ million) | 3Q23 | % NR | 3Q24 | % NR | Δ R$ | 9M23 | % NR | 9M24 | % NR | Δ R$ |
|---|---|---|---|---|---|---|---|---|---|---|
| Financial Result | (261.5) | *-12.2%* | (196.6) | *-10.3%* | 64.9 | (789.6) | *-13.0%* | (619.2) | *-10.4%* | 170.4 |
| Net Interest Expenses | (235.4) | *-11.0%* | (174.6) | *-9.1%* | 60.8 | (689.4) | *-11.4%* | (529.5) | *-8.9%* | 159.9 |
| Cost of Hedge and FX Gains (Losses) | (5.2) | *-0.2%* | 2.7 | *0.1%* | 7.9 | (27.0) | *-0.4%* | (10.6) | *-0.2%* | 16.4 |
| Other | (20.9) | *-1.0%* | (24.7) | *-1.3%* | (3.8) | (73.2) | *-1.2%* | (79.1) | *-1.3%* | (5.9) |

The Financial Result was negative by R$196.6 million in 3Q24, which is R$64.9 million lower than in 3Q23. This variation is the result of lower interest expenses in the period due to the lower interest rate *(Selic rate).*

## Net Income

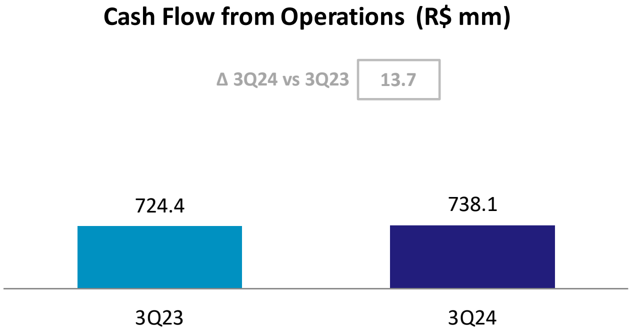
**Table 10**

| (R$ million) | 3Q23 | % NR | 3Q24 | % NR | Δ % | 9M23 | % NR | 9M24 | % NR | Δ % |
|---|---|---|---|---|---|---|---|---|---|---|
| EBIT from Continuing Operations | 735.8 | *34.4%* | 491.3 | 25.6% | *-33.2%* | 2,005.8 | *33.1%* | 1,757.9 | 29.6% | *-12.4%* |
| (-) Net Financial Expenses | (261.5) | *-12.2%* | (196.6) | -10.3% | *-24.8%* | (789.6) | *-13.0%* | (619.2) | -10.4% | *-21.6%* |
| (-) Income Tax and Social Contribution | 25.1 | *1.2%* | 75.4 | *3.9%* | *200.2%* | 127.1 | *2.1%* | 114.8 | *1.9%* | *-9.7%* |
| **Net Income from Continuing Operations** | **499.5** | ***23.4%*** | **370.1** | ***19.3%*** | ***-25.9%*** | **1,343.3** | ***22.1%*** | **1,253.5** | ***21.1%*** | ***-6.7%*** |
| (+) Net Income from Discontinued Operations | (0.2) | *0.0%* | 0.4 | *0.0%* | - | (0.8) | *0.0%* | (1.6) | *0.0%* | *86.6%* |
| **Net Income** | **499.3** | ***23.3%*** | **370.5** | ***19.3%*** | ***-25.8%*** | **1,342.4** | ***22.1%*** | **1,251.9** | ***21.1%*** | ***-6.7%*** |
| **EPS** | **0.79** | - | **0.59** | - | ***-24.6%*** | **2.12** | - | **1.99** | - | ***-6.0%*** |
| **EPS from Continuing Operations** | **0.79** | - | **0.59** | - | ***-24.7%*** | **2.12** | - | **2.00** | - | ***-6.0%*** |

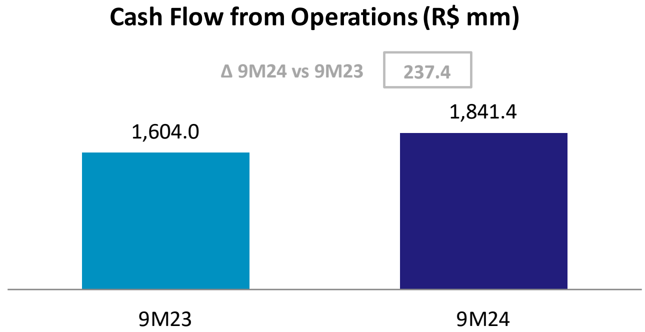
Net Income from Continuing Operations totaled R$370.1 million in the quarter, 25.9% lower than in 3Q23. The variation in Net Income is mainly due to the decrease in EBIT from Continuing Operations, which was impacted by the reduction in Net Revenue due to the beginning of the working capital optimization process.

## Cash Flow (Continuing and Discontinued Operations)

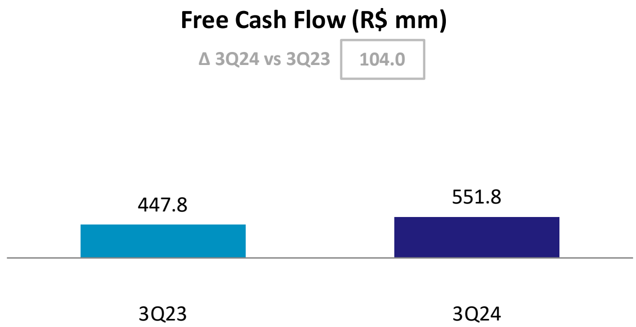
**Graph 14**




**Graph 15**




**Graph 16**




**Graph 17**

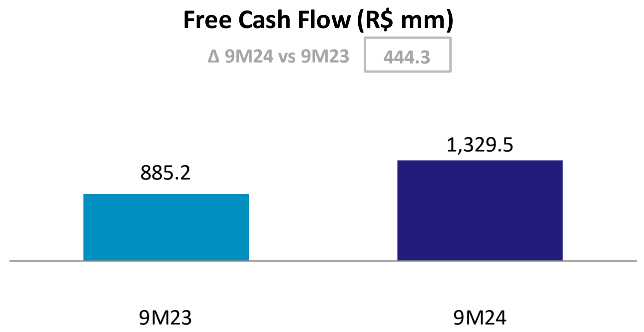



**Table 11**

| (R$ million) | 3Q23 | 3Q24 | 9M23 | 9M24 |
|---|---|---|---|---|
| Cash Flow from Operations | 724.4 | 738.1 | 1,604.0 | 1,841.4 |
| Capital increase in subsidiaries/associates | (0.5) | 0.0 | (7.1) | (0.5) |
| Purchase of Property, Plant and Equipment | (103.7) | (107.5) | (343.2) | (269.2) |
| Purchase of Intangible Assets | (79.6) | (79.5) | (257.3) | (238.7) |
| Acquisitions of Subsidiaries, Net of Cash Acquired | (94.0) | 0.0 | (110.4) | (5.3) |
| Sale of Property, Plant and Equipment | 1.2 | 0.7 | (0.7) | 1.7 |
| **(=) Free Cash Flow** | **447.8** | **551.8** | **885.2** | **1,329.5** |

**Cash Flow from Operations grew by 1.9% to R$738.1 million, the highest level ever recorded in a third quarter, despite the reduction in EBITDA from Continuing Operations due to the beginning of the working capital optimization process, mainly because of the lower investment in working capital compared to 3Q23.**

**Free Cash Flow reached R$551.8 million in the quarter, 23.2% higher than in 3Q23**, reflecting mainly the payment made in 3Q23 for the acquisition of the Boehringer Ingelheim plant to increase the Company's production capacity and the internalization of the production of part of the brands acquired in recent years. **Over the last 9 months, Free Cash Flow has grown by 50.2%.**

## Net Debt

**Table 12**

| (R$ million) | 2Q24 | 3Q24 |
|---|---|---|
| Loans and Financing | (10,177.7) | (10,280.0) |
| Notes Payable | (19.3) | (19.6) |
| **Gross Debt** | **(10,197.0)** | **(10,299.6)** |
| Cash and Cash Equivalents | 2,836.1 | 3,208.6 |
| **Net Cash / (Debt)** | **(7,360.9)** | **(7,091.0)** |
| Unrealized Gain/Loss on Debt Hedge | 100.5 | 93.2 |
| **Net Cash / (Debt) After Hedge** | **(7,260.3)** | **(6,997.8)** |

The Company ended 3Q24 with Net Debt after Hedge of R$6,997.8 million, versus R$7,260.3 million recorded at the end of 2Q24. The reduction in Net Debt after Hedge was driven by free cash generation of R$551.8 million in the quarter.

# Other Information

## Cash Conversion Cycle – Continuing Operations

Table 13

| (Days) | 4Q23 | 1Q24 | 2Q24 | 3Q24 |
|---|---|---|---|---|
| Receivables [(1)] | 116 | 122 | 116 | 126 |
| Inventories [(2)] | 282 | 265 | 203 | 226 |
| Payables [(2) (3)] | (108) | (93) | (80) | (95) |
| **Cash Conversion Cycle** | **290** | **294** | **240** | **257** |

| (R$ million) | 4Q23 | 1Q24 | 2Q24 | 3Q24 |
|---|---|---|---|---|
| Receivables | 2,642 | 2,730 | 3,108 | 2,993 |
| Inventories | 2,192 | 2,095 | 1,931 | 1,933 |
| Payables [(3)] | (838) | (737) | (757) | (813) |
| **Working Capital** | **3,996** | **4,088** | **4,282** | **4,114** |
| ***% of Annualized Net Revenue*** [(4)] | ***54%*** | ***56%*** | ***49%*** | ***54%*** |

*(1) Calculated based on Continuing Operations Gross Revenue, Net of Discounts*
*(2) Calculated based on Continuing Operations COGS*
*(3) Includes Suppliers' Assignment of Receivables*
*(4) Annualized Net Revenue for the last 3 months*

## Tax Credits that offset Income Tax cash payment

i) **Federal Recoverable Taxes:** R$307.0 million (please refer to Explanatory Note 13 of the Financial Statements)

ii) **Cash effect of Income Tax and Social Contribution Losses Carryforward**: R$3,917.2 million (please refer to Explanatory Note 21(a) of the Financial Statements)

iii) **Goodwill**: the Company has R$1,248.0 million in goodwill to be amortized for tax purposes until 2030, which will generate a reduction in cash disbursement for the payment of Income Taxes of R$424.3 million

## Reconciliation of Adjusted EBITDA, or EBITDA from Continuing Operations Calculation

Table 14

| (R$ million) | 3Q23 | % NR | 3Q24 | % NR | Δ % | 9M23 | % NR | 9M24 | % NR | Δ % |
|---|---|---|---|---|---|---|---|---|---|---|
| Net Income | 499.3 | *23.3%* | 370.5 | *19.3%* | *-25.8%* | 1,342.4 | *22.1%* | 1,251.9 | *21.1%* | *-6.7%* |
| (+) Income Tax and CSLL | (27.1) | *-1.3%* | (75.7) | *-4.0%* | *178.9%* | (129.4) | *-2.1%* | (116.2) | *-2.0%* | *-10.2%* |
| (+) Net Interest Expenses | 261.5 | *12.2%* | 196.6 | *10.3%* | *-24.8%* | 789.6 | *13.0%* | 619.2 | *10.4%* | *-21.6%* |
| (+) Depreciations / Amortizations | 61.3 | *2.9%* | 69.9 | *3.6%* | *13.9%* | 169.6 | *2.8%* | 206.2 | *3.5%* | *21.6%* |
| **EBITDA** | **795.0** | ***37.2%*** | **561.3** | ***29.3%*** | ***-29.4%*** | **2,172.2** | ***35.8%*** | **1,961.1** | ***33.1%*** | ***-9.7%*** |
| (-) EBITDA from Discontinued Operations | 2.2 | *0.1%* | (0.1) | *0.0%* | *-* | 3.2 | *0.1%* | 3.0 | *0.0%* | ***-7.0%*** |
| **Adjusted EBITDA (EBITDA from Continuing Operations)** | **797.2** | ***37.3%*** | **561.2** | ***29.3%*** | ***-29.6%*** | **2,175.4** | ***35.9%*** | **1,964.1** | ***33.1%*** | ***-9.7%*** |

EBITDA is a non-accounting measure prepared by the Company and it is calculated based on net income, added by income taxes, financial expenses net of financial income, depreciation and amortization. The Adjusted EBITDA, or EBITDA from Continuing Operations, represents the EBITDA, excluding the effects related to discontinued operations that affected the Company's EBITDA. The Company uses Adjusted EBITDA, or EBITDA from Continuing Operations, as a non-accounting measure, to present its performance in a way that better translates the operating cash generation potential of its business.

## Disclaimer

This release contains forward-looking statements that are exclusively related to the prospects of the business, its operating and financial results, and prospects for growth. These data are merely projections and, as such, based exclusively on our management's expectations for the future of the business and its continued access to capital to fund its business plan. These forward-looking statements substantially depend on changing market conditions, government regulations, competitive pressures, the performance of the Brazilian economy and the industry, among other factors, as well as the risks shown in our filed disclosure documents, and are therefore subject to change without prior notice.

Additional unaudited information herein reflects management's interpretation of information taken from its financial information and their respective adjustments, which were prepared in accordance with market practices and for the sole purpose of a more detailed and specific analysis of our results. Therefore, these additional data must also be analyzed and interpreted independently by shareholders and market agents, who should carry out their own analysis and draw their own conclusions from the results reported herein. No data or interpretative analysis provided by our management should be treated as a guarantee of future performance or results and are merely illustrative of our directors' vision of our results.

Our management is not responsible for compliance or accuracy of the management financial data discussed in this report, which must be considered as for informational purposes only, and should not override the analysis of our audited consolidated financial statements or our reviewed quarterly information for purposes of a decision to invest in our stock, or for any other purpose.

## Consolidated Income Statement (R$ thousand)

Table 15

| | 3Q23 | 3Q24 | 9M23 | 9M24 |
|---|---|---|---|---|
| **Net Revenue** | **2,138,461** | **1,915,906** | **6,067,733** | **5,931,475** |
| Cost of Goods Sold | (784,650) | (770,192) | (2,218,611) | (2,336,916) |
| **Gross Profit** | **1,353,811** | **1,145,714** | **3,849,122** | **3,594,559** |
| Selling and Marketing Expenses | (564,269) | (596,366) | (1,640,493) | (1,661,867) |
| General and Administrative Expenses | (89,168) | (98,281) | (259,906) | (266,058) |
| Other Operating Revenues (Expenses) | 23,020 | 22,188 | 48,225 | 77,925 |
| Equity in Subsidiaries | 12,445 | 18,071 | 8,829 | 13,353 |
| **Operating Income Before Equity Income and Financial Result** | **735,839** | **491,326** | **2,005,777** | **1,757,912** |
| Net Financial Expenses | (261,503) | (196,618) | (789,581) | (619,231) |
| Financial Expenses | (323,687) | (266,689) | (973,943) | (834,365) |
| Financial Income | 62,184 | 70,071 | 184,362 | 215,134 |
| **Profit Before Income Tax and Social Contribution** | **474,336** | **294,708** | **1,216,196** | **1,138,681** |
| Income Tax and Social Contribution | 25,131 | 75,434 | 127,077 | 114,807 |
| **Net Income from Contining Operations** | **499,467** | **370,142** | **1,343,273** | **1,253,488** |
| Net Income from Discontinued Operations | (198) | 381 | (842) | (1,571) |
| **Income for the Period** | **499,269** | **370,523** | **1,342,431** | **1,251,917** |
| **Earnings per Share – R$** | **0.79** | **0.59** | **2.12** | **1.99** |

# Consolidated Balance Sheet (R$ thousand)

Table 16

| Assets | 12/31/2023 | 09/30/2024 |
|---|---|---|
| **Current Assets** | **8,077,766** | **8,788,709** |
| Cash and Cash Equivalents | 2,580,893 | 3,208,625 |
| Accounts Receivables | 2,642,146 | 2,993,305 |
| Inventories | 2,191,731 | 1,933,365 |
| Recoverable Taxes | 446,514 | 393,297 |
| Financial Derivatives | 295 | 75,761 |
| Other Assets | 211,392 | 184,356 |
| Dividends and IOC receivables | 4,795 | 0 |
| **Non-Current Assets** | **16,430,985** | **17,085,517** |
| **Long Term Assets** | **1,317,883** | **1,529,785** |
| Deferred Income Tax and Social Contribution | 869,524 | 1,165,482 |
| Recoverable Taxes | 222,666 | 92,768 |
| Other Assets | 213,845 | 251,885 |
| Financial Derivatives | 11,848 | 19,650 |
| **Fixed Assets and Investments** | **15,113,102** | **15,555,732** |
| Investments | 120,639 | 138,230 |
| Biological Assets | 12,583 | 8,673 |
| Property, Plants and Equipments | 3,548,040 | 3,730,764 |
| Intangible Assets | 11,431,840 | 11,678,065 |
| **Total Assets** | **24,508,751** | **25,874,226** |

| Liabilities and Shareholders' Equity | 12/31/2023 | 09/30/2024 |
|---|---|---|
| **Current Liabilities** | **4,644,236** | **4,847,407** |
| Suppliers | 389,667 | 374,888 |
| Assignment of Receivables | 448,307 | 437,694 |
| Loans, Financing and Debentures | 2,120,539 | 1,962,019 |
| Salaries Payable | 442,286 | 383,756 |
| Income Tax and Social Contribution | 3,759 | 4,806 |
| Taxes Payable | 86,565 | 129,432 |
| Accounts Payable | 418,705 | 391,186 |
| Dividends and IOC Payable | 696,966 | 1,147,641 |
| Notes Payable | 20,457 | 15,646 |
| Financial Derivatives | 16,985 | 339 |
| **Non-Current Liabilites** | **8,346,642** | **8,805,893** |
| Loans, Financing and Debentures | 7,817,240 | 8,318,022 |
| Deferred Income Tax and Social Contribution | 175,752 | 139,775 |
| Taxes Payable | 2,805 | 34,616 |
| Accounts Payable | 180,905 | 163,371 |
| Provisions for Contingencies | 127,553 | 146,198 |
| Notes Payable | 3,600 | 3,911 |
| Financial Derivatives | 38,787 | 0 |
| **Shareholders' Equity** | **11,517,873** | **12,220,926** |
| Capital | 4,478,126 | 9,705,886 |
| Capital Reserve | 1,190,071 | 1,174,187 |
| Equity Valuation Adjustments | (278,927) | (255,901) |
| Profit Reserves | 6,135,131 | 907,371 |
| Treasury Stock | (20,277) | (23,301) |
| Attributed to non-controlling shareholders | 13,749 | 6,136 |
| Income for the Period | 0 | 706,548 |
| **Total Liabilities and Shareholders' Equity** | **24,508,751** | **25,874,226** |

# Consolidated Cash Flow Statement (R$ thousand)

Table 17

| | 3Q23 | 3Q24 | 9M23 | 9M24 |
|---|---|---|---|---|
| **Cash Flows from Operating Activities** | | | | |
| Income (Loss) Before Income Taxes including Discontinued Operations | 472,125 | 294,816 | 1,213,016 | 1,135,723 |
| Depreciation and Amortization | 61,330 | 69,870 | 169,609 | 206,181 |
| Asset Impairment | (2,988) | 20,910 | (2,988) | 21,128 |
| Gain on Permanent Asset Disposals | 4,881 | 1,240 | 45,257 | (364) |
| Equity Method | (13,147) | (18,782) | (9,531) | (13,889) |
| Foreign Exchange (Gains) Losses | 5,198 | (2,661) | 26,967 | 10,608 |
| Net Interest and Related Revenue/Expenses | 256,305 | 199,279 | 762,614 | 608,623 |
| Expenses Related to Share Based Remuneration | 11,920 | 8,926 | 29,518 | 23,667 |
| Provisions and Others | (61,798) | (58,268) | (72,249) | (125,778) |
| **Adjusted Results** | **733,826** | **515,330** | **2,162,213** | **1,865,899** |
| **Decrease (Increase) in Assets** | **140,915** | **181,109** | **(176,791)** | **26,767** |
| Trade Accounts Receivable | (211,293) | 111,199 | (381,722) | (387,351) |
| Inventories | 89,412 | (19,979) | (86,625) | 168,487 |
| Recoverable Taxes | 67,292 | 50,241 | 129,322 | 237,848 |
| Judicial Deposits and Others | 5,289 | (11,120) | 7,294 | (20,837) |
| Other Accounts Receivable | 190,215 | 50,768 | 154,940 | 28,620 |
| **Increase (Decrease) in Liabilities** | **(150,370)** | **41,631** | **(381,447)** | **(51,265)** |
| Suppliers | (84,749) | 9,532 | (93,548) | (29,071) |
| Assignment of Receivables | (51,750) | 54,101 | (224,630) | (10,613) |
| Financial Derivatives | (27,481) | 982 | (67,528) | (9,425) |
| Income Tax and Social Contribution Paid | (1,350) | (2,530) | (2,790) | (4,725) |
| Taxes Payable | 9,452 | 4,137 | 30,822 | 75,210 |
| Salaries and Payroll Charges | 63,489 | 56,853 | 46,374 | (12,394) |
| Accounts Payable | (80,375) | (59,749) | (83,266) | (26,157) |
| Operations Interest Paid | 26,000 | (19,771) | 24,733 | (36,910) |
| Other Accounts Payable | (3,606) | (1,924) | (11,614) | 2,820 |
| **Net Cash Provided by Operating Activities** | **724,371** | **738,070** | **1,603,975** | **1,841,401** |
| **Cash Flows from Investing Activities** | | | | |
| Capital Increase/Decrease in Subsidiaries/Affiliates | (470) | 0 | (7,104) | (450) |
| Acquisitions of Subsidiaries, Net of Cash Acquired | (94,047) | 0 | (110,429) | (5,275) |
| Acquisitions of Property, Plant and Equipment | (103,652) | (107,490) | (343,156) | (269,154) |
| Intangible Assets | (79,581) | (79,484) | (257,339) | (238,725) |
| Proceeds from the Sale of Assets with Permanent Nature | 1,175 | 708 | (701) | 1,699 |
| Interest and Others | 39,031 | 48,602 | 107,239 | 147,100 |
| **Net Cash From Investing Activities** | **(237,544)** | **(137,664)** | **(611,490)** | **(364,805)** |
| **Cash Flows from Financing Activities** | | | | |
| Inflow from Loans and Financing | 6,000 | 10,000 | 1,356,000 | 2,351,000 |
| Treasury Stock Purchase / Sale | 1 | (1) | (55,397) | (42,561) |
| Repayment of Loans - Principal | (125,175) | (41,989) | (1,211,547) | (2,212,166) |
| Repayment of Loans - Interest | (253,382) | (173,358) | (927,585) | (830,094) |
| Dividends and IOC Paid | (27,511) | (24,468) | (732,046) | (104,210) |
| Loan Derivatives | (7,847) | 1,916 | (65,982) | (10,833) |
| **Net Cash From Financing Activities** | **(407,914)** | **(227,900)** | **(1,636,557)** | **(848,864)** |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | **78,913** | **372,506** | **(644,072)** | **627,732** |
| **Statement of Increase in Cash and Cash Equivalents, Net** | | | | |
| Cash and Cash Equivalents at the Beginning of the Period | 2,139,488 | 2,836,119 | 2,862,473 | 2,580,893 |
| Cash and Cash Equivalents at the End of the Period | 2,218,401 | 3,208,625 | 2,218,401 | 3,208,625 |
| **Change in Cash and Cash Equivalent** | **78,913** | **372,506** | **(644,072)** | **627,732** |

(A free translation of the original in Portuguese)

# Hypera S.A.

**Quarterly Information (ITR) at September 30, 2024 and report on review of quarterly information**

(A free translation of the original in Portuguese)

# Report on review of quarterly information

To the Board of Directors and Stockholders
Hypera S.A.

## Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Hypera S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended September 30, 2024, comprising the balance sheet at that date and the statements of income and comprehensive income for the quarter and nine-month period then ended, and the statements of changes in equity and cash flows for the nine-month period then ended, and explanatory notes.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC) and International Accounting Standard (IAS) 34, Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

## Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.



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T: 4004-8000, www.pwc.com.br

Hypera S.A.

**Other matters**

**Statements of value added**

The quarterly information referred to above includes the parent company and consolidated statements of value added for the nine-month period ended September 30, 2024. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the interim accounting information for the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated interim accounting information taken as a whole.

Goiânia, November 13, 2024

PricewaterhouseCoopers

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2GO001774/F-2

Marcos Magnusson de Carvalho
Contador CRC 1SP215373/O-9

(A free translation of the original in Portuguese)

# Hypera S.A.

Quarterly Information (ITR)
at September 30, 2024

# Hypera S.A.

## Balance sheets

**In thousands of Reais**

(A free translation of the original in Portuguese)

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| **Assets** | **September 30, 2024** | **December 31, 2023** | **September 30, 2024** | **December 31, 2023** |
| Current assets | | | | |
| Cash and cash equivalents (Note 10) | 2,853,739 | 2,366,433 | 3,208,625 | 2,580,893 |
| Accounts receivable (Note 11) | 2,958,386 | 2,596,277 | 2,993,305 | 2,642,146 |
| Inventory (Note 12) | 442,929 | 549,064 | 1,933,365 | 2,191,731 |
| Taxes recoverable (Note 13) | 231,952 | 291,117 | 393,297 | 446,514 |
| Derivative financial instruments (Note 4 (e)) | 73,884 | - | 75,761 | 295 |
| Dividends receivable | - | 35,389 | - | 4,795 |
| Other assets (Note 14) | 98,112 | 126,609 | 184,356 | 211,392 |
| | 6,659,002 | 5,964,889 | 8,788,709 | 8,077,766 |
| Non-current assets | | | | |
| Long-term receivables | | | | |
| Deferred income tax and social contribution (Note 21) | 1,016,276 | 828,826 | 1,165,482 | 869,524 |
| Taxes recoverable (Note 13) | 47,216 | 165,273 | 92,768 | 222,666 |
| Derivative financial instruments (Note 4 (e)) | 19,650 | 11,841 | 19,650 | 11,848 |
| Other assets (Note 14) | 228,485 | 188,052 | 251,885 | 213,845 |
| | 1,311,627 | 1,193,992 | 1,529,785 | 1,317,883 |
| Biological assets | - | - | 8,673 | 12,583 |
| Investments (Note 15) | 6,924,149 | 6,299,087 | 138,230 | 120,639 |
| Property, plant and equipment (Note 16) | 281,121 | 298,941 | 3,730,764 | 3,548,040 |
| Intangible assets (Note 17) | 10,085,524 | 10,062,700 | 11,678,065 | 11,431,840 |
| | 17,290,794 | 16,660,728 | 15,555,732 | 15,113,102 |
| | 18,602,421 | 17,854,720 | 17,085,517 | 16,430,985 |
| Total assets | 25,261,423 | 23,819,609 | 25,874,226 | 24,508,751 |

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| **Liabilities and equity** | **September 30, 2024** | **December 31, 2023** | **September 30, 2024** | **December 31, 2023** |
| Current liabilities | | | | |
| Suppliers (Note 18) | 816,351 | 771,973 | 374,888 | 389,667 |
| Suppliers' assignment of receivables (Note 19) | 15,354 | 14,640 | 437,694 | 448,307 |
| Loans, financing and debentures (Note 20) | 1,950,298 | 2,108,923 | 1,962,019 | 2,120,539 |
| Salaries payable | 223,341 | 296,198 | 383,756 | 442,286 |
| Income tax and social contribution payable | - | - | 4,806 | 3,759 |
| Taxes payable (Note 22) | 32,564 | 19,981 | 129,432 | 86,565 |
| Notes payable | 15,646 | 20,457 | 15,646 | 20,457 |
| Dividends and interest on capital payable | 1,147,641 | 696,966 | 1,147,641 | 696,966 |
| Derivative financial instruments (Note 4(e)) | 339 | 859 | 339 | 16,985 |
| Other liabilities (Note 23) | 272,595 | 293,770 | 391,186 | 418,705 |
| | 4,474,129 | 4,223,767 | 4,847,407 | 4,644,236 |
| Non-current liabilities | | | | |
| Loans, financing and debentures (Note 20) | 8,307,695 | 7,817,139 | 8,318,022 | 7,817,240 |
| Taxes payable (Note 22) | 29,733 | - | 34,616 | 2,805 |
| Deferred income tax and social contribution (Note 21) | - | - | 139,775 | 175,752 |
| Provision for contingencies (Note 24) | 132,813 | 115,810 | 146,198 | 127,553 |
| Derivative financial instruments (Note 4 (e)) | - | 38,781 | - | 38,787 |
| Notes payable | 3,911 | 3,600 | 3,911 | 3,600 |
| Other liabilities (Note 23) | 98,352 | 116,388 | 163,371 | 180,905 |
| | 8,572,504 | 8,091,718 | 8,805,893 | 8,346,642 |
| Total liabilities | 13,046,633 | 12,315,485 | 13,653,300 | 12,990,878 |
| **Equity** | | | | |
| Share capital (Note 25 (a)) | 9,705,886 | 4,478,126 | 9,705,886 | 4,478,126 |
| Capital reserves | 1,174,187 | 1,190,071 | 1,174,187 | 1,190,071 |
| Equity valuation adjustments | (255,901) | (278,927) | (255,901) | (278,927) |
| Profit reserves | 907,371 | 6,135,131 | 907,371 | 6,135,131 |
| Treasury shares | (23,301) | (20,277) | (23,301) | (20,277) |
| Net income for the period | 706,548 | - | 706,548 | - |
| **Equity attributable to the owners of the parent company** | 12,214,790 | 11,504,124 | 12,214,790 | 11,504,124 |
| Equity attributable to non-controlling interests | - | - | 6,136 | 13,749 |
| **Total equity** | 12,214,790 | 11,504,124 | 12,220,926 | 11,517,873 |
| Total liabilities and equity | 25,261,423 | 23,819,609 | 25,874,226 | 24,508,751 |

The accompanying notes are an integral part of the quarterly information.

## Hypera S.A.

### Statement of income
### Three- and nine-month periods ended September 30
**In thousands of Reais, unless stated otherwise** (A free translation of the original in Portuguese)

| | | | | Parent company |
|---|---|---|---|---|
| | **07/01/2024 to 09/30/2024** | **01/01/2024 to 09/30/2024** | **07/01/2023 to 09/30/2023** | **01/01/2023 to 09/30/2023** |
| **Continuing operations** | | | | |
| Net revenue (Note 26) | 1,943,265 | 5,994,212 | 2,163,124 | 6,132,864 |
| Cost of sales (Note 27 (a)) | (1,004,468) | (2,884,834) | (990,397) | (2,830,993) |
| **Gross profit** | **938,797** | **3,109,378** | **1,172,727** | **3,301,871** |
| Selling and marketing expenses (Note 27 (a)) | (533,127) | (1,448,042) | (500,111) | (1,447,809) |
| General and administrative expenses (Note 27 (a)) | (64,383) | (176,344) | (58,860) | (172,604) |
| Other operating income (expenses), net (Note 27 (b)) | (6,407) | (38,121) | (22,410) | (33,878) |
| Equity accounting (Note 15 (b)) | 179,543 | 368,920 | 141,836 | 342,820 |
| **Income before financial income and expenses** | **514,423** | **1,815,791** | **733,182** | **1,990,400** |
| Financial income (Note 27 (c)) | 58,437 | 186,132 | 54,142 | 163,832 |
| Financial expenses (Note 27 (d)) | (303,830) | (927,970) | (358,701) | (1,055,266) |
| **Financial expenses, net** | **(245,393)** | **(741,838)** | **(304,559)** | **(891,434)** |
| **Income before income tax and social contribution** | **269,030** | **1,073,953** | **428,623** | **1,098,966** |
| Income tax and social contribution (Note 21 (c)) | 106,967 | 189,050 | 71,003 | 242,780 |
| **Net income from continuing operations** | **375,997** | **1,263,003** | **499,626** | **1,341,746** |
| **Discontinued operations** | | | | |
| Net income (loss) from discontinued operations | 381 | (1,571) | (198) | (842) |
| **Net income for the period** | **376,378** | **1,261,432** | **499,428** | **1,340,904** |

The accompanying notes are an integral part of the quarterly information.

# Hypera S.A.

## Statement of income
## Three- and nine-month periods ended September 30
**In thousands of Reais, unless stated otherwise** (A free translation of the original in Portuguese)

| | | | | **Consolidated** |
|---|---|---|---|---|
| | **07/01/2024 to 09/30/2024** | **01/01/2024 to 09/30/2024** | **07/01/2023 to 09/30/2023** | **01/01/2023 to 09/30/2023** |
| **Continuing operations** | | | | |
| Net revenue (Note 26) | 1,915,906 | 5,931,475 | 2,138,461 | 6,067,733 |
| Cost of sales (Note 27 (a)) | (770,192) | (2,336,916) | (784,650) | (2,218,611) |
| **Gross profit** | **1,145,714** | **3,594,559** | **1,353,811** | **3,849,122** |
| Selling and marketing expenses (Note 27 (a)) | (596,366) | (1,661,867) | (564,269) | (1,640,493) |
| General and administrative expenses (Note 27(a)) | (98,281) | (266,058) | (89,168) | (259,906) |
| Other operating income (expenses), net (Note 27(b)) | 22,188 | 77,925 | 23,020 | 48,225 |
| Equity accounting (Note 15 (b)) | 18,071 | 13,353 | 12,445 | 8,829 |
| **Income before financial income and expenses** | **491,326** | **1,757,912** | **735,839** | **2,005,777** |
| Financial income (Note 27 (c)) | 70,071 | 215,134 | 62,184 | 184,362 |
| Financial expenses (Note 27 (d)) | (266,689) | (834,365) | (323,687) | (973,943) |
| | - | | | |
| **Financial expenses, net** | **(196,618)** | **(619,231)** | **(261,503)** | **(789,581)** |
| **Income before income tax and social contribution** | **294,708** | **1,138,681** | **474,336** | **1,216,196** |
| Income tax and social contribution (Note 21 (c)) | 75,434 | 114,807 | 25,131 | 127,077 |
| **Net income from continuing operations** | **370,142** | **1,253,488** | **499,467** | **1,343,273** |
| **Discontinued operations** | | | | |
| Net income (loss) from discontinued operations | 381 | (1,571) | (198) | (842) |
| **Net income for the period** | **370,523** | **1,251,917** | **499,269** | **1,342,431** |
| **Attributable to** | | | | |
| Owners of the parent company | 376,378 | 1,261,432 | 499,428 | 1,340,904 |
| Non-controlling interests | (5,855) | (9,515) | (159) | 1,527 |
| | **370,523** | **1,251,917** | **499,269** | **1,342,431** |
| **Earnings per share** | | | | |
| Basic earnings per share (in R$) | 0.59491 | 1.99368 | 0.78949 | 2.12047 |
| Diluted earnings per share (in R$) | 0.59156 | 1.97929 | 0.78221 | 2.10202 |
| **Earnings per share - Continuing operations** | | | | |
| Basic earnings per share (in R$) | 0.59431 | 1.99616 | 0.78951 | 2.12421 |
| Diluted earnings per share (in R$) | 0.59095 | 1.98175 | 0.78227 | 2.10574 |

The accompanying notes are an integral part of the quarterly information.

## Hypera S.A.

### Statement of comprehensive income
### Three- and nine-month periods ended September 30
**In thousands of Reais, unless stated otherwise** (A free translation of the original in Portuguese)

| | | | | Parent company |
|---|---|---|---|---|
| | **07/01/2024 to 09/30/2024** | **01/01/2024 to 09/30/2024** | **07/01/2023 to 09/30/2023** | **01/01/2023 to 09/30/2023** |
| **Net income for the period** | **376,378** | **1,261,432** | **499,428** | **1,340,904** |
| Other comprehensive income | | | | |
| **Items that will be reclassified to profit or loss** | | | | |
| Cash flow hedge - effective portion of changes in fair value | 919 | 37,771 | 38,172 | 1,132 |
| Income tax and social contribution on other comprehensive income | (312) | (12,842) | (12,978) | (385) |
| **Other comprehensive income, net of income tax and social contribution** | 607 | 24,929 | 25,194 | 747 |
| **Comprehensive income for the period** | **376,985** | **1,286,361** | **524,622** | **1,341,651** |

| | | | | Consolidated |
|---|---|---|---|---|
| | **07/01/2024 to 09/30/2024** | **01/01/2024 to 09/30/2024** | **07/01/2023 to 09/30/2023** | **01/01/2023 to 09/30/2023** |
| **Net income for the period** | **370,523** | **1,251,917** | **499,269** | **1,342,431** |
| Other comprehensive income | | | | |
| **Items that will be reclassified to profit or loss** | | | | |
| Cash flow hedge - effective portion of changes in fair value | 919 | 37,771 | 38,172 | 1,132 |
| Income tax and social contribution on other comprehensive income | (312) | (12,842) | (12,978) | (385) |
| **Other comprehensive income, net of income tax and social contribution** | 607 | 24,929 | 25,194 | 747 |
| **Comprehensive income for the period** | **371,130** | **1,276,846** | **524,463** | **1,343,178** |
| **Attributable to** | | | | |
| Owners of the parent company | 376,985 | 1,286,361 | 524,622 | 1,341,651 |
| Non-controlling interests | (5,855) | (9,515) | (159) | 1,527 |
| | **371,130** | **1,276,846** | **524,463** | **1,343,178** |

The accompanying notes are an integral part of the quarterly information.

## Hypera S.A.

### Statement of changes in equity
### Nine-month period ended September 30
**In thousands of Reais**

(A free translation of the original in Portuguese)

| | | Capital reserves | | | | | Profit reserves | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Capital** | **Premium on share issuance** | **Stock options** | **Debenture subscription bonus options** | **Treasury shares** | **Equity valuation adjustments** | **Legal reserve** | **Government grant reserve** | **Profit retention reserve** | **Retained earnings** | **Equity attributable to the owners of the parent company** | **Equity attributable to non-controlling interests** | **Total equity** |
| **At January 1, 2023** | **4,478,126** | **1,049,560** | **132,906** | **50,244** | **(87,134)** | **(244,191)** | **180,592** | **4,950,300** | **135,357** | **-** | **10,645,760** | **9,681** | **10,655,441** |
| Stock options | - | - | 12,106 | | - | - | - | - | - | - | 12,106 | - | 12,106 |
| Results of sales of treasury shares | - | (67,774) | - | - | - | - | - | - | - | - | (67,774) | - | (67,774) |
| Acquisitions of shares (Note 25 (b)) | - | - | - | - | (44,028) | - | - | - | - | - | (44,028) | - | (44,028) |
| Sales of shares (Note 25(b)) | - | - | - | - | 100,830 | - | - | - | - | - | 100,830 | - | 100,830 |
| Goodwill on interests in subsidiaries | - | - | - | - | - | (15,807) | - | - | - | - | (15,807) | - | (15,807) |
| Net income for the period | - | - | - | - | - | - | - | - | - | 1,340,904 | 1,340,904 | 1,527 | 1,342,431 |
| Interest on capital | - | - | - | - | - | - | - | - | - | (584,306) | (584,306) | - | (584,306) |
| Interest attributable to non-controlling interests | - | - | - | - | - | - | - | - | | | - | 406 | 406 |
| **Other comprehensive income** | | | | | | | | | - | | | | |
| Gains or losses on derivatives, net of tax | - | - | - | - | - | 747 | - | - | | | 747 | - | 747 |
| **At September 30, 2023** | **4,478,126** | **981,786** | **145,012** | **50,244** | **(30,332)** | **(259,251)** | **180,592** | **4,950,300** | **135,357** | **756,598** | **11,388,432** | **11,614** | **11,400,046** |
| **At January 1, 2024** | **4,478,126** | **978,160** | **161,667** | **50,244** | **(20,277)** | **(278,927)** | **262,990** | **5,736,784** | **135,357** | **-** | **11,504,124** | **13,749** | **11,517,873** |
| Paid-up capital | 5,227,760 | - | - | - | - | - | - | (5,227,760) | - | - | - | - | - |
| Stock options | - | (39,537) | - | - | - | - | - | - | - | - | (39,537) | - | (39,537) |
| Results of sales of treasury shares | - | - | 23,653 | - | - | - | - | - | - | - | 23,653 | - | 23,653 |
| Goodwill on interests in subsidiaries | - | - | - | - | - | (1,903) | - | - | - | - | (1,903) | - | (1,903) |
| Acquisitions of shares (Note 25 (b)) | - | - | - | - | (55,807) | - | - | - | - | - | (55,807) | - | (55,807) |
| Sales of shares (Note 25(b)) | - | - | - | - | 52,783 | - | - | - | - | - | 52,783 | - | 52,783 |
| Net income for the period | - | - | - | - | - | - | - | - | - | 1,261,432 | 1,261,432 | (9,515) | 1,251,917 |
| Interest on capital | - | - | - | - | - | - | - | - | - | (554,884) | (554,884) | - | (554,884) |
| Interest attributable to non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | 1,902 | 1,902 |
| **Other comprehensive income** | | | | | | | | | | | | | |
| Gains or losses on derivatives, net of tax | - | - | - | - | - | 24,929 | - | - | - | - | 24,929 | - | 24,929 |
| **At September 30, 2024** | **9,705,886** | **938,623** | **185,320** | **50,244** | **(23,301)** | **(255,901)** | **262,990** | **509,024** | **135,357** | **706,548** | **12,214,790** | **6,136** | **12,220,926** |

The accompanying notes are an integral part of the quarterly information.

# Hypera S.A.

**Statement of cash flow**
**Nine-month period ended September 30**
**In thousands of Reais** (A free translation of the original in Portuguese)

| | Parent company | | | Consolidated |
|---|---|---|---|---|
| | **September 30, 2024** | **September 30, 2023** | **September 30, 2024** | **September 30, 2023** |
| **Cash flow from operating activities** | | | | |
| **Income before income tax and social contribution, including discontinued operations** | 1,071,107 | 1,095,909 | 1,135,723 | 1,213,016 |
| **Adjustments** | | | | |
| Depreciation and amortization | 71,632 | 64,743 | 206,181 | 169,609 |
| Impairment of assets | 277 | (2,922) | 21,128 | (2,988) |
| Results from sales of fixed assets | (354) | 44,770 | (364) | 45,257 |
| Equity accounting | (369,280) | (343,367) | (13,889) | (9,531) |
| Foreign exchange losses (gains) | (3,314) | 801 | 10,608 | 26,967 |
| Interest and related expenses (income), net | 745,152 | 890,633 | 608,623 | 762,614 |
| Share-based compensation expenses | 18,317 | 24,793 | 23,667 | 29,518 |
| (Reversals of) provisions and others | 40,821 | 39,371 | (125,778) | (72,249) |
| **Adjusted income** | 1,574,358 | 1,814,731 | 1,865,899 | 2,162,213 |
| Changes in assets and liabilities | | | | |
| Accounts receivable | (392,390) | (370,333) | (387,351) | (381,722) |
| Inventory | 51,409 | (153,064) | 168,487 | (86,625) |
| Taxes recoverable | 222,168 | 145,176 | 237,848 | 129,322 |
| Deposits with courts and others | (30,731) | 5,249 | (20,837) | 7,294 |
| Other accounts receivable | 26,266 | 127,645 | 28,620 | 154,940 |
| Suppliers | 44,382 | 10,719 | (29,071) | (93,548) |
| Suppliers' assignments of receivables | 714 | 17,264 | (10,613) | (224,630) |
| Derivative financial instruments | - | - | (9,425) | (67,528) |
| Accounts payable | (15,872) | (66,488) | (26,157) | (83,266) |
| Taxes payable | 42,317 | (210) | 75,210 | 30,822 |
| Payroll and related taxes | (26,686) | 23,682 | (12,394) | 46,374 |
| Other accounts payable | 8,752 | (11,388) | 2,820 | (11,614) |
| Interest on transactions | (29,230) | (10,474) | (36,910) | 24,733 |
| Income tax and social contribution paid | - | - | (4,725) | (2,790) |
| **Net cash provided by operating activities** | 1,475,457 | 1,532,509 | 1,841,401 | 1,603,975 |
| | | | | |
| **Cash flow from investing activities** | | | | |
| Acquisitions of subsidiaries (less net cash upon acquisitions) | (5,275) | (15,784) | (5,275) | (110,429) |
| Capital increases in subsidiaries/associates | (215,739) | (572,065) | (450) | (7,104) |
| Purchases of property, plant and equipment | (8,777) | (23,550) | (269,154) | (343,156) |
| Purchases of intangible assets | (44,853) | (18,148) | (238,725) | (257,339) |
| Proceeds from sales of fixed assets | 978 | 3 | 1,699 | (701) |
| Interest and other | 129,242 | 96,453 | 147,100 | 107,239 |
| Loans receivable | 531 | (3,406) | - | - |
| **Net cash used in investing activities** | (143,893) | (536,497) | (364,805) | (611,490) |
| | | | | |
| **Cash flow from financing activities** | | | | |
| Purchases of treasury shares | (55,807) | (88,453) | (55,807) | (88,453) |
| Derivative financial instruments | (10,676) | (65,982) | (10,833) | (65,982) |
| Sales of treasury shares | 13,246 | 33,056 | 13,246 | 33,056 |
| Loans taken out | 2,330,000 | 1,350,000 | 2,351,000 | 1,356,000 |
| Payments of loans – principal | (2,191,201) | (1,199,692) | (2,212,166) | (1,211,547) |
| Payments of loans – interest | (825,744) | (921,974) | (830,094) | (927,585) |
| Dividends and interest on capital paid | (104,210) | (732,046) | (104,210) | (732,046) |
| Loans payable | 134 | (1,908) | - | - |
| **Net cash used in financing activities** | (844,258) | (1,626,999) | (848,864) | (1,636,557) |
| | | | | |
| **Net increase (decrease) in cash and cash equivalents** | 487,306 | (630,987) | 627,732 | (644,072) |
| | | | | |
| Cash and cash equivalents at the beginning of the period | 2,366,433 | 2,597,837 | 2,580,893 | 2,862,473 |
| Cash and cash equivalents at the end of the period | 2,853,739 | 1,966,850 | 3,208,625 | 2,218,401 |
| | | | | |
| **Changes in cash and cash equivalents** | 487,306 | (630,987) | 627,732 | (644,072) |
| | | | | |
| **Transactions not involving cash** | **4,126** | **1,294** | **17,261** | **30,590** |
| Acquisitions of property, plant and equipment | 4,126 | 1,294 | 17,261 | 30,590 |

The accompanying notes are an integral part of the quarterly information.

## Hypera S.A.

**Statement of value added (*)**
**Nine-month period ended September 30**
**In thousands of Reais** (A free translation of the original in Portuguese)

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | **September 30, 2024** | **September 30, 2023** | **September 30, 2024** | **September 30, 2023** |
| **Gross revenue** | | | | |
| Sales of goods and products, including discontinued operations | 6,288,924 | 6,416,143 | 6,430,401 | 6,552,183 |
| Other income | 55,188 | 5,641 | 265,235 | 138,466 |
| Income related to construction of own assets | 4,062 | 12,508 | 126,789 | 138,115 |
| Allowance for doubtful accounts | 199 | 1,678 | (332) | 1,557 |
| | 6,348,373 | 6,435,970 | 6,822,093 | 6,830,321 |
| **Inputs acquired from third parties** | | | | |
| Costs of materials, goods and services sold | (2,951,771) | (2,924,890) | (1,870,192) | (1,757,902) |
| Materials, power, third party services and others | (892,046) | (894,539) | (1,423,828) | (1,371,909) |
| Impairment of assets | (104,999) | (91,545) | (160,132) | (92,156) |
| | (3,948,816) | (3,910,974) | (3,454,152) | (3,221,967) |
| **Gross value added** | 2,399,557 | 2,524,996 | 3,367,941 | 3,608,354 |
| Depreciation and amortization | (71,632) | (64,743) | (206,181) | (169,609) |
| **Net value added generated by the Company** | 2,327,925 | 2,460,253 | 3,161,760 | 3,438,745 |
| **Transfers of value added received** | | | | |
| Equity accounting | 369,280 | 343,367 | 13,889 | 9,531 |
| Financial income | 186,132 | 163,832 | 215,134 | 184,362 |
| Deferred income tax and social contribution | 190,325 | 244,995 | 114,139 | 135,299 |
| | 745,737 | 752,194 | 343,162 | 329,192 |
| **Total value added to be distributed** | 3,073,662 | 3,212,447 | 3,504,922 | 3,767,937 |
| **Distribution of value added** | | | | |
| Personnel and charges | 666,417 | 638,867 | 1,198,382 | 1,166,326 |
| Salaries and wages | 541,355 | 524,789 | 932,375 | 932,269 |
| Benefits | 91,200 | 80,934 | 206,665 | 174,856 |
| Government severance indemnity fund for employees (FGTS) | 33,862 | 33,144 | 59,342 | 59,201 |
| Taxes and contributions | 211,700 | 173,044 | 209,673 | 271,716 |
| Federal | 112,446 | 107,933 | 181,653 | 185,775 |
| State | 97,863 | 63,786 | 24,782 | 82,348 |
| Municipal | 1,391 | 1,325 | 3,238 | 3,593 |
| Interest | 927,806 | 1,055,129 | 833,472 | 972,928 |
| Rental | 6,307 | 4,503 | 11,478 | 14,536 |
| Capital remuneration | 1,261,432 | 1,340,904 | 1,251,917 | 1,342,431 |
| Interest on capital | 554,884 | 584,306 | 554,884 | 584,306 |
| Retained earnings | 706,548 | 756,598 | 706,548 | 756,598 |
| Non-controlling interests | - | - | (9,515) | 1,527 |
| **Total value added distributed** | 3,073,662 | 3,212,447 | 3,504,922 | 3,767,937 |

(*) The statement of value added is not an integral part of the quarterly information under the International Financial Reporting Standards (IFRS).

The accompanying notes are an integral part of the quarterly information.

(A free translation of the original in Portuguese)

# Hypera S.A.

Quarterly Information (ITR)
at September 30, 2024

**Contents**

# Notes to the individual and consolidated quarterly information

***(In thousands of Reais, unless stated otherwise)***

## 1 General information

Hypera S.A. (herein referred to, together with its subsidiaries, as the "Company") is a Brazilian pharmaceutical company, and occupies a leading position in the various markets in which it operates.[1] Its mission consists of "providing access to healthcare for the Brazilian population, offering safe, high-quality products, continually investing in innovation and growing in a sustainable way, enabling people to live longer and better." The Company is a publicly-held company headquartered in the city of São Paulo, state of São Paulo (SP), Brazil. It is listed in the New Market (Novo Mercado) segment, and its shares are traded on the São Paulo stock exchange (B3 S.A. – Brasil, Bolsa, Balcão – "B3").

The Company's main products are as follow:

a) The Company operates under the umbrella brand "Mantecorp Farmasa" in various medical specialty areas within the Primary Care segment, having a market presence in most of the main classes of therapeutics in the country,[1/2] with products such as Addera D3, Nesina, Dramin, Alivium, Predsim, Lisador and Rinosoro;

b) Under the Mantecorp Skincare brand, the Company offers dermo-cosmetics which are recommended by dermatologists throughout Brazil, according to information from Close-Up International. The Company also operates in this segment under the Simple Organic brand, offering organic and vegan products produced without animal cruelty, and the Bioage brand, which is focused on the professional aesthetic treatment market;

c) The Company is a leading supplier in the Brazilian market for over-the-counter drugs,[1] including brands such as Apracur, Benegrip, Buscopan, Coristina D Pro, Engov, Epocler, Estomazil and Neosaldina, among others. It also offers lines of nutritional products, sweeteners and vitamin supplements, under brands such as Tamarine, Biotônico Fontoura and Zero-Cal, the latter of which has been the Top of Mind brand in Brazil for 21 years;[3]

d) Through the Neo Química brand, the Company was in second place in the Similar and Generic drugs market in Brazil.[1] The brand is Top of Mind for generic drugs,[3] and is present at almost all Brazilian pharmaceutical points of sale,[1] which is consistent with the Company's mission to provide the Brazilian population with access to healthcare.

e) Since 2021, the Company has also been operating through institutional channels, including public and private hospitals and clinics, which account for 40% of the total pharmaceuticals market in Brazil.[1] In this market, the Company sells brands such as injectable Bac-Sulfitrin, Buscopan and Dramin, it's the Company's first product intended exclusively for this channel, Hyfol (propofol), and its first biologic drug, Hyblut, which is used to treat deep vein thrombosis and pulmonary embolism.

[1] IQVIA data.
[2] Considering CT Level 2 classification.
[3] According to Datafolha.

The Company's main distribution center is located in Anápolis, state of Goiás (GO), and goods production is mainly carried out by the subsidiaries Brainfarma Indústria Química Farmacêutica S.A. (“Brainfarma”) and Cosmed Indústria de Cosméticos e Medicamentos S.A. (“Cosmed”), at units located in the state of GO. In 2023, Brainfarma also opened a production unit in Itapecerica da Serra, state of SP.

The Company’s research and development activities for its pharmaceuticals, dermo-cosmetics and nutritional products are all concentrated at the Brainfarma innovation facility in Barueri (SP), a complex of six laboratories which house technologies for the development of various forms of pharmaceutical products.

The Company also operates an extensive sales and distribution network, with national coverage. Its products are distributed throughout Brazil, either directly to retailers, or indirectly via distributors.

# 2 Summary of material accounting policies

The individual and consolidated interim financial information has been prepared in accordance with CPC 21 (R1) and International Accounting Standard (IAS) 34, issued by the International Accounting Standards Board (IASB) and applicable to the preparation of Quarterly Information (ITR), is being presented in line with the standards issued by the Brazilian Securities and Exchange Commission applicable to the preparation of ITR, and discloses all (and only) the applicable significant information related to the financial statements, which is consistent with the information utilized by management in the performance of its duties.

The Brazilian corporate legislation and the accounting practices adopted in Brazil for listed companies require the presentation of the individual and consolidated statements of value added in accordance with technical pronouncement CPC 09 – “Statements of Value Added”. The International Financial Reporting Standards (IFRS) do not require the presentation of such a statement, and thus under IFRS the presentation of this statement is considered supplementary information.

The material accounting policies applied to the preparation of this individual and consolidated interim financial information are consistent with those applicable to and disclosed in Note 2 to the Company’s audited financial statements for the year ended December 31, 2023, as well as with those applicable to the nine-month comparative period ended September 30, 2023, except for the standards and amendments effective from January 1, 2024.

There were no material effects of the other amendments to the financial reporting standards effective from January 1, 2024 on the Company’s individual and consolidated interim financial information.

## 2.1 Approval of the interim financial information

The present Quarterly Information was approved by the Company’s Board of Directors on November 13, 2024.

# 3 Critical accounting estimates and judgments

Accounting estimates and judgments are evaluated on an ongoing basis, and are based on experience and other factors, including expectations of future events that are considered reasonable under the circumstances. The critical accounting estimates and judgments underlying this Quarterly Information have not changed relative to those published in the annual audited financial statements for 2023.

# 4 Financial risk management

There have been no changes to the financial risk factors or the risk management policy compared to those described in the financial statements at December 31, 2023.

In the following tables, the financial data for the current period are presented on a comparative basis with the financial data at December 31, 2023.

## a. Foreign exchange risk

At September 30, 2024 and December 31, 2023, assets and liabilities denominated in foreign currencies, and the financial instruments used to mitigate the associated exchange risks, were as follow:

| | | | | | | **Parent company** |
|---|---|---|---|---|---|---|
| | | | **September 30, 2024** | | | **December 31, 2023** |
| | **US$ '000** | **EUR '000** | **R$ '000** | **US$ '000** | **EUR '000** | **R$ '000** |
| **Liabilities** | | | | | | |
| Suppliers | 129 | - | 738 | 172 | - | 834 |
| Suppliers' assignments of receivables | | | | - | - | - |
| Loans and financing | 65,467 | 55,956 | 696,574 | 65,787 | 56,667 | 622,644 |
| Derivative instruments to mitigate risks | (65,000) | (54,473) | (685,026) | (65,000) | (54,795) | (607,447) |
| Other payables | - | - | - | - | - | - |
| Net exposure | 596 | 1,483 | 12,286 | 959 | 1,872 | 16,031 |

| | | | | | | **Consolidated** |
|---|---|---|---|---|---|---|
| | | | **September 30, 2024** | | | **December 31, 2023** |
| | **US$ '000** | **EUR '000** | **R$ '000** | **US$ '000** | **EUR '000** | **R$ '000** |
| **Assets** | | | | | | |
| Customers | (476) | - | (2,733) | - | - | - |
| **Liabilities** | | | | | | |
| Suppliers | 3,576 | - | 20,516 | 5,348 | - | 25,961 |
| Suppliers' assignments of receivables | 26,565 | - | 144,807 | 35,233 | - | 171,023 |
| Loans and financing | 65,467 | 55,956 | 696,574 | 65,787 | 56,697 | 622,807 |
| Derivative instruments to mitigate risks | (70,348) | (54,473) | (714,176) | (119,627) | (54,795) | (874,331) |
| Other payables | 66 | 131 | 1,152 | 377 | 15 | 1,924 |
| Net exposure | 24,850 | 1,614 | 146,140 | (12,882) | 1,917 | (52,616) |

## b. Cash flow or fair value risk associated with interest and inflation rates

The Company's levels of exposure to interest rate risk on transactions is pegged to the variations in the Interbank Deposit Certificate (CDI) rate, the Long-term Interest Rate (TJLP), the Reference Rate (TR) and the Amplified Consumer Price Index (IPCA) are presented in the following table:

| | | **September 30, 2024** |
|---|---|---|
| | **Parent company** | **Consolidated** |
| Loans, financing and swaps – CDI | 969,994 | 992,000 |
| Financing – TJLP | 268,559 | 268,559 |
| Financing – TR | 225,238 | 225,238 |
| Debentures – CDI | 2,989,405 | 2,989,405 |
| Debentures – IPCA | 590,529 | 590,529 |
| Notes payable – CDI | 10,049 | 10,049 |
| Financial investments – CDI (Note 10) | (2,793,307) | (3,146,231) |
| Net exposure | 2,260,467 | 1,929,549 |

## c. Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments, deposits with banks and financial institutions and credit exposure to wholesale and retail customers, including outstanding accounts receivable and repurchase operations.

For deposits with banks and financial institutions, the Company has a policy of making financial investments only in top-tier institutions with minimum credit ratings as described in Note 9 (Credit quality of financial assets).

## d. Liquidity risk

The amounts disclosed in the table below represent the undiscounted future cash flow, by maturity, which includes interest to be incurred, meaning that these amounts do not match the amounts stated in the balance sheet.

### Parent company

| | | | | | September 30, 2024 |
|---|---|---|---|---|---|
| | Less than one year | From one to two years | From two to five years | More than five years | Overall total |
| Debentures | 1,653,704 | 2,502,565 | 6,970,618 | 268,720 | 11,395,607 |
| Loans and financing | 969,610 | 784,861 | 275,915 | 192,532 | 2,222,918 |
| Notes payable | 15,646 | 3,911 | - | - | 19,557 |
| Suppliers | 816,351 | - | - | - | 816,351 |
| Suppliers' assignments of receivables | 15,354 | - | - | - | 15,354 |
| Other payables | 202,600 | 35,234 | 34,625 | 21,190 | 293,649 |
| Derivative financial instruments | (62,503) | (84,737) | - | - | (147,240) |
| | 3,610,762 | 3,241,834 | 7,281,158 | 482,442 | 14,616,196 |

| | | | | | December 31, 2023 |
|---|---|---|---|---|---|
| | Less than one year | From one to two years | From two to five years | More than five years | Overall total |
| Debentures | 2,114,021 | 2,377,538 | 5,326,521 | 847,067 | 10,665,147 |
| Loans and financing | 755,060 | 462,331 | 873,611 | 50,188 | 2,141,190 |
| Notes payable | 20,457 | 3,600 | - | - | 24,057 |
| Suppliers | 771,973 | - | - | - | 771,973 |
| Suppliers' assignments of receivables | 14,640 | - | - | - | 14,640 |
| Other payables | 217,286 | 57,527 | 27,447 | 24,111 | 326,371 |
| Derivative financial instruments | 19,981 | 8,735 | (11,632) | - | 17,084 |
| | 3,913,418 | 2,909,731 | 6,215,947 | 921,366 | 13,960,462 |

### Consolidated

| | | | | | September 30, 2024 |
|---|---|---|---|---|---|
| | Less than one year | From one to two years | From two to five years | More than five years | Overall total |
| Debentures | 1,653,704 | 2,502,565 | 6,970,618 | 268,720 | 11,395,607 |
| Loans and financing | 982,907 | 796,563 | 275,915 | 192,532 | 2,247,917 |
| Notes payable | 15,646 | 3,911 | - | - | 19,557 |
| Suppliers | 374,888 | - | - | - | 374,888 |
| Suppliers' assignments of receivables | 437,694 | - | - | - | 437,694 |
| Other payables | 307,958 | 64,150 | 51,537 | 40,133 | 463,778 |
| Derivative financial instruments | (64,417) | (84,737) | - | - | (149,154) |
| | 3,708,380 | 3,282,452 | 7,298,070 | 501,385 | 14,790,287 |

| | | | | | December 31, 2023 |
|---|---|---|---|---|---|
| | **Less than one year** | **From one to two years** | **From two to five years** | **More than five years** | **Overall total** |
| Debentures | 2,114,021 | 2,377,538 | 5,326,521 | 847,067 | 10,665,147 |
| Loans and financing | 761,384 | 462,341 | 873,611 | 50,188 | 2,147,524 |
| Notes payable | 20,457 | 3,600 | - | - | 24,057 |
| Suppliers | 389,667 | - | - | - | 389,667 |
| Suppliers' assignments of receivables | 448,307 | - | - | - | 448,307 |
| Other payables | 328,319 | 85,889 | 43,218 | 44,246 | 501,672 |
| Derivative financial instruments | 694 | 8,736 | (11,632) | - | (2,202) |
| | 4,062,849 | 2,938,104 | 6,231,718 | 941,501 | 14,174,172 |

## e. Derivatives

At September 30, 2024, the derivative instruments contracted by the Company totaled R$ (4,446,821) (at December 31, 2023 - R$ (5,418,666)) in the consolidated and R$ (4,475,971) (at December 31, 2023 - R$ (5,685,550)) in the parent company. The transactions not yet settled resulted in gains of R$ 95,072 (at December 31, 2023 losses of R$ 43,629) in the consolidated and gains of R$ 93,195 (at December 31, 2023 losses of R$ 27,799) in the parent company.

At September 30, 2024 and December 31, 2023, the results of these derivatives transactions can be summarized as follows:

## Parent company

| **Type** | **Counterparties** | **Notional value** | | **Fair value receivable (payable)** | | **Gain (loss) realized** | |
|---|---|---|---|---|---|---|---|
| *(In R$ thousand)* | | **Sep/24** | **Dec/23** | **Sep/24** | **Dec/23** | **Sep/24** | **Dec/23** |
| **Foreign currency** | | | | | | | |
| **Forward contracts** | | **-** | **-** | **-** | **-** | **-** | **-** |
| Long position | | - | - | - | - | - | - |
| Short position | | - | - | - | - | - | - |
| **Swaps** | | **685,026** | **607,447** | **58,975** | **(33,583)** | **(38,642)** | **(60,752)** |
| Long position | BNP, Citibank | 685,026 | 607,447 | 58,975 | (33,583) | (38,642) | (60,752) |
| **Subtotal** | | **685,026** | **607,447** | **58,975** | **(33,583)** | **(38,642)** | **(60,752)** |
| **Interest rate** | | | | | | | |
| **Swaps – Asset Position – Fixed** | | **(5,160,997)** | **(6,292,997)** | **34,220** | **5,784** | **36,002** | **(7,004)** |
| Long position | BNP Paribas, Itaú, Merril Lynch, Santander, XP Investimentos | 1,000,000 | 1,000,000 | 48 | 10,251 | 2,195 | (7,004) |
| Short position | BNP Paribas, Itaú, BOFA, XP Investimentos, Santander | (6,160,997) | (7,292,997) | 34,172 | (4,467) | 33,807 | - |
| **Total** | | **(4,475,971)** | **(5,685,550)** | **93,195** | **(27,799)** | **(2,640)** | **(67,756)** |

## Consolidated

| Type | Counterparties | Notional value | | Fair value receivable (payable) | | Gain (loss) realized | |
|---|---|---|---|---|---|---|---|
| *(In R$ thousand)* | | **Sep/24** | **Dec/23** | **Sep/24** | **Dec/23** | **Sep/24** | **Dec/23** |
| **Foreign currency** | | | | | | | |
| **Forward contracts** | | **29,150** | **266,884** | **1,877** | **(15,950)** | **(9,422)** | **(86,697)** |
| Long position | ABC Brasil, Banco do Brasil, BNP Paribas, Bradesco, BTG, CitiBank, Itaú, JP Morgan, Merril Lynch, Safra, Santander, Votorantim, XP Investimentos | 29,150 | 299,730 | 1,877 | (16,202) | (9,074) | (91,226) |
| Short position | ABC Brasil, Banco do Brasil, JP Morgan, Merril Lynch, Votorantim, XP Investimentos | - | (32,846) | - | 252 | (348) | 4,529 |
| **Swaps** | | **685,026** | **607,447** | **58,975** | **(33,464)** | **(38,642)** | **(60,752)** |
| Long position | BNP, Citibank | 685,026 | 607,447 | 58,975 | (33,464) | (38,642) | (60,752) |
| **Subtotal** | | **714,176** | **874,331** | **60,852** | **(49,414)** | **(48,064)** | **(147,449)** |
| **Interest rate** | | | | | | | |
| **Swaps – Asset Position – Fixed** | | **(5,160,997)** | **(6,292,997)** | **34,220** | **5,785** | **36,002** | **(7,004)** |
| Long position | BNP Paribas, Itaú, Merril Lynch, Santander, XP Investimentos | 1,000,000 | 1,000,000 | 48 | 10,251 | 2,195 | (7,004) |
| Short position | BNP Paribas, Itaú, BOFA, XP Investimentos, Santander | (6,160,997) | (7,292,997) | 34,172 | (4,466) | 33,807 | - |
| **Total** | | **(4,446,821)** | **(5,418,666)** | **95,072** | **(43,629)** | **(12,062)** | **(154,453)** |

## f. Methodology for calculating the fair values of derivatives

(i) Foreign currency forward contracts are valued using the interpolations of the market rates of US Dollar futures contracts published for each base date by B3 (formerly BM&F BOVESPA).

(ii) Swaps are valued using the interpolation of the exchange coupon market and future interbank deposit rates issued for each base date by B3.

## g. Sensitivity analysis

The table below presents a sensitivity analysis of the financial instruments, including derivatives that describe the risks that could result in material losses to the Company. The most likely scenario as evaluated by Management (Scenario I, based on a fluctuation of 5.89% for the US Dollar, corresponding to three standard deviations of the fluctuations over the three months of the third quarter of the year) uses a projection period of three months, after which time the next set of quarterly financial information containing this analysis should be released. Two further scenarios (Scenarios II and III) based on deteriorations of 25% and 50%, respectively, in the exchange rates between the Brazilian Real and the US Dollar, are also presented.

| | | | | | | Parent company |
|---|---|---|---|---|---|---|
| **Risk** | | **Scenario I** | | **Scenario II** | | **Scenario III** |
| _(In R$ thousand)_ | | | | **25% fluctuation** | | **50% fluctuation** |
| | **Appreciation** | **Depreciation** | **Appreciation** | **Depreciation** | **Appreciation** | **Depreciation** |
| **US Dollar quotation** | 5.276 | 5.627 | 4.088 | 6.814 | 2.726 | 8.177 |
| **Foreign currency** | | | | | | |
| **Economic hedges** | **(21,961)** | **21,961** | **(170,535)** | **170,542** | **(341,077)** | **341,077** |
| Forward contracts | - | - | - | - | - | - |
| Swaps | (21,961) | 21,961 | (170,535) | 170,542 | (341,077) | 341,077 |
| **Objects of the economic hedges** | **21,961** | **(21,961)** | **170,535** | **(170,542)** | **341,077** | **(341,077)** |
| Loans, financing and notes payable subject to short-term exchange rate variations | 21,961 | (21,961) | 170,535 | (170,542) | 341,077 | (341,077) |
| **Net effect** | - | - | - | - | - | - |

| | | | | | | Consolidated |
|---|---|---|---|---|---|---|
| **Risk** | | **Scenario I** | | **Scenario II** | | **Scenario III** |
| _(In R$ thousand)_ | | | | **25% fluctuation** | | **50% fluctuation** |
| | **Appreciation** | **Depreciation** | **Appreciation** | **Depreciation** | **Appreciation** | **Depreciation** |
| **US Dollar quotation** | 5.276 | 5.627 | 4.088 | 6.814 | 2.726 | 8.177 |
| **Foreign currency** | | | | | | |
| **Economic hedges** | **(25,939)** | **25,939** | **(177,727)** | **177,734** | **(355,460)** | **355,460** |
| Forward contracts | (3,978) | 3,978 | (7,192) | 7,192 | (14,383) | 14,383 |
| Swaps | (21,961) | 21,961 | (170,535) | 170,542 | (341,077) | 341,077 |
| **Objects of the economic hedges** | **25,992** | **(25,992)** | **177,823** | **(177,830)** | **355,652** | **(355,652)** |
| Loans, financing and notes payable subject to short-term exchange rate variations | 25,992 | (25,992) | 177,823 | (177,830) | 355,652 | (355,652) |
| **Net effect** | **53** | **(53)** | **96** | **(96)** | **192** | **(192)** |

The sensitivity analysis presented above shows the net effect on the profit or loss, modeling changes to the exchange rate of the Brazilian Real against the US Dollar and the Euro, while holding all other risk variables constant.

The scenarios for monetary variations and the floating interest rates on the Company's loans, financing and notes payable projected for the fourth quarter of 2024 are as follow:

## Parent company

| Variation scenarios | Likely scenario* | 25% change | 50% change |
|---|---|---|---|
| Loans – CDI | 3,068 | 25,826 | 51,652 |
| Financing – TJLP | 1,306 | 4,639 | 9,279 |
| Debentures – CDI | 9,456 | 79,593 | 159,186 |
| Debentures - IPCA | 4,208 | 1,019 | 2,037 |
| Financing – TR | (67) | 479 | 957 |
| Notes payable – CDI | 32 | 268 | 535 |
| Financial investments | (8,836) | (74,372) | (148,744) |
| **Total loss (gain)** | **9,167** | **37,452** | **74,902** |

### Consolidated

| Variation scenarios | Likely scenario* | 25% change | 50% change |
|---|---|---|---|
| Loans – CDI | 3,138 | 26,412 | 52,824 |
| Financing – TJLP | 1,306 | 4,639 | 9,279 |
| Debentures – CDI | 9,456 | 79,593 | 159,186 |
| Debentures – IPCA | 4,208 | 1,019 | 2,037 |
| Financing – TR | (67) | 479 | 957 |
| Notes payable – CDI | 32 | 268 | 535 |
| Financial investments | (9,952) | (83,768) | (167,537) |
| **Total loss (gain)** | **8,121** | **28,642** | **57,281** |

***Likely scenario assumptions**
Forecast CDI of 11% p.a.
Forecast TJLP of 7.43 % p.a.
Forecast IPCA of 1.41 % p.q.
Forecast TR of 0.82% p.a.

## 5 Capital management

The Company's objectives when managing its capital are to safeguard its ability to continue to offer returns to its shareholders and benefits to other stakeholders, while maintaining an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust its capital structure, the Company may review the dividend payment policy, return capital to shareholders, or even issue new shares or sell assets, for example to reduce debt.

The Company monitors its capital based on the financial leverage ratio, which is calculated as net debt divided by total capitalization. Net debt includes total loans (including short- and long-term loans, financing, debentures, and notes payable, as presented in the consolidated balance sheet), less cash and cash equivalents. The total capitalization is calculated based on the sum of equity, as shown in the consolidated balance sheet, plus net debt.

The indices of financial leverage at September 30, 2024 and December 31, 2023 may be summarized as follow:

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | **September 30, 2024** | **December 31, 2023** | **September 30, 2024** | **December 31, 2023** |
| Total loans, financing and debentures (Note 20) | 10,257,993 | 9,926,062 | 10,280,041 | 9,937,779 |
| Total notes payable | 19,557 | 24,057 | 19,557 | 24,057 |
| Loss (gain) on financial hedges | (93,195) | 27,799 | (93,195) | 27,799 |
| Less: cash and cash equivalents (Note 10) | (2,853,739) | (2,366,433) | (3,208,625) | (2,580,893) |
| Debt (cash and cash equivalents), net | 7,330,616 | 7,611,485 | 6,997,778 | 7,408,742 |
| Total equity | 12,214,790 | 11,504,124 | 12,220,926 | 11,517,873 |
| Adjusted equity | 19,545,406 | 19,115,609 | 19,218,704 | 18,926,615 |
| Ratio of net debt to adjusted equity | 37.5% | 39.8% | 36.4% | 39.1% |

# 6 Estimate of fair value

It is assumed that the book values of accounts receivable and suppliers, less losses (impairment), approximate their fair values. The fair values of financial liabilities for disclosure purposes are estimated by discounting the future contractual cash flow at the prevailing market interest rate available to the Company for similar financial instruments (Note 20 (b)).

The Company records its financial instruments in the balance sheet at their fair values, in accordance with CPC 40 (R1)/IFRS 7, which requires the disclosure of fair value measurements according to their level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) from active markets for similar assets and liabilities (Level 1).
- Inputs, other than quoted prices included in Level 1 that are available in the market for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2).
- Inputs for assets or liabilities that are not based on data available in the market (i.e. unobservable inputs) (Level 3).

The table below presents the Company’s derivative instrument assets and liabilities at September 30, 2024, as well as their fair values.

| | | | **Parent company** |
|---|---|---|---|
| | **Level 1** | **Level 2** | **Total balance** |
| Assets | | | |
| Derivative financial instruments | - | 93,534 | 93,534 |
| Total assets | - | 93,534 | 93,534 |
| Liabilities | | | |
| Derivative financial instruments | - | 339 | 339 |
| Total liabilities | - | 339 | 339 |

| | | | **Consolidated** |
|---|---|---|---|
| | **Level 1** | **Level 2** | **Total balance** |
| Assets | | | |
| Derivative financial instruments | - | 95,411 | 95,411 |
| Total assets | - | 95,411 | 95,411 |
| Liabilities | | | |
| Derivative financial instruments | - | 339 | 339 |
| Total liabilities | - | 339 | 339 |

The table below presents the Company’s assets and liabilities at December 31, 2023, as well as their fair values.

| | | | Parent company |
|---|---|---|---|
| | **Level 1** | **Level 2** | **Total balance** |
| Assets | | | |
| Derivative financial instruments | - | 11,841 | 11,841 |
| Total assets | - | 11,841 | 11,841 |
| | | | |
| Liabilities | | | |
| Derivative financial instruments | - | 39,640 | 39,640 |
| Total liabilities | - | 39,640 | 39,640 |

| | | | Consolidated |
|---|---|---|---|
| | **Level 1** | **Level 2** | **Total balance** |
| Assets | | | |
| Derivative financial instruments | - | 12,143 | 12,143 |
| Total assets | - | 12,143 | 12,143 |
| | | | |
| Liabilities | | | |
| Derivative financial instruments | - | 55,772 | 55,772 |
| Total liabilities | - | 55,772 | 55,772 |

The fair values of financial instruments not traded in active markets (e.g. derivatives) are determined using valuation techniques, which maximize the use of data derived from the market, where available, and rely to the minimum extent possible on the Company's own estimates.

# 7 Hedge accounting

The Company holds derivative financial instruments to hedge its exposure to foreign currency variations and interest rate risk.

It is the Company's accounting policy to adopt hedge accounting, as required under CPC 38 (IAS 39). For transactions designated as subject to hedge accounting, the Company formally documents the economic relationship between the hedging instruments and the hedged items, including the risk management objectives and the strategy for conducting the hedging transaction, as well as the methods to be used to evaluate the effectiveness of the hedging relationship.

The Company makes forward-looking and retrospective assessments, both at the time when the hedging relationship is established, and on a continuous basis if it is expected that the hedging instruments will be "highly effective" in offsetting changes to the fair values of the respective hedged items during the period for which the hedge is designated, and if the actual results of each hedge are within the range determined by management.

**Fair value hedges**

Currently, the Company has fair value hedges for its transactions, meaning that both the hedging instruments and the hedged items are stated at fair value through profit or loss. The transactions and accounting effects arising from the adoption of this practice are presented below:

| | | | | | Parent company September 30, 2024 |
|---|---|---|---|---|---|
| **Operation** | **Index** | **Hedge type** | **Principal amount** | **Asset/(liability) balance** | **Gain (loss) in P&L** |
| Loan – 4131* | USD + spread | Fair value | 218,075 | 245,295 | (610) |
| Swap – 4131* | USD + Spread vs. CDI+ | Fair value | 218,075 | 26,918 | - |
| Loan – 4131* | USD + spread | Fair value | 94,600 | 112,754 | 134 |
| Swap – 4131* | USD + Spread vs. CDI+ | Fair value | 94,600 | 12,408 | - |
| Loan – 4131 | EUR + spread | Fair value | 300,000 | 339,716 | 881 |
| Swap – 4131 | EUR + Spread vs CDI | Fair value | 300,000 | 339,716 | - |

| | | | | | Consolidated September 30, 2024 |
|---|---|---|---|---|---|
| **Operation** | **Index** | **Hedge type** | **Principal amount** | **Asset/(liability) balance** | **Gain (loss) in P&L** |
| Loan – 4131* | USD + spread | Fair value | 218,075 | 245,295 | (610) |
| Swap – CDI* | USD + Spread vs. CDI+ | Fair value | 218,075 | 26,918 | - |
| Loan – 4131** | USD + spread | Fair value | 94,600 | 112,754 | 134 |
| Swap – 4131* | USD + Spread vs. CDI+ | Fair value | 94,600 | 12,408 | - |
| Loan – 4131 | EUR + spread | Fair value | 300,000 | 339,716 | 881 |
| Swap – 4131 | EUR + Spread vs CDI | Fair value | 300,000 | 339,716 | - |

| | | | | | Parent company December 31, 2023 |
|---|---|---|---|---|---|
| **Operation** | **Index** | **Hedge type** | **Principal amount** | **Asset/(liability) balance** | **Gain (loss) in P&L** |
| Loan – 4131** | USD + spread | Fair value | 218,075 | 222,403 | 2,549 |
| Swap – 4131 | USD + Spread vs. CDI+ | Fair value | 218,075 | (3,315) | - |
| Loan – 4131** | USD + spread | Fair value | 94,600 | 98,577 | 55 |
| Swap – 4131** | USD + Spread vs. CDI+ | Fair value | 94,600 | 767 | - |
| Loan – 4131 | EUR + spread | Fair value | 300,000 | 303,490 | (969) |
| Swap – 4131 | EUR + Spread vs CDI | Fair value | 300,000 | (31,626) | - |

| | | | | | **Consolidated** |
|---|---|---|---|---|---|
| | | | | | **December 31, 2023** |
| **Operation** | **Index** | **Hedge type** | **Principal amount** | **Asset/(liability) balance** | **Gain (loss) in P&L** |
| Loan – 4131** | USD + spread | Fair value | 218,075 | 222,403 | 2,549 |
| Swap – 4131 | USD + Spread vs. CDI+ | Fair value | 218,075 | (3,315) | - |
| Loan – 4131** | USD + spread | Fair value | 94,600 | 98,577 | 55 |
| Swap – 4131** | USD + Spread vs. CDI+ | Fair value | 94,600 | 767 | - |
| Loan – 4131 | EUR + spread | Fair value | 300,000 | 303,490 | (969) |
| Swap – 4131 | EUR + Spread vs CDI | Fair value | 300,000 | (31,626) | - |

* Maturing within one year
** Maturing in up to two years

The fair value cash flow hedge maintained a hedging ratio of 1:1, with a weighted average rate of R$/USD 4.8104 and RS/EUR 5.5073.

If a hedge instrument no longer meets the criteria for hedge accounting, expires or is sold, is closed, is exercised, or has its designation revoked, then hedge accounting is discontinued on a prospective basis. Hedged items which were previously recognized at their fair values are recorded at amortized cost.

**Cash flow hedges**

The Company has cash flow hedges for most of its transactions with suppliers and for some debentures. Gains or losses on the effective portions of these hedges are recognized in equity/other comprehensive income.

The transactions and accounting effects arising from the adoption of this practice are presented below:

| | | | | | **Parent company** |
|---|---|---|---|---|---|
| | | | | | **September 30, 2024** |
| **Operation** | **Index** | **Hedge type** | **Principal amount** | **Asset/(liability) balance** | **Gain/(loss) in comprehensive income** |
| Debentures | CDI | Cash flow | 500,000 | 500,000 | (3,794) |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 500,000 | 744 | - |
| Debentures | CDI | Cash flow | 750,000 | 750,000 | (1,643) |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 750,000 | 1,328 | - |
| Debentures | CDI | Cash flow | 250,000 | 250,000 | (391) |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 250,000 | 282 | - |
| Debentures | CDI | Cash flow | 1,000,000 | 1,000,000 | (5,673) |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 1,000,000 | 5,604 | - |
| Debentures | CDI | Cash flow | 368,000 | 368,000 | (3,379) |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 368,000 | 3,510 | - |
| Debentures | CDI | Cash flow | 800,000 | 800,000 | (7,336) |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 800,000 | 8,742 | - |
| Debentures | CDI | Cash flow | 200,000 | 200,000 | (1,612) |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 200,000 | 2,097 | - |
| Debentures | CDI | Cash flow | 550,000 | 550,000 | (4,493) |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 550,000 | 5,684 | - |
| Debentures | CDI | Cash flow | 242,997 | 242,997 | (1,895) |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 242,997 | 2,343 | - |
| Debentures | CDI | Cash flow | 500,000 | 500,000 | 294 |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 500,000 | 24 | - |

| | | | | | Consolidated |
|---|---|---|---|---|---|
| | | | | | September 30, 2024 |
| Operation | Index | Hedge type | Principal amount | Asset/(liability) balance | Gain/(loss) in comprehensive income |
| Debentures | CDI | Cash flow | 500,000 | 500,000 | (3,794) |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 500,000 | 744 | - |
| Debentures | CDI | Cash flow | 750,000 | 750,000 | (1,643) |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 750,000 | 1,328 | - |
| Debentures | CDI | Cash flow | 250,000 | 250,000 | (391) |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 250,000 | 282 | - |
| Debentures | CDI | Cash flow | 1,000,000 | 1,000,000 | (5,673) |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 1,000,000 | 5,604 | - |
| Debentures | CDI | Cash flow | 368,000 | 368,000 | (3,379) |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 368,000 | 3,510 | - |
| Debentures | CDI | Cash flow | 800,000 | 800,000 | (7,336) |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 800,000 | 8,742 | - |
| Debentures | CDI | Cash flow | 200,000 | 200,000 | (1,612) |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 200,000 | 2,097 | - |
| Debentures | CDI | Cash flow | 550,000 | 550,000 | (4,493) |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 550,000 | 5,684 | - |
| Debentures | CDI | Cash flow | 242,997 | 242,997 | (1,895) |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 242,997 | 2,343 | - |
| Debentures | CDI | Cash flow | 500,000 | 500,000 | 294 |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 500,000 | 24 | - |
| Suppliers | USD | Cash flow | 5,348 | (5,348) | - |
| NDF Suppliers (I) | USD vs. R$ | Cash flow | 5,348 | 4,167 | - |

| | | | | | Parent company |
|---|---|---|---|---|---|
| | | | | | December 31, 2023 |
| Operation | Index | Hedge type | Principal amount | Asset/(liability balance | Gain/(loss) in comprehensive income |
| Debentures | CDI | Cash flow | 500,000 | 500,000 | (25) |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 500,000 | 342 | - |
| Debentures | CDI | Cash flow | 500,000 | 500,000 | (84) |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 500,000 | 482 | - |
| Debentures | CDI | Cash flow | 750,000 | 750,000 | 1,052 |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 750,000 | (626) | - |
| Debentures | CDI | Cash flow | 250,000 | 250,000 | 331 |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 250,000 | (194) | - |
| Debentures | CDI | Cash flow | 1,000,000 | 1,000,000 | 1,446 |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 1,000,000 | (791) | - |
| Debentures | CDI | Cash flow | 1,000,000 | 1,000,000 | 1,248 |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 1,000,000 | (644) | - |
| Debentures | CDI | Cash flow | 800,000 | 800,000 | 805 |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 800,000 | (305) | - |
| Debentures | CDI | Cash flow | 200,000 | 200,000 | 135 |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 200,000 | (9) | - |
| Debentures | CDI | Cash flow | 550,000 | 550,000 | 470 |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 550,000 | (128) | - |
| Debentures | CDI | Cash flow | 242,997 | 242,997 | 274 |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 242,997 | (126) | - |
| Debentures | CDI | Cash flow | 500,000 | 500,000 | 260 |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 500,000 | (38) | - |

| | | | | | Consolidated |
|---|---|---|---|---|---|
| | | | | | December 31, 2023 |
| Operation | Index | Hedge type | Principal amount | Asset/(liability) balance | Gain/(loss) in comprehensive income |
| Debentures | CDI | Cash flow | 500,000 | 500,000 | (25) |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 500,000 | 342 | - |
| Debentures | CDI | Cash flow | 500,000 | 500,000 | (84) |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 500,000 | 482 | - |
| Debentures | CDI | Cash flow | 750,000 | 750,000 | 1,052 |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 750,000 | (626) | - |
| Debentures | CDI | Cash flow | 250,000 | 250,000 | 331 |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 250,000 | (194) | - |
| Debentures | CDI | Cash flow | 1,000,000 | 1,000,000 | 1,446 |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 1,000,000 | (791) | - |
| Debentures | CDI | Cash flow | 1,000,000 | 1,000,000 | 1,248 |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 1,000,000 | (644) | - |
| Debentures | CDI | Cash flow | 800,000 | 800,000 | 805 |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 800,000 | (305) | - |
| Debentures | CDI | Cash flow | 200,000 | 200,000 | 135 |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 200,000 | (9) | - |
| Debentures | CDI | Cash flow | 550,000 | 550,000 | 470 |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 550,000 | (128) | - |
| Debentures | CDI | Cash flow | 242,997 | 242,997 | 274 |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 242,997 | (126) | - |
| Debentures | CDI | Cash flow | 500,000 | 500,000 | 260 |
| Swaps | CDI+ vs Fixed Rate | Cash flow | 500,000 | (38) | - |
| Suppliers | USD | Cash flow | 35,949 | (35,949) | - |
| NDF Suppliers (I) | USD vs. R$ | Cash flow | 35,949 | (14,501) | 489 |
| NDF Purchases | USD vs. R$ | Cash flow | 19,000 | (1,448) | (1,448) |

(I) Maturities within one year.

# 8 Financial instruments by category

## Parent company

| | | | | | September 30, 2024 |
|---|---|---|---|---|---|
| | Amortized cost | FVOCI | FVTPL | Designated as a cash flow hedge | Total |
| **Financial assets per the balance sheet** | | | | | |
| Accounts receivable (Note 11) | 2,958,386 | - | - | - | 2,958,386 |
| Financial investments (Note 10) | 2,793,307 | - | - | - | 2,793,307 |
| Cash and banks (Note 10) | 60,432 | - | - | - | 60,432 |
| Derivative financial instruments | - | - | 63,176 | 30,358 | 93,534 |
| Other assets | 238,269 | - | - | - | 238,269 |
| | 6,050,394 | - | 63,176 | 30,358 | 6,143,928 |

| | | | | | September 30, 2024 |
|---|---|---|---|---|---|
| | Amortized cost | FVOCI | FVTPL | Designated as a cash flow hedge | Total |
| **Financial liabilities per the balance sheet** | | | | | |
| Loans, financing and debentures (Note 20) | 10,257,993 | - | - | - | 10,257,993 |
| Suppliers (Note 18) | 816,351 | - | - | - | 816,351 |
| Suppliers' assignments of receivables (Note 19) | 15,354 | - | - | - | 15,354 |
| Other payables | 293,649 | - | - | - | 293,649 |
| Notes payable | 19,557 | - | - | - | 19,557 |
| Derivative financial instruments | - | - | 339 | - | 339 |
| | 11,402,904 | - | 339 | - | 11,403,243 |

| | December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | **Amortized cost** | **FVOCI** | **FVTPL** | **Designated as a cash flow hedge** | **Total** |
| **Financial assets per the balance sheet** | | | | | |
| Accounts receivable (Note 11) | 2,596,277 | - | - | - | 2,596,277 |
| Financial investments (Note 10) | 2,355,532 | - | - | - | 2,355,532 |
| Cash and banks (Note 10) | 10,901 | - | - | - | 10,901 |
| Derivative financial instruments | - | - | 11,018 | 823 | 11,841 |
| Other assets | 194,135 | - | - | - | 194,135 |
| | 5,156,845 | - | 11,018 | 823 | 5,168,686 |

| | December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | **Amortized cost** | **FVOCI** | **FVTPL** | **Designated as a cash flow hedge** | **Total** |
| **Financial liabilities per the balance sheet** | | | | | |
| Loans, financing and debentures (Note 20) | 9,926,062 | - | - | - | 9,926,062 |
| Suppliers (Note 18) | 771,973 | - | - | - | 771,973 |
| Suppliers' assignments of receivables (Note 19) | 14,640 | - | - | - | 14,640 |
| Other payables | 321,620 | - | - | - | 321,620 |
| Notes payable | 24,057 | - | - | - | 24,057 |
| Derivative financial instruments | - | - | 36,777 | 2,863 | 39,640 |
| | 11,058,352 | - | 36,777 | 2,863 | 11,097,992 |

# Consolidated

| | September 30, 2024 | | | | |
|---|---|---|---|---|---|
| | **Amortized cost** | **FVOCI** | **FVTPL** | **Designated as a cash flow hedge** | **Total** |
| **Financial assets per the balance sheet** | | | | | |
| Accounts receivable (Note 11) | 2,993,305 | - | - | - | 2,993,305 |
| Financial investments (Note 10) | 3,146,231 | - | - | - | 3,146,231 |
| Cash and banks (Note 10) | 62,394 | - | - | - | 62,394 |
| Derivative financial instruments | - | - | 63,176 | 32,235 | 95,411 |
| Other assets | 257,740 | - | - | - | 257,740 |
| | 6,459,670 | - | 63,176 | 32,235 | 6,555,081 |

| | September 30, 2024 | | | | |
|---|---|---|---|---|---|
| | **Amortized cost** | **FVOCI** | **FVTPL** | **Designated as a cash flow hedge** | **Total** |
| **Financial liabilities per the balance sheet** | | | | | |
| Loans, financing and debentures (Note 20) | 10,280,041 | - | - | - | 10,280,041 |
| Suppliers (Note 18) | 374,888 | - | - | - | 374,888 |
| Suppliers' assignment of receivables (Note 19) | 437,694 | - | - | - | 437,694 |
| Other payables | 463,777 | - | - | - | 463,777 |
| Notes payable | 19,557 | - | - | - | 19,557 |
| Derivative financial instruments | - | - | 339 | - | 339 |
| | 11,575,957 | - | 339 | - | 11,576,296 |

| | | | | | December 31, 2023 |
|---|---|---|---|---|---|
| | Amortized cost | FVOCI | FVTPL | Designated as a cash flow hedge | Total |
| **Financial assets per the balance sheet** | | | | | |
| Accounts receivable (Note 11) | 2,642,146 | - | - | - | 2,642,146 |
| Financial investments (Note 10) | 2,550,332 | - | - | - | 2,550,332 |
| Cash and banks (Note 10) | 30,561 | - | - | - | 30,561 |
| Derivative financial instruments | - | - | 11,018 | 1,125 | 12,143 |
| Other assets | 218,539 | - | - | - | 218,539 |
| | 5,441,578 | - | 11,018 | 1,125 | 5,453,721 |

| | | | | | December 31, 2023 |
|---|---|---|---|---|---|
| | Amortized cost | FVOCI | FVTPL | Designated as a cash flow hedge | Total |
| **Financial liabilities per the balance sheet** | | | | | |
| Loans, financing and debentures (Note 20) | 9,937,779 | - | - | - | 9,937,779 |
| Suppliers (Note 18) | 389,667 | - | - | - | 389,667 |
| Suppliers' assignment of receivables (Note 19) | 448,307 | - | - | - | 448,307 |
| Other payables | 477,712 | - | - | - | 477,712 |
| Notes payable | 24,057 | - | - | - | 24,057 |
| Derivative financial instruments | - | - | 39,520 | 16,252 | 55,772 |
| | 11,277,522 | - | 39,520 | 16,252 | 11,333,294 |

# 9 Credit quality of financial assets

The credit quality of financial assets (cash and cash equivalents) can be evaluated using historical information on default rates, as follows:

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | September 30, 2024 | December 31, 2023 | September 30, 2024 | December 31, 2023 |
| **Current accounts and financial investments (*)** | | | | |
| AAA | 2,853,738 | 2,366,432 | 3,208,618 | 2,580,885 |
| | 2,853,738 | 2,366,432 | 3,208,618 | 2,580,885 |

(*) Source: Moody's, Standard & Poor's and Fitch rating agencies, on a local scale when available, otherwise on a global scale.

The residual balance of "cash and cash equivalents" in the balance sheet mainly represents cash on hand.

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | September 30, 2024 | December 31, 2023 | September 30, 2024 | December 31, 2023 |
| **Derivative financial assets** | | | | |
| AAA | 93,534 | 11,841 | 95,411 | 12,021 |
| AA+ | - | - | - | 122 |
| | 93,534 | 11,841 | 95,411 | 12,143 |

No fully performing financial assets were renegotiated during the last financial year.
None of the loans with related parties are overdue or impaired.
Note 4 (c) describes the credit risks of these financial assets.

# 10 Cash and cash equivalents

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | **September 30, 2024** | **December 31, 2023** | **September 30, 2024** | **December 31, 2023** |
| Cash and banks | 60,432 | 10,901 | 62,394 | 30,561 |
| Short-term investments: | | | | |
| Repurchase transactions | 22,590 | 2,062 | 22,590 | 2,062 |
| Bank deposit certificates (CDBs) | 2,770,717 | 2,353,470 | 3,123,641 | 2,548,270 |
| | 2,793,307 | 2,355,532 | 3,146,231 | 2,550,332 |
| | 2,853,739 | 2,366,433 | 3,208,625 | 2,580,893 |

Financial investments (including both repurchase transactions and CDBs) have yields of between 97% and 109% of the CDI p.a. (at December 31, 2023, between 80% and 103.2% of the CDI p.a.), with a weighted average of 99.9% of the CDI p.a. (at December 31, 2023, 101.1% p.a.), and are substantially liquid.

# 11 Accounts receivable

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | **September 30, 2024** | **December 31, 2023** | **September 30, 2024** | **December 31, 2023** |
| Domestic customers | 2,977,938 | 2,616,023 | 3,019,428 | 2,664,750 |
| Foreign customers | - | - | 2,733 | - |
| Expected credit losses | (19,552) | (19,746) | (28,856) | (22,604) |
| | 2,958,386 | 2,596,277 | 2,993,305 | 2,642,146 |

The amounts of accounts receivable that are overdue but not impaired correspond to a number of independent customers with no recent history of default. The aging analysis of these accounts receivable is presented as follows:

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | **September 30, 2024** | **December 31, 2023** | **September 30, 2024** | **December 31, 2023** |
| Up to 3 months | 4,879 | 4,514 | 4,879 | 4,408 |
| From 3 to 6 months | 1,419 | 118 | 1,419 | 118 |
| Over 6 months | 4,298 | 1,820 | 4,298 | 1,820 |
| | 10,596 | 6,452 | 10,596 | 6,346 |

The additions to and write-offs of the expected credit losses were recorded in the profit or loss as “selling and marketing expenses”. Amounts charged to expected credit losses are generally written off from accounts receivable when there is no expectation of recovering the funds.

The maximum exposure to credit risk at the reporting date is equivalent to the total carrying amount of each class of receivables mentioned above. The Company holds certain notes as guarantees (Note 20 (a)).

The changes to the expected credit losses for the quarter ended September 30, 2024 are as follow:

| | Parent company | Consolidated |
|---|---|---|
| Balances at December 31, 2023 | (19,746) | (22,604) |
| (Additions)/reversals, net | 194 | (6,252) |
| Balances at September 30, 2024 | (19,552) | (28,856) |

## 12 Inventory

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | September 30, 2024 | December 31, 2023 | September 30, 2024 | December 31, 2023 |
| Finished goods and goods for resale | 493,987 | 604,903 | 773,840 | 887,751 |
| Semi-finished goods | - | - | 130,042 | 145,356 |
| Raw materials | - | - | 1,027,512 | 1,137,761 |
| Maintenance and supplies | 72 | 171 | 193,516 | 203,919 |
| Provision for inventory losses | (51,130) | (56,010) | (191,545) | (183,056) |
| | 442,929 | 549,064 | 1,933,365 | 2,191,731 |

The table below presents the changes to the provision for inventory losses:

| | Parent company | Consolidated |
|---|---|---|
| At December 31, 2023 | (56,010) | (183,056) |
| Additions for the period (a) | (95,452) | (132,024) |
| Write-offs for the period (b) | 100,332 | 123,535 |
| At September 30, 2024 | (51,130) | (191,545) |

(a) Refers to expected inventory losses due to the discontinuation, validity, quality and realization of inventory, in accordance with the policies established by the Company.

(b) Mainly composed of write-offs and reversals of products discarded by the Company and its subsidiaries.

## 13 Taxes recoverable

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | September 30, 2024 | December 31, 2023 | September 30, 2024 | December 31, 2023 |
| PIS/COFINS/IPI and others | 101,021 | 276,857 | 197,595 | 378,389 |
| ICMS | 104,165 | 102,969 | 179,083 | 186,631 |
| Recoverable IRPJ and CSLL | 73,982 | 76,564 | 109,387 | 104,160 |
| | 279,168 | 456,390 | 486,065 | 669,180 |
| Current | 231,952 | 291,117 | 393,297 | 446,514 |
| Non-current | 47,216 | 165,273 | 92,768 | 222,666 |

# 14 Other assets

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | September 30, 2024 | December 31, 2023 | September 30, 2024 | December 31, 2023 |
| Prepaid expenses (a) | 71,526 | 67,306 | 107,065 | 100,828 |
| Bills receivable | 93,913 | 64,966 | 99,648 | 68,962 |
| Escrow deposits (b) | 141,835 | 129,169 | 158,092 | 149,577 |
| Advances | 15,654 | 48,446 | 70,257 | 103,345 |
| Other | 3,669 | 4,774 | 1,179 | 2,525 |
| | 326,597 | 314,661 | 436,241 | 425,237 |
| Current | 98,112 | 126,609 | 184,356 | 211,392 |
| Non-current | 228,485 | 188,052 | 251,885 | 213,845 |

(a) Refers mainly to advance payments for advertising and publicity.
(b) Refers to deposits made as guarantees of contingencies.

# 15 Investments

The investments held by the Company are presented below:

| Company | Date of incorporation | Country | Business | Interest in shares/quotas | Type of interest |
|---|---|---|---|---|---|
| Cosmed Indústria de Cosméticos e Medicamentos S.A. | 12/17/2008 | Brazil | Sweeteners/Pharma | 100% | Direct |
| My Agência de Propaganda Ltda. | 11/29/1999 | Brazil | Advertising agency | 100% | Direct |
| Brainfarma Indústria Química e Farmacêutica S.A. | 06/24/2002 | Brazil | Pharma | 93.50% | Direct |
| Brainfarma Indústria Química e Farmacêutica S.A. | 06/24/2002 | Brazil | Pharma | 6.50% | Indirect |
| Bionovis S.A. | 07/15/2010 | Brazil | Biotechnology | 25% | Direct |
| Neolatina Comércio e Indústria Farmacêutica S.A. | 09/15/1966 | Brazil | Pharma | 100% | Indirect |
| Simple Organic Beauty S.A. | 04/29/2016 | Brazil | Natural beauty dermo-cosmetics | 64.93% | Direct |
| Mantecorp Participações S.A. | 09/28/2016 | Brazil | Holding company | 100% | Direct |
| Bio Brands Franchising Gestão de Marcas Ltda. | 08/29/2014 | Brazil | Dermo-cosmetics | 100% | Direct |
| Bio Scientific Indústria de Cosméticos Ltda. | 07/13/2001 | Brazil | Dermo-cosmetics | 100% | Indirect |
| Solana Agropecuária Ltda. | 11/04/1981 | Brazil | Crop | 100% | Indirect |
| Amigotech S.A. | 07/02/2021 | Brazil | Technology | 15% | Direct |

## a. Changes in the parent company's investments

| | Brainfarma | Cosmed | Mantecorp | Bionovis | My | Other | | |
|---|---|---|---|---|---|---|---|---|
| | Cost | Cost | Cost | Cost | Cost | Cost | Goodwill | Total |
| Balances at January 1, 2024 | 4,499,835 | 1,189,210 | 323,920 | 80,477 | 10,440 | 130,328 | 64,877 | 6,299,087 |
| Capital increase | 194,613 | - | - | - | - | 19,223 | - | 213,836 |
| Equity accounting | 289,281 | 91,655 | 3,643 | 13,353 | 262 | (29,274) | - | 368,920 |
| Share of discontinued equity accounting for the investment | 181 | - | - | - | - | 124 | - | 305 |
| Stock options/matching/restricted | 4,578 | 331 | 180 | - | - | 246 | - | 5,335 |
| Equity value adjustments | 1,071 | 207 | - | - | - | - | - | 1,278 |
| Dividends receivable | 29,740 | 853 | - | 4,795 | - | - | - | 35,388 |
| Balances at September 30, 2024 | 5,019,299 | 1,282,256 | 327,743 | 98,625 | 10,702 | 120,647 | 64,877 | 6,924,149 |

The table below shows the Company's share of the profits (losses) of its main direct subsidiaries, as well as its share of their total assets and liabilities:

| **September 30, 2024** | **Assets** | **Liabilities** | **Revenue** | **Profit (loss)** | **Adjusted profit (loss) (*)** |
|---|---|---|---|---|---|
| Brainfarma Indústria Química e Farmacêutica S.A. | 6,163,462 | 986,994 | 2,473,844 | 231,388 | 309,398 |
| Cosmed Indústria de Cosméticos e Medicamentos S.A. | 1,464,702 | 193,299 | 482,934 | 85,593 | 91,655 |
| My Agência de Propaganda Ltda. | 11,965 | 1,279 | 2,880 | 261 | 262 |
| Simple Organic Beauty S.A. | 74,037 | 56,538 | 84,291 | (31,491) | (27,906) |
| Mantecorp Participações S.A. | 331,250 | - | - | 7,092 | 3,643 |
| Bio Brands Franchising Gestão de Marcas Ltda. | 63,762 | 8,894 | 19,568 | (8,596) | (11,155) |

| **December 31, 2023** | **Assets** | **Liabilities** | **Revenue** | **Profit (loss)** | **Adjusted profit (loss) (*)** |
|---|---|---|---|---|---|
| Brainfarma Indústria Química e Farmacêutica S.A. | 5,853,941 | 1,141,325 | 3,402,455 | 328,729 | 416,888 |
| Cosmed Indústria de Cosméticos e Medicamentos S.A. | 1,371,728 | 187,311 | 692,519 | 85,666 | 98,513 |
| My Agência de Propaganda Ltda. | 11,455 | 1,029 | 4,560 | 988 | 1,003 |
| Simple Organic Beauty S.A. | 68,290 | 24,725 | 161,165 | 11,688 | 6,271 |
| Mantecorp Participações S.A. | 323,978 | - | - | 47,726 | 47,726 |
| Bio Brands Franchising Gestão de Marcas Ltda. | 52,884 | 5,564 | 20,123 | (286) | (3,065) |

(*) This refers to the net income (loss) for the period, adjusted for transactions between the investor and its investees.

## b. Equity accounting by the parent company

| | **Number of shares and quotas** | **Adjusted equity at September 30, 2024** | **Ownership %** | **Equity accounting at September 30, 2024** | **Balance of the investment at September 30, 2024** | **Equity accounting at September 30, 2023** | **Balance of the investment at December 31, 2023** |
|---|---|---|---|---|---|---|---|
| Cosmed Indústria de Cosméticos e Medicamentos S.A. | 2,662,160,135 | 1,282,256 | 100% | 91,655 | 1,282,256 | 52,131 | 1,189,210 |
| My Agência de Propaganda Ltda. | 22,467,862 | 10,702 | 100% | 262 | 10,702 | 715 | 10,440 |
| Brainfarma Indústria Química e Farmacêutica S.A. | 1,334,826,628 | 5,368,234 | 93.50% | 289,281 | 5,019,299 | 230,310 | 4,499,835 |
| Simple Organic Beauty S.A. | 142,833 | 48,235 | 64.93% | (18,119) | 31,319 | 1,745 | 45,915 |
| Drogarias Online Agência de Farmácias S.A. | - | - | - | - | - | (298) | - |
| Bio Brands Franchising Gestão de Marcas Ltda. | 60,272,454 | 120,300 | 100% | (11,155) | 120,300 | 170 | 115,509 |
| Mantecorp Participações S.A. | 275,300,100 | 327,743 | 100% | 3,643 | 327,743 | 48,326 | 323,920 |
| Bionovis S.A. | 24,881,265 | 394,501 | 25% | 13,353 | 98,625 | 9,127 | 80,477 |
| MGF Farmácia Magistral Ltda. | - | - | - | - | - | (282) | - |
| | | | | 368,920 | 6,890,244 | 341,944 | 6,265,306 |

# 16 Property, plant and equipment

## Parent company

| **Own assets** | **Balances at January 1, 2024** | **Additions** | **Write-off** | **Depreciation** | **Transfer** | **Balances at September 30, 2024** |
|---|---|---|---|---|---|---|
| Land | 4,990 | - | - | - | - | 4,990 |
| Buildings and improvements | 11,070 | - | - | (1,741) | 9,080 | 18,409 |
| Machinery, equipment and facilities | 73,337 | 2,284 | (261) | (4,327) | 616 | 71,649 |
| Vehicles | 93 | - | - | - | - | 93 |
| Furniture and fixtures | 20,574 | 2,787 | - | (973) | - | 22,388 |
| Other | 2,671 | 47 | - | (459) | - | 2,259 |
| **Total in operation** | 112,735 | 5,118 | (261) | (7,500) | 9,696 | 119,788 |
| Construction in progress | 31,615 | 6,960 | - | - | (9,662) | 28,913 |
| **Property, plant and equipment** | 144,350 | 12,078 | (261) | (7,500) | 34 | 148,701 |

| Right-of-use assets - leases | Balances at January 1, 2024 | Additions | Write-off | Amortization | Transfer | Balances at September 30, 2024 |
|---|---|---|---|---|---|---|
| Buildings and improvements | 57,487 | 408 | - | (8,510) | - | 49,385 |
| Machinery, equipment and facilities | 19,726 | 13,560 | (72) | (9,197) | - | 24,017 |
| Vehicles | 77,378 | 26,908 | (14,138) | (31,130) | - | 59,018 |
| **Leases** | 154,591 | 40,876 | (14,210) | (48,837) | - | 132,420 |
| | | | | | | |
| **Total PP&E** | 298,941 | 52,954 | (14,471) | (56,337) | 34 | 281,121 |

## Consolidated

| Own assets | Balances at January 1, 2024 | Additions | Write-off | Depreciation | Transfer | Balances at September 30, 2024 |
|---|---|---|---|---|---|---|
| Land | 262,969 | - | - | - | - | 262,969 |
| Buildings and improvements | 421,682 | 1,252 | - | (14,784) | 26,511 | 434,661 |
| Machinery, equipment and facilities | 1,757,439 | 112,159 | (9,756) | (60,385) | 123,200 | 1,922,657 |
| Vehicles | 2,709 | - | (195) | (866) | - | 1,648 |
| Furniture and fixtures | 95,330 | 5,925 | (2) | (2,220) | (51,938) | 47,095 |
| Other | 78,022 | 17,386 | (196) | (15,520) | 1,960 | 81,652 |
| **Total in operation** | 2,618,151 | 136,722 | (10,149) | (93,775) | 99,733 | 2,750,682 |
| Construction in progress | 719,678 | 173,966 | (2,544) | - | (99,456) | 791,644 |
| **Property, plant and equipment** | 3,337,829 | 310,688 | (12,693) | (93,775) | 277 | 3,542,326 |

| Right-of-use assets - leases | Balances at January 1, 2024 | Additions | Write-off | Amortization | Transfer | Balances at September 30, 2024 |
|---|---|---|---|---|---|---|
| Buildings and improvements | 101,922 | 5,437 | - | (12,040) | - | 95,319 |
| Machinery, equipment and facilities | 22,359 | 15,549 | (91) | (10,492) | - | 27,325 |
| Vehicles | 85,930 | 28,622 | (14,613) | (34,145) | - | 65,794 |
| **Leases** | 210,211 | 49,608 | (14,704) | (56,677) | - | 188,438 |
| | | | | | | |
| **Total PP&E** | 3,548,040 | 360,296 | (27,397) | (150,452) | 277 | 3,730,764 |

# 17 Intangible assets

## a) Balance composition

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | September 30, 2024 | December 31, 2023 | September 30, 2024 | December 31, 2023 |
| **Goodwill in non-merged companies** | | | | |
| Simple Organic Beauty S.A. | - | - | 13,924 | 12,677 |
| Bio Brands Franchising Gestão de Marcas Ltda. | - | - | 43,257 | 43,257 |
| Neolatina Comércio e Indústria Farmacêutica S.A. | - | - | 12,204 | 12,204 |
| **Goodwill on acquisitions of investments in merged companies** | | | | |
| Mantecorp Indústria Química Farmacêutica S.A. | 1,798,470 | 1,798,470 | 1,798,470 | 1,798,470 |
| Darwin Prestação de Serviços de Marketing Ltda. | 2,945,156 | 2,945,156 | 2,945,156 | 2945156 |
| Laboratório Neo Química Comércio e Indústria S.A. | 967,154 | 967,154 | 967,154 | 967,154 |
| DM Indústria Farmacêutica Ltda. | 743,029 | 743,029 | 743,029 | 743,029 |
| Farmasa - Laboratório Americano de Farmacoterapia S.A. | 666,808 | 666,808 | 666,808 | 666,808 |
| Amazon Distribuidora de Medicamentos e Produtos Cosméticos Ltda. | 52,614 | 52,614 | 52,614 | 52,614 |
| Luper Indústria Farmacêutica Ltda. | 45,917 | 45,917 | 45,917 | 45,917 |
| Barrenne Indústria Farmacêutica Ltda. | 33,955 | 33,955 | 33,955 | 33,955 |
| Finn Administradora de Marcas Ltda. | 17,857 | 17,857 | 17,857 | 17,857 |
| | 7,270,960 | 7,270,960 | 7,340,345 | 7,339,098 |
| Trademarks and patents | 2,705,312 | 2,707,791 | 2,726,387 | 2,728,871 |
| Rights of use and software | 83,181 | 74,452 | 182,023 | 152,522 |
| Product development | 5,629 | 5,701 | 323,458 | 372,792 |
| Intangible assets in progress | 20,442 | 3,796 | 1,105,852 | 838,557 |
| | 10,085,524 | 10,062,700 | 11,678,065 | 11,431,840 |

Goodwill is measured as the surplus of the fair value of the consideration transferred in relation to the net assets acquired, and is based mainly on the future profitability, supported by appraisal reports prepared by a specialized company, using the cash flow method, discounted to its present value. The discount rates used for the calculations were based on the weighted average cost of capital (WACC).

## b) Changes to the balances

## Parent company

| | Balances at January 1, 2024 | Additions | Write-off | Amortization | Transfer | Balances at September 30, 2024 |
|---|---|---|---|---|---|---|
| Rights of use and trademarks | 2,707,791 | - | - | (2,479) | - | 2,705,312 |
| Rights of use and software | 74,452 | 26,821 | - | (18,058) | (34) | 83,181 |
| Product development | 5,701 | 500 | - | (572) | - | 5,629 |
| Goodwill | 7,270,960 | - | - | - | - | 7,270,960 |
| **Total in operation** | 10,058,904 | 27,321 | - | (21,109) | (34) | 10,065,082 |
| Intangible assets in progress | 3,796 | 16,646 | - | - | - | 20,442 |
| **Total** | 10,062,700 | 43,967 | - | (21,109) | (34) | 10,085,524 |

## Consolidated

| | Balances at January 1, 2024 | Additions | Write-off | Amortization | Transfer | Balances at September 30, 2024 |
|---|---|---|---|---|---|---|
| Rights of use and trademarks | 2,728,871 | - | - | (2,484) | - | 2,726,387 |
| Rights of use and software | 152,522 | 34,335 | - | (31,471) | 26,637 | 182,023 |
| Product development | 304,299 | 12,415 | (5,461) | (17,975) | 30,180 | 323,458 |
| Goodwill | 7,339,098 | 1,247 | - | - | | 7,340,345 |
| **Total in operation** | 10,524,790 | 47,997 | (5,461) | (51,930) | 56,817 | 10,572,213 |
| Intangible assets in progress | 907,050 | 260,796 | (4,900) | | (57,094) | 1,105,852 |
| **Total** | 11,431,840 | 308,793 | (10,361) | (51,930) | (277) | 11,678,065 |

### c) Impairment of assets

The Company tests the impairment of its intangible assets with indefinite useful lives on an annual basis, or more often when there are indications that the value may not be recoverable. These assets mainly represent the portion of goodwill relating to expected future income, and trademarks arising from business combinations.

In connection with the annual impairment testing of these assets, which will be realized on December 31, 2024, the Company performs stress tests to identify whether there is any need to record an impairment loss. Considering the performance of the Company's operations up to the date of approval of this quarterly information and the results of the stress testing, management concluded that there are no indications of impairment that require additional testing.

# 18 Suppliers

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | September 30, 2024 | December 31, 2023 | September 30, 2024 | December 31, 2023 |
| Domestic suppliers | 12,135 | 8,551 | 354,372 | 363,706 |
| Foreign suppliers | 738 | 834 | 20,516 | 25,961 |
| Related party suppliers (Note 28(a)) | 803,478 | 762,588 | - | - |
| | 816,351 | 771,973 | 374,888 | 389,667 |

# 19 Suppliers' assignments of receivables

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | September 30, 2024 | December 31, 2023 | September 30, 2024 | December 31, 2023 |
| Domestic market (drawee risk) | 7,585 | 7,667 | 262,063 | 248,556 |
| Foreign market (forfaiting) | - | - | 144,807 | 171,023 |
| Total suppliers' assignments of receivables | 7,585 | 7,667 | 406,870 | 419,579 |
| Total service providers' assignments of receivables | 7,769 | 6,973 | 30,824 | 28,728 |
| Total assignments of receivables | 15,354 | 14,640 | 437,694 | 448,307 |

Some suppliers have options to assign the Company's receivables, without right of recourse, to financial institutions. Under these transactions, the supplier may see a reduction in its financial costs due to the financial institution taking into consideration the credit risk of the buyer.

At September 30, 2024, the discount rates for assignment operations entered into by the Company's suppliers with financial institutions in the domestic market were between 0.87% and 1.54%, with a weighted average of 0.96% p.m. (at December 31, 2023, these rates were between 1.00% and 1.23%, with a weighted average of 1.13% p.m.).

At September 30, 2024, the discount rates on the assignment operations entered into between the Company's suppliers and financial institutions in the foreign market were between 5.74% and 7.90% p.a. with a weighted average of 6.75% p.a. (at December 31, 2023, these rates were between 6.78% and 8.88% p.a. with a weighted average of 7.76% p.a.).

Therefore, these transactions do not alter the amounts, nature or timing of the respective liabilities (including the terms, prices and conditions previously agreed) and do not affect the Company in terms of financial charges imposed by the financial institution when conducting a thorough analysis of suppliers by category. No guarantees are pledged by the Company.

The payments made by the Company represent purchases of goods and services, which are directly related to the suppliers' invoices and do not affect its cash flow. Accordingly, the Company continues to recognize operational payables to suppliers in the statement of cash flow.

# 20 Loans, financing and debentures

| | | Parent company | | Consolidated | |
|---|---|---|---|---|---|
| | **Nominal rate** | **September 30, 2024** | **December 31, 2023** | **September 30, 2024** | **December 31, 2023** |
| **Foreign currency** | | | | | |
| Loans (i) | USD+SOFR+0.681% to 0.809% p.a. | 696,574 | 622,644 | 696,574 | 622,807 |
| **Local currency** | | | | | |
| Loans | CDI + 1.1% to 2.00% p.a. | 825,645 | 820,385 | 847,652 | 831,806 |
| FCO (i) and (ii) | Fixed rate of 2.50% p.a. | 1,046 | 4,185 | 1,046 | 4,185 |
| Financing (ii) | Fixed rate of 6.00% p.a. | | - | 41 | 133 |
| BNDES | TR + 2.2% p.a. | 95,763 | - | 95,763 | - |
| Debentures (ii) and (iii) | CDI + 0.85% to 2.20% p.a.; IPCA + 6.2790% to 6.4451% p.a. | 8,240,931 | 8,141,237 | 8,240,931 | 8,141,237 |
| Fund for the Financing of Studies and Projects (FINEP) | TJLP of + 1.00% p.a.; TR + 3.3% p.a. | 398,034 | 337,611 | 398,034 | 337,611 |
| | | 10,257,993 | 9,926,062 | 10,280,041 | 9,937,779 |
| Current | | 1,950,298 | 2,108,923 | 1,962,019 | 2,120,539 |
| Non-current | | 8,307,695 | 7,817,139 | 8,318,022 | 7,817,240 |

(i) Contracts containing covenants regarding debt levels, the coverage of interest payments with respect to certain financial indicators (EBITDA and net interest expenses), and a requirement for prior approval from the financial agents for disposals, spin-offs, mergers, amalgamations or any other forms of corporate restructuring. If any of these events occurs without the consent of the lenders, the outstanding balances will have their maturities accelerated. As at December 31, 2023, the Company was in compliance with all of the applicable covenants. The next measurement will be carried out on December 31, 2024.

(ii) An amount of R$ 3,042,260 related to principal and interest on loans, financing and debentures was amortized in the nine-month period.

(iii) The accounting balances of debentures take into account the amounts of their respective swaps.

The breakdown of long-term loans and financing at September 30, 2024, by year of maturity, is as follows:

| | Parent company | Consolidated |
|---|---|---|
| 2025 | 69,331 | 69,331 |
| 2026 | 695,420 | 705,747 |
| 2027 | 61,644 | 61,644 |
| 2028 | 61,644 | 61,644 |
| 2029 | 58,211 | 58,211 |
| 2030 | 20,445 | 20,445 |
| 2031 | 20,445 | 20,445 |
| 2032 | 20,445 | 20,445 |
| 2033 | 58,422 | 58,422 |
| | 1,066,007 | 1,076,334 |

## Debentures

On December 5, 2019, 80,000 non-convertible debentures were issued as part of the 8th public issuance of debentures, in a single series, in the amount of R$ 800,000, with a par value of R$ 10 and interest at 100% of the cumulative variations of the daily average Interbank Deposit (DI) rate, plus a spread of 1.25% p.a. The nominal unit value of the debentures will be amortized in five consecutive semi-annual installments from November 28, 2023, with final maturity on November 28, 2025.

On April 3, 2020, 248,500 non-convertible debentures were issued as part of the 9th public issuance of debentures, in a single series, in the amount of R$ 2,485,000, with a par value of R$ 10, and interest at 100% of the cumulative variations of the daily average DI rate, plus a spread of 1.50% p.a. On May 23, 2024, the Company performed a partial early amortization in the amount of R$ 843,000. The nominal unit value of the debentures will be amortized in six consecutive semi-annual installments, with final maturity on April 3, 2026.

On September 1, 2020, 73,500 non-convertible debentures were issued as part of the 10th public issuance of debentures, in a first and second series, in the amount of R$ 735,000, with a par value of R$ 10 and interest at 100% of the cumulative variations of the daily average DI rate, plus a spread of 1.75% p.a. The nominal unit value of the debentures will be amortized in three consecutive installments from September 1, 2023, with final maturity on September 1, 2025; however, on May 23, 2024, the Company settled the full amount early.

On September 10, 2021, 1,000,000 non-convertible debentures were issued as part of the 11th public issuance of debentures, in a single series, in the amount of R$ 1,000,000, with a par value of R$ 1 and interest at 100% of the cumulative variations of the daily average DI rate, plus a spread of 1.45% p.a. The nominal unit value of the debentures will be amortized in a single installment, with final maturity on September 9, 2026.

On February 4, 2022, 500,000 non-convertible debentures were issued as part of the 12th public issuance of debentures, in a single series, in the amount of R$ 500,000, with a par value of R$ 1, and interest at 100% of the cumulative variations in the daily average DI rate, plus a spread of 1.50% p.a. The nominal unit value of the debentures will be amortized in a single installment, and will be settled on February 4, 2027.

On August 10, 2022, 750,000 non-convertible debentures were issued as part of the 13th issuance of debentures for private placement, in three series, of the unsecured type, in the total amount of R$ 750,000, which will back up the issuance of real estate receivables certificates of the 1st, 2nd and 3rd series of the 59th Issue of True Securitizadora S.A., meaning that 750,000 debentures were issued, with a nominal unit value of R$ 1.

- The 1st series in the amount of R$ 200,000 and with interest at 100% of the cumulative variations of the daily average DI rate, plus a spread of 0.75% p.a.
- The 2nd series in the amount of R$ 397,641, monetarily adjusted by the Amplified Consumer Price Index (IPCA) released by the Brazilian Institute of Geography and Statistics (IBGE) and interest at a rate of 6.2790% p.a.
- The 3rd series in the amount of R$ 152,359, monetarily adjusted by the IPCA, and with interest at a rate of 6.4451% p.a.

The balance of the nominal unit value of the 1st, 2nd and 3rd Series Debentures will be amortized in a single installment, and the three series will be settled on August 16, 2027, August 15, 2029 and August 15, 2032, respectively.

On December 23, 2022, 750,000 non-convertible debentures were issued as part of the 14th public issuance of debentures, in a first and second series, in the amount of R$ 750,000, with a par value of R$ 1 and interest at 100% of the cumulative variations of the daily average DI rate, plus a spread of 1.35% p.a. The nominal unit value of the debentures will be amortized in two consecutive installments, the first on December 14, 2026 and the second on December 14, 2027.

On April 24, 2023, 800,000 non-convertible debentures were issued as part of the 15th public issuance of debentures, in a single series, in the amount of R$ 800,000, with a par value of R$ 1 and interest at 100% of the cumulative variations of the daily average DI rate, plus a spread of 2.20% p.a. The nominal unit value of the debentures will be amortized in two installments, with final maturity on April 25, 2028.

On October 10, 2023, 750,000 non-convertible debentures were issued as part of the 16th public issuance of debentures, in a single series, in the amount of R$ 750,000, with a par value of R$ 1 and interest at 100% of the cumulative variations of the daily average DI rate, plus a spread of 1.35% p.a. The nominal unit value of the debentures will be amortized in two installments, with final maturity on October 10, 2028.

On January 3, 2024, the Company carried out the 17th issuance of non-convertible simple debentures, of the unsecured type, in a single series, for public distribution, with automatic registration of distribution (the "Issuance"), totaling R$ 600,000, with a firm guarantee of placement of the total debentures issued, and interest corresponding to 100% of the accumulated variations of the daily average DI rate, plus a spread of 1.30% p.a. The nominal unit value of the debentures will be amortized in two consecutive installments, the first on December 15, 2027 and the second on December 15, 2028.

On May 23, 2024, the Company carried out the 18th issuance of non-convertible simple debentures, of the unsecured type, in a single series, for public distribution, with automatic registration of distribution ("Issuance"), totaling R$ 1,500,000, with a firm guarantee of placement of the total debentures issued, and interest corresponding to 100% of the accumulated variations of the daily average DI rate, plus a spread of 0.85% p.a. The nominal unit value of the debentures will be amortized in two installments, the first on May 3, 2028 and the second on May 3, 2029.

## Debentures – Changes

| | 8th Public Issuance Single series | 9th Public Issuance Single series | 10th Public Issuance Single series | 11th Public Issuance Single series | 12th Public Issuance Single series | 13th Public Issuance 1st, 2nd and 3rd Series | 14th Public Issuance 1st and 2nd Series | 15th Public Issuance Single series | 16th Public Issuance Single series | 17th Public Issuance Single series | 18th Public Issuance Single series | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| At January 1, 2024 | 646,112 | 2,130,100 | 682,460 | 1,038,729 | 526,372 | 783,840 | 750,419 | 815,827 | 767,378 | - | - | 8,141,237 |
| Total issuance amount | - | - | - | - | - | - | - | - | - | 600,000 | 1,500,000 | 2,100,000 |
| Costs to be incurred | - | - | - | - | - | - | - | - | - | (2,702) | (1,844) | (4,546) |
| Financial charges | 50,766 | 137,168 | 37,707 | 90,506 | 45,294 | 66,127 | 67,292 | 76,303 | 68,277 | 53,074 | 59,526 | 752,040 |
| Amortization of principal | (160,000) | (1,257,001) | (656,667) | - | - | - | - | - | - | - | - | (2,073,668) |
| Interest paid | (38,355) | (149,954) | (63,500) | (123,620) | (63,371) | (60,374) | (44,739) | (51,975) | (46,044) | (32,200) | - | (674,132) |
| At September 30, 2024 | 498,523 | 860,313 | - | 1,005,615 | 508,295 | 789,593 | 772,972 | 840,155 | 789,611 | 618,172 | 1,557,682 | 8,240,931 |
| Current | 338,569 | 453,349 | - | 6,242 | 8,817 | 4,689 | 24,927 | 42,482 | 41,261 | 19,837 | 59,070 | 999,243 |
| Non-current | 159,954 | 406,964 | - | 999,373 | 499,478 | 784,904 | 748,045 | 797,673 | 748,350 | 598,335 | 1,498,612 | 7,241,688 |
| **Unrealized transaction costs** | 543 | 1,605 | - | 1,217 | 853 | 15,947 | 2,925 | 3,246 | 2,073 | 2,260 | 1,732 | 32,401 |
| Current | 497 | 1,326 | - | 590 | 331 | 2,560 | 969 | 920 | 502 | 512 | 349 | 8,556 |
| Non-current | 46 | 279 | - | 627 | 522 | 13,387 | 1,956 | 2,326 | 1,571 | 1,748 | 1,383 | 23,845 |

Note: Accounting changes do not consider the amounts of swaps

The breakdown of long-term debentures by year of maturity is as follows:

| | September 30, 2024 |
|---|---|
| 2025 | 363,438 |
| 2026 | 1,576,877 |
| 2027 | 2,143,241 |
| 2028 | 1,821,485 |
| 2029 | 1,174,323 |
| 2030 | 54,108 |
| 2031 | 54,108 |
| 2032 | 54,108 |
| | 7,241,688 |

## a. Guarantees for loans and financing at September 30, 2024

| | Parent company | Consolidated |
|---|---|---|
| Letters of guarantee (*) | 493,796 | 493,796 |
| Pledged fixed assets | 1,046 | 1,087 |
| | 494,842 | 494,883 |

(*) Letters of guarantee for the loan from FINEP (Contract 0034/19 and 2170/23) and BNDES (Contract 23.2.0368.1).

## b. Carrying amounts and estimated fair values

The carrying amounts and estimated fair values of loans, financing and debentures are as follow:

| | | Consolidated | | Fair value | |
|---|---|---|---|---|---|
| | **Nominal rate** | **September 30, 2024** | **December 31, 2023** | **September 30, 2024** | **December 31, 2023** |
| **Foreign currency** | | | | | |
| Loans | USD+SOFR+0.681% to 0.809% p.a. | 696,574 | 622,807 | 696,574 | 622,807 |
| **Local currency** | | | | | |
| Loans | CDI + 1.1% to 2.00% p.a. | 847,652 | 831,806 | 847,652 | 831,806 |
| FCO | Fixed rate of 2.50% p.a. | 1,046 | 4,185 | 1,046 | 4,185 |
| Financing | Fixed rate of 6.00% p.a. | 41 | 133 | 41 | 130 |
| BNDES | TR + 2.2% p.a. | 95,763 | - | 95,763 | - |
| Debentures | CDI + 0.85% to 2.20% p.a.; IPCA + 6.2790% to 6.4451% p.a. | 8,240,931 | 8,141,237 | 8,240,931 | 8,141,237 |
| Fund for the Financing of Studies and Projects (FINEP) | TJLP from + 1.00% p.a.; TR + 3.3% p.a. | 398,034 | 337,611 | 398,034 | 337,611 |
| | | 10,280,041 | 9,937,779 | 10,280,041 | 9,937,776 |

The fair values of some current loans are equal to their carrying amounts, since the impact of marking-to-market is not material. The fair values are based on the discounted cash flow, using a market rate ranging from CDI + 0.58% to CDI + 2.35% p.a. (December 31, 2023 – CDI + 0.48% to CDI + 1.92% p.a.).

## c. Reconciliation of changes in equity with cash flow from financing activities

| | | | | | | | | Parent company |
|---|---|---|---|---|---|---|---|---|
| | | | | Liabilities | Derivatives (assets/ liabilities) | | | |
| | **Loans and financing** | **Notes payable** | **Dividends and interest on capital payable** | **Other liabilities** | **Derivative financial instruments (assets)** | **Derivative financial instruments (liabilities)** | **Equity** | **Total** |
| **At January 1, 2024** | **9,926,062** | **24,057** | **696,966** | **410,158** | **(11,841)** | **39,640** | **11,504,124** | **22,589,166** |
| **Changes in cash flow from financing activities** | | | | | | | | |
| Hedges of loans | - | - | - | - | 28,300 | (38,976) | - | (10,676) |
| Loans taken out | 2,330,000 | - | - | - | - | - | - | 2,330,000 |
| Payments of loans - principal | (2,146,562) | - | - | (44,639) | - | - | - | (2,191,201) |
| Payments of loans - interest | (804,646) | - | - | (21,098) | - | - | - | (825,744) |
| Purchases of shares | - | - | - | - | - | - | (55,807) | (55,807) |
| Sales of shares | - | - | - | - | - | - | 13,246 | 13,246 |
| Loans payable | - | - | - | 134 | - | - | - | 134 |
| Dividends paid | - | - | (104,210) | - | - | - | - | (104,210) |
| **Total changes in cash flow from financing activities** | **(621,208)** | **-** | **(104,210)** | **(65,603)** | **28,300** | **(38,976)** | **(42,561)** | **(844,258)** |
| **Other changes** | | | | | | | | |
| Write-offs | - | - | - | (15,865) | - | - | - | (15,865) |
| Additions | - | - | - | 36,336 | - | - | - | 36,336 |
| Leases | - | - | - | 14,873 | - | - | - | 14,873 |
| Proposed dividends | - | - | 554,885 | - | - | - | - | 554,885 |
| Stock options/matching/restricted | - | - | - | - | - | - | 23,653 | 23,653 |
| Accrued interest | 953,139 | 775 | - | 8,980 | (109,993) | (325) | - | 852,576 |
| Loans - acquisitions of subsidiaries | - | (5,275) | - | - | - | - | - | (5,275) |
| Interest on capital | - | - | - | - | - | - | (554,884) | (554,884) |
| Net income for the period | - | - | - | - | - | - | 1,261,432 | 1,261,432 |
| Equity valuation adjustments | - | - | - | - | - | - | 23,026 | 23,026 |
| Other payables | - | - | - | (17,932) | - | - | - | (17,932) |
| **Total other changes related to liabilities** | **953,139** | **(4,500)** | **554,885** | **26,392** | **(109,993)** | **(325)** | **753,227** | **2,172,825** |
| **At September 30, 2024** | **10,257,993** | **19,557** | **1,147,641** | **370,947** | **(93,534)** | **339** | **12,214,790** | **23,917,733** |

Consolidated

| | | | | Liabilities | Derivatives (assets/ liabilities) | | | |
|---|---|---|---|---|---|---|---|---|
| | Loans and financing | Notes payable | Dividends and interest on capital payable | Other liabilities | Derivative financial instruments (assets) | Derivative financial instruments (liabilities) | Equity | Total |
| **At January 1, 2024** | **9,937,779** | **24,057** | **696,966** | **599,610** | **(12,143)** | **55,772** | **11,517,873** | **22,819,914** |
| **Changes in cash flow from financing activities** | | | | | | | | |
| Hedges of loans | - | - | - | - | 29,700 | (40,533) | - | (10,833) |
| Loans taken out | 2,351,000 | - | - | - | - | - | - | 2,351,000 |
| Payments of loans - principal | (2,155,645) | - | - | (56,521) | - | - | - | (2,212,166) |
| Payments of loans - interest | (804,827) | - | - | (25,267) | - | - | - | (830,094) |
| Purchases of shares | - | - | - | - | - | - | (55,807) | (55,807) |
| Sales of shares | - | - | - | - | - | - | 13,246 | 13,246 |
| Dividends paid | - | - | (104,210) | - | - | - | - | (104,210) |
| **Total changes in cash flow from financing activities** | **(609,472)** | **-** | **(104,210)** | **(81,788)** | **29,700** | **(40,533)** | **(42,561)** | **(848,864)** |
| **Other changes** | | | | | | | | |
| Write-offs | - | - | - | (16,370) | - | - | - | (16,370) |
| Additions | - | - | - | 40,969 | - | - | - | 40,969 |
| Leases | - | - | - | 22,880 | - | - | - | 22,880 |
| Proposed dividends | - | - | 554,885 | - | - | - | - | 554,885 |
| Stock options/matching/restricted | - | - | - | - | - | - | 23,653 | 23,653 |
| Accrued interest | 951,734 | 775 | - | 14,961 | (109,992) | (49) | - | 857,429 |
| Loans - acquisitions of subsidiaries | - | (5,275) | - | - | - | - | - | (5,275) |
| Interest on capital | - | - | - | - | - | - | (554,884) | (554,884) |
| Net income for the period | - | - | - | - | - | - | 1,261,432 | 1,261,432 |
| FAV - Supplier hedges | - | - | - | - | (59) | - | - | (59) |
| Supplier hedges - interest paid | - | - | - | - | (2,917) | (14,851) | - | (17,768) |
| Equity valuation adjustments | - | - | - | - | - | - | 23,026 | 23,026 |
| Other payables | - | - | - | (25,705) | - | - | - | (25,705) |
| Interest attributable to non-controlling interests | - | - | - | - | - | - | (7,613) | (7,613) |
| **Total other changes related to liabilities** | **951,734** | **(4,500)** | **554,885** | **36,735** | **(112,968)** | **(14,900)** | **745,614** | **2,156,600** |
| **At September 30, 2024** | **10,280,041** | **19,557** | **1,147,641** | **554,557** | **(95,411)** | **339** | **12,220,926** | **24,127,650** |

# 21 Deferred income and social contribution

## a. Breakdown of deferred tax assets

Deferred tax assets include tax losses carried forward, negative bases of social contribution and temporary differences. These assets are recognized in proportion to the likelihood of the realization of the related tax benefit against the future taxable income. This is based on a study of future realization, using projections of the generation of taxable income from 2024 onward. Tax losses carried forward and negative bases of social contribution mainly result from the tax deductibility of goodwill arising from acquisitions of companies (Note 17), the distribution of interest on capital and the constitution of grants for investments.

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | September 30, 2024 | December 31, 2023 | September 30, 2024 | December 31, 2023 |
| **Deferred tax assets:** | | | | |
| Tax losses carried forward and negative CSLL bases | 3,608,576 | 3,118,255 | 3,917,155 | 3,221,488 |
| Contingencies | 50,219 | 43,590 | 59,800 | 54,966 |
| Expected credit losses | 27,174 | 27,143 | 30,343 | 30,311 |
| Other temporary differences | 86,108 | 201,337 | 244,598 | 380,010 |
| Total deferred tax assets | 3,772,077 | 3,390,325 | 4,251,896 | 3,686,775 |
| (-) Portion of deferred tax assets recoverable through deferred liabilities of the same company payable to the same tax authority (also recoverable against the calculation of current tax) | (2,755,801) | (2,561,499) | (3,086,414) | (2,817,251) |
| **Remaining balance of deferred tax assets** | 1,016,276 | 828,826 | 1,165,482 | 869,524 |

## b. Deferred tax liabilities

This balance mainly consists of deferred income tax and social contribution tax liabilities, arising from temporary differences between the tax basis of goodwill and its book value in the balance sheet, as the goodwill continues to be amortized for tax purposes, but ceased to be amortized in the accounting records from January 1, 2009. This temporary difference may result in amounts being added to the calculation of the taxable income for future years, when the book value of the asset is reduced (due to impairment) or settled, thus making it necessary to record a deferred tax liability.

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | **September 30, 2024** | **December 31, 2023** | **September 30, 2024** | **December 31, 2023** |
| Goodwill | 2,726,797 | 2,534,620 | 2,726,797 | 2,534,620 |
| Fair value of property, plant and equipment - business combinations | 860 | 3,160 | 72,618 | 76,919 |
| Other | 28,144 | 23,719 | 426,774 | 381,464 |
| Total tax debt | 2,755,801 | 2,561,499 | 3,226,189 | 2,993,003 |
| (-) Portion of deferred tax liabilities recoverable through deferred assets of the same company from the same tax authority (also recoverable against the calculation of current tax) | (2,755,801) | (2,561,499) | (3,086,414) | (2,817,251) |
| **Remaining balance of deferred liabilities** | - | - | 139,775 | 175,752 |

## c. Reconciliation of income tax and social contribution expenses – continuing and discontinued operations

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | **September 30, 2024** | **September 30, 2023** | **September 30, 2024** | **September 30, 2023** |
| **Profit before income tax and social contribution** | 1,071,107 | 1,095,909 | 1,135,723 | 1,213,016 |
| Combined rate – % | 34% | 34% | 34% | 34% |
| Income tax and social contribution expenses at the combined rate | (364,177) | (372,610) | (386,024) | (412,396) |
| Equity accounting | 127,587 | 117,626 | 7,189 | 3,610 |
| Government grants | 254,342 | 301,695 | 327,404 | 317,430 |
| Interest on capital declared | 188,661 | 198,664 | 188,661 | 198,664 |
| Interest/indexation in the nature of an indemnity | 1,062 | 6,185 | 1,654 | 7,048 |
| Other permanent additions/exclusions | (17,150) | (6,565) | (22,691) | 15,059 |
| Income tax and social contribution income (expenses) | 190,325 | 244,995 | 116,193 | 129,415 |
| Current | - | - | 2,054 | (5,883) |
| Deferred | 190,325 | 244,995 | 114,139 | 135,298 |
| Discontinued operations | 1,275 | 2,215 | 1,386 | 2,338 |
| Continuing operations | 189,050 | 242,780 | 114,807 | 127,077 |
| | 190,325 | 244,995 | 116,193 | 129,415 |
| | 18% | 22% | 10% | 11% |

# 22 Taxes payable

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | **September 30, 2024** | **December 31, 2023** | **September 30, 2024** | **December 31, 2023** |
| ICMS (value added tax) payable | 19,096 | 17,746 | 75,100 | 66,120 |
| IPI/PIS/COFINS payable | 440 | 608 | 40,385 | 17,623 |
| Other taxes payable | 42,761 | 1,627 | 48,563 | 5,627 |
| | 62,297 | 19,981 | 164,048 | 89,370 |
| Current | 32,564 | 19,981 | 129,432 | 86,565 |
| Non-current | 29,733 | - | 34,616 | 2,805 |

# 23 Other payables

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | **September 30, 2024** | **December 31, 2023** | **September 30, 2024** | **December 31, 2023** |
| Freight payable | 29,644 | 25,069 | 37,723 | 33,094 |
| Services provided | 44,178 | 42,505 | 84,428 | 95,362 |
| Commercial agreements and advertising | 48,760 | 45,182 | 51,110 | 45,182 |
| Revenue to elapse | 30,400 | 30,115 | 31,141 | 31,522 |
| Purchases of fixed assets | 4,126 | 5,835 | 24,313 | 23,954 |
| Lease liabilities (i) | 142,215 | 163,628 | 198,429 | 217,777 |
| Accrued taxes on inventory losses | 2,175 | 2,402 | 16,623 | 15,623 |
| Other | 69,449 | 95,422 | 110,790 | 137,096 |
| | 370,947 | 410,158 | 554,557 | 599,610 |
| Current | 272,595 | 293,770 | 391,186 | 418,705 |
| Non-current | 98,352 | 116,388 | 163,371 | 180,905 |

## (i) Lease liabilities

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | **September 30, 2024** | **December 31, 2023** | **September 30, 2024** | **December 31, 2023** |
| Current | 55,917 | 59,294 | 68,087 | 68,384 |
| Non-current | 86,298 | 104,334 | 130,342 | 149,393 |
| | 142,215 | 163,628 | 198,429 | 217,777 |

The changes in lease liabilities are presented in the table below:

| | Parent company | Consolidated |
|---|---|---|
| At January 1, 2024 | 163,628 | 217,777 |
| Payments of leases – principal | (44,639) | (56,521) |
| Payments of leases – interest | (21,098) | (25,267) |
| Write-offs | (15,865) | (16,370) |
| Additions | 36,336 | 40,969 |
| Remeasurement | 14,873 | 22,880 |
| Accrued interest | 8,980 | 14,961 |
| At September 30, 2024 | 142,215 | 198,429 |

### a. *Maturity of installments*

Leases at September 30, 2024 can be broken down by year of maturity, as follow:

| | Parent company | Consolidated |
|---|---|---|
| Up to 2 years | 30,483 | 38,672 |
| 2 to 5 years | 34,625 | 51,537 |
| More than 5 years | 21,190 | 40,133 |
| | 86,298 | 130,342 |

### b. *Tax rights on leases*

The table below shows the potential rights to PIS/COFINS recoverable embedded in the lease payments, based on the periods set out for payment:

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | Nominal | Adjusted to present value | Nominal | Adjusted to present value |
| Lease liabilities | 146,571 | 142,215 | 216,536 | 198,429 |
| Estimated PIS/COFINS | (7,066) | (4,872) | (12,795) | (8,996) |
| | 139,505 | 137,343 | 203,741 | 189,433 |

### c. *Agreements by term and by discount rate*

The Company estimated the discount rates based on the risk-free interest rates available in the Brazilian market for agreements with similar terms. The table below shows the rates used, taking into consideration the terms of the respective leases:

| | Parent company | Consolidated |
|---|---|---|
| Terms | Rate % p.a. | Rate % p.a. |
| Up to 2 years | 12.77% | 12.77% |
| From 2 to 5 years | 11.31% | 11.24% |
| More than 5 years | 11.52% | 11.24% |

The table below shows the comparative balances of the lease liability, rights of use, financial expenses and depreciation, considering the effects of the future inflation rates projected in the flows of the lease agreements, discounted at their nominal rates.

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | September 30, 2024 | December 31, 2023 | September 30, 2024 | December 31, 2023 |
| **Lease liabilities** | | | | |
| Carrying amount - IFRS/CPC 06 (R2) | 142,215 | 163,628 | 198,429 | 217,777 |
| Flow with projected inflation | 150,904 | 173,380 | 210,553 | 230,757 |
| Variation | 6.11% | 5.96% | 6.11% | 5.96% |
| | | | | |
| **Net right of use – closing balance** | | | | |
| Carrying amount - IFRS/CPC 06 (R2) | 132,420 | 154,591 | 188,438 | 210,211 |
| Flow with projected inflation | 140,511 | 163,805 | 199,952 | 222,740 |
| Variation | 6.11% | 5.96% | 6.11% | 5.96% |

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | September 30, 2024 | December 31, 2023 | September 30, 2024 | December 31, 2023 |
| **Financial expenses** | | | | |
| Carrying amount - IFRS/CPC 06 (R2) | (12,401) | (16,956) | (17,265) | (22,357) |
| Flow with projected inflation | (13,159) | (17,967) | (18,320) | (23,689) |
| Variation | 6.11% | 5.96% | 6.11% | 5.96% |
| | | | | |
| **Depreciation expenses** | | | | |
| Carrying amount - IFRS/CPC 06 (R2) | (48,837) | (58,053) | (56,677) | (66,373) |
| Flow with projected inflation | (51,821) | (61,513) | (60,140) | (70,329) |
| Variation | 6.11% | 5.96% | 6.11% | 5.96% |

# 24 Provision for contingencies

At September 30, 2024, the Company had the following provisions for contingencies, as well as the corresponding deposits with the courts related to these contingencies:

| | | | | | | | | Parent company |
|---|---|---|---|---|---|---|---|---|
| | September 30, 2024 | | | | December 31, 2023 | | | |
| | Forecast of likely loss | Contingencies assumed in business combinations | Escrow deposits | Contingencies net of escrow deposits | Forecast of likely loss | Contingencies assumed in business combinations | Escrow deposits | Contingencies net of escrow deposits |
| Civil | 1,437 | 12,315 | - | 13,752 | 1,019 | 11,911 | - | 12,930 |
| Labor | 74,726 | 1 | - | 74,727 | 82,604 | 1 | - | 82,605 |
| Tax | 45,327 | 11,545 | (43,490) | 13,382 | 19,244 | 11,262 | (17,667) | 12,839 |
| Administrative/other | 2,353 | - | - | 2,353 | 2,164 | - | - | 2,164 |
| Liabilities of former owners | 28,599 | - | - | 28,599 | 5,272 | - | - | 5,272 |
| | 152,442 | 23,861 | (43,490) | 132,813 | 110,303 | 23,174 | (17,667) | 115,810 |

| | | | | | | | | Consolidated |
|---|---|---|---|---|---|---|---|---|
| | September 30, 2024 | | | | December 31, 2023 | | | |
| | Forecast of likely loss | Contingencies assumed in business combinations | Escrow deposits | Contingencies net of escrow deposits | Forecast of likely loss | Contingencies assumed in business combinations | Escrow deposits | Contingencies net of escrow deposits |
| Civil | 1,516 | 12,315 | - | 13,831 | 1,806 | 11,911 | - | 13,717 |
| Labor | 77,677 | 1 | - | 77,678 | 85,867 | 1 | - | 85,868 |
| Tax | 66,794 | 11,545 | (64,107) | 14,232 | 44,742 | 11,262 | (42,512) | 13,492 |
| Administrative/other | 6,112 | - | - | 6,112 | 6,085 | - | - | 6,085 |
| Liabilities of former owners | 34,345 | - | - | 34,345 | 8,391 | - | - | 8,391 |
| | 186,444 | 23,861 | (64,107) | 146,198 | 146,891 | 23,174 | (42,512) | 127,553 |

## Changes in contingencies

| | | | | | | Parent company |
|---|---|---|---|---|---|---|
| | December 31, 2023 | Indexation accruals | Additions | Reversals | Payments | September 30, 2024 |
| Civil | 12,930 | 622 | 1,321 | (835) | (286) | 13,752 |
| Labor | 82,605 | 5,633 | 13,292 | (9,220) | (17,583) | 74,727 |
| Tax | 30,506 | 1,868 | 27,318 | (2,820) | - | 56,872 |
| Administrative/other | 2,164 | 205 | 155 | (171) | - | 2,353 |
| Liabilities of former owners | 5,272 | 354 | 24,182 | (1,209) | - | 28,599 |
| | 133,477 | 8,682 | 66,268 | (14,255) | (17,869) | 176,303 |
| | | | | | | |
| Escrow deposits | (17,667) | (849) | (24,974) | - | - | (43,490) |
| | 115,810 | 7,833 | 41,294 | (14,255) | (17,869) | 132,813 |

| | | | | | | Consolidated |
|---|---|---|---|---|---|---|
| | December 31, 2023 | Indexation accruals | Additions | Reversals | Payments | September 30, 2024 |
| Civil | 13,717 | 668 | 1,337 | (1,605) | (286) | 13,831 |
| Labor (a) | 85,868 | 5,799 | 13,915 | (10,038) | (17,866) | 77,678 |
| Tax | 56,004 | 2,765 | 27,613 | (8,043) | - | 78,339 |
| Administrative/other | 6,085 | 464 | 195 | (555) | (77) | 6,112 |
| Liabilities of former owners (b) | 8,391 | 576 | 26,924 | (1,546) | - | 34,345 |
| | 170,065 | 10,272 | 69,984 | (21,787) | (18,229) | 210,305 |
| Escrow deposits | (42,512) | (1,845) | (24,974) | 5,224 | - | (64,107) |
| | 127,553 | 8,427 | 45,010 | (16,563) | (18,229) | 146,198 |

(a) The additions refer to 80 new labor lawsuits, while the reversals refer to 121 labor lawsuits and the payments refer to 60 labor lawsuits.
(b) The additions refer to lawsuits that are the responsibility of the former owners. In these cases, the Company recognizes an obligation to settle the lawsuits, and records an asset to be reimbursed by the former owners when the contingency is paid.

### Possible contingencies

The Company and its subsidiaries are involved in labor, civil, tax and regulatory lawsuits where the current evaluation of the likelihood of success, based on the advice of legal counsel, as well as the legal characteristics of the case, do not require a provision to be recorded, either because the expectation of loss is classified as possible, or due to a contractual exclusion of liability.

| | | Parent company | | Consolidated |
|---|---|---|---|---|
| | September 30, 2024 | December 31, 2023 | September 30, 2024 | December 31, 2023 |
| | Possible loss | Possible loss | Possible loss | Possible loss |
| Civil | 43,526 | 45,033 | 44,638 | 46,454 |
| Labor | 222,560 | 239,122 | 240,786 | 253,249 |
| Tax | 104,144 | 136,951 | 129,068 | 154,955 |
| Administrative/other | 4,246 | 825 | 5,722 | 1,532 |
| Liabilities of former owners | 410,749 | 399,141 | 560,160 | 589,305 |
| | 785,225 | 821,072 | 980,374 | 1,045,495 |

## 25 Share capital

### a. Share capital

On September 30, 2024, the Company was authorized to increase its share capital up to the limit of R$ 11,920,694, in accordance with a provision of its bylaws and a decision by the Board of Directors at the Special General Meeting on April 23, 2024.

The share capital at September 30, 2024 was R$ 9,705,886 (at December 31, 2023 – R$ 4,478,126), represented by 633,420,823 common shares (at December 31, 2023 – 633,420,823).

### b. Treasury shares

The changes in the number of treasury shares are shown in the table below:

| | Number | Amount |
|---|---|---|
| At 12/31/2023 | 512,303 | 20,277 |
| Acquisitions during the period | 1,750,000 | 55,807 |
| Sales during the period | (1,523,749) | (52,783) |
| At 09/30/2024 | 738,554 | 23,301 |

## c. Interest on capital

On January 29, 2024, the Board of Directors approved the payment of interest on capital to the Company’s shareholders, in the amount of R$ 61,552.

On February 19, 2024, the Board of Directors approved the payment of interest on capital to the Company’s shareholders, in the amount of R$ 61,552.

On March 13, 2024, the Board of Directors approved the payment of interest on capital to the Company’s shareholders, in the amount of R$ 61,547.

On April 18, 2024, the Board of Directors approved the payment of interest on capital to the Company’s shareholders, in the amount of R$ 61,552.

On May 20, 2024, the Board of Directors approved the payment of interest on capital to the Company’s shareholders, in the amount of R$ 61,549.

On June 18, 2024, the Board of Directors approved the payment of interest on capital to the Company’s shareholders, in the amount of R$ 61,753.

On July 19, 2024, the Board of Directors approved the payment of interest on capital to the Company’s shareholders, in the amount of R$ 61,791.

On September 18, 2024, the Board of Directors approved the payment of interest on capital to the Company’s shareholders, in the amount of R$ 123,588.

# 26 Revenue

The reconciliation between gross and net revenue is as follows:

| | | | | **Parent company** |
|---|---|---|---|---|
| | **07/01/2024 to 09/30/2024** | **01/01/2024 to 09/30/2024** | **07/01/2023 to 09/30/2023** | **01/01/2023 to 09/30/2023** |
| Gross revenue from products | 2,379,385 | 7,102,556 | 2,527,396 | 7,086,713 |
| Returns | (43,280) | (112,064) | (29,162) | (83,927) |
| Unconditional discounts | (81,272) | (197,726) | (58,615) | (162,440) |
| Net revenue from returns and unconditional discounts | 2,254,833 | 6,792,766 | 2,439,619 | 6,840,346 |
| Promotional discounts | (210,150) | (503,842) | (177,695) | (424,203) |
| Taxes | (101,418) | (294,712) | (98,800) | (283,279) |
| Net revenue | 1,943,265 | 5,994,212 | 2,163,124 | 6,132,864 |

| | | | | **Consolidated** |
|---|---|---|---|---|
| | **07/01/2024 to 09/30/2024** | **01/01/2024 to 09/30/2024** | **07/01/2023 to 09/30/2023** | **01/01/2023 to 09/30/2023** |
| Gross revenue from products | 2,423,814 | 7,251,734 | 2,582,481 | 7,255,342 |
| Returns | (43,363) | (112,995) | (30,566) | (86,943) |
| Unconditional discounts | (82,761) | (202,993) | (66,265) | (192,934) |
| Net revenue from returns and unconditional discounts | 2,297,690 | 6,935,746 | 2,485,650 | 6,975,465 |
| Promotional discounts | (209,890) | (505,345) | (177,799) | (423,282) |
| Taxes | (171,894) | (498,926) | (169,390) | (484,450) |
| Net revenue | 1,915,906 | 5,931,475 | 2,138,461 | 6,067,733 |

The Company does not present its revenue broken down by product line, since essentially: (a) the nature and the economic risk factors of the products are similar; (b) there are no significant distinctions in terms of consumers and customers; (c) the Company only operates in the Brazilian market; and (d) the presentations made to investors regarding different types of products only reflect different go-to-market models. The Company optimizes its operations by seeking synergies between these different models, leveraging a single sell-out structure.

In addition, decisions on the allocation of resources are not made by business segment, but rather individually for each product launched, meaning that assessments of the general performance and operating results are made across all of the products in the portfolio.

# 27 Breakdown of the statement of income accounts

## a. Operating expenses and cost of sales

| | | | | Parent company |
|---|---|---|---|---|
| | **07/01/2024 to 09/30/2024** | **01/01/2024 to 09/30/2024** | **07/01/2023 to 09/30/2023** | **01/01/2023 to 09/30/2023** |
| Cost of sales | (1,004,468) | (2,884,834) | (990,397) | (2,830,993) |
| Raw materials | - | - | - | - |
| Packaging materials | - | - | - | - |
| Labor | - | - | - | - |
| Depreciation and amortization expenses | - | - | - | - |
| Resale | (975,083) | (2,780,112) | (965,411) | (2,736,525) |
| Losses on inventory | (29,385) | (104,722) | (24,986) | (94,468) |
| Changes in inventory/others | - | - | - | - |
| Selling and marketing expenses | (533,127) | (1,448,042) | (500,111) | (1,447,809) |
| Marketing expenses | (343,348) | (921,670) | (325,759) | (939,545) |
| Advertising and consumer promotion | (95,881) | (252,294) | (89,199) | (253,569) |
| Trade deals | (65,242) | (149,600) | (79,612) | (158,175) |
| Market surveys and others | (3,986) | (7,780) | (2,710) | (7,323) |
| Medical visits, promotions, gifts and samples | (178,239) | (511,996) | (154,238) | (520,478) |
| Selling expenses | (189,779) | (526,372) | (174,352) | (508,264) |
| Sales force | (104,268) | (291,297) | (96,494) | (286,766) |
| Freight and logistics expenses | (43,746) | (125,245) | (41,096) | (120,146) |
| Research and development | (6,625) | (16,384) | (6,672) | (19,793) |
| Depreciation and amortization expenses | (12,796) | (39,691) | (12,474) | (34,988) |
| Other expenses | (22,344) | (53,755) | (17,616) | (46,571) |
| General and administrative expenses | (64,383) | (176,344) | (58,860) | (172,604) |
| Payroll and related taxes | (38,570) | (105,957) | (36,913) | (103,146) |
| Services, lawyers, advisors and auditors | (14,314) | (39,049) | (15,355) | (49,855) |
| Depreciation and amortization expenses | (7,596) | (21,069) | (6,953) | (18,029) |
| Other expenses | (3,903) | (10,269) | 361 | (1,574) |

| | | | | Consolidated |
|---|---|---|---|---|
| | **07/01/2024 to 09/30/2024** | **01/01/2024 to 09/30/2024** | **07/01/2023 to 09/30/2023** | **01/01/2023 to 09/30/2023** |
| Cost of sales | (770,192) | (2,336,916) | (784,650) | (2,218,611) |
| Raw materials | (268,888) | (715,072) | (267,805) | (811,773) |
| Packaging materials | (118,186) | (328,230) | (123,258) | (357,279) |
| Labor | (159,166) | (445,302) | (156,008) | (465,342) |
| Depreciation and amortization expenses | (26,532) | (78,646) | (23,375) | (63,921) |
| Resale | (171,291) | (512,595) | (189,977) | (558,436) |
| Losses on inventory | (36,692) | (139,004) | (18,271) | (95,144) |
| Changes in inventory/others | 10,563 | (118,067) | (5,956) | 133,284 |
| Selling and marketing expenses | (596,366) | (1,661,867) | (564,269) | (1,640,493) |
| Marketing expenses | (347,084) | (942,903) | (327,820) | (950,320) |
| Advertising and consumer promotion | (101,542) | (269,161) | (93,729) | (266,799) |
| Trade deals | (65,240) | (149,571) | (79,612) | (158,175) |
| Market surveys and others | (3,986) | (7,780) | (2,710) | (7,323) |
| Medical visits, promotions, gifts and samples | (176,316) | (516,391) | (151,769) | (518,023) |
| Selling expenses | (249,282) | (718,964) | (236,449) | (690,173) |
| Sales force | (108,937) | (307,431) | (101,137) | (299,130) |
| Freight and logistics expenses | (50,736) | (147,508) | (46,542) | (140,432) |
| Research and development | (37,965) | (123,265) | (45,086) | (128,693) |
| Depreciation and amortization expenses | (26,294) | (77,338) | (23,314) | (67,450) |
| Other expenses | (25,350) | (63,422) | (20,370) | (54,468) |

| | | | | |
|---|---|---|---|---|
| General and administrative expenses | (98,281) | (266,058) | (89,168) | (259,906) |
| Payroll and related taxes | (59,120) | (160,074) | (55,258) | (158,085) |
| Services, lawyers, advisors and auditors | (18,446) | (50,197) | (18,864) | (60,062) |
| Depreciation and amortization expenses | (15,026) | (42,553) | (14,351) | (37,006) |
| Other expenses | (5,689) | (13,234) | (695) | (4,753) |

## b. Other operating (expenses) income, net

| | | | | **Parent company** |
|---|---|---|---|---|
| | **07/01/2024 to 09/30/2024** | **01/01/2024 to 09/30/2024** | **07/01/2023 to 09/30/2023** | **01/01/2023 to 09/30/2023** |
| Potential gains (losses) | (3,991) | (32,859) | (20,706) | (25,620) |
| Depreciation and amortization expenses | (280) | (878) | (338) | (1,378) |
| Civil and labor contingencies | (2,136) | (4,384) | (1,366) | (6,880) |
| | (6,407) | (38,121) | (22,410) | (33,878) |

| | | | | **Consolidated** |
|---|---|---|---|---|
| | **07/01/2024 to 09/30/2024** | **01/01/2024 to 09/30/2024** | **07/01/2023 to 09/30/2023** | **01/01/2023 to 09/30/2023** |
| Potential gains (losses) (*) | 26,602 | 88,963 | 25,308 | 54,720 |
| Depreciation and amortization expenses | (1,991) | (7,564) | (264) | (1,153) |
| Civil and labor contingencies | (2,423) | (3,474) | (2,024) | (5,342) |
| | 22,188 | 77,925 | 23,020 | 48,225 |

(*) Refers mainly to income tax and social contribution credits from prior periods.

## c. Financial income

| | | | | **Parent company** |
|---|---|---|---|---|
| | **07/01/2024 to 09/30/2024** | **01/01/2024 to 09/30/2024** | **07/01/2023 to 09/30/2023** | **01/01/2023 to 09/30/2023** |
| Interest income | 6,896 | 22,488 | 9,743 | 40,264 |
| Income from financial investments and others | 51,541 | 163,644 | 44,399 | 123,568 |
| | 58,437 | 186,132 | 54,142 | 163,832 |

| | | | | **Consolidated** |
|---|---|---|---|---|
| | **07/01/2024 to 09/30/2024** | **01/01/2024 to 09/30/2024** | **07/01/2023 to 09/30/2023** | **01/01/2023 to 09/30/2023** |
| Interest income | 8,899 | 28,268 | 10,858 | 46,722 |
| Income from financial investments and others | 61,172 | 186,866 | 51,326 | 137,640 |
| | 70,071 | 215,134 | 62,184 | 184,362 |

## d. Financial expenses

| | | | | **Parent company** |
|---|---|---|---|---|
| | **07/01/2024 to 09/30/2024** | **01/01/2024 to 09/30/2024** | **07/01/2023 to 09/30/2023** | **01/01/2023 to 09/30/2023** |
| Interest on financing | (7,407) | (19,757) | (4,666) | (15,183) |
| Interest on borrowing | (45,178) | (130,586) | (59,132) | (178,891) |
| Interest on notes payable | (240) | (679) | (391) | (1,073) |
| Indexation accruals on contingencies | (2,466) | (8,328) | (2,687) | (9,919) |
| REFIS (financing of tax liabilities) | (30) | (50) | (22) | (92) |
| Debentures | (231,627) | (712,439) | (275,952) | (794,716) |
| Interest and commission on letters of guarantee | (1,534) | (3,609) | (1,116) | (3,733) |
| Bank expenses, discounts granted and others | (13,238) | (44,868) | (10,486) | (38,970) |
| Cost of hedges and exchange variations on loans | 1,754 | 3,475 | (23) | (780) |
| Cost of hedges and exchange variations on suppliers | 22 | (161) | (28) | (21) |
| Reversals of present value adjustments | (4,048) | (12,401) | (4,544) | (12,484) |
| Capitalized interest | 1,430 | 3,967 | 849 | 2,630 |
| Other | (1,268) | (2,534) | (503) | (2,034) |
| | (303,830) | (927,970) | (358,701) | (1,055,266) |

| | | | | Consolidated |
|---|---|---|---|---|
| | **07/01/2024 to 09/30/2024** | **01/01/2024 to 09/30/2024** | **07/01/2023 to 09/30/2023** | **01/01/2023 to 09/30/2023** |
| Interest on financing | (7,408) | (19,761) | (4,679) | (15,306) |
| Interest on borrowing | (45,519) | (131,228) | (58,839) | (178,714) |
| Interest on notes payable | (240) | (679) | (391) | (1,073) |
| Indexation accruals on contingencies | (2,839) | (9,696) | (3,030) | (11,770) |
| REFIS (financing of tax liabilities) | (30) | (50) | (22) | (92) |
| Debentures | (231,627) | (712,439) | (275,952) | (794,716) |
| Interest and commission on letters of guarantee | (1,534) | (3,632) | (1,153) | (3,803) |
| Bank expenses, discounts granted and others | (13,288) | (45,212) | (10,169) | (38,445) |
| Cost of hedges and exchange variations on loans | 1,754 | 3,267 | 420 | (337) |
| Cost of hedges and exchange variations on suppliers | 908 | (13,874) | (5,617) | (26,629) |
| Reversals of present value adjustments | (5,585) | (17,265) | (6,048) | (16,344) |
| Capitalized interest | 41,701 | 123,165 | 43,478 | 119,958 |
| Other | (2,982) | (6,961) | (1,685) | (6,672) |
| | (266,689) | (834,365) | (323,687) | (973,943) |

# 28 Related party transactions

The Company is a publicly traded company, with its shares traded on the B3 under a shareholders' agreement entered into on June 23, 2010, and subsequently amended on March 16, 2016, October 24, 2016, July 26, 2017 and June 9, 2020. The main signatories to this agreement are: Mr. João Alves de Queiroz Filho, holding 21.38% of the Company's capital, and Maiorem S.A. de C.V., holding 14.74%. The other signatories hold 0.12% of the Company's share capital, and the remaining 63.76% of the shares are held by various smaller shareholders.

### *Transactions and balances*

The main asset and liability balances, and the transactions between related parties that impacted the results for the year, arise from transactions between the Company and its subsidiaries, which management considers to have been conducted under normal market conditions and over normal timescales for the respective types of transactions.
Loans with related parties are indexed to the CDI, plus a spread.

In commercial relationships with related parties, prices are established based on the characteristics and nature of each transaction. Both Cosmed and Brainfarma manufacture and sell almost their entire production to the Company for sale to the market.

Trading transactions involving the sale and purchase of products, raw materials, the contracting of services and rentals, as well as financial transactions involving loans and fundraising between group companies, are presented below:

- The rental agreement with Brainfarma Indústria Química Farmacêutica S.A. is indexed to the IGPM-FGV and is effective until May 2, 2025, but may be extended as agreed between the parties.

## a. In assets and liabilities

| | | | | Parent company |
|---|---|---|---|---|
| | | | | September 30, 2024 |
| Related parties | Other amounts receivable | Suppliers | Accounts payable | Other amounts payable |
| Cosmed Indústria de Cosméticos e Medicamentos S.A. | - | (137,864) | - | (1,051) |
| My Agência Propaganda Ltda. | 2 | - | - | - |
| Brainfarma Ind. Quim. e Farmacêutica S.A. | 2,218 | (662,105) | (1,641) | - |
| Megatelecom Telecomunicações S.A. | 38 | - | (85) | - |
| Bio Brands Franchising Gestão de Marcas Ltda. | 301 | (3,209) | - | (11) |
| Neolatina Comércio e Indústria Farmacêutica Ltda | | - | - | (69) |
| Simple Organic Beauty S.A. | - | (300) | - | - |
| **Total** | **2,559** | **(803,478)** | **(1,726)** | **(1,131)** |

| | | | | Consolidated |
|---|---|---|---|---|
| | | | | September 30, 2024 |
| Related parties | Other amounts receivable | Suppliers | Accounts payable | Other amounts payable |
| Megatelecom Telecomunicações S.A. | 38 | - | (121) | - |
| **Total** | **38** | **-** | **(121)** | **-** |

| | | | | Parent company |
|---|---|---|---|---|
| | | | | December 31, 2023 |
| Related parties | Other amounts receivable | Suppliers | Accounts payable | Other amounts payable |
| Cosmed Indústria de Cosméticos e Medicamentos S.A. | - | (117,705) | - | (998) |
| My Agência Propaganda Ltda. | 8 | - | - | - |
| Brainfarma Ind. Quim. e Farmacêutica S.A. | 3,045 | (644,883) | (2,476) | - |
| Megatelecom Telecomunicações S.A. | 31 | - | (90) | - |
| **Total** | **3,084** | **(762,588)** | **(2,566)** | **(998)** |

| | | | | Consolidated |
|---|---|---|---|---|
| | | | | December 31, 2023 |
| Related parties | Other amounts receivable | Suppliers | Accounts payable | Other amounts payable |
| Megatelecom Telecomunicações S.A. | 31 | - | (133) | - |
| **Total** | **31** | **-** | **(133)** | **-** |

## b. In income for the period

| | | | | | | | | Parent company |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | September 30, 2024 |
| | Transactions | | Other (expenses)/income | | | | Interest | |
| Related parties | Purchases of goods/products | Rental income | Advertising | Lease amortization | Services provided | Shared expenses | Financial expenses | Financial income |
| Cosmed Indústria de Cosméticos e Medicamentos S.A. | (482,927) | - | - | - | - | (7,885) | - | - |
| My Agência de Propaganda Ltda. | - | 161 | (2,880) | - | - | - | - | - |
| Brainfarma Ind. Quim. e Farmacêutica S.A. | (2,471,295) | 475 | - | (1,748) | - | (54,988) | (85) | - |
| Megatelecom Telecomunicações S.A. | - | 333 | - | - | (400) | - | - | - |
| | **(2,954,222)** | **969** | **(2,880)** | **(1,748)** | **(400)** | **(62,873)** | **(85)** | **-** |

| | | | | | | | | Consolidated |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | September 30, 2024 |
| | Transactions | | Other (expenses)/income | | | | Interest | |
| Related parties | Purchases of goods/products | Rental income | Advertising | Lease amortization | Services provided | Shared expenses | Financial expenses | Financial income |
| Megatelecom Telecomunicações S.A. | - | 333 | - | - | (613) | - | - | - |
| | **-** | **333** | **-** | **-** | **(613)** | **-** | **-** | **-** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | **Parent company** |
| | | | | | | | | **September 30, 2023** |
| | **Transactions** | | | | | **Other (expenses)/income** | | **Interest** |
| **Related parties** | **Purchases of goods/products** | **Rental income** | **Advertising** | **Lease amortization** | **Services provided** | **Shared expenses** | **Financial expenses** | **Financial income** |
| Cosmed Indústria de Cosméticos e Medicamentos S.A. | (527,467) | - | - | - | - | (7,934) | - | - |
| My Agência de Propaganda Ltda. | - | - | (3,420) | - | - | - | - | - |
| TV Serra Dourada Ltda. | - | - | (529) | - | - | - | - | - |
| Brainfarma Ind. Quim. e Farmacêutica S.A. | (2,611,844) | - | - | (1,751) | - | (56,862) | (161) | - |
| Megatelecom Telecomunicações S.A. | - | 324 | - | - | (355) | - | - | - |
| Bio Scientific Indústria de Cosméticos Ltda. | (127) | - | - | - | - | - | - | - |
| João Alves de Queiroz Filho | - | - | - | - | - | - | - | 9,169 |
| | **(3,139,438)** | **324** | **(3,949)** | **(1,751)** | **(355)** | **(64,796)** | **(161)** | **9,169** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | **Consolidated** |
| | | | | | | | | **September 30, 2023** |
| | **Transactions** | | | | | **Other (expenses)/income** | | **Interest** |
| **Related parties** | **Purchases of goods/products** | **Rental income** | **Advertising** | **Lease amortization** | **Services provided** | **Shared expenses** | **Financial expenses** | **Financial income** |
| TV Serra Dourada Ltda. | - | - | (529) | - | - | - | - | - |
| Megatelecom Telecomunicações S.A. | - | 324 | - | - | (445) | - | - | - |
| João Alves de Queiroz Filho | - | - | - | - | - | - | - | 9,567 |
| | **-** | **324** | **(529)** | **-** | **(445)** | **-** | **-** | **9,567** |

### c. Compensation of key management personnel

Key management personnel include the members of the Board of Directors, Supervisory Board, Audit Committee and Statutory Directors. The compensation paid or payable to key management personnel was as follows:

| | **Parent company** | | **Consolidated** | |
|---|---|---|---|---|
| | **September 30, 2024** | **September 30, 2023** | **September 30, 2024** | **September 30, 2023** |
| Salaries and other short-term benefits | 15,582 | 14,376 | 15,582 | 14,376 |
| Board members' fees | 4,845 | 4,328 | 4,845 | 4,328 |
| Share-based payments | 9,770 | 9,501 | 9,770 | 9,501 |
| | 30,197 | 28,205 | 30,197 | 28,205 |

## 29 Other matters

### Accounting impacts related to climate change

The Company maintains manufacturing plants in controlled and industrial locations. The main risks monitored at these plants include those related to the handling of products; the generation of hazardous waste; water consumption; effluent generation; and the emission of Greenhouse Gases (GHG). According to the Company's assessment, there are no accounting impacts arising from climate issues.

### Reform of Tax on Consumption

On December 20, 2023, Constitutional Amendment 132 was enacted, establishing a Tax Reform (the "Reform") of taxes on consumption. Some matters, including the rates of new taxes, are still pending regulation through Complementary Laws. Complementary Bills 68 and 108 were introduced by the government to address the matter. Complementary Bill 68 was approved by the Federal House of Representatives and is awaiting analysis by the Senate (it should return to the Federal House of Representatives for a consideration of the proposed adjustments), while Complementary Bill 108 has not yet been voted on by the Federal House of Representatives.

The Reform is based on a VAT model ("dual VAT") that is divided into two jurisdictions, one federal (Contribution on Goods and Services (CBS)) and the other sub-national (Tax on Goods and Services (IBS)), which will replace the existing taxes PIS, COFINS, ICMS and ISS.

A Selective Tax ("IS") was also created, under federal jurisdiction, which will be levied on the production, extraction, sale or import of goods and services which are harmful to health and the environment, under the terms of the Complementary Laws.

There will be a transition period from 2024 to 2032, during which the two tax systems – old and new – will coexist. The impacts of the Reform on the calculation of the abovementioned taxes, from the beginning of the transition period, will only be fully known following the full regulation of the outstanding matters by the Complementary Laws. As such, the Reform did not result in any impact on the financial statements at September 30, 2024.