

Eurofarma Laboratórios S.A.

**Individual and consolidated quarterly
information at March 31, 2024**

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Eurofarma Laboratórios S.A.

Balance sheets at March 31, 2024 and December 31, 2023

(In thousands of Brazilian reais)

	Note	Parent Company		Consolidated			Note	Parent Company		Consolidated	
		03/31/2024	12/31/2023	03/31/2024	12/31/2023			03/31/2024	12/31/2023		
ASSETS						LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT						CURRENT					
Cash and cash equivalents	5	1,592,925	1,297,420	2,064,004	1,660,644	Suppliers	16a	464,058	551,194	803,599	812,810
Accounts receivable from customers	6a	1,462,771	1,293,641	2,267,309	2,015,909	Derivative financial instruments	28f	97,980	95,224	97,980	95,224
Inventories	8a	1,301,752	1,377,668	2,233,315	2,320,024	Loans and financing	18	1,839,566	1,582,609	1,839,566	1,582,609
Current tax assets	9a	40,874	62,706	102,238	108,880	Debentures	19	216,336	2,407,908	216,336	2,407,908
Recoverable income tax and social contribution	10a	191,425	194,371	222,651	223,782	Right-of-use lease liability	14b	106,012	89,408	159,688	142,810
Advance for future capital increase	20a	29,282	7,958	9	9	Salaries, provisions and social contributions	17	298,851	291,179	400,207	395,805
Other accounts receivable	7	30,252	53,940	70,657	101,370	Income tax and social contribution payable	10a	78,977	-	127,120	37,116
Total current assets		4,649,281	4,287,704	6,960,183	6,430,618	Current tax liabilities	9b	39,652	25,945	63,555	39,464
NON-CURRENT						NON-CURRENT					
Accounts receivable from customers	6a	4,956	5,428	4,956	5,428	Employee profit sharing	23	111,733	128,132	167,455	185,737
Securities	12	16,566	11,462	46,593	40,124	Dividends and Interest on Equity payable	22b	405,011	422,458	407,919	425,365
Current tax assets	9a	2,937	3,181	2,945	3,190	Leases payable		226	1,247	226	1,247
Deferred tax assets	10b	114,382	83,342	263,962	236,132	Anticipation of dividends from subsidiaries	20a	-	201	-	201
Judicial deposits	21a	30,718	28,948	40,999	39,146	Other accounts payable	16b	107,757	92,226	304,924	264,005
Other accounts receivable	7	-	-	13,386	473	Total current liabilities		3,766,159	5,687,731	4,588,575	6,390,301
Total long-term realizable		169,559	132,361	372,841	324,493	NON-CURRENT					
Investments	11	5,580,494	5,441,277	92,036	94,812	Derivative financial instruments	28f	11,317	43,922	11,317	43,922
Property, Plant and Equipment	13	2,320,983	2,197,447	2,717,785	2,578,425	Loans and financing	18	2,052,962	2,355,106	2,052,962	2,355,106
Right-of-use leases	14a	558,902	490,733	711,601	653,362	Debentures	19	4,329,236	1,692,561	4,329,236	1,692,561
Intangible Assets	15	1,769,272	1,753,801	5,336,730	5,231,438	Right-of-use lease liability	14b	477,417	421,154	584,204	537,881
Total non-current assets		10,399,210	10,015,619	9,230,993	8,882,530	Deferred tax liabilities	10b	-	-	10,344	7,579
TOTAL ASSETS		15,048,491	14,303,323	16,191,176	15,313,148	Provision for contingencies	21a	51,383	57,913	101,532	103,087
						SHAREHOLDERS' EQUITY					
						Share capital					
						Capital reserve					
						Profit reserve					
						Equity valuation adjustments					
						Accumulated Profits					
						Equity attributable to controlling shareholders					
						Share of non-controlling shareholders					
						Total shareholders' equity					
						TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					

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

Eurofarma Laboratórios S.A.

Income statements

Periods ended March 31, 2024 and 2023

(in thousands of Brazilian reais, except earnings per share)

	Note	Parent Company		Consolidated	
		03/31/2024	03/31/2023	03/31/2024	03/31/2023
Net revenue	24a	2,001,268	1,800,361	2,830,633	2,430,944
Cost of products sold	25	<u>(676,726)</u>	<u>(623,607)</u>	<u>(944,366)</u>	<u>(795,025)</u>
Gross profit		<u>1,324,542</u>	<u>1,176,754</u>	<u>1,886,267</u>	<u>1,635,919</u>
Sales expenses	25	(587,697)	(504,157)	(918,011)	(731,067)
Administrative expenses	25	(232,776)	(182,711)	(391,192)	(292,965)
Impairment of accounts receivable		(5,547)	(3,792)	(7,737)	(3,890)
Other revenue	26	4,301	9,984	9,435	13,591
Other expenses	26	<u>(2,460)</u>	<u>(1,717)</u>	<u>(2,785)</u>	<u>(1,733)</u>
Result before net financial expenses and taxes		<u>500,363</u>	<u>494,361</u>	<u>575,977</u>	<u>619,855</u>
Financial income	27a	48,704	39,425	59,668	53,481
Financial expenses	27b	<u>(309,941)</u>	<u>(170,943)</u>	<u>(321,002)</u>	<u>(183,862)</u>
Financial expenses, net		<u>(261,237)</u>	<u>(131,518)</u>	<u>(261,334)</u>	<u>(130,381)</u>
Equity income	11a and 11b	<u>22,706</u>	<u>61,266</u>	<u>(898)</u>	<u>(1,271)</u>
Result before income tax and social contribution		<u>261,832</u>	<u>424,109</u>	<u>313,745</u>	<u>488,203</u>
Current income and social contribution taxes	10a	(110,242)	(133,340)	(157,307)	(178,007)
Deferred income tax and social contribution	10a	<u>24,732</u>	<u>33,033</u>	<u>20,230</u>	<u>40,812</u>
Net income for the period		<u>176,322</u>	<u>323,802</u>	<u>176,668</u>	<u>351,008</u>
Result attributed to:					
Controlling shareholders		176,322	323,802	176,322	323,802
Non-controlling shareholders		-	-	346	27,206
Basic and diluted earnings per share					
Basic earnings per share	22d			0.1785	0.3279
Diluted earnings per share	22d			0.1785	0.3279

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

Eurofarma Laboratórios S.A.

Comprehensive income statements

Periods ended March 31, 2024 and 2023

(In thousands of Brazilian reais)

	Parent Company		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Net income for the period	<u>176,322</u>	<u>323,802</u>	<u>176,668</u>	<u>351,008</u>
Items that will be or may be reclassified for the result				
Comprehensive income				
Exchange variation in foreign investees	151,231	(4,653)	164,690	(20,736)
Cash flow hedge - effective portion of changes in fair value	(18,549)	(14,017)	(18,549)	(14,017)
Income tax and social contribution on other comprehensive income	<u>6,307</u>	<u>4,766</u>	<u>6,307</u>	<u>4,766</u>
Total comprehensive result	<u>315,311</u>	<u>309,898</u>	<u>329,116</u>	<u>321,021</u>
Comprehensive result attributable to:				
Controlling shareholders			315,311	309,898
Non-controlling shareholders			13,805	11,123

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

Eurofarma Laboratórios S.A.

Statements of changes in shareholders' equity

For the period ended March 31, 2024 and the year 2023

(In thousands of Brazilian reais)

	Attributable to controlling shareholders										
	Share capital	Profit reserves			Equity valuation adjustments		Capital reserve			Share of non-controlling shareholders	Shareholders' equity total
		Legal Reserve	Retained earnings	Tax incentive reserve	Hedge reserve	Assessment adjustment adjustments	Accumulated profits	Capital transactions among shareholders	Total		
BALANCES ON DECEMBER 31, 2022	<u>1,203,878</u>	<u>240,775</u>	<u>1,275,028</u>	<u>1,011,886</u>	<u>-</u>	<u>148,935</u>	<u>-</u>	<u>(8,598)</u>	<u>3,871,904</u>	<u>55,619</u>	<u>3,927,523</u>
Net income for the year	-	-	-	-	-	-	323,802	-	323,802	27,206	351,008
Other comprehensive income											
Exchange variation in foreign investees	-	-	-	-	-	(4,653)	-	-	(4,653)	(16,083)	(20,736)
Hedging gains and losses	-	-	-	-	(9,251)	-	-	-	(9,251)	-	(9,251)
Total comprehensive income for the year, net of taxes	-	-	-	-	(9,251)	(4,653)	-	-	(13,904)	(16,083)	(29,987)
BALANCES ON MARCH 31, 2023	<u>1,203,878</u>	<u>240,775</u>	<u>1,275,028</u>	<u>1,011,886</u>	<u>(9,251)</u>	<u>144,282</u>	<u>323,802</u>	<u>(8,598)</u>	<u>4,181,802</u>	<u>66,742</u>	<u>4,248,544</u>
BALANCES ON DECEMBER 31, 2023	<u>1,203,878</u>	<u>240,775</u>	<u>1,253,882</u>	<u>1,325,966</u>	<u>(16,241)</u>	<u>33,861</u>	<u>-</u>	<u>(8,598)</u>	<u>4,033,523</u>	<u>73,176</u>	<u>4,106,699</u>
Net income for the period	-	-	-	-	-	-	176,322	-	176,322	346	176,668
Other comprehensive income											
Exchange variation in foreign investees	-	-	-	-	-	151,231	-	-	151,231	13,459	164,690
Hedging gains and losses	-	-	-	-	(12,242)	-	-	-	(12,242)	-	(12,242)
Total comprehensive income for the period, net of taxes	-	-	-	-	(12,242)	151,231	-	-	138,989	13,459	152,448
BALANCES ON MARCH 31, 2024	<u>1,203,878</u>	<u>240,775</u>	<u>1,253,882</u>	<u>1,325,966</u>	<u>(28,483)</u>	<u>185,092</u>	<u>176,322</u>	<u>(8,598)</u>	<u>4,348,834</u>	<u>86,981</u>	<u>4,435,815</u>

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

Eurofarma Laboratórios S.A.

Cash flow statements

For the periods ended March 31, 2024 and for 2023

(In thousands of Brazilian reais)

	Note	Parent Company		Consolidated	
		03/31/2024	03/31/2023	03/31/2024	03/31/2023
Cash flow from operating activities					
Earnings before income tax and social contribution		261,832	424,109	313,745	488,203
Adjustments to reconcile profit before income tax and social contribution with the cash flow generated by operating activities:					
Depreciation and amortization	13 and 15	36,391	20,881	52,678	30,572
Depreciation right-of-use lease	14a	30,790	26,327	42,039	38,459
Amortization of asset capital gains	11a	28	681	-	-
Equity income	11 a and b	(22,706)	(61,266)	898	1,271
Financial charges and exchange variation on loans and financing and other liabilities		297,102	145,486	303,750	151,440
Net income from property, plant and equipment and intangible assets written off	13 and 15	631	10,115	3,347	11,403
Net income from the write-off of assets due to right-of-use	14	198	107	197	(104)
Impairment of accounts receivable	6b	5,547	3,792	7,737	3,890
Constitution (reversal) of provision for impairment of inventories	8b	4,608	1,185	24,151	(3,901)
Provision for contingencies	20	3,498	8,120	9,310	5,985
Loss (gain) on investments	11 a and b	384	234	315	-
Loss (gain) on fair value of derivative financial instruments	28f	(48,398)	-	(48,398)	-
Loss (gain) on securities	12c	2,405	-	2,469	-
		572,310	579,771	712,238	727,218
Decrease (increase) of operating assets:					
Accounts receivable from customers		(167,204)	(102,543)	(254,232)	(208,713)
Inventories		71,308	(63,947)	62,558	(152,763)
Current tax assets and recoverable taxes and contributions		29,502	(874)	12,748	(2,937)
Deposits for resources		(1,233)	229	(1,282)	2,053
Other accounts receivable		3,008	(13,041)	17,802	13,455
Securities		-	(685)	-	(391)
Increase (decrease) of operating liabilities:					
Suppliers		(92,289)	12,931	(16,183)	70,432
Current tax liabilities and recoverable taxes and contributions		8,627	10,755	34,176	9,885
Salaries, provisions and social charges		(8,727)	(34,953)	(13,880)	(48,755)
Dividends payable		(1,159)	-	(1,158)	-
Other accounts payable		46,137	(1,829)	63,847	25,756
Contingencies paid	21	(10,028)	(11,141)	(10,865)	(11,909)
Cash generated from operating activities		450,252	374,673	605,769	423,331
Income tax and social contribution paid		(26,511)	(57,329)	(76,256)	(106,048)
Net cash flow from operating activities		423,741	317,344	529,513	317,283
Cash flow from activities and investment					
Investment acquisition	11	-	(21,544)	(4,571)	(8,555)
Acquisition of property, plant and equipment and intangible assets	13 and 15	(208,082)	(153,654)	(212,610)	(173,851)
Dividends received	20d	27,934	20,000	-	-
Cash flow used in investment activities		(180,148)	(155,198)	(217,181)	(182,406)
Cash flow from financing activities					
Raising loans and financing	18	-	693,586	-	693,586
Raising of debentures	19	2,983,166	-	2,983,166	-
Payments on loans and financing from related parties	18	(1,351)	(390)	(1,351)	(390)
Receiving loans with related parties	18	-	439	-	-
Payment of loans and financing (principal and interest)	18	(184,000)	(46,690)	(184,000)	(46,690)
Debenture payment (principal and interest)	19	(2,688,441)	(74,713)	(2,688,441)	(74,713)
Payment right-of-use leases	13b	(40,120)	(33,469)	(53,399)	(46,636)
Payment of leases		(1,055)	(1,852)	(1,055)	(7,764)
Dividends and interest on net equity paid		(16,287)	(13,046)	(16,287)	(13,046)
Cash flow from financing activities		51,912	523,865	38,633	504,347

Eurofarma Laboratórios S.A.

Cash flow statements

For the periods ended March 31, 2024 and for 2023

(In thousands of Brazilian reais)

	<u>Parent Company</u>		<u>Consolidated</u>	
Note	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Exchange variation on cash and cash equivalents of foreign subsidiaries	<u>-</u>	<u>-</u>	<u>52,395</u>	<u>(6,364)</u>
Net increase in cash and cash equivalents	<u>295,505</u>	<u>686,011</u>	<u>403,360</u>	<u>632,860</u>
Cash and cash equivalents at the beginning of the period	1,297,420	152,850	1,660,644	542,437
Cash and cash equivalents at the end of the period	<u>1,592,925</u>	<u>838,861</u>	<u>2,064,004</u>	<u>1,175,297</u>
Net increase in cash and cash equivalents	<u>295,505</u>	<u>686,011</u>	<u>403,360</u>	<u>632,860</u>

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

Eurofarma Laboratórios S.A.

Statements of added value

For the periods ended March 31, 2024 and for 2023

(In thousands of Brazilian reais)

	Note	Parent Company		Consolidated	
		03/31/2024	03/31/2023	03/31/2024	03/31/2023
REVENUES					
Sales of goods, products and services	24	2,222,317	2,002,450	3,091,597	2,690,702
Other revenue	26a	4,301	9,984	9,435	13,591
Impairment of accounts receivable	6b	(5,547)	(3,792)	(7,737)	(3,890)
		<u>2,221,071</u>	<u>2,008,642</u>	<u>3,093,295</u>	<u>2,700,403</u>
Inputs purchased from third parties					
Cost of materials, goods, and services sold		(573,127)	(536,186)	(798,729)	(670,293)
Third-party materials, energy, services and others		(230,284)	(214,927)	(444,972)	(337,752)
		<u>(803,411)</u>	<u>(751,113)</u>	<u>(1,243,701)</u>	<u>(1,008,045)</u>
Gross added value		<u>1,417,660</u>	<u>1,257,529</u>	<u>1,849,594</u>	<u>1,692,358</u>
Retentions					
Depreciation and amortization	13, 14 and 15	(67,181)	(47,208)	(94,717)	(68,132)
Net value added produced by the Company		<u>1,350,479</u>	<u>1,210,321</u>	<u>1,754,877</u>	<u>1,624,226</u>
Added value received in transfer					
Equity income	11a	22,706	61,266	(898)	(1,271)
Financial income	26a	48,704	39,425	59,668	53,481
		<u>71,410</u>	<u>100,691</u>	<u>58,770</u>	<u>52,210</u>
Total added value to be distributed		<u>1,421,889</u>	<u>1,311,012</u>	<u>1,813,647</u>	<u>1,676,436</u>
Distribution of added value					
STAFF					
Direct remuneration		393,460	329,410	586,938	492,254
Fringe benefits		63,329	52,062	96,428	76,601
FGTS		30,388	24,103	36,735	29,081
		<u>487,177</u>	<u>405,575</u>	<u>720,101</u>	<u>597,936</u>
TAXES, FEES AND CONTRIBUTIONS					
Federal		278,818	255,465	405,814	361,990
State		151,019	140,428	161,502	160,354
Municipal		573	562	976	1,368
		<u>430,410</u>	<u>396,455</u>	<u>568,292</u>	<u>523,712</u>
REMUNERATION OF THIRD-PARTY CAPITAL					
Interest		309,941	170,943	321,002	183,862
Rents		15,579	11,836	24,799	18,148
Other		2,460	2,401	2,785	1,770
		<u>327,980</u>	<u>185,180</u>	<u>348,586</u>	<u>203,780</u>
REMUNERATION OF NET EQUITY					
Accumulated profits for the period		176,322	323,802	176,322	323,802
Share of non-controlling shareholders		-	-	346	27,206
		<u>176,322</u>	<u>323,802</u>	<u>176,668</u>	<u>351,008</u>
Distributed added value		<u>1,421,889</u>	<u>1,311,012</u>	<u>1,813,647</u>	<u>1,676,436</u>

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

Explanatory notes to the individual and consolidated quarterly information

(In thousands of Brazilian reais)

1 Operational context

Eurofarma Laboratórios S.A. ("Company" or "Parent Company") stands as a wholly Brazilian publicly-held corporation, with its shares not traded on the market. Headquartered at Rodovia Presidente Castelo Branco, 3565, Quadra GL/Lote A - Ingahi - Itapevi - SP, its core mission encompasses the manufacturing, trade, processing, export, and import of pharmaceutical products for both human and veterinary applications. Established in 1972, the Company is guided by its mission "to facilitate access to healthcare and improve the quality of life through affordable treatments. It operates in a manner that ensures sustainable growth while fostering the sharing of value generated with employees and society". The individual and consolidated quarterly information encompass the Company, its subsidiaries, and affiliated entities, collectively referred to as the "Group".

The Group operates across 22 countries and strategically maintains 11 manufacturing plants throughout Latin America. It holds a prominent position in the pharmaceutical market through its various business units, namely Prescription Drugs, Over-the-Counter Drugs, Generics, Hospitals, Bids, Oncology, Outsourcing, and Veterinary Medicine. With a comprehensive portfolio encompassing all medical specialties, the Group is particularly recognized for its expertise in central nervous system, anti-infectious, and hormonal medicines.

As per CPC 22/IFRS 8, the Company does not provide segmented information, as its operations are conducted under a single operational segment, namely pharmaceuticals.

Within Brazil, the parent company Eurofarma Laboratórios S.A. and its subsidiary Momenta Farmacêutica operate four manufacturing units, distributed as follows:

- **Itapevi Unit:** Rodovia Presidente Castelo Branco, Km 35,6, Itaqui Itapevi - SP;
- **Ribeirão Preto Unit:** Avenida Castelo Branco, 1.385, Parque industrial Lagoinha, Ribeirão Preto - SP; and
- **Freguesia do Ó Unit:** Rua Enéias Luís Carlos Barbanti, 216 - Freguesia do Ó, São Paulo - SP.:
- **Rio de Janeiro Unit:** Avenida Canal do Anil. 1263 – Anil, Rio de Janeiro – RJ.

Additionally, the Group holds ownership interests in several companies both domestically and internationally. Abroad, it operates seven manufacturing units across six Latin American countries, namely Argentina, Chile, Colombia, Peru, Uruguay, and Guatemala.

Presently, the Group operates two distribution centers to facilitate its operations. One distribution center is situated in Itapevi - SP, in proximity to the manufacturing unit, while the other is located in the city of Varginha - MG.

The Company's ownership interests include the following companies:

Subsidiaries

	Country	Stake %	
		03/31/2024	12/31/2023
Momenta Farmacêutica Ltda.	Brazil	99.99	99.99
Laboratório Eurofarma de México, Variable Capital Limited Liability Company	Mexico	99.99	99.99
Eurofarma Venezuela Casa Representacion C.A.	Venezuela	99.59	99.59
Eurofarma Colômbia S.A.S.	Colombia	100.00	100.00
Eurofarma Argentina S.A.	Argentina	99.85	99.85
Laboratórios Eurofarma Bolívia S.A.	Bolivia	99.99	99.99
Eurofarma Uruguay S.A.	Uruguay	100.00	100.00
Eurofarma Chile SpA	Chile	99.96	99.96
Eurofarma Peru S.A.C.	Peru	99.36	99.36
Eurofarma Guatemala, Sociedad Anónima	Guatemala	99.99	99.99
Themaxis Limitada	Colombia	95.00	95.00
Eurofarma Paraguay S.A.	Paraguay	99.99	99.99
Eurofarma S.A.	Ecuador	99.99	99.99
Eurofarma Moçambique Lda.	Mozambique	99.00	99.00
Eurofarma Ventures LLC.	USA	100.00	100.00
Neuron Ventures Fundo Investimento em Participações Multiestratégia Investimento no Exterior	Brazil	100.00	100.00
Supera Farma Laboratórios S.A. (i)	Brazil	50.00	50.00
Momenta Farmacêutica S.A.S	Colombia	100.00	100.00
Diplo Participações Ltda.	Brazil	100.00	100.00
Harpy Plus Participações Ltda.	Brazil	100.00	100.00
Eurofarma USA Corp	USA	100.00	100.00
Pearson Saúde Animal S.A.	Brazil	99.99	99.99
Eurofarma Uruguay Zona Franca	Uruguay	100.00	100.00
Longdis S.A.	Brazil	99.51	99.51
Genfar S.A. (i)	Colombia	100.00	100.00
Genfar Desarrollo y Manufatura S.A.	Colombia	100.00	100.00
Genfar Del Ecuador S.A.	Ecuador	100.00	100.00
Genfar Del Peru S.A.C	Peru	99.99	99.99
Pharmaeuro Laboratórios, Ltd.	Angola	90.00	90.00

- (i) Starting from 2019, the company began consolidating the financial statements of Supera Farma Laboratórios S.A., as per the shareholders' agreement executed on January 2, 2019. Through this agreement, the company has obtained operational control, appointing the chairman of the Board of Directors and possessing the decisive vote in the approval of the budget, investment plan, and formulation of commercial policy.

Jointly controlled subsidiaries

	Country	Stake %	
		03/31/2024	12/31/2023
Orygen Biotecnologia Ltda.	Brazil	50.00	50.00
PAI Eurofarma LLC	USA	50.00	50.00

Associates

	Stake %		
	Country	03/31/2024	12/31/2023
Ocean Drop S.A.	Brazil	26.78	26.78
MTM Serviços de Informática S.A.	Brazil	20.00	20.00

2 Basis for preparation

a. Declaration of compliance

The formulation and presentation of the individual and consolidated quarterly information adhere to the guidelines set out in Technical Pronouncement CPC 21 (R1) – Interim Financial Reporting, alongside the international standard IAS 34 – Interim Financial Reporting, sanctioned by the International Accounting Standards Board (IASB). This alignment extends to the regulations outlined by the Brazilian Securities Commission (CVM), governing the preparation of quarterly information.

Management authorized the issuance of the individual and consolidated quarterly information on May 15, 2024.

Only relevant information specifically related to the financial statements, as used by the management in its decision-making, is presented and disclosed.

b. Measurement basis

The individual and consolidated quarterly information has been prepared to update users on relevant events and transactions during the period and should be analyzed in conjunction with the individual and consolidated financial statements for the year ended December 31, 2023, which are available on the Company's website, issued on March 26, 2024. The accounting policies, estimates, and judgments, as well as risk management and measurement methods, are the same as those adopted in the preparation of the last annual financial statements.

3 Using estimates and judgments

In the preparation of the individual and consolidated quarterly information, Management made use of judgments, estimates, and assumptions that impact the application of accounting policies and the reported figures for assets, liabilities, revenues, and expenses. It is important to note that actual results may differ from these estimates.

The estimates and assumptions are regularly reviewed and any revisions to them are recognized on a prospective basis.

a. Judgments

Detailed information regarding the judgments made in the application of accounting policies that have a substantial impact on the recognized amounts in the quarterly information can be found in the following notes:

- **Explanatory Note 11** – equity in investees: determination whether the Group has significant influence over an investee;

- **Explanatory Note 14** – right-of-use lease term: Determination of whether the Group is likely to exercise extension options.

b. Uncertainties about assumptions and estimates

The assessment and determination of accounting estimates and judgements involve ongoing evaluation and rely on past experiences as well as various factors, such as anticipated future events, which are considered reasonable given the prevailing circumstances.

The following notes provide information on uncertainties associated with assumptions and estimates made as of March 31, 2024, that pose a noteworthy risk of leading to a substantial adjustment in the recorded values of assets and liabilities within the upcoming fiscal year:

- **Explanatory Note 8** - The evaluation of inventory impairment provision primarily accounts for factors such as product expiration dates and quality issues that may result in product blockages. This provision is recorded within the cost of goods sold section on the income statement, and inventory values are measured at the lower of cost or net realizable value.
- **Explanatory Note 10.b** – Deferred income tax and social contribution - recognition of deferred tax assets: availability of future taxable income that can be used to offset deductible temporary differences and tax losses.
- **Explanatory Note 13** – Property, plant and equipment - assumptions regarding the determination of the useful life of property, plant and equipment for depreciation purposes;
- **Explanatory Note 21** - Provision for contingencies - recognition and measurement of provisions and contingencies: main assumptions about the likelihood and magnitude of resource outflows;
- **Explanatory Notes 6 and 28** – Impairment of accounts receivable: measurement of expected credit loss for accounts receivable and contractual assets: key assumptions in determining the weighted average loss rate.

4 New standards and interpretations not yet adopted

Several new standards became effective for periods beginning on January 1, 2024. The Group adopted these standards to prepare this individual and consolidated quarterly information.

The following new standards were adopted and had no significant impact on the Company's individual and consolidated quarterly information:

- Classification of liabilities as current or non-current and non-current liabilities with Covenants (amendments to CPC 26/IAS 1)
- Supplier financing agreements ("Forfeiting") (amendments to CPC 26/IAS 1 and CPC 40/IFRS 7);
- Lack of convertibility (amendments to CPC 02/IAS 21).

5 Cash and cash equivalents

	Parent Company		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Cash and banks	754	1,037	135,744	164,510
Financial investments	<u>1,592,171</u>	<u>1,296,383</u>	<u>1,928,260</u>	<u>1,496,134</u>
Total	<u>1,592,925</u>	<u>1,297,420</u>	<u>2,064,004</u>	<u>1,660,644</u>

The financial investments held by the Group are easily convertible into cash and have minimal risk of value fluctuation.

As of March 31, 2024, the bulk of financial investments were notably apportioned into bank deposit certificates (CDBs) and financial bills (LFs), boasting a weighted average yield amounting to 100.9% of the Interbank Certificates of Deposit (CDI) (101.7% of the CDI on December 31, 2023).

Details regarding the Group's exposure to interest rate risks and sensitivity analysis for financial assets can be found in note 28.

6 Accounts receivable from customers

a. Accounts receivable from customers

	Note	Parent Company		Consolidated	
		03/31/2024	12/31/2023	03/31/2024	12/31/2023
Domestic market		1,369,536	1,199,573	2,246,965	2,002,652
Foreign market		4,119	3,084	56,514	41,323
Related parties domestic market	20	56,025	52,920	6,494	6,847
Related parties foreign market	20	59,514	59,412	-	-
Impairment of accounts receivable		<u>(21,467)</u>	<u>(15,920)</u>	<u>(37,708)</u>	<u>(29,485)</u>
Total		<u>1,467,727</u>	<u>1,299,069</u>	<u>2,272,265</u>	<u>2,021,337</u>
Current assets		1,462,771	1,293,641	2,267,309	2,015,909
Non-current assets		4,956	5,428	4,956	5,428

The maximum exposure to credit risk as of the date of the individual and consolidated quarterly information is the carrying amount of each class of accounts receivable mentioned above, net of impairment, as shown in the composition table by maturity of the overdue and future amounts of accounts receivable:

	Parent Company		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Upcoming	1,375,199	1,281,637	2,017,140	1,868,232
Up to 30 days past due	85,306	12,933	207,403	98,950
31 to 60 days past due	5,847	6,176	28,172	35,276
61 to 90 days past due	2,855	2,726	12,291	10,350
91 to 180 days past due (i)	8,831	4,163	22,066	17,333
181 to 360 days past due (i)	4,267	1,121	7,033	6,070
Over 361 days past due (i)	6,889	6,233	15,868	14,611
Total	1,489,194	1,314,989	2,309,973	2,050,822

- (i) The parent company has no securities overdue by more than 90 days with related parties of the Group as of March 31, 2024 and December 31, 2023.

b. Impairment of accounts receivable

Movement of impairment of accounts receivables:

	Parent Company	Consolidated
Balance at the beginning of the period	(15,920)	(29,485)
Impairment of accounts receivable	(10,547)	(16,112)
Amounts written off in the period as uncollectible	-	(486)
Reversal of impairment on accounts receivable (ii)	5,000	8,375
Balance at the end of the period	(21,467)	(37,708)

- (i) Provision established in accordance with the policy, which was reversed during the period as the receivables were regularized by the customers.

The changes for the year ended December 31, 2023 are presented in the individual and consolidated annual financial statements for the year.

Breakdown by maturity of overdue amounts included in the impairment of accounts receivable.

	Parent Company		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Upcoming	(639)	(622)	(6,002)	(3,806)
Up to 30 days past due	(108)	(2)	(573)	(197)
31 to 60 days past due	(502)	(2,044)	(691)	(2,138)
61 to 90 days past due	(957)	(1,736)	(1,110)	(1,864)
91 to 180 days past due	(8,105)	(4,163)	(8,378)	(4,642)
181 to 360 days past due	(4,267)	(1,121)	(5,116)	(2,227)
Over 361 days past due	(6,889)	(6,232)	(15,838)	(14,611)
Total	(21,467)	(15,920)	(37,708)	(29,485)

The recognition and derecognition of impairment of accounts receivable were recorded in the income statement under a specific heading, "Impairment of accounts receivable".

Weighted rate of estimated loss across maturity bands

Parent Company				
	Weighted average estimated loss rate	Gross book balance	Provision for estimated losses	With impairment issues
Upcoming	0%	1,375,199	(639)	No
Up to 30 days past due (iii)	0%	85,306	(108)	Yes
31 to 60 days past due (iii)	9%	5,847	(502)	Yes
61 to 90 days past due (iii)	34%	2,855	(957)	Yes
91 to 180 days past due	92%	8,831	(8,105)	Yes
181 to 360 days past due	100%	4,267	(4,267)	Yes
Over 361 days past due	100%	6,889	(6,889)	Yes
Total		1,489,194	(21,467)	

Consolidated				
	Weighted average estimated loss rate	Gross book balance	Provision for estimated losses	With impairment issues
Upcoming	0%	2,017,140	(6,002)	No
Up to 30 days past due (iii)	0%	207,403	(573)	Yes
31 to 60 days past due (iii)	2%	28,172	(691)	Yes
61 to 90 days past due (iii)	9%	12,291	(1,110)	Yes
91 to 180 days past due	38%	22,066	(8,378)	Yes
181 to 360 days past due	73%	7,033	(5,116)	Yes
Over 361 days past due	100%	15,868	(15,838)	Yes
Total		2,309,973	(37,708)	

- (i) The company has made a provision for 100% of the balances of a customer in judicial reorganization, regardless of the level of arrears.

7 Other accounts receivable

	Note	Parent Company		Consolidated	
		03/31/2024	12/31/2023	03/31/2024	12/31/2023
Advance to employees		6,641	29,486	20,547	40,387
Related parties	20	17,157	14,875	7,807	7,736
Miscellaneous advances		277	602	20,349	15,361
Guarantees		495	495	2,112	2,121
Escrow		-	-	130	126
Anticipated expenses (i)		5,497	6,378	7,125	8,878
Loan agreements (iii)		-	-	12,630	12,570
Credit right (ii)		185	2,104	185	2,104
Other accounts receivable		-	-	13,158	12,560
Total		30,252	53,940	84,043	101,843
Current assets		30,252	53,940	70,657	101,370
Non-current assets		-	-	13,386	473

- (i) Prepaid expenses for subscriptions, software maintenance, and insurance.

- (ii) Reimbursement of expenses and costs related to the acquisition of equipment and services under the contract signed with Pfizer for the production of COVID-19 vaccines in Brazil.
- (iii) Loan contracts with an option to convert into a stake in startups with remuneration of IPCA + 6% p.a. or 0.5% p.m. and maturity until October 2026.

8 Inventories

a. Breakdown of inventories

	<u>Parent Company</u>		<u>Consolidated</u>	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Finished products	530,282	589,622	1,102,088	1,183,625
Products under development	101,637	76,110	121,236	89,059
Raw materials	377,526	425,542	546,132	606,077
Packaging materials	149,479	136,693	200,003	193,653
Other inventories	28,035	24,883	118,843	82,235
Ongoing imports	114,793	124,818	145,013	165,375
Total	<u>1,301,752</u>	<u>1,377,668</u>	<u>2,233,315</u>	<u>2,320,024</u>

The evaluation of impairment provision primarily accounts for factors such as product expiration dates and quality issues that may result in product blockages. The provision established on March 31, 2024 encompasses R\$ 32,047 within the parent company and R\$ 79,611 within the consolidated figures. This is an alteration from the R\$ 27,439 within the parent company and R\$ 55,460 within the consolidated figures on December 31, 2023. The provision exhibited the following movement:

b. Provision for impairment of inventories

	<u>Parent Company</u>	<u>Consolidated</u>
Balance at the beginning of the period	(27,439)	(55,460)
Write-off for destruction	6,144	7,753
Addition	<u>(10,752)</u>	<u>(31,904)</u>
Balance at the end of the period	<u>(32,047)</u>	<u>(79,611)</u>

The changes for the year ended December 31, 2023 are presented in the individual and consolidated annual financial statements for the year.

9 Current Tax Assets and Liabilities

a. Current tax assets

	Parent Company		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
ICMS recoverable - VAT	32,820	52,650	77,357	93,323
ICMS to be recovered - CIAP [Permanent Asset ICMS Credit]	5,032	5,373	5,506	5,708
PIS and COFINS recoverable	-	30	2,301	1,810
IPI recoverable	5,704	6,645	6,421	7,397
IRRF	-	162	7,935	1,869
Other taxes	255	1,027	5,663	1,963
Total	43,811	65,887	105,183	112,070
Current assets	40,874	62,706	102,238	108,880
Non-current assets	2,937	3,181	2,945	3,190

b. Current tax liabilities

	Parent Company		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
ICMS/VAT payable	25,862	23,315	42,672	31,431
PIS and COFINS payable	12,233	1,440	15,662	4,443
Withholding Income Tax	459	412	735	481
ISS payable	1,098	778	1,118	811
Others	-	-	3,368	2,298
Total	39,652	25,945	63,555	39,464
Current liabilities	39,652	25,945	63,555	39,464
Non-current liabilities	-	-	-	-

10 Income tax and social contribution

a. Current

	Parent Company		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
IRPJ [Corporate Income Tax] and CSLL [Social Contribution on Net Profits] to offset Negative balance of IRPJ and CSLL from previous years (i)	-	178,588	19,175	202,152
	191,425	15,783	203,476	21,630
Total	191,425	194,371	222,651	223,782

Negative balance of IRPJ and CSLL from previous years due to overpayment. Offsetting is being performed with other federal taxes.

	<u>Parent Company</u>		<u>Consolidated</u>	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
IRPJ and CSLL payable	78,977	-	127,120	37,116
Total	78,977	-	127,120	37,116

Reconciliation of the effective income tax and social contribution rate:

	<u>Parent Company</u>		<u>Consolidated</u>	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Result before income tax and social contribution	261,832	424,109	313,745	488,203
Combined income tax and social contribution tax rate	34%	34%	34%	34%
Income tax and social contribution at the current tax rates	(89,023)	(144,197)	(106,673)	(165,988)
Equity	(7,278)	(580)	(4,918)	(580)
Impact of income tax rate on foreign entities	-	-	(347)	-
Incentives for technological innovation (i)	17,496	16,023	17,496	16,023
Government grants	-	31,669	-	37,101
Permanent expenses (ii)	(6,022)	(6,568)	(30,688)	(14,118)
Unrecognized deferred taxation (iii)	-	-	(7,888)	-
Compensation for tax losses	-	-	(1,785)	-
Others	(683)	3,346	(2,274)	(9,633)
Expenses, income tax and social contribution	(85,510)	(100,307)	(137,077)	(137,195)
Current	(110,242)	(133,340)	(157,307)	(178,007)
Deferred	24,732	33,033	20,230	40,812

- (i) The item "incentives for technological innovation" refers to the tax benefit established by Law No. 11.196/05, which allows for the direct deduction in the calculation of taxable income and the base for social contribution of 60% to 80% of the total expenses related to research and technological innovation, subject to the rules established by the aforementioned Law.
- (ii) They refer to expenses related to donations of medicines, expenses for incineration, excess free samples, bonuses, inventory adjustments, non-deductible fines, and transfer price adjustments.
- (iii) Deferred tax not recognized by foreign subsidiaries because it is not probable that future taxable profit will be determined.

b. Deferred

The amounts of deferred income tax and social contribution are derived from temporary differences. These credits are presented at their net realizable value in non-current assets and will be offset against future taxable results, being recorded up to the estimated realization limit.

	Parent Company		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Impairment of accounts receivable	7,299	5,413	13,824	11,956
Provision for impairment of inventories	10,896	9,329	27,748	25,916
Provision for contingencies	20,294	22,489	57,761	72,592
Provision for undelivered sales	43,592	33,277	47,805	37,808
Provision for losses on intangible assets	5,530	5,530	1,127	3,627
Provision for investment losses	10,992	10,992	10,992	10,992
Provision for free samples	33,507	28,480	37,203	32,541
Provision for profit sharing	18,799	-	21,746	-
Provision for trade discounts	1,916	993	17,282	12,539
Tax depreciation and amortization	-	-	966	2,110
Hedge result	37,161	47,309	37,161	47,309
Other temporary differences	18,667	13,885	34,005	28,851
Tax loss carryforwards	-	-	24,519	24,609
Total deferred tax liabilities	208,653	177,697	332,139	310,850
Amortization of goodwill	(67,488)	(67,498)	(67,488)	(67,498)
Intangible R&D Deductibility	(13,105)	(13,105)	(13,105)	(13,105)
Profit or loss for right-of-use leases	(9,934)	(11,365)	2,072	(1,694)
Tax depreciation and amortization	(3,744)	(2,387)	-	-
Total deferred tax assets	(94,271)	(94,355)	(78,521)	(82,297)
Net total	114,382	83,342	253,618	228,553
Total deferred tax assets	114,382	83,342	263,962	236,132
Total deferred tax liabilities	-	-	(10,344)	(7,579)
	114,382	83,342	253,618	228,553

Changes in the balances of deferred tax assets and liabilities

	Parent Company	Consolidated
Balance at the beginning of the period	83,342	228,552
Recognition of profit or loss	24,732	20,230
Translation adjustments in equity	-	(1,472)
Recognition in Other comprehensive income	6,308	6,308
Balance at the end of the period	114,382	253,618

The changes for the year ended December 31, 2023 are presented in the individual and consolidated annual financial statements for the year.

11 Investments

a. Movement of investments in the parent company

The breakdown and movements of corporate investments are shown below:

	12/31/2023	Equity	Foreign exchange gain (loss)	Gain (loss) investments	Shareholding changes	Amortization of asset capital gains	Profit in earnings	Transfer	Investment	Negative Shareholders' Equity	03/31/2024
Supera Farma Laboratórios S.A.	68,057	13,435	-	-	-	-	-	-	81,492	-	81,492
Eurofarma Guatemala S.A.	651,373	13,694	41,185	-	-	-	-	-	706,252	-	706,252
Eurofarma Peru S.A.C.	164,384	(2,756)	3,303	(13)	-	-	-	-	164,918	-	164,918
Eurofarma de México S. de RL de CV	301,962	5,855	12,130	1	-	-	(27,934)	-	292,014	-	292,014
Momenta Farmacêutica Ltda.	161,732	2,269	-	-	-	-	-	-	164,001	-	164,001
Momenta Colômbia S.A.S.	12	-	-	-	-	-	-	-	12	-	12
Eurofarma Colômbia S.A.S.	175,230	1,810	5,651	-	-	-	-	-	182,691	-	182,691
Eurofarma Argentina S.A.	125,173	7,095	56,119	(84)	-	(23)	-	-	188,280	-	188,280
Eurofarma Uruguay S.A.	68,566	1,289	5,340	-	-	-	-	-	75,195	-	75,195
Eurofarma Uruguay Zona Franca S.A.	(89)	(118)	(13)	-	-	-	-	-	(220)	220	-
Laborat. Eurofarma Bolívia S.A.	18,300	427	677	-	-	-	-	-	19,404	-	19,404
Eurofarma Venezuela Casa Representacion C.A.	125	(545)	3	-	-	-	-	-	(417)	417	-
Eurofarma Paraguay S.A.	8,890	(1,180)	133	-	-	-	-	-	7,843	-	7,843
Eurofarma S.A.	5,379	(4,115)	135	-	-	-	-	-	1,399	-	1,399
Orygen Biotecnologia S.A.	250	(322)	-	(315)	-	-	-	-	(387)	387	-
Eurofarma Chile SpA.	267,160	(130)	(19,435)	8	-	(5)	-	-	247,598	-	247,598
Eurofarma Moçambique Lda.	803	(806)	3	-	-	-	-	-	-	-	-
Neuron Ventures Fundo Investimento em Participações											
Multiestratégia	39,312	(241)	-	-	-	-	-	-	39,071	-	39,071
PAI Eurofarma LLC	8,451	(111)	269	-	-	-	-	-	8,609	-	8,609
Diplo Participações Ltda.	1,101,123	-	22,031	-	-	-	-	-	1,123,154	-	1,123,154
Harpy Plus Participações Ltda	245,028	-	-	-	238	-	-	-	245,266	-	245,266
Eurofarma USA Corp	68,724	(14,075)	2,071	-	-	-	-	-	56,720	-	56,720
Pearson Saúde Animal S.A.	147,533	(2,581)	-	-	-	-	-	-	144,952	-	144,952
Ocean Drop S.A.	15,113	(302)	-	-	-	-	-	-	14,811	-	14,811
Eurofarma Ventures LL.	55,719	(121)	1,782	-	-	-	-	-	57,380	-	57,380
MTM Serviços de Informática Ltda	6,745	(163)	-	-	-	-	-	-	6,582	-	6,582
Longdis S.A.	5,616	(19)	-	19	-	-	-	-	5,616	-	5,616
Assuruá 4 Subholding I Energia S.A (a)	7,144	-	-	-	-	-	-	(7,144)	-	-	-

Eurofarma Laboratórios S.A.
Quarterly information
interim accounting information
on March 31, 2024

	12/31/2023	Equity	Foreign exchange gain (loss)	Gain (loss) investments	Shareholding changes	Amortization of asset capital gains	Profit in earnings	Transfer	Investment	Negative Shareholders' Equity	03/31/2024
Genfar S.A.	1,218,527	12,946	8,627	-	(8,054)	-	-	-	1,232,046	-	1,232,046
Genfar Desarrollo y Manufactura S.A.	298,295	(7,853)	6,761	-	(2,824)	-	-	-	294,379	-	294,379
Genfar del Ecuador S.A.S	36,605	(1,278)	999	-	238	-	-	-	36,564	-	36,564
Genfar del Perú S.A.C.	169,919	602	3,293	-	10,402	-	-	-	184,216	-	184,216
Pharmaeuro Laboratórios, LDA	27	-	2	-	-	-	-	-	29	-	29
Total	5,441,188	22,706	151,066	(384)	-	(28)	(27,934)	(7,144)	5,579,470	1,024	5,580,494

(a) During the period ended March 31, 2024, the Company classified this operation in the “Securities” group, in view of the characteristics of the operation.

b. Movement of investments not eliminated in the consolidated financial statements

The breakdown and movements of the corporate investments not eliminated in the consolidated financial statements are shown below:

	12/31/2023	Purchase of shares/quotas	Equity	Foreign exchange gain (loss)	Gain (loss) investments	Transfer	Investment	Negative Shareholders' Equity	03/31/2024
Orygen Biotecnologia S.A. (a)	250	-	(322)	-	(315)	-	(387)	387	-
PAI Eurofarma LLC (b)	8,451	-	(111)	269	-	-	8,609	-	8,609
Ocean Drop S.A. (c)	15,113	-	(302)	-	-	-	14,811	-	14,811
MTM Serviços de Informática Ltda (d)	6,745	-	(163)	-	-	-	6,582	-	6,582
Assuruá 4 Subholding I Energia S.A (f)	8,573	-	-	-	-	(8,573)	-	-	-
Rome Therapeutics Inc. (e)	24,211	-	-	776	-	-	24,987	-	24,987
Abcuro Inc. (e)	14,524	-	-	465	-	-	14,989	-	14,989
DiveGen Cayman Holding Corp (e)	2,421	-	-	77	-	-	2,498	-	2,498
Walden Biosciences, Inc (e)	14,524	-	-	465	-	-	14,989	-	14,989
PsiVant Therapeutics, Inc (e)	-	4,571	-	-	-	-	4,571	-	4,571
Total	94,812	4,571	(898)	2,052	(315)	(8,573)	91,649	387	92,036

(a) Joint venture between Eurofarma Laboratórios S.A. and Biolab Sanus Farmacêutica Ltda. The primary objective of the company is the development and production of biosimilar medicines.

- (b) PAI-Eurofarma LLC: a joint venture formed by Eurofarma Laboratórios S.A. and PAI Holdings LLC. Its primary objective is to collaborate on product development, acquire trademarks/registrations, and facilitate the commercialization of pharmaceutical products in the American market.
- (c) Investment in an affiliate, the Santa Catarina-based startup Ocean Drop, is a company specialized in marine nutrient-based food supplementation products (Ocean Drop brand) and custom vitamin products (OMV brand).
- (d) Investment in affiliate MTM Serviços de Informática Ltda, which specializes in tailored computer program development.
- (e) Venture capital investment, through the subsidiary Eurofarma Ventures LLC, aligned with the Company's strategy of investing in biotechnology start-ups.
- (f) During the period ended March 31, 2024, the Company classified this operation in the "Securities" group, in view of the characteristics of the operation.

12 Securities

	12/31/2023	Reclassification (e)	Exchange variation	Gain (loss) fair value	03/31/2024
Abingworth Bioventure 8 LP.(a)	6,037	-	191	(1,184)	5,044
CO Invest II Grids III Investors Ltd. (c)	5,425	-	174	(1,221)	4,378
Assuruá 4 Subholding I Energia S.A (d)	-	7,144	-	-	7,144
	-	-	-	-	-
Total	11,462	7,144	365	(2,405)	16,566

	12/31/2023	Reclassification (e)	Exchange variation	Gain (loss) fair value	03/31/2024
Abingworth Bioventure 8 LP.(a)	6,037	-	191	(1,184)	5,044
Neuron Ventures (b)	28,662	-	-	(64)	28,598
CO Invest II Grids III Investors Ltd. (c)	5,425	-	174	(1,221)	4,378
Assuruá 4 Subholding I Energia S.A (d)	-	8,573	-	-	8,573
	-	-	-	-	-
Total	40,124	8,573	365	(2,469)	46,593

- (a) Abingworth Bioventure 8 LP Venture Capital investment fund in Biotechnology companies abroad.
- (b) Neuron Ventures Fundo Investimento em Participações Multiestratégia Investimento no Exterior stands as a Corporate Venture Capital (CVC) fund, founded on April 8, 2019. Its overarching goal is to funnel investments into startups poised for high growth and brimming with innovation potential. These investments typically encompass securities such as shares and convertible securities linked to privately-held firms. The Company assumes the role of the majority stakeholder within the Fund, which is under the stewardship of an independent manager.
- (c) CO Invest II Grids III Investors Ltd, located in the British Virgin Islands, with investments in securities such as shares and securities convertible into shares of private companies.
- (d) Investment in Assuruá 4 Subholding I Energia S.A., whose corporate purpose is the generation and sale of electricity through the implementation and operation of generating plants. Consolidated figures include the stake held by the subsidiary Momenta in this operation.
- (e) During the period ended March 31, 2024, the Company classified this operation in this group, given the characteristics of the operation.

The changes for the year ended December 31, 2023 are presented in the individual and consolidated annual financial statements for the year.

13 Property, Plant and Equipment

Movement of property, plant and equipment

Parent Company

Amortized	12/31/2023	Additions	Write-offs	Transfer	03/31/2024
Land	11,786	-	-	-	11,786
Buildings	55,459	-	-	918	56,377
Facilities	14,148	-	-	2,231	16,379
Machinery and equipment	961,259	4,818	(26)	28,004	994,055
Furniture and utensils	37,912	694	(30)	65	38,641
Vehicles	15,228	3,695	-	-	18,923
Leased vehicles	8,954	-	(554)	-	8,400
Computer equipment	70,158	2,027	(298)	120	72,007
Improvements to third-party properties	96,322	317	-	2,909	99,548
Goods held by third parties	1,031	-	-	-	1,031
Property, plant and equipment under construction (i) (ii)	1,461,373	135,636	(618)	(34,247)	1,562,144
Aircraft	49,688	-	-	-	49,688
Total	<u>2,783,318</u>	<u>147,187</u>	<u>(1,526)</u>	<u>-</u>	<u>2,928,979</u>
Depreciation	12/31/2023	Additions	Write-offs	Transfer	03/31/2024
Buildings	(34,563)	(168)	-	-	(34,731)
Facilities	(5,629)	(280)	-	-	(5,909)
Machinery and equipment	(407,056)	(14,190)	26	-	(421,220)
Furniture and utensils	(17,896)	(843)	23	-	(18,716)
Vehicles	(6,449)	(1,391)	-	-	(7,840)
Leased vehicles	(8,928)	(27)	554	-	(8,401)
Computer equipment	(41,254)	(2,185)	292	-	(43,147)
Improvements to third-party properties	(18,455)	(2,672)	-	-	(21,127)
Goods held by third parties	(93)	(22)	-	-	(115)
Aircraft	(45,548)	(1,242)	-	-	(46,790)
Total	<u>(585,871)</u>	<u>(23,020)</u>	<u>895</u>	<u>-</u>	<u>(607,996)</u>
Total net	<u>2,197,447</u>	<u>124,167</u>	<u>(631)</u>	<u>-</u>	<u>2,320,983</u>

- (i) These advances primarily relate to the purchase of machinery and equipment from overseas suppliers, ongoing construction work at the Itapevi industrial park, and improvements on land in Montes Claros (MG), with delivery of the first phase scheduled for 2025.
- (ii) The funds obtained from Finep were allocated 37% towards the construction of the Biotechnology building in Itapevi, and all the loans received from BNB were used for the construction of the industrial plant in Montes Claros.

Consolidated

Amortized	12/31/2023	Additions	Write-offs	Transfer	Exchange variation	03/31/2024
Land	50,222	-	-	-	1,028	51,250
Buildings	156,167	30	-	(29,645)	46,635	173,187
Facilities	107,966	473	-	(14,216)	3,971	98,194
Machinery and equipment	1,244,902	7,899	(375)	32,630	13,579	1,298,635
Furniture and utensils	53,658	891	(30)	219	510	55,248
Vehicles	30,612	4,026	(21)	-	2,518	37,135
Leased vehicles	10,725	-	(555)	-	254	10,424
Computer equipment	104,579	5,086	(336)	171	1,926	111,426
Improvements to third-party properties	143,826	417	-	57,738	(40,582)	161,399
Goods held by third parties	1,031	-	-	-	-	1,031
Property, plant and equipment under construction (i) (ii)	1,495,588	138,665	(3,138)	(46,897)	7,086	1,591,304
Aircraft	49,688	-	-	-	-	49,688
Other property, plant and equipment	4	-	-	-	-	4
Total	<u>3,448,968</u>	<u>157,487</u>	<u>(4,455)</u>	<u>-</u>	<u>36,925</u>	<u>3,638,925</u>

Depreciation	12/31/2023	Additions	Write-offs	Transfer	Exchange variation	03/31/2024
Buildings	(60,566)	(1,216)	-	21,952	(23,307)	(63,137)
Facilities	(39,145)	(1,573)	-	8,625	(2,187)	(34,280)
Machinery and equipment	(561,518)	(18,650)	183	-	(13,265)	(593,250)
Furniture and utensils	(27,770)	(1,202)	22	-	(367)	(29,317)
Vehicles	(16,339)	(1,736)	21	-	(1,685)	(19,739)
Leased vehicles	(10,670)	(27)	553	-	(251)	(10,395)
Computer equipment	(62,936)	(3,716)	329	-	(1,576)	(67,899)
Improvements to third-party properties	(45,958)	(3,077)	-	(30,577)	23,393	(56,219)
Goods held by third parties	(93)	(21)	-	-	-	(114)
Aircraft	(45,548)	(1,242)	-	-	-	(46,790)
Total	<u>(870,543)</u>	<u>(32,460)</u>	<u>1,108</u>	<u>-</u>	<u>(19,245)</u>	<u>(921,140)</u>
Total net	<u>2,578,425</u>	<u>125,027</u>	<u>(3,347)</u>	<u>-</u>	<u>17,680</u>	<u>2,717,785</u>

- (i) These advances primarily relate to the purchase of machinery and equipment from overseas suppliers, ongoing construction work at the Itapevi industrial park, and improvements on land in Montes Claros (MG), with delivery of the first phase scheduled for 2025.
- (ii) The funds obtained from Finep were allocated 37% towards the construction of the Biotechnology building in Itapevi, and all the loans received from BNB were used for the construction of the industrial plant in Montes Claros.

The changes for the year ended December 31, 2023 are presented in the individual and consolidated annual financial statements for the year.

14 Right-of-use lease assets and liabilities

The Company has lease agreements primarily for vehicles and real estate.

The right-of-use asset is measured at cost less depreciation and impairment, adjusted for any measurement of the lease liability.

The lease liability is initially determined as the present value of lease payments that are outstanding at the commencement date, discounted using either the interest rate implicit in the lease or, if that rate is not readily determinable, the Company's incremental borrowing rate.

Remeasurements are made when there are contractual changes such as lease amounts, adjustment indices, interest rates, and monetary restatements.

The Group applies the exemption from recognizing leases to short-term contracts (i.e. leases with a lease term of 12 months or less from the start date and which do not contain a purchase option). It also applies the exemption from recognition of low-value assets, which include IT equipment and office supplies. These payments are recognized as expenses over the lease term.

a. Right-of-use assets

The movement of right-of-use leases is as follows:

Amortized	Parent Company				
	12/31/2023	Additions	Remeasurement	Write-offs	03/31/2024
Real estate	401,738	13,881	3,133	(11,510)	407,242
Vehicles	241,826	85,369	-	(34,433)	292,762
Total	643,564	99,250	3,133	(45,943)	700,004
Depreciation					
Real estate	(57,715)	(12,586)	-	11,510	(58,791)
Vehicles	(95,116)	(18,204)	-	31,009	(82,311)
Total	(152,831)	(30,790)	-	42,519	(141,102)
Net total	490,733	68,460	3,133	(3,424)	558,902

Consolidated						
Amortized	12/31/2023	Additions	Remeasurements	Write-offs	Exchange variation	03/31/2024
Real estate	549,874	13,881	3,140	(11,510)	(6,042)	549,343
Vehicles	359,162	90,980	160	(37,424)	2,248	415,126
Others	564	-	-	-	18	582
Total	909,600	104,861	3,300	(48,934)	(3,776)	965,051
Depreciation						
Real estate	(101,671)	(15,831)	-	11,510	595	(105,397)
Vehicles	(154,524)	(26,077)	-	33,965	(1,242)	(147,878)
Others	(43)	(131)	-	-	(1)	(175)
Total	(256,238)	(42,039)	-	45,475	(648)	(253,450)
Net total	653,362	62,822	3,300	(3,459)	(4,424)	711,601

The changes for the year ended December 31, 2023 are presented in the individual and consolidated annual financial statements for the year.

b. Right-of-use lease liability

Information regarding the lease liabilities for which the Group is the lessee is provided below:

	Parent Company		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Lease liabilities	583,429	510,562	743,892	680,691
Current liabilities	106,012	89,408	159,688	142,810
Non-current liabilities	477,417	421,154	584,204	537,881

Movement of right-of-use leases:

	Parent Company	Consolidated
Lease liability at the beginning of the period	510,562	680,691
Additions	99,250	104,861
Remeasurements	3,133	3,300
Write-offs	(3,226)	(3,262)
Payments	(26,290)	(37,212)
Interest paid	(13,830)	(16,187)
Settled interest	13,830	16,187
Exchange variation	-	(4,486)
Balance at the end of the period	583,429	743,892
Current liabilities	106,012	159,688
Non-current liabilities	477,417	584,204

The changes for the year ended December 31, 2023 are presented in the individual and consolidated annual financial statements for the year.

c. Discount rate

Vehicles	Discount rates	Term of the contract
Eurofarma Laboratórios	15.18%	4.0 years
Momenta Farmacêutica	17.91%	4.0 years
Pearson Saúde Animal	15.18%	4.0 years
Eurofarma Uruguay	16.00%	4.0 years
Eurofarma México	14.07%	4.0 years
Eurofarma Colômbia	12.66%	4.0 years
Eurofarma Equador	10.21%	4.0 years
Eurofarma Costa Rica	7.30%	4.0 years
Eurofarma Guatemala	7.30%	4.0 years
Eurofarma Peru	8.80%	4.0 years
Eurofarma Chile	4.40%	4.0 years
Eurofarma Panamá	7.30%	4.0 years
Eurofarma Paraguay	8.50%	4.0 years
Medimetriks	0.65%	4.0 years

Real estate	Discount rates	Term of the contract
Administrative headquarters Brooklin – SP	8.34%	5.0 years
Administrative headquarters in Itaporanga – SP (22nd floor)	16.18%	3.0 years
Administrative headquarters in Itaporanga – SP (18th floor)	13.49%	3.0 years
Industrial and administrative plant Itapevi – SP	5.40%	12.0 years
Industrial and administrative plant Freguesia do Ó – SP	5.84%	5.0 years
Varginha Distribution Center – MG	16.78%	5.0 years
Nações Unidas Unit – SP	12.03%	5.0 years
Rio de Janeiro Unit - RJ	12.03%	5.0 years
Warehouse Eurofarma Chile	4.40%	2,0 years
Administrative headquarters Paraguay	5.00%	5,0 years
Chile SpA Industrial Plant	2.09%	30.0 years
Administrative headquarters Bolivia	3.00%	3.0 years
Administrative headquarters Uruguay	16.00%	10.0 years
Administrative headquarters Mexico	17.80%	7.0 years
Administrative headquarters Mozambique	27.60%	1.0 year
Administrative headquarters Ecuador	9.33%	7.0 years
Administrative headquarters Medimetriks	0.65%	4.0 years

d. Amortization schedule

The amortization schedules, categorized by the year of maturity, are presented below for both the parent company and consolidated financial statements:

	<u>Parent Company</u>		<u>Consolidated</u>	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
2025	84,103	88,307	107,816	118,314
2026	109,472	83,322	125,864	100,341
2027	74,879	45,723	83,106	52,564
2028	40,990	35,828	55,470	51,263
2029 onwards	167,973	167,974	211,948	215,399
Non-current liabilities	477,417	421,154	584,204	537,881

<u>477,417</u>	<u> </u>	<u> </u>	<u> </u>
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15 Intangible Assets

Movements of intangible assets

Parent Company					
Amortized	12/31/2023	Additions	Transfer Investment	Write-offs	03/31/2024
Systems and applications – software	69,332	17,072	-	(20,837)	65,567
Industrial trademarks and patents (i)	548,220	-	-	-	548,220
Permits	300,603	10,688	-	-	311,291
Customer portfolio	321,201	-	-	-	321,201
Development of new products	90,021	1,082	-	-	91,103
Non-compete clause	65,354	-	-	-	65,354
Goodwill	468,794	-	-	-	468,794
Total	1,863,525	28,842	-	(20,837)	1,871,530
Amortization	12/31/2023	Additions	Transfer Investment	Write-offs	03/31/2024
Systems and applications – software	(41,607)	(5,063)	-	20,837	(25,833)
Industrial trademarks and patents	(16,151)	-	-	-	(16,151)
Customer portfolio	(38,895)	(5,041)	-	-	(43,936)
Non-compete clause	(13,071)	(3,267)	-	-	(16,338)
Total	(109,724)	(13,371)	-	20,837	(102,258)
Total net	1,753,801	15,471	-	-	1,769,272

- (i) The Group retains provisions for brand losses related to discontinued or unsold products in the amount of R\$ 16,266 on March 31, 2024 and December 31, 2023 within this category.

Consolidated					
Amortized	12/31/2023	Additions	Write-offs	Exchange Variation	03/31/2024
Systems and applications – software	80,042	19,059	(21,359)	158	77,900
Industrial trademarks and patents (ii)	3,021,950	1,870	-	88,777	3,112,597
Permits	334,891	10,688	-	1,147	346,726
Customer portfolio	352,661	-	-	227	352,888
Health registrations	594,373	-	-	-	594,373
Non-compete clause	143,972	-	-	2,307	146,279
Goodwill	864,660	-	-	2,023	866,683
Development of new products	90,181	1,082	-	-	91,263
Total	5,482,730	32,699	(21,359)	94,639	5,588,709

Amortization	12/31/2023	Additions	Write-offs	Exchange Variation	03/31/2024
Systems and applications – software	(45,912)	(5,658)	21,359	(96)	(30,307)
Industrial trademarks and patents	(101,819)	(2,547)	-	(1,260)	(105,626)
Customer portfolio	(69,583)	(5,058)	-	25	(74,616)
Non-compete clause	(33,978)	(6,955)	-	(497)	(41,430)
Total	(251,292)	(20,218)	21,359	(1,828)	(251,979)
Total net	5,231,438	12,481	-	92,811	5,336,730

- (i) The Group retains provisions for brand losses related to discontinued or unsold products in the amount of R\$ 29,756 on March 31, 2024 within this category.

16 Suppliers and other accounts payable

a. Suppliers

		<u>Parent Company</u>		<u>Consolidated</u>	
		03/31/2024	12/31/2023	03/31/2024	12/31/2023
	Note				
Domestic market		281,369	268,613	556,370	500,008
Domestic market forfeiting (i)		-	862	-	862
Foreign market		168,768	228,127	247,165	311,875
Related parties domestic market	20	4,006	23,338	64	65
Related parties foreign market	20	9,915	30,254	-	-
Total		464,058	551,194	803,599	812,810

- (i) The Company has a contract with a financial institution in Brazil for the purchase of receivables from suppliers. In this transaction, the supplier transfers the right to receive the securities to the Bank. As of December 31, 2023, the average discount rate is 0.99%. As of March 31, 2024, we have no forfeiting balance.

b. Other accounts payable

		<u>Parent Company</u>		<u>Consolidated</u>	
		03/31/2024	12/31/2023	03/31/2024	12/31/2023
	Note				
Customs brokerage payable		13,839	6,711	14,395	7,351
Related Parties	20	1,678	9,711	-	-
Accounts payable investments (iv)		22,113	22,113	88,109	86,018
Other provisions (i)		63,792	47,301	244,019	211,454
Deferred Revenue (ii)		14,777	15,944	15,708	16,949
Negative shareholders' equity (iii)	11	1,024	88	387	-
Other		1,717	1,771	19,497	18,245
Total		118,940	103,639	382,115	340,017
Current liabilities		107,757	92,226	304,924	264,005
Non-current liabilities		11,183	11,413	77,191	76,012

- (i) Miscellaneous provisions include expenses related to electricity, water and sewage, telephone, maintenance and professional services, insurance, and commissions.

- (ii) Payroll management contract.
- (iii) Refers to the provision for investments with negative equity.
- (iv) Substantially refers to amounts payable for the acquisition of subsidiaries.

Note 28 provides information about the Group's credit risk exposure related to suppliers and includes a sensitivity analysis for liabilities.

17 Salaries, provisions and social contributions

	Parent Company		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Salaries payable	532	1,675	9,473	9,296
Provision for vacation and Christmas bonus	214,967	187,305	280,399	255,123
Social and labor charges	83,352	102,199	110,335	131,386
Total	298,851	291,179	400,207	395,805

18 Loans and financing

Breakdown of loans and financing

	Index	Financial charges - %	Guarantees	Maturity	Parent Company		Consolidated	
					03/31/2024	12/31/2023	03/31/2024	12/31/2023
Domestic currency:								
FINAME (i)	TJLP	6.0% p.a.	Promissory note and fiduciary lien	2024	1,548	2,708	1,548	2,708
FINEP (ii)	TJLP	5.0% p.a.	Bank Surety	2024	14,635	20,880	14,635	20,880
		CDI + 0.77% p.a.						
		CDI + 1.85% p.a.						
		CDI + 1.90% p.a.						
Commercial promissory notes (iii)	CDI	CDI + 1.95% p.a.	No guarantee and/or surety	2024 to 2026	615,287	597,428	615,287	597,428
BNB (iv)	IPCA	IPCA + 0.7416% p.a.	Bank Guarantee Bond	2030	121,281	125,494	121,281	125,494
		CDI + 2.40 p.a.						
Working capital in Brazilian reais (v)	CDI	CDI + 1.50% p.a.	Standby letter of credit	2026 to 2028	779,930	902,047	779,930	902,047
		100.0% CDI						
Mutual - related parties – Orygen	CDI	TR + 4% p.a.	No guarantee and/or surety	2024	6,455	7,710	6,455	7,710
IFC (v)	CDI	CDI + 1.40 p.a.	Promissory Note	2030	815,050	791,040	815,050	791,040
Total					2,354,186	2,447,307	2,354,186	2,447,307
Foreign currency:								
	Index	Financial charges - %	Guarantees	Maturity	Parent Company		Consolidated	
					03/31/2024	12/31/2023	03/31/2024	12/31/2023
FINIMP (viii)	\$	6.752% to 6.784% p.a. + Libor	Standby By and Fiduciary lien	2024	1,003	953	1,003	953
		4.8705% p.a.						
		4.7040% p.a.						
Working capital (vii)	\$	5.02350% p.a.	Standby Letter of Credit and Promissory Note	2028 to 2029	1,387,230	1,343,999	1,387,230	1,343,999
EXIM BNDES (ix)	\$	5.8220% a.a.	No guarantee and/or surety	2027	150,109	145,456	150,109	145,456
Total					1,538,342	1,490,408	1,538,342	1,490,408
Total					3,892,528	3,937,715	3,892,528	3,937,715
Current liabilities					1,839,566	1,582,609	1,839,566	1,582,609
Non-current liabilities					2,052,962	2,355,106	2,052,962	2,355,106

Loans and financing contain covenants that outline the consequences of non-compliance with obligations stated in the credit agreements with the Banks. These clauses include provisions such as protesting debts exceeding the agreed amounts, withholding information that may impact the economic, financial, or legal status of the issuer/creditor and cause harm to the Bank, unauthorized removal of financed assets, and restrictions on encumbrance, alienation, leasing, assignment, or transfer to third parties. Additionally, legal actions arising from contractual offenses, including environmental crimes, are subject to final judgment.

- (i) The credit facility with BNDES, specifically for Special Agency for Industrial Financing (FINAME) onlending operations, is designed to fund the acquisition of domestically built property, plant and equipment. Banco Alfa S.A. is the accredited financial agent for this purpose. The assets specified in the respective contracts serve as collateral.
- (ii) The financing contracts with the Funding Authority for Studies and Projects (FINEP) pertain to investments in innovation programs, specifically targeting the development of new products and technological platforms, as well as the acquisition of new technologies through collaborations with universities and research centers. These financing contracts with FINEP include covenants, such as: (a) the requirement to allocate the financing resources solely towards the designated project; (b) the obligation to contribute own resources as defined in the project budget; (c) the necessity to communicate any modifications to the initial financial project structure; and (d) the maintenance of a compliant status with environmental agencies.
- (iii) On November 29, 2019, the Company obtained R\$ 370,000 in funding through the issuance of Commercial Promissory Notes (fourth issuance) at a cost of CDI + 0.77% per annum. The promissory notes have a term of five years and are divided into two equal series. The first series matures on November 30, 2023, and the second series matures on November 30, 2024. Principal and interest payments will be made in the fourth and fifth years, respectively. The contract for this issuance includes a financial index covenant: until the maturity date, net debt divided by EBITDA must be equal to or less than four at the end of each fiscal year, as of November 30, 2023, according to the AGN held on December 11, 2023.

On April 14, 2021, the Company raised R\$300,000 through the issuance of Commercial Promissory Notes (sixth issue) at the following costs: CDI + 1.80% per annum, CDI + 1.85% per annum, CDI + 1.90% per annum, and CDI + 1.95% per annum, with a term of five years. The promissory notes are divided into ten series, with each series maturing on different dates. The first series matures on October 14, 2021, the second on April 10, 2022, the third on October 14, 2022, the fourth April 14, 2023, the fifth on October 14, 2023, the sixth on April 14, 2024, the seventh on October 14, 2024, the eighth on April 14, 2025, the ninth on October 14, 2025, and the tenth on April 14, 2026. The payment of principal and interest will occur at the maturity of each series. The contract associated with this issuance includes a restrictive financial index clause, whereby the net debt divided by EBITDA ratio must be equal to or less than three point five at the end of each fiscal year.
- (iv) The credit facility with BNB, which is funded by the Northeast Financing Constitutional Fund, is specifically intended to finance the construction of a new plant in Montes Claros. Disbursements made by BNB are based on the Company's submission of documented expenses, which are then reimbursed by the financial institution. The total approved credit line amounts to R\$ 375,000. On June 30, 2020, the Company obtained funding in the amount of R\$ 7,937. On December 29, 2020, it secured an additional amount of R\$ 44,047. Furthermore, on July 2, 2021, and July 13, 2021, the Company received reimbursements totaling R\$ 95,012 for expenses incurred in the manufacturing expansion project.
- (v) On February 18, 2021, the Company issued a bank credit bill in the amount of R\$ 365,000, which represented the refinancing of 02 promissory notes from the 2nd series, 03 promissory notes from the 3rd series, and 66 promissory notes from the 4th series of the 5th Issuance. The payment schedule includes the principal amount to be paid in February 2024, January 2025, and January 2026, along with semi-annual interest payments for a period of 5 years. This contract includes a financial ratio covenant: net debt divided by EBITDA must be equal to or less than four at the end of each fiscal year, starting on March 8, 2024.
- (vi) On September 6, 2023, the Company issued a bank credit bill in the amount of R\$ 500,000, with a payment flow of the principal amount for September 2026, September 2027 and September 2028 and an annual interest payment flow, between September 6, 2024 and September 6, 2028, at a cost of CDI + 1.50% p.a. The transaction was secured by a Standby Letter of Credit. The contract foresees a financial index covenant, whereby the net debt divided by EBITDA ratio must be equal to or less than four at the end of each fiscal year, starting on March 8, 2024.
- (vii) On October 25, 2022, the Company acquired a loan of R\$ 777,397 from the IFC-International Finance Corporation. This international organization, established through a contractual agreement among its member countries, including the Federative Republic of Brazil, provided the loan at an interest rate of CDI + 1.40% p.a. The purpose of the loan is to finance the construction of the Montes Claros plant and support investments related to the production of the Pfizer Biontech COVID-19 vaccine. The loan has a maturity period of eight years, with semi-annual interest and principal payments scheduled for October 15, 2024, April 15, 2025, October 15, 2025, April 15, 2026, October 15, 2026, April 15, 2027, October 15, 2027, April 15, 2028, October 15, 2028, April 15, 2029, October 15, 2029, April 15, 2030, and October 15, 2030. The contract foresees a financial index covenant, whereby the net debt divided by EBITDA ratio must be equal to or less than three point five.

- (viii) On February 8, 2023, the Company issued a bank credit bill in the amount of R\$ 700,000 (equivalent to USD 134,641), with the following payment schedule: principal payments on February 14, 2027, 2028 and 2029; and a half-yearly remuneratory interest payments between August 10, 2023 and February 14, 2029. The Bill carries a fixed interest rate of 4.8705% p.a., without considering income tax, using the simple method. The transaction was secured by a Standby Letter of Credit. The contract foresees a financial index covenant, whereby the net debt divided by EBITDA ratio must be equal to or less than four at the end of each fiscal year, starting on March 8, 2024.
- On April 11, 2023, the Company issued a bank credit bill in the amount of R\$ 406,400 (equivalent to USD 80,000), with the following payment schedule: principal payments on April, 2027 and April, 2028, and half-yearly remuneratory interest payments from October 11, 2023, to April 11, 2028. The Bill carries a fixed interest rate of 4.8705% p. a., without considering income tax, using the simple method. The transaction was secured by a Standby Letter of Credit and Promissory Note. The contract includes a restrictive financial index clause, whereby the net debt divided by EBITDA ratio must be equal to or less than three point five.
- On May 29, 2023, the Company issued a bank credit bill in the amount of R\$ 300,600 (equivalent to USD 60,000), with the following payment schedule: principal payments on May, 2025, December, 2025, June, 2026, November, 2026, June, 2027 and half-yearly remuneratory interest payments from November 30, 2023, to May 30, 2028. The Bill carries a fixed interest rate of 5.02350% p.a., without considering income tax, using the simple method. The transaction was secured by a Standby Letter of Credit. The contract provides for a financial index covenant: net debt divided by EBITDA must be equal to or less than three point five at the end of each fiscal year until the other debts with this covenant mature or cease to exist (inclusive), whichever comes first, and four point zero from the date on which the other debts with covenants of three point five mature or cease to exist (exclusive) until the maturity date.
- (ix) On April 6, 2023, the Company issued an amendment to the bank credit bill (import financing), replacing the Libor + Spread rate with a pre-fixed rate of 6.752% due to the extinction of the Libor rate. Replacing contract 4139448 with payment flow and principal and interest for November 10, 2023. The transaction was secured by a Standby Letter of Credit. On November 10, 2023, the Company issued an amendment to the bank credit bill (import financing), changing the rate to a fixed rate of 7.272% due to the delay in the delivery of the machine. Replacing contract 4157318 with payment flow and principal and interest for April 10, 2024.
- On April 6, 2023, the Company executed an amendment to its bank credit bill (import financing), transitioning from the Libor + Spread rate structure to a fixed rate of 6.76%. This was prompted by the discontinuation of the Libor rate. As a result, Contract 4144476 was subsequently replaced, with payment flow and principal and interest for November 10, 2023. The transaction was secured by a Standby Letter of Credit. On November 10, 2023, the Company issued an amendment to the bank credit bill (import financing), changing the rate to a fixed rate of 7.272% due to the delay in the delivery of the machine. Replacing contract 4158099 with payment flow and principal and interest for April 10, 2024.
- (x) On September 28, 2023, the Company issued an EXIM loan with the BNDES through Itaú bank in the amount equivalent in Brazilian reais to R\$ 150,000 (US\$ 29,828), with a payment flow of the principal amount for August 2027, and a quarterly payment flow of remunerative interest, between November 16, 2023 and August 16, 2027, with a fixed interest rate of 5.8220% p.a. The operation was guaranteed by an export bond.

On March 31, 2024, the Company did not reach the financial ratio of net debt divided by EBITDA of 2 financing agreements, and therefore reclassified the amount of R\$ 1,110,677, previously recorded in non-current liabilities to current liabilities, as determined in Brazilian and international accounting standards, defined in CPC 26/IAS 1 – Presentation of Financial Statements.

Movements of loans and financing

	Parent company and Consolidated
Balances at the beginning of the period	3,937,715
Interest	91,121
Currency variation	47,918
Accrued Expenses	1,125
Amortizations and interest payments	<u>(185,351)</u>
Balance at the end of the period	<u>3,892,528</u>

The changes for the year ended December 31, 2023 are presented in the individual and consolidated annual financial statements for the year.

The following table presents the maturity schedule of non-current liabilities:

Year	<u>Parent company and Consolidated</u>	
	03/31/2024	12/31/2023
2025	217,627	261,230
2026	484,637	422,967
2027	641,871	663,071
2028	449,991	518,798
2029	242,284	353,587
2030	<u>16,553</u>	<u>135,453</u>
Non-current liabilities	<u>2,052,962</u>	<u>2,355,106</u>

Note 28 provides detailed disclosure of the Group's exposure to risks associated with interest rates, foreign currencies, and liquidity stemming from these loans and financing.

19 Debentures

Breakdown of debentures

Mode	Average rate	Guarantee	Parent Company		Consolidated	
			03/31/2024	12/31/2023	03/31/2024	12/31/2023
1st issuance of debentures (i)	CDI + 2.70%	No guarantee and/or surety	336,351	325,641	336,351	325,641
Costs of funding to settle (i)	p.a.		(2,402)	(2,892)	(2,402)	(2,892)
2nd issuance of debentures (ii)	CDI + 1.40%	No guarantee and/or surety	-	1,048,187	-	1,048,187
Costs of funding to settle (ii)	p.a.		-	(2,748)	-	(2,748)
3rd issuance of debentures (ii)	CDI + 2.30%	No guarantee and/or surety	-	1,034,639	-	1,034,639
Costs of funding to settle (ii)	p.a.		-	(7,860)	-	(7,860)
4th issuance of debentures (ii)	CDI + 2.30%	No guarantee and/or surety	-	508,156	-	508,156
Costs of funding to settle (ii)	p.a.		-	(4,003)	-	(4,003)
5th issuance of debentures (iii)	CDI + 1.25%	No guarantee and/or surety	726,978	706,258	726,978	706,258
Costs of funding to settle (iii)	p.a.		(3,466)	(3,277)	(3,466)	(3,277)
6th issuance of debentures (iv)	CDI + 1.25%	No guarantee and/or surety	515,421	500,730	515,421	500,730
Costs of funding to settle (iv)	p.a.		(2,437)	(2,362)	(2,437)	(2,362)
7th issuance of debentures (v)	CDI + 1.30%	No guarantee and/or surety	3,006,800	-	3,006,800	-
Costs of funding to settle (v)	p.a.		(31,673)	-	(31,673)	-
Total			4,545,572	4,100,469	4,545,572	4,100,469
Current liabilities			216,336	2,407,908	216,336	2,407,908
Non-current liabilities			4,329,236	1,692,561	4,329,236	1,692,561

- (i) On December 10, 2020, the Company conducted a fundraising exercise by issuing Simple Debentures, which are non-convertible into shares and constitute a single series. These debentures were unsecured and made available to the public with restricted efforts, following the provisions of CVM Instruction 476, R\$ 485,000 at a cost of CDI + 2.70% per annum, for the refinancing of 94 Commercial Promissory Notes from the fifth issuance. The maturity period for these debentures is five years starting from the date of issuance. The interest and principal payments are scheduled semi-annually, with the first installment due on December 10, 2023, followed by payments on December 10, 2024, and December 10, 2025. The contract associated with this issuance foresees a financial index covenant, whereby the net debt divided by EBITDA ratio must be equal to or less than three until November 30, 2024, and after this date, it must be three point five or lower at the end of each fiscal year.
- (ii) On March 25, 2024, the company carried out the optional early redemption of the totality of the Debentures of the 2nd, 3rd and 4th Issuances, pursuant to Clause 5.1 (v). The early redemption value of the 2nd issuance of debentures was R\$ 1,033,588, considering the early redemption premium, of the 3rd issuance was R\$ 1,066,120 and of the 4th issuance was R\$ 523,613.
- (iii) On November 22, 2023, the Company executed its 5th Issuance of Simple Debentures, which are non-convertible into shares. These were issued as a single series, belonging to the unsecured category, and were facilitated through the Automatic Distribution Registration Rite, operating within the framework of the Firm Guarantee Regime, as stipulated by CVM Instruction 160. The issuance amounted to R\$ 700,000, and it carried a cost of CDI + 1.25% p.a. This initiative was undertaken to bolster the Company's cash reserves and support its routine management operations. The maturity will be four years *bullet*, with semi-annual payment of remuneration and no grace period, always on the 15th of the months of May and November, the first being on May 15, 2024 and full amortization in the 4th (fourth) year, on November 15, 2027. A financial index covenant is foreseen: net debt divided by EBITDA must be less than or equal to 4.0 (four point zero) at the end of each fiscal year, by the maturity date of the Debentures.
- (iv) On December 26, 2023, the Company executed its 6th Issuance of Simple Debentures, which are non-convertible into shares. These were issued as a single series, belonging to the unsecured category, and were facilitated through the Automatic Distribution Registration Rite, operating within the framework of the Firm Guarantee Regime, as stipulated by CVM Instruction 160. The issuance amounted to R\$ 500,000, and it carried a cost of CDI + 1.25% p.a. This initiative was undertaken to bolster the Company's cash reserves and support its routine management operations. The maturity will be four years *bullet*, with semi-annual payment of remuneration and no grace period, always on the 26th of the months of June and December, the first being on June 26, 2024 and full amortization in the 4th (fourth) year, on December 26, 2027. A financial index covenant is foreseen: net debt divided by EBITDA must be less than or equal to 4.0 (four point zero) at the end of each fiscal year, until the maturity date of the Debentures.
- (v) On March 31, 2024, the Company executed its 3rd Issuance of Simple Debentures, which are non-convertible into shares. These were issued as a single series, belonging to the unsecured category, and were facilitated through the Automatic Distribution Registration Rite, operating within the framework of the Firm Guarantee Regime, as stipulated by CVM Instruction 160. The issuance amounted to R\$ 3,000,000,000, and it carried a cost of CDI + 1.30% p.a. This initiative was undertaken to bolster the Company's cash reserves and support its routine management operations. The maturity period for these debentures is seven years from the date of issuance. The debentures will accrue semi-annual remuneration and amortization in the fifth, sixth, and seven years from the date of issuance. A financial index covenant is foreseen: net debt divided by EBITDA must be less than or equal to 4.0 (four point zero) at the end of each fiscal year until the maturity date of the Debentures.

Movement of debentures

	Parent company and Consolidated
Balances at the beginning of the period	4,100,469
Fundraising	3,000,000
Interest paid	(188,441)
Provisioned Interest	150,378
Amortization	(2,500,000)
Appropriate funding costs and charges	(16,834)
Balance at the end of the period	<u>4,545,572</u>

The changes for the year ended December 31, 2023 are presented in the individual and consolidated annual financial statements for the year.

The maturities related to the balance of debentures are shown in the following table:

	Parent company and Consolidated	
	2024	2023
2025	161,667	-
2026	-	-
2027	1,200,000	1,366,667
2028	-	166,667
2029 onwards	3,000,000	166,666
Non-current liabilities	<u>4,361,667</u>	<u>1,700,000</u>

20 Related parties

a. Transactions and balances

The primary balances of assets and liabilities, as well as the transactions between related parties that impacted the results in the period, arise from the operations conducted between the Company and its subsidiaries.

	03/31/2024						
	Parent Company				Consolidated		
	Balances		Transactions		Balances		Transactions
	Current	Current	Revenues	Expenses/costs	Current	Current	Expenses/costs
Eurofarma Argentina S.A. (v)	8,983	(6,268)	(810)	922	-	-	-
Eurofarma Uruguay S.A. (i)	4,423	-	(1,938)	2,525	-	-	-
Supera Farma Laboratórios S.A. (iii)	2,901	(702)	-	366	-	-	-
Supera RX Medicamentos Ltda. (ii)	19,390	(36)	(23,918)	12,745	-	-	-
Magabi Pesquisas Clínicas e Farmacêuticas Ltda. (vii)	6,601	(64)	(19)	3,898	6,601	(64)	3,879
Eurofarma Colômbia S.A.S. (i)	8,148	(3,847)	(4,501)	5,357	-	-	-
Themaxis Colômbia (iv)	9	-	-	-	9	-	-
Eurofarma Mexico (ii)	4,625	-	(3,816)	3,072	-	-	-
Eurofarma Venezuela Casa de Representacion (ii)	2,165	-	(165)	155	-	-	-
Orygen (vi)	-	(6,455)	-	95	-	(6,455)	95
Laboratórios Eurofarma Bolivia S.A. (ii)	1,395	(33)	(545)	566	-	-	-
Eurofarma Paraguay (i)	1,693	(1,125)	(781)	942	-	-	-
Eurofarma Guatemala (i)	13,620	-	(4,972)	5,605	-	-	-
Eurofarma Peru (ii)	3,052	(321)	(1,929)	2,165	-	-	-
Momenta Farmacêutica Ltda. (iii)	1,475	(3,199)	(2,404)	2,502	-	-	-
Eurofarma S.A. (i)	13,567	-	(1,200)	985	-	-	-

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	03/31/2024						
	Parent Company				Consolidated		
	Balances		Transactions		Balances		Transactions
	Current	Current	Revenues	Expenses/cos ts	Current	Current	Expenses/costs
Eurofarma Mozambique (iv)	2,910	-	(1,006)	376	-	-	-
Eurofarma Institute (viii)	41	-	(24)	5,205	41	-	5,181
Conte Capital S.A.(ix)	26	-	(51)	545	26	-	494
Eurofarma Panamá S.A. (ii)	160	-	-	-	-	-	-
Eurofarma Chile SpA. (ii)	17,093	-	(8,330)	9,974	-	-	-
Pearson Saúde Animal S.A. (ii)	29,565	(4)	(15,629)	15,920	-	-	-
Conte Biancamo Fundo de Investimento Imobiliário (x)	7,633	-	-	7,659	7,633	-	7,659
Eurofarma Ventures LLC(iv)	4,591	-	-	-	-	-	-
Eurofarma Usa Corp (iv)	3,507	-	-	-	-	-	-
Pharmaeuro Laboratórios, Ltd. (iv)	109	-	-	-	-	-	-
MTM Serviços de Informática	-	-	-	38	-	-	38
Longdis S.A. (iv)	4,296	-	-	-	-	-	-
Total	161,978	(22,054)	(72,038)	81,617	14,310	(6,519)	17,346

	03/31/2024						
	Parent Company				Consolidated		
	Balances		Transactions		Balances		Transactions
	Current	Current	Revenues	Expenses/costs	Current	Current	Revenues/ Expenses/Costs
Accounts receivable from customers	115,539	-	-	-	6,494	-	-
Other accounts receivable	17,157	-	-	-	7,807	-	-
Advance for future capital increase	29,282	-	-	-	9	-	-
Total assets	161,978	-	-	-	14,310	-	-
Suppliers	-	(13,921)	-	-	-	(64)	-
Other accounts payable	-	(1,678)	-	-	-	-	-
Loans	-	(6,455)	-	-	-	(6,455)	-
Total liabilities	-	(22,054)	-	-	-	(6,519)	-
Sales revenue	-	-	(71,172)	-	-	-	-
Financial revenues (expenses)	-	-	(64)	95	-	-	95
Revenue from shared services	-	-	(802)	-	-	-	(94)
Total revenue	-	-	(72,038)	95	-	-	1
Taxes, sales returns	-	-	-	4,138	-	-	-
Costs	-	-	-	59,477	-	-	-
Other expenses	-	-	-	131	-	-	-
Administrative expenses	-	-	-	17,776	-	-	17,345
Total expenses	-	-	-	81,522	-	-	17,345

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12/31/2023

	Parent Company				Consolidated		
	Balances		Transactions		Balances		Transactions
	Current	Current	Revenues	Expenses/costs	Current	Current	Expenses/costs
Eurofarma Argentina S.A. (v)	722	(7,655)	(2,137)	1,994	-	-	-
Eurofarma Uruguay S.A. (i)	6,039	-	(16,128)	18,284	-	-	-
Supera Farma Laboratórios S.A. (iii)	2,922	(1,393)	(734)	6	-	(201)	-
Supera RX Medicamentos Ltda. (ii)	16,720	-	(134,226)	90,121	-	-	(2,086)
Magabi Pesquisas Clínicas e Farmacêuticas Ltda. (vii)	6,886	(65)	(72)	10,414	6,885	(65)	10,341
Eurofarma Colômbia S.A.S. (i)	8,880	(1,222)	(16,217)	15,685	-	-	-
Themaxis Colômbia (iv)	9	-	-	-	9	-	-
Eurofarma Mexico (ii)	2,644	(27,526)	(4,816)	4,872	-	-	-
Eurofarma Venezuela Casa de Representacion (ii)	1,417	-	-	-	-	-	-
Orygen (vi)	-	(7,710)	-	851	-	(7,710)	851
Laboratórios Eurofarma Bolívia S.A. (ii)	1,271	-	(2,899)	4,629	-	-	-
Eurofarma Paraguay (i)	1,905	(3,382)	(4,400)	6,023	-	-	-
Eurofarma Guatemala (i)	15,676	-	(29,481)	27,013	-	-	-
Eurofarma Peru (ii)	3,134	(154)	(11,758)	12,301	-	-	-
Momenta Farmacêutica Ltda. (iii)	753	(21,882)	(13,892)	13,220	-	-	-
Eurofarma S.A. (i)	7,527	-	(4,328)	4,699	-	-	-
Eurofarma Mozambique (iv)	1,155	-	(560)	173	-	-	-
Eurofarma Institute (viii)	27	-	(96)	22,039	27	-	21,944
Conte Capital S.A.(ix)	38	-	(194)	2,253	38	-	2,059
Eurofarma Panamá S.A. (ii)	201	-	(451)	548	-	-	-
Produtos Farmaceuticos Medipharm (ii)	15,927	-	(29,627)	30,651	-	-	-
Pearson Saúde Animal S.A. (ii)	29,383	(225)	(57,492)	59,277	-	-	-
Conte Biancamo Fundo de Investimento Imobiliário (x)	7,633	-	-	21,949	7,633	-	21,949
Eurofarma RJ Ltda (ii)	-	-	(1,809)	1,777	-	-	-
MTM Serviços de Informática	-	-	-	18	-	-	18
Longdis S.A. (iv)	4,296	-	-	-	-	-	-
Total	135,165	(71,214)	(331,317)	348,797	14,592	(7,976)	55,076

Eurofarma Laboratórios S.A.
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12/31/2023							
	Parent Company				Consolidated		
	Balances		Transactions		Balances	Transactions	
	Current	Current	Revenues	Expenses/costs	Current	Current	Revenues/ Expenses/Costs
Accounts receivable from customers	112,332	-	-	-	6,847		
Other accounts receivable	14,875	-	-	-	7,736	-	-
Advance for future capital increase	7,958	-	-	-	9	-	-
Total assets	135,165	-	-	-	14,592	-	-
Suppliers	-	(53,592)	-	-	-	(65)	-
Other accounts payable	-	(9,711)	-	-	-	-	-
Anticipation of dividends	-	(201)	-	-	-	(201)	-
Loans	-	(7,710)	-	-	-	(7,710)	-
Total liabilities	-	(71,214)	-	-	-	(7,976)	-
Sales revenue	-	-	(324,311)	-	-	-	-
Financial revenues (expenses)	-	-	(315)	851	-	-	851
Revenue from shared services	-	-	(2,996)	-	-	-	(362)
Other revenue	-	-	(3,695)	-	-	-	(2,086)
Total revenue	-	-	(331,317)	851	-	-	(1,597)
Taxes, sales returns	-	-	-	18,781	-	-	-
Costs	-	-	-	271,210	-	-	-
Other expenses	-	-	-	775	-	-	-
Administrative expenses	-	-	-	57,180	-	-	56,673
Total expenses	-	-	-	347,946	-	-	56,673

- (i) Operation with Eurofarma relating to the sale of products between the companies, advance for future capital increase and loans with Eurofarma Colombia subsidiaries R\$ 3,742 (USD 1,500) maturing in December 2024.
- (ii) Operation with Eurofarma referring to the sale of products between the companies.
- (iii) Operation with Eurofarma regarding the sale of products between the companies and payment of dividends.
- (iv) Advance for future capital increase for the companies of the Group.
- (v) Operation with Eurofarma regarding the sale of products between companies and other accounts payable.
- (vi) Operation with Eurofarma relating to an advance for future capital increase and loan between the companies with a total loan amount of R\$ 6,455 on March 31, 2024 and R\$ 7,710 on December 31, 2023, with monthly payment of the principal in the amount of the installment of 120 and with monthly interest calculated at 100% of the CDI (Bank Deposit Certificate).
- (vii) Purchase of services and accounts receivable for the sale of property, plant and equipment.
- (viii) Eurofarma Laboratórios acts as the primary supporter of Eurofarma Institute, which operates as an OSCIP (Civil Society Organization of Public Interest). As the maintainer, Eurofarma Laboratórios provides the essential funds required for the successful functioning of Eurofarma Institute.
- (ix) The properties of Unit IV - Nações Unidas and Unit V - Rio de Janeiro are subject to lease agreements for a duration spanning from January 1, 2017, to December 31, 2026, encompassing a period of 10 years.
- (x) Rent expenses for the Itapevi plant related to the 3-month period.

b. Remuneration of key Management personnel

The total compensation of key Management personnel includes salaries, benefits and profit sharing and is presented below:

	Parent Company		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Salaries and short-term benefits (i)	6,241	4,769	7,700	6,353
Total	6,241	4,769	7,700	6,353

(i) During the period ended March 31, 2024, the Company considered only the statutory officers to be key management personnel.

c. Parent company and final controlling shareholder

The Company's ultimate controlling shareholder is Santos - Fundo de Investimentos em Ações, which holds 98.4400427% and Conte Master Fundo de Investimento em Ações, which holds 1.5599572% of its share capital.

d. Dividends received

Furthermore, as per note 11.a, the Company received dividends from its subsidiary Eurofarma México totaling R\$ 27,934 as of March 31, 2024.

21 Provision for contingencies

Provisions are recognized by the Company in accordance with the requirements of CPC 25/IAS 37. These provisions are established when the Company has a present obligation resulting from a past event, and it is probable that economic benefits will be required to settle the obligation. Additionally, a reliable estimate can be made of the amount of the obligation. The assessment of the probability of loss takes into consideration various factors, including available evidence, the hierarchy of laws, existing jurisprudence, the latest court decisions, and their relevance within the legal system. Internal and external lawyers also contribute to this assessment.

The Group is involved in judicial and administrative proceedings of tax, labor, and civil nature.

Based on the advice of its legal advisors, Management maintains provisions for contingencies in amounts deemed sufficient to cover potential losses.

The breakdown of provisions by nature is presented below:

a. Breakdown of the provision for contingencies

	Parent Company					
	03/31/2024			12/31/2023		
	Provisioned amount	Judicial deposits	Net provision	Provisioned amount	Judicial deposits	Net provision
Tax (i)	12,158	(8,304)	3,854	11,103	(8,230)	2,873
Labor (ii)	34,383	-	34,383	42,053	-	42,053
Civil and administrative (iii)	13,146	-	13,146	12,987	-	12,987
Total	<u>59,687</u>	<u>(8,304)</u>	<u>51,383</u>	<u>66,143</u>	<u>(8,230)</u>	<u>57,913</u>
	Consolidated					
	03/31/2024			12/31/2023		
	Provisioned amount	Judicial deposits	Net provision	Provisioned amount	Judicial deposits	Net provision
Tax (i)	15,430	(8,304)	7,126	14,374	(8,230)	6,144
Labor (ii)	73,656	-	73,656	75,685	-	75,685
Civil and administrative (iii)	20,750	-	20,750	21,258	-	21,258
Total	<u>109,836</u>	<u>(8,304)</u>	<u>101,532</u>	<u>111,317</u>	<u>(8,230)</u>	<u>103,087</u>

On March 31, 2024, the Eurofarma Group holds judicial deposits totaling R\$ 30,718 in the parent company and R\$ 40,999 in the consolidated (R\$ 28,948 in the parent company and R\$ 39,146 in the consolidated statement on December 31, 2023). These judicial deposits primarily relate to tax lawsuits and have been classified by the legal advisors into categories of probable, possible, and remote losses.

- (i) Tax
The main provisions are Preliminary Injunctions suspending the enforceability of PIS and COFINS taxes. On March 31, 2024, the monetarily restated amount related to these taxes is R\$ 8,304 in the parent company and consolidated (R\$ 8,230 on December 31, 2023).
- (ii) Labor
They refer to various labor claims related to allegations of non-payment of labor dues and obligations, which have been provisioned by the Group based on an estimated loss prepared by its legal advisors.
- (iii) Civil and administrative
These substantially refer to administrative proceedings initiated by the regulatory body (National Health Surveillance Agency - ANVISA).

b. Movement of the provisioned amount in the parent company and consolidated statements

Parent Company						
	12/31/2023	Additions	Monetary restatement	Reversals	Payment	03/31/2024
Tax	2,873	1,262	43	(324)	-	3,854
Labor	42,053	2,864	1,407	(1,944)	(9,997)	34,383
Civil and administrative	12,987	-	190	-	(31)	13,146
Total	<u>57,913</u>	<u>4,126</u>	<u>1,640</u>	<u>(2,268)</u>	<u>(10,028)</u>	<u>51,383</u>
Consolidated						
	12/31/2023	Additions	Monetary restatement	Reversals	Payment	03/31/2024
Tax	6,144	1,263	43	(324)	-	7,126
Labor	75,685	9,648	1,631	(2,474)	(10,834)	73,656
Civil and administrative	21,258	-	(477)	-	(31)	20,750
Total	<u>103,087</u>	<u>10,911</u>	<u>1,197</u>	<u>(2,798)</u>	<u>(10,865)</u>	<u>101,532</u>

The Company presents the amount of probable claims in the columns of addition and reversal, already considering the monetary update of each process.

The changes for the year ended December 31, 2023 are presented in the individual and consolidated annual financial statements for the year.

c. Proceedings classified as possible loss

The Group is currently involved in various civil, labor, and tax lawsuits, both in the judicial and administrative realms. Management, along with legal advisors, considers the likelihood of loss in these cases to be possible. Consequently, no provisions have been recorded. The total amounts under dispute are as follows:

	Parent Company		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Labor (i)	211,968	220,165	307,474	300,482
Civil (ii)	26,262	24,851	26,262	24,851
Tax (iii)	359,685	349,231	379,196	368,284
Total	<u>597,915</u>	<u>594,247</u>	<u>712,932</u>	<u>693,617</u>

- (i) The labor claims filed against the Group are primarily related to requests for payment of overtime hours, differences in variable payments (bonuses), hazardous work allowances, and actions brought by employees of subcontracted companies due to subsidiary liability;
- (ii) The civil cases primarily pertain to claims for compensation based on consumer relations, commercial disputes with suppliers, and traffic accidents;
- (iii) The tax lawsuits relate to administrative proceedings initiated by the Group challenging the fines issued in inspection processes, where the Group disagrees with the underlying matters. Additionally, there are other lawsuits filed to contest the legitimacy of certain tax assessments.

22 Shareholders' equity

a. Share capital

On March 31, 2024, the parent company's subscribed and paid-in capital amounts to R\$ 1,203,878. This capital is represented by 987,568,073 common shares with no par value, distributed among the following shareholders:

	03/31/2024		12/31/2023	
	Number of shares	%	Number of shares	%
Santos - Fundo de Investimentos em Ações	972,162,433	98.4400427	972,162,433	98.4400427
Conte Master Fundo de Investimento em Ações	15,405,639	1.5599572	15,405,639	1.5599572
Maurizio Billi	1	0.0000001	1	0.0000001
Total	<u>987,568,073</u>	<u>100.0000000</u>	<u>987,568,073</u>	<u>100.0000000</u>

b. Dividends and interest on net equity

Dividends payable and interest on capital are segregated from shareholders' equity at the year-end and recognized as liabilities.

During the period ended March 31, 2024, dividends and interest on capital were paid in the amount of R\$16,287 from amounts decided in previous periods, as shown in note 29.

On March 31, 2024, the Company has recorded in its liabilities the amount of R\$ 405,011 in the Parent Company and R\$ 407,919 in Consolidated related to dividends declared in previous periods.

The changes for the year ended December 31, 2023 are presented in the individual and consolidated annual financial statements for the year.

c. Share of non-controlling shareholders

The Company considers transactions with non-controlling interests as transactions with equity owners of the Company. When acquiring non-controlling interests, the difference between the consideration paid and the proportionate carrying value of the subsidiary's net assets is recorded in equity.

On March 31, 2024, the Company has an amount of R\$ 86,981 (R\$ 73,176 on December 31, 2023) related to non-controlling interests.

d. Earnings per share

Earnings per share data is presented by type and nature of share.

Basic and diluted

Basic and diluted earnings per share are calculated by dividing the profit attributable to the shareholders of the Company by the number of shares for the period.

		Consolidated	
		03/31/2024	03/31/2023
Net income for the period	(a)	176,322	323,802
Number of common shares (thousands of shares)	(b)	987,568	987,568
Basic and diluted earnings per common share	(a) / (b)	0.1785	0.3279

e. Cumulative conversion adjustments

This relates to the impact of exchange rate fluctuations on investments in foreign subsidiaries. When investments in foreign subsidiaries are sold or written off, if applicable, any gains or losses arising from exchange rate variations will be reversed and recorded as income for the period.

23 Employee profit sharing

The Group also provides profit sharing to employees, which is tied to the achievement of operational goals and specific objectives defined and approved at the beginning of each fiscal year.

On March 31, 2024 and December 31, 2023, the amounts recorded as profit sharing are as follows:

	Parent Company		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Productive areas	14,691	24,004	19,829	30,634
Administrative and commercial areas	97,042	104,128	147,626	155,103
Total	111,733	128,132	167,455	185,737

24 Net revenue

a. Reconciliation of net revenue

	Note	Parent Company		Consolidated	
		03/31/2024	03/31/2023	03/31/2024	03/31/2023
Sales revenue - domestic market		2,167,192	1,948,529	3,268,881	2,773,338
Sales revenue - foreign market		3,755	517	66,034	52,459
Sales revenue - related parties	20	71,172	75,375	-	-
		2,242,119	2,024,421	3,334,915	2,825,797
Sales taxes		(221,049)	(202,089)	(260,964)	(259,758)
Returns, discounts and rebates		(19,802)	(21,971)	(243,318)	(135,095)
Total		2,001,268	1,800,361	2,830,633	2,430,944

Net operating revenue represents the value of consideration received or to be received for the sale of products and goods in the normal course of the Company's business activities.

The revenue is presented after deducting sales taxes, returns, rebates, and discounts. On a consolidated basis, it also accounts for the elimination of intercompany sales.

Sales taxes primarily include ICMS (ranging from 4% to 20%), ICMS tax substitution, municipal taxes on services (ranging from 2% to 5%), PIS contributions (at rates of 1.65% or 2.10%), COFINS contributions (at rates of 7.60% or 9.90%), and IPI (ranging from 0% to 22%).

The Company does not create provisions for merchandise sales returns as the impact is considered immaterial. However, management annually reassesses the need to make a provision for sales returns at the date of the individual and consolidated quarterly information.

The company maintains two clients that each contribute to more than 10% of the total revenues. The combined gross revenue generated from these clients reaches R\$ 1,063,369 (R\$ 795,895 on March 31, 2023).

The Group does not provide a breakdown of revenue by product and customer primarily because:

- (i) The nature and economic risk factors of the products are similar; and
- (ii) There are no significant distinctions between consumers and customers.

Furthermore, resource allocation decisions are not tied to specific business segments but are made individually for each product, with overall performance evaluations conducted for the entire product portfolio.

In terms of geographic location, net revenue from Brazil accounts for 78.46% and 83.57% of the consolidated net revenue for the periods ending on March 31, 2024 and 2023, respectively.

	Consolidated	
	03/31/2024	03/31/2023
Brazil	2,220,979	2,031,613
Central America	99,827	89,112
Chile	56,754	49,849
Mexico	107,710	103,209
Peru	48,726	28,334
Colombia	201,597	43,856
Argentina	30,167	36,070
Uruguay	20,280	22,439
Ecuador	22,814	8,936
Bolivia	5,965	5,505
Paraguay	3,011	2,257
Mozambique	395	-
United States	12,408	9,764
Total	2,830,633	2,430,944

The segregation of net revenue by business unit is shown below:

	Consolidated	
	03/31/2024	03/31/2023
Prescription /Pharma	1,780,790	1,616,033
OTC:	107,053	83,783
Generic Drugs	599,515	399,450
Hospital	108,044	108,140
Outsourcing	43,776	51,023
Bidding	89,923	89,247
Oncology	72,789	58,697
Veterinary/Pearson	25,052	24,069
Exports	3,691	502
Total	2,830,633	2,430,944

b. Performance obligations and revenue recognition policies

The Group recognizes revenue when it transfers control over the product or service to the customer.

c. Government grants

Government grants received from Eurofarma Laboratórios and Momenta Farmacêutica are recognized when there is reasonable certainty that the Company will receive the benefit and fulfill all corresponding conditions. If the grant relates to an expense item, it is recognized as income over the period in which the benefit is realized, systematically offsetting the costs that the benefit is intended to compensate. The Company also benefits from an ICMS tax incentive provided by the government of Minas Gerais. The effects of this calculation are recorded in the results for the period under "sales deductions," and the corresponding credit is applied monthly based on the issuance of invoices subject to ICMS taxation. At the end of the year, this benefit is allocated to the tax incentive reserve.

Additionally, the subsidiary Supera RX has a Special Regime Agreement Term (TARE) with the State of Goiás, allowing it to offset ICMS tax credits equivalent to 4% of the sales of medicines to other states, limited to products with import content equal to or less than 40% in accordance with Senate Resolution No. 13 of 2012.

25 Cost and expenses by type

	Parent Company		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Cost of inputs	(476,506)	(451,296)	(730,764)	(608,675)
Direct labor cost	(38,220)	(32,870)	(40,670)	(36,510)
Indirect manufacturing cost	(162,000)	(139,441)	(172,932)	(149,840)
Total cost of goods sold	(676,726)	(623,607)	(944,366)	(795,025)
Expenses with salaries, vacations and charges	(448,172)	(371,970)	(650,110)	(543,441)
Advertising and marketing expenses	(117,178)	(112,050)	(213,988)	(155,612)
Expenses with the provision of services	(58,914)	(51,739)	(88,480)	(71,445)
Travel expenses	(34,187)	(28,222)	(42,737)	(36,627)
Expenses with freights and charters	(25,076)	(17,960)	(38,826)	(30,936)
Staff expenses	(35,365)	(32,982)	(67,107)	(49,976)
Depreciation and amortization expenses	(50,757)	(36,456)	(84,970)	(52,332)
Expenses with other taxes and fees	(26,194)	(15,579)	(35,751)	(21,326)
Energy, gas and telephone expenses	(1,327)	(830)	(6,127)	(3,470)
Maintenance expenses	(6,806)	(4,117)	(16,896)	(6,191)
Rental expenses	(1,754)	(1,082)	(8,601)	(6,046)
Other expenses	(14,743)	(13,881)	(55,610)	(46,630)
Total sales and administrative expenses	(820,473)	(686,868)	(1,309,203)	(1,024,032)
Sales expenses	(587,697)	(504,157)	(918,011)	(731,067)
Administrative expenses	(232,776)	(182,711)	(391,192)	(292,965)
Total sales and administrative expenses	(820,473)	(686,868)	(1,309,203)	(1,024,032)

26 Other net operating revenues (expenses)

	Note	Parent Company		Consolidated	
		03/31/2024	03/31/2023	03/31/2024	03/31/2023
Income on sale of property, plant and equipment		446	175	776	405
Vendor insurance reimbursement		483	340	656	1,289
Extemporaneous PIS/COFINS credit		-	5,267	-	5,267
Recovery of expenses		2,205	2,298	6,763	5,163
Related Parties	20	-	737	-	-
Settlement of deferred revenue		1,167	1,167	1,240	1,167
Other revenue		-	-	-	300
Total revenue		4,301	9,984	9,435	13,591
Other expenses					
Provision for investment losses		(384)	(780)	(384)	(780)
Net result on CPC 06 write-off		(198)	(107)	(197)	(107)
Expenses with products and customer reimbursement		(1,747)	(748)	(2,204)	(846)
Related parties	20	(131)	(82)	-	-
Total expenses		(2,460)	(1,717)	(2,785)	(1,733)
Net total		1,841	8,267	6,650	11,858

27 Financial result

a. Financial income

	Note	Parent Company		Consolidated	
		03/31/2024	03/31/2023	03/31/2024	03/31/2023
Active exchange rate variation		6,395	21,313	8,396	25,057
Investment fund gains		36,184	16,765	43,788	26,623
Interest with related parties	20	64	88	-	-
Interest received		6,037	1,234	6,400	1,750
Discounts obtained		24	25	1,084	51
Total financial revenue		48,704	39,425	59,668	53,481

b. Financial expenses

	Note	Parent Company		Consolidated	
		03/31/2024	03/31/2023	03/31/2024	03/31/2023
Interest and fees on loans and financing		(257,614)	(137,866)	(257,706)	(137,921)
Interest on related party loans	20	(95)	(247)	(95)	(247)
Hedge result		18,517	(17,790)	18,517	(17,790)
Monetary restatement on taxes		(326)	(372)	(340)	(375)
Discounts granted		(4)	-	(3,301)	(293)
Passive exchange rate variation		(53,134)	(3,168)	(57,338)	(10,600)
Interest on right-of-use leases		(13,830)	(10,754)	(16,187)	(12,710)
Other		(3,455)	(746)	(4,552)	(3,926)
Total financial expenses		(309,941)	(170,943)	(321,002)	(183,862)
Total net financial result		(261,237)	(131,518)	(261,334)	(130,381)

The tax benefit associated with interest on equity is initially recognized in the income statement as financial expenses. However, it is subsequently reversed when calculating the net income for the period. In the statement of changes in shareholders' equity, this reversal is reflected as an allocation of accumulated profits, which is treated as dividends paid or payable, in accordance with the nature of the transaction.

28 Financial instruments

a. Account assignment and fair value

The following table presents the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and liabilities not measured at fair value, if the carrying amount is a reasonable approximation of fair value:

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Parent Company 03/31/2024

	Note	Carrying value				Fair value			
		Fair value through profit or loss	Fair value through other comprehensive income	Financial assets at amortized cost	Other financial liabilities	Total	Tier 2	Tier 3	Total
Financial assets not stated at fair value									
Cash and banks (i)	5	-	-	754	-	754	-	-	-
Investments (i)	5	-	-	1,592,171	-	1,592,171	-	-	-
Accounts receivable from customers (ii)	6	-	-	1,467,727	-	1,467,727	-	-	-
Other accounts receivable (ii)		-	-	462	-	462	-	-	-
Total		-	-	3,061,114	-	3,061,114	-	-	-
Financial assets stated at fair value									
Abingworth Bioventure 8 LP	12	5,044	-	-	-	5,044	-	5,044	5,044
CO Invest II Grids III Investors Ltd	12	4,378	-	-	-	4,378	-	4,378	4,378
Assuruá 4 Subholding I Energia S.A	12	7,144	-	-	-	7,144	-	7,144	7,144
Total		16,566	-	-	-	16,566	-	16,566	16,566
Financial liabilities not stated at fair value									
Suppliers (ii)	16.a	-	-	-	(464,058)	(464,058)	-	-	-
Loans and financing	18	-	-	-	(3,912,004)	(3,912,004)	(3,838,472)	-	(3,838,472)
Debentures	19	-	-	-	(4,585,550)	(4,585,550)	(4,361,594)	-	(4,361,594)
Right-of-use lease (ii)	14.b	-	-	-	(583,429)	(583,429)	-	-	-
Other accounts payable (ii)		-	-	-	(101,461)	(101,461)	-	-	-
Total		-	-	-	(9,646,502)	(9,646,502)	(8,200,066)	-	(8,200,066)
Financial liabilities stated at fair value									
Financial instruments		-	(109,297)	-	-	(109,297)	(109,297)	-	(109,297)
Total		-	(109,297)	-	-	(109,297)	(109,297)	-	(109,297)

(i) For cash and cash equivalents as well as financial investments, the fair value is considered a reasonable estimate of the book value. This is due to the fact that all of the Group's investments carry daily liquidity, ensuring that the balance reported by the bank corresponds precisely to the available balance for utilization.

(ii) Due to the terms and nature of these instruments, the carrying amounts closely reflect their fair values.

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Consolidated 03/31/2024									
Carrying value						Fair value			
	Note	Fair value through profit or loss	Fair value through other comprehensive income	Financial assets at amortized cost	Other financial liabilities	Total	Tier 2	Tier 3	Total
Financial assets not stated at fair value									
Cash and banks (i)	5	-	-	135,744	-	135,744	-	-	-
Financial investments (i)	5	-	-	1,928,260	-	1,928,260	-	-	-
Accounts receivable from customers (ii)	6	-	-	2,272,265	-	2,272,265	-	-	-
Other accounts receivable (ii)		-	-	33,693	-	33,693	-	-	-
Total		-	-	4,369,962	-	4,369,962	-	-	-
Financial assets stated at fair value									
Abingworth Bioventure 8 LP	12	5,044	-	-	-	5,044	-	5,044	5,044
Venture capital investment (Neuron)	12	28,598	-	-	-	28,598	-	28,598	28,598
CO Invest II Grids III Investors Ltd	12	4,378	-	-	-	4,378	-	4,378	4,378
Assuruá 4 Subholding I Energia S.A	12	8,573	-	-	-	8,573	-	8,573	8,573
Loan agreements	7	12,630	-	-	-	12,630	-	12,630	12,630
Total		59,223	-	-	-	59,223	-	59,223	59,223
Financial liabilities not stated at fair value									
Suppliers (ii)	16.a	-	-	-	(803,599)	(803,599)	-	-	-
Loans and financing	18	-	-	-	(3,912,004)	(3,912,004)	(3,838,472)	-	(3,838,472)
Debentures	19	-	-	-	(4,585,550)	(4,585,550)	(4,361,594)	-	(4,361,594)
Right-of-use lease (ii)	14.b	-	-	-	(743,892)	(743,892)	-	-	-
Other accounts payable (ii)		-	-	-	(366,020)	(366,020)	-	-	-
Total		-	-	-	(10,411,065)	(10,411,065)	(8,200,066)	-	(8,200,066)
Financial liabilities stated at fair value									
Financial instruments		-	(109,297)	-	-	(109,297)	(109,297)	-	(109,297)
Total		-	(109,297)	-	-	(109,297)	(109,297)	-	(109,297)

(i) For cash and cash equivalents as well as financial investments, the fair value is considered a reasonable estimate of the book value. This is due to the fact that all of the Group's investments carry daily liquidity, ensuring that the balance reported by the bank corresponds precisely to the available balance for utilization.

(ii) Due to the terms and nature of these instruments, the carrying amounts closely reflect their fair values.

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Parent Company 12/31/2023									
Carrying value						Fair value			
Note	Fair value through profit or loss	Fair value through other comprehensive income	Financial assets at amortized cost	Other financial liabilities	Total	Tier 2	Tier 3	Total	
Financial assets not stated at fair value									
Cash and banks (i)	5	-	-	1,037	-	1,037	-	-	-
Investments (i)	5	-	-	1,296,383	-	1,296,383	-	-	-
Accounts receivable from customers (ii)	6	-	-	1,299,069	-	1,299,069	-	-	-
Other accounts receivable (ii)		-	-	2,706	-	2,706	-	-	-
Total		-	-	2,599,195	-	2,599,195	-	-	-
Financial assets stated at fair value									
Abingworth Bioventure 8 LP	12	6,037	-	-	-	6,037	-	6,037	6,037
CO Invest II Grids III Investors Ltd	12	5,425	-	-	-	5,425	-	5,425	5,425
Total		11,462	-	-	-	11,462	-	11,462	11,462
Financial liabilities not stated at fair value									
Suppliers (ii)	16.a	-	-	-	(551,194)	(551,194)	-	-	-
Loans and financing	18	-	-	-	(3,958,315)	(3,958,315)	(4,229,932)	-	(4,229,932)
Debentures	19	-	-	-	(4,123,612)	(4,123,612)	(4,381,725)	-	(4,381,725)
Right-of-use lease (ii)	14.b	-	-	-	(510,562)	(510,562)	-	-	-
Other accounts payable (ii)		-	-	-	(77,896)	(77,896)	-	-	-
Total		-	-	-	(9,221,579)	(9,221,579)	(8,611,657)	-	(8,611,657)
Financial liabilities stated at fair value									
Financial instruments		-	(139,146)	-	-	(139,146)	(139,146)	-	(139,146)
Total		-	(139,146)	-	-	(139,146)	(139,146)	-	(139,146)

- (i) For cash and cash equivalents as well as financial investments, the fair value is considered a reasonable estimate of the book value. This is due to the fact that all of the Group's investments carry daily liquidity, ensuring that the balance reported by the bank corresponds precisely to the available balance for utilization.
- (ii) Due to the terms and nature of these instruments, the carrying amounts closely reflect their fair values.

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Consolidated 12/31/2023									
	Note	Carrying value				Fair value			
		Fair value through profit or loss	Fair value through other comprehensive income	Financial assets at amortized cost	Other financial liabilities	Total	Tier 2	Tier 3	Total
Financial assets not stated at fair value									
Cash and banks (i)	5	-	-	164,510	-	164,510	-	-	-
Financial investments (i)	5	-	-	1,496,134	-	1,496,134	-	-	-
Accounts receivable from customers (ii)	6	-	-	2,021,337	-	2,021,337	-	-	-
Other accounts receivable (ii)		-	-	30,025	-	30,025	-	-	-
Total		-	-	3,712,006	-	3,712,006	-	-	-
Financial assets stated at fair value									
Abingworth Bioventure 8 LP	12	6,037	-	-	-	6,037	-	6,037	6,037
Venture capital investment (Neuron)	12	28,662	-	-	-	28,662	-	28,662	28,662
CO Invest II Grids III Investors Ltd	12	5,425	-	-	-	5,425	-	5,425	5,425
Total		40,124	-	-	-	40,124	-	40,124	40,124
Financial liabilities not stated at fair value									
Suppliers (ii)	16.a	-	-	-	(812,810)	(812,810)	-	-	-
Loans and financing	18	-	-	-	(3,958,315)	(3,958,315)	(4,229,932)	-	(4,229,932)
Debentures	19	-	-	-	(4,123,612)	(4,123,612)	(4,381,725)	-	(4,381,725)
Right-of-use lease (ii)	14.b	-	-	-	(680,691)	(680,691)	-	-	-
Other accounts payable (ii)		-	-	-	(323,068)	(323,068)	-	-	-
Total		-	-	-	(9,898,496)	(9,898,496)	(8,611,657)	-	(8,611,657)
Financial liabilities stated at fair value									
Financial instruments		-	(139,146)	-	-	(139,146)	(139,146)	-	(139,146)
Total		-	(139,146)	-	-	(139,146)	(139,146)	-	(139,146)

- (i) For cash and cash equivalents as well as financial investments, the fair value is considered a reasonable estimate of the book value. This is due to the fact that all of the Group's investments carry daily liquidity, ensuring that the balance reported by the bank corresponds precisely to the available balance for utilization.
- (ii) Due to the terms and nature of these instruments, the carrying amounts closely reflect their fair values.

b. Fair value measurement

Valuation techniques and significant unobservable inputs

The following table outlines the valuation method employed for Tier 2 fair value measurements, along with the important unobservable inputs utilized.

Financial instruments stated at fair value

Type	Valuation technique	Assumptions
Contingent consideration	Discounted cash flows: The valuation model utilized incorporates the present value of projected future payments, which are then discounted using a risk-adjusted rate. These future payments have been estimated using a Monte Carlo simulation model.	Interpolation of the DI and market rate of US dollar futures contracts for each base date as reported by B3 and interpolation of the credit curve for each base date as reported by AMBIMA
Investment in venture capital (Neuron) and loans convertible into shares	The fair values reflect the prices agreed upon in the transactions involving shares of closely-held companies, which support the market value disclosed in the financial statements for these investments.	Neuron Fund invests in shares of privately held companies, and their fair values are determined through a valuation report. The valuation report uses market multiple comparisons, specifically the EV/Revenue ratio of companies operating in the same sector. Additionally, a risk premium is applied to account for the size of the company.
Interest rate swap	Fair value is determined through the computation of the present value of projected future cash flows. Expectations of future cash flows from floating rates are based on quoted swap rates, future prices and interest rates on bank loans. The estimated cash flows are discounted using a curve constructed from similar sources and which reflects the relevant interbank benchmark rate used by market participants for the purpose of pricing interest rate swaps.	(i) The valuation of foreign currency forward contracts involves utilizing interpolation techniques on market rates of U.S. dollar futures contracts for each specified base date, as reported by B3 (previously known as BM&F BOVESPA). (ii) Swaps are valued through the application of interpolation on the exchange coupon and future DI market rates for each designated base date, as provided by B3 (previously known as BM&F BOVESPA).
Debentures and bank loans with and without collateral	The discounted cash flow valuation model takes into account the present value of expected future payments. These payments are discounted using a risk-adjusted discount rate.	Not applicable.

c. Risk Management

The Group has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

d. Risk management framework

The Company adopts a risk management policy in order to control or mitigate the risks to which it is exposed. The Risk Management Policy aims to ensure that the risks inherent to the Company's activities are identified, evaluated, treated, monitored and communicated. The Company's approach is to integrate day-to-day risk management into the conduct of its business through a structured process and acculturation.

(i) Credit risk

Credit risk is the risk that the Group will suffer financial losses if a customer or a counterpart in a financial instrument fails to fulfill its contractual obligations. This risk primarily originates from the Group's accounts receivable and financial instruments.

The carrying value of the financial assets represents the maximum credit exposure. The highest credit risk exposure at the end of the reporting period was:

	Parent Company		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Cash and cash equivalents	1,592,925	1,297,420	2,064,004	1,660,644
Accounts receivable from customers	1,467,727	1,299,069	2,272,265	2,021,337
Other accounts receivable	462	2,706	33,693	30,025
Securities (i)	16,566	11,462	46,593	40,124
Total	3,077,680	2,610,657	4,416,555	3,752,130

- (i) Includes the amounts reclassified from the investment group, as mentioned in note 12.

Accounts receivable

The Group's exposure to credit risk is primarily influenced by the unique characteristics of each customer. To manage this risk, the Group has implemented a credit policy that involves conducting individual assessments of new customers' financial conditions before extending credit limits and payment terms.

The Group's sales policy is aligned with the credit policies established by Management, with the objective of minimizing potential issues arising from customer defaults. This objective is achieved through careful customer portfolio selection, which takes into account their payment capacity (credit analysis) and sales diversification (risk spreading). Any estimated losses are fully accounted for through provisions. Additionally, the Company holds accounts receivable from two customers that, on average, represent 48.3% of the total accounts receivable.

Cash and cash equivalents

The Group follows a policy of engaging with top-tier institutions and avoiding concentration of investments in a single economic group. In line with the Financial Investment Policy, the Group restricts the allocation of resources to financial institutions that lack a credit rating and/or do not hold at least an A-rating on a local scale, as issued by major credit rating agencies. To ensure liquidity, priority is given to financial investments with immediate liquidity. However, subject to financial discipline and available cash flow, the Group may authorize operations with a grace period of up to 90 days, subject to approval by the corporate Finance department. The Group maintains constant monitoring of the ratings of its partner institutions to assess if there are any changes in their risk profiles and to make necessary adjustments to its financial investments. Based on external credit ratings of counterparties, the Group considers its cash and cash equivalents to have low credit risk.

Securities

Investment in the funds Neuron Ventures Fundo Investimento em Participações Multiestratégia Investimento no Exterior, with Eurofarma as the sole shareholder, Abingworth Bioventure 8 LP venture capital investment fund for biotech companies abroad and participation in CO Invest II Grids III Investors Ltd. with investments in securities such as shares and securities convertible into shares of closed companies and investment in Assuruá 4 Subholding I Energia S.A, whose corporate purpose is the generation and sale of electricity.

(ii) *Liquidity risk*

The Group acknowledges the risk of insufficient liquid resources to fulfill its financial commitments due to potential disparities in terms or volumes between expected receipts and payments.

To effectively manage liquidity risk, the Group adopts a proactive approach focused on securing timely payment of its obligations. This involves maintaining adequate cash reserves to meet short-term liabilities, ensuring sufficient liquidity to fulfill maturing obligations under both normal and stress conditions. By doing so, the Group aims to prevent unacceptable losses and safeguard its reputation.

Exposure to liquidity risks

The following table presents the maturity dates of the Group's financial liabilities as of the financial statement date. These amounts represent the total outstanding balances, including contractual interest payments, and are presented without any discounting:

Parent Company 03/31/2024						
Financial liabilities	Accounting balance	Contractual flow	Up to 1 year	1 - 2 years	2 - 5 years	Over 5 years
Suppliers	464,058	464,058	464,058	-	-	-
Loans, financing and debentures (i)	8,438,100	11,594,816	1,587,768	1,283,183	6,140,453	2,583,412
Financial instruments	109,297	89,504	91,646	75,342	(77,484)	-
Leases payable	226	230	230	-	-	-
Right-of-use leases	583,429	736,560	157,261	148,925	254,347	176,027
Other accounts payable	101,461	101,461	101,461	-	-	-
Total	9,696,571	12,986,629	2,402,424	1,507,450	6,317,316	2,759,439

Consolidated 03/31/2024						
Financial liabilities	Accounting balance	Contractual flow	Up to 1 year	1 - 2 years	2 - 5 years	Over 5 years
Suppliers	803,599	803,599	803,599	-	-	-
Loans, financing and debentures (i)	8,438,100	11,594,816	1,587,768	1,283,183	6,140,453	2,583,412
Financial instruments	109,297	89,504	91,646	75,342	(77,484)	-
Leases payable	226	230	230	-	-	-
Right-of-use lease	743,892	912,561	204,505	179,253	296,218	232,585
Other accounts payable	366,021	366,021	366,021	-	-	-
Total	10,461,135	13,766,731	3,053,769	1,537,778	6,359,187	2,815,997

- (i) These amounts are being presented according to their contractual financial flow, not considering the amounts that were reclassified to the short term due to the failure to meet the limit established for the financial ratio on March 31, 2024, as mentioned in note 18.

Parent Company 12/31/2023						
Financial liabilities	Accounting balance	Contractual flow	Up to 1 year	1 - 2 years	2 - 5 years	Over 5 years
Suppliers	551,194	551,194	551,194	-	-	-
Loans, financing and debentures (ii)	8,038,184	9,329,660	1,504,174	1,262,552	5,492,625	1,070,309
Financial instruments	139,146	129,057	99,630	69,738	1,490	(41,801)
Leases payable	1,247	1,285	1,285	-	-	-
Right-of-use leases	510,562	644,265	130,456	118,837	207,457	187,515
Other accounts payable	77,896	77,896	77,896	-	-	-
Total	9,318,229	10,733,357	2,364,635	1,451,127	5,701,572	1,216,023

Consolidated 12/31/2023						
Financial liabilities	Accounting balance	Contractual flow	Up to 1 year	1 - 2 years	2 - 5 years	Over 5 years
Suppliers	812,810	812,856	812,856	-	-	-
Loans, financing and debentures (ii)	8,038,184	9,329,660	1,504,174	1,262,552	5,492,625	1,070,309
Financial instruments	139,146	129,057	99,630	69,738	1,490	(41,801)
Leases payable	1,247	1,285	1,285	-	-	-
Right-of-use lease	680,691	837,778	177,657	152,851	256,668	250,602
Other accounts payable	323,068	323,068	323,068	-	-	-
Total	9,995,146	11,433,704	2,918,670	1,485,141	5,750,783	1,279,110

- (ii) These amounts are being presented according to their contractual financial flow, not considering the amounts that on December 31, 2023 were reclassified to the short term due to not meeting the limit established for the net debt divided by EBITDA financial ratio, as mentioned in the financial statement for that year.

The cash flows detailed in the above table reflect the contractual undiscounted cash flows associated with non-derivative financial liabilities held for the purpose of risk management. These liabilities are typically upheld until contractual maturity without early termination.

However, it is important to note that the Group has bank loans and debentures with covenants, as disclosed in notes 18 and 19. In the event of future non-compliance with these restrictive contractual clauses, the Group may be required to repay the loan prior to the maturity date indicated in the table above.

(iii) Market risk

Market risk refers to the potential impact of market price fluctuations on the financial instruments, assets, and liabilities of the Group. The purpose of risk management is to ensure that the risk exposure remains within the parameters defined by Management. The analysis is being carried out between fixed and variable rate instruments.

e. Foreign exchange risk

The associated risk arises from the possibility of fluctuations in the exchange rates of foreign currencies used by the Group. The Group's income can be significantly affected by the volatility of exchange rates, particularly concerning: (i) balances payable to foreign suppliers for inputs, primarily denominated in US dollars, and (ii) bank loans and financing denominated in US dollars.

Exposure to foreign exchange risks

On March 31, 2024 and December 31, 2023, the Group had assets and liabilities denominated in foreign currency in the amounts described below:

	Parent Company							
	03/31/2024				12/31/2023			
	USD	Euro	GBP	Amount in Brazilian Reais	USD	Euro	GBP	Amount in Brazilian reais
Accounts receivable from customers	824	-	-	4,119	637	-	-	3,084
Suppliers	(30,285)	(26,700)	(2)	(168,768)	(38,296)	(16,369)	(2)	(228,127)
Loans and financing	(309,190)	-	-	(1,544,773)	(309,249)	-	-	(1,497,167)
Financial instruments	-	-	-	(109,296)	-	-	-	(139,145)
Net exposure	(338,651)	(26,700)	(2)	(1,818,718)	(346,908)	(16,369)	(2)	(1,861,355)

The Company is exposed to exchange rate variations on debts contracted in foreign currencies, as shown in the table above. For the most significant debts in foreign currency, the company contracts swaps. The notional value of the Swap is US\$304,469 and R\$1,557,000.

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Consolidated																
	USD	Euro	Pound	Argentinean Peso	Chilean Peso	Colombian Peso	Uruguayan Peso	Guatemalan Quetzal	Costa Rican Colon	Peruvian sol	Bolivian Peso	Paraguayan Guaraní	Mexican Peso	Mozambican Metical	Bolivar Venezuelano	Brazilian Real
03/31/2024																
Accounts receivable from customers	27,429	-	-	4,523,201	10,742,384	208,835,928	179,312	38,073	957,037	51,127	6,909	5,255,250	378,188	2,596	-	4,119
Suppliers	(46,050)	(26,725)	(2)	(1,086,261)	(1,442,121)	(58,656,410)	(20,914)	(12,895)	(54,659)	(5,386)	(450)	(346,791)	(51,736)	(2,085)	(1,148)	(180,778)
Loans and financing	(309,190)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,544,773)
Financial Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(109,297)
Net Exposure	<u>(327,811)</u>	<u>(26,725)</u>	<u>(2)</u>	<u>3,436,940</u>	<u>9,300,263</u>	<u>150,179,518</u>	<u>158,398</u>	<u>25,178</u>	<u>902,378</u>	<u>45,741</u>	<u>6,459</u>	<u>4,908,459</u>	<u>326,452</u>	<u>511</u>	<u>(1,148)</u>	<u>(1,830,729)</u>
Consolidated																
	USD	Euro	Pound	Argentinean Peso	Chilean Peso	Colombian Peso	Uruguayan Peso	Guatemalan Quetzal	Costa Rican Colon	Peruvian sol	Bolivian Peso	Paraguayan Guaraní	Mexican Peso	Mozambican Metical	Bolivar Venezuelano	Brazilian Real
12/31/2023																
Accounts receivable from customers	44,391	-	-	2,383,863	11,268,697	222,638,116	168,114	29,550	910,042	54,779	6,909	4,674,567	370,319	2,493	-	3,084
Suppliers	(79,640)	(16,405)	(2)	(374,864)	(2,497,329)	(54,004,942)	(15,950)	(18,412)	(73,545)	(24,760)	(450)	(83,965)	(46,987)	(669)	(1,335)	(255,926)
Loans and financing	(309,249)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,497,167)
Financial Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(139,146)
Net Exposure	<u>(344,498)</u>	<u>(16,405)</u>	<u>(2)</u>	<u>2,008,999</u>	<u>8,771,368</u>	<u>168,633,174</u>	<u>152,164</u>	<u>11,138</u>	<u>836,497</u>	<u>30,019</u>	<u>6,459</u>	<u>4,590,602</u>	<u>323,332</u>	<u>1,824</u>	<u>(1,335)</u>	<u>(1,889,155)</u>

These derivatives are initially measured at fair value, with their fair values being determined monthly and any variations recorded in the income statement.

Sensitivity analysis of foreign exchange risk

To conduct a sensitivity analysis for market risks, the Group evaluates the positions of assets and liabilities indexed in foreign currency.

For this analysis, Management considers the amounts recognized in the financial statements as the probable scenario. As reference points for other scenarios, variations in exchange rates used for the calculation of the amounts in the financial records are considered, including depreciation and appreciation.

The methodology adopted to calculate the balances shown in the table below consisted of replacing the closing exchange rate used for accounting purposes with the stress rates according to the scenarios presented (depreciation of (8.26%) and (15.85%); and appreciation of 8.26% and 15.85%) on December 31, 2023 (depreciation of (11.10%) and (18.46%); and appreciation of 11.10% and 18.46%).

The table illustrates the potential impacts on the financial results under each scenario:

Parent Company 03/31/2024				
Profit or loss for the period				
	Depreciation (8.26%)	Depreciation (15.85%)	Appreciation (8.26%)	Appreciation (15.85%)
Dollar	10,071	19,324	(10,071)	(19,324)
Euro	11,904	22,843	(11,904)	(22,843)
Pound	1	2	(1)	(2)
Net exposure	21,976	42,169	(21,976)	(42,169)
Consolidated 03/31/2024				
Profit or loss for the period				
	Depreciation (8.26%)	Depreciation (15.85%)	Appreciation (8.26%)	Appreciation (15.85%)
Dollar	5,597	10,740	(5,597)	(10,740)
Euro	11,916	22,865	(11,916)	(22,865)
Pound	1	2	(1)	(2)
Argentinean Peso	(1,654)	(3,174)	1,654	3,174
Chilean Peso	(3,916)	(7,515)	3,916	7,515
Colombian Peso	(16,052)	(30,802)	16,052	30,802
Uruguayan Peso	(1,741)	(3,342)	1,741	3,342
Guatemalan Quetzal	(1,335)	(2,561)	1,335	2,561
Costa Rican Colon	(748)	(1,435)	748	1,435
Peruvian sol	(5,078)	(9,745)	5,078	9,745
Bolivian Peso	(389)	(746)	389	746
Paraguayan Guarani	(275)	(527)	275	527
Mexican Peso	(8,111)	(15,564)	8,111	15,564
Bolivar Venezuelano	(3)	(6)	3	6
Mozambican Metical	13	25	(13)	(25)
Net exposure	(21,775)	(41,785)	21,775	41,785

Parent Company 12/31/2023				
Profit or loss for the period				
	Depreciation (11.10%)	Depreciation (18.46%)	Appreciation 11.10%	Appreciation 18.46%
Dollar	14,649	24,362	(14,649)	(24,362)
Euro	9,723	16,171	(9,723)	(16,171)
Pound	1	2	(1)	(2)
Net exposure	24,373	40,535	(24,373)	(40,535)
Consolidated 12/31/2023				
Profit or loss for the period				
	Depreciation (11.10%)	Depreciation (18.46%)	Appreciation 11.10%	Appreciation 18.46%
Dollar	13,354	22,208	(13,354)	(22,208)
Euro	9,745	16,207	(9,745)	(16,207)
Pound	1	2	(1)	(2)
Argentinean Peso	(1,336)	(2,221)	1,336	2,221
Chilean Peso	(5,355)	(8,906)	5,355	8,906
Colombian Peso	(23,398)	(38,912)	23,398	38,912
Uruguayan Peso	(2,096)	(3,486)	2,096	3,486
Guatemalan Quetzal	(766)	(1,274)	766	1,274
Costa Rican Colon	(865)	(1,439)	865	1,439
Peruvian sol	(4,389)	(7,300)	4,389	7,300
Bolivian Peso	(506)	(841)	506	841
Paraguayan Guaraní	(341)	(568)	341	568
Mexican Peso	(10,250)	(17,047)	10,250	17,047
Bolivar Venezuelano	20	33	(20)	(33)
Mozambican Metical	(15)	(26)	15	26
Net exposure	(26,197)	(43,570)	26,197	43,570

(iv) Interest Rate Risk

The Group is exposed to the risk of incurring losses caused by fluctuations in interest rates, which could result in increased financial expenses associated with market-raised liabilities.

The interest rate exposure of the Group comprises both pre-fixed and post-fixed rates. The post-fixed rates include TJLP, CDI, LIBOR, and IPCA, which affect the balances of financial investments, loans and financing, debentures, and lease payables. Fluctuations in these rates can have an impact on the Group's financial position and results.

Exposure to interest rate risks

The following table presents the interest rate profile of the Group's interest-bearing financial instruments as reported to Management:

	Parent Company		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Instrument with pre-fixed interest rate				
Financial assets:				
Cash and banks	754	1,037	135,744	164,510
Financial liabilities:				
Financial leasing	(226)	(1,247)	-	(1,247)
Right-of-use lease	(583,429)	(510,562)	(743,892)	(680,691)
Working capital in USD	(1,387,230)	(1,343,999)	(1,387,230)	(1,343,999)
FINIMP	(1,003)	(953)	(1,003)	(953)
EXIM in USD BNDES	(150,109)	(145,455)	(150,190)	(145,455)
Instrument with post-fixed interest rate				
Financial assets:				
Investments - CDI	1,592,171	1,296,383	1,928,260	1,496,134
Financial liabilities:				
Loans and financing - CDI	(6,755,841)	(6,390,983)	(6,755,841)	(6,390,983)
Loans and financing - TJLP	(16,182)	(23,589)	(16,182)	(23,589)
Loans and financing - IPCA	(121,281)	(125,494)	(121,281)	(125,494)
Loans and financing - TR	(6,455)	(7,710)	(6,455)	(7,710)
Financial instruments – CDI	(109,297)	(139,146)	(109,297)	(139,146)
Net exposure	(7,538,128)	(7,391,718)	(7,227,367)	(7,198,623)

Sensitivity analysis for pre-fixed interest rate instruments

The Group does not hold any financial assets or liabilities with pre-fixed interest rates that are accounted for at fair value through profit or loss. As a result, any change in interest rates at the end of the reporting period would not have an impact on the Group's financial results.

Sensitivity analysis for post-fixed interest rate instruments

A change of 100 basis points in floating interest rates at the balance sheet date would have led to the following increases (or decreases) in the results for the period. The analysis assumes that all other variables, especially exchange rates, would remain constant.

Consolidated	Profit or loss for the period	
	100 bp increase	100 bp decrease
March 31, 2024		
Financial asset		
Instruments with post-fixed interest rate (subject to CDI variation)	2,274	(2,285)
Financial liability		
Instruments with post-fixed interest rate (subject to CDI variation)	(52,309)	54,203
Instruments with post-fixed interest rate (subject to the IPCA variation)	(542)	1,999
Instruments with post-fixed interest rate (subject to TR variation)	(206)	9
Cash flow sensitivity (net)	(50,783)	53,926

Consolidated	Profit or loss for the period	
	100 bp increase	100 bp decrease
December 31, 2023		
Financial asset		
Instruments with post-fixed interest rate (subject to CDI variation)	920	(924)
Financial liability		
Instruments with post-fixed interest rate (subject to CDI variation)	(63,976)	66,086
Instruments with post-fixed interest rate (subject to the IPCA variation)	678	6,866
Instruments with post-fixed interest rate (subject to TR variation)	(983)	54
Cash flow sensitivity (net)	(63,361)	72,082

f. Hedge accounting

The company employs derivative hedging instruments to mitigate its exposure to fluctuations in foreign currency values. In alignment with the hedge's characteristics, the company adopts hedge accounting as stipulated by CPC 38 (IAS 39). Specific derivatives are designated as cash flow instruments. For foreign currency debt swap transactions subject to hedge accounting, the company diligently documents the economic interrelation between hedging instruments and the hedged items. This documentation encompasses risk management goals, hedge transaction strategy, and the methodologies employed for assessing hedge relationship effectiveness; The company consistently conducts prospective and retrospective evaluations during both the initial designation of the hedge relationship and its ongoing duration. These evaluations gauge whether the hedging instruments are expected to be "highly effective" in counterbalancing fluctuations in the fair value of the corresponding hedged items throughout the designated hedge period. Moreover, they ascertain if the actual results of each hedge fall within the effectiveness range determined by management.

In March 2024, as part of the prospective effectiveness assessment, management thoroughly analyzed the economic alignment of its hedge accounting structures. This scrutiny revealed no substantial impacts on the hedge relationships or associated ineffectiveness. The assessment of hedge relationship effectiveness, accompanied by the recognition of the ineffective portion in the results for the period arising from changes in the reference rate, remains under continuous surveillance by management. This approach ensures timely updates when uncertainties dissipate (such as upon the contractual substitution of the rate) or when the hedge relationship is terminated.

Derivatives

In the three-month period ended March 31, 2024, there were transactions involving currency swap derivative financial instruments.

These undertaken transactions served the purpose of mitigating the impact of fluctuations in foreign currency-denominated liabilities associated with loans and financing. It is important to highlight that these operations were not driven by speculative motives. Instead, they were characterized as financial instruments exhibiting a strong correlation with the liabilities to which they are bound.

As of March 31, 2024, the aggregate value of derivative instruments entered into by the Company amounted to R\$ 48,398 (compared to R\$ 114,539 on December 31, 2023). The results of operations not yet settled represented losses in the amount of R\$ 109,297, consisting of R\$ 97,980 in current and R\$ 11,317 in non-current, and on December 31, 2023 the balance was R\$ 139,164, consisting of R\$ 95,224 in current and R\$ 43,922 in non-current.

As of March 31, 2024, the summary of these operations can be outlined as follows:

				<u>03/31/2024</u>
Banking institution	Modality	Type	Type	Fair value receivable (payable)
Santander	4131	Active	Dollars	692,257
		Passive	CDI +	<u>(746,439)</u>
		Total		<u>(54,182)</u>
JP Morgan	4131	Active	Dollars	414,723
		Passive	CDI +	<u>(451,477)</u>
		Total		<u>(36,754)</u>
Citibank	4131	Active	Dollars	310,007
		Passive	CDI +	<u>(324,090)</u>
		Total		<u>(14,083)</u>
Itaú	Exim	Active	Dollars	153,064
		Passive	CDI +	<u>(157,342)</u>
		Total		<u>(4,278)</u>
			Total	<u><u>(109,297)</u></u>

				<u>12/31/2023</u>
Banking institution	Modality	Type	Type	Fair value receivable (payable)
Santander	4131	Active	Dollars	693,354
		Passive	CDI +	<u>(772,899)</u>
			Total	<u>(79,545)</u>
JP Morgan	4131	Active	Dollars	403,128
		Passive	CDI +	<u>(440,068)</u>
			Total	<u>(36,940)</u>
Citibank	4131	Active	Dollars	300,206
		Passive	CDI +	<u>(315,858)</u>
			Total	<u>(15,652)</u>
Itau	Exim	Active	Dollars	150,826
		Passive	CDI +	<u>(157,835)</u>
			Total	<u>(7,009)</u>
			Total	<u><u>(139,146)</u></u>

29 Supplementary cash flow information

The statements of cash flows, prepared and presented in accordance with accounting pronouncement CPC 03 (R2)/IAS 7 - Statement of Cash Flows, follow the indirect method.

The reconciliation of these acquisitions and cash flows is presented below:

	Parent Company		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Reconciliations between property, plant and equipment and intangible asset additions and cash flow additions:				
Acquisition of property, plant and equipment and intangible assets	176,029	142,522	190,186	162,681
Property, plant and equipment and intangible assets payable	32,053	11,132	22,424	11,170
Total addition of property, plant and equipment and intangible assets	208,082	153,654	212,610	173,851
Reconciliations between investments and cash flow additions:				
Total additions of investments	-	23,684	-	9,240
Advance for future capital increase from prior period capitalized	-	(1,455)	-	
Transfer to securities	-	(685)	-	(685)
Total additions of investments	-	21,544	-	8,555
Reconciliation between dividends payable and cash flow exclusions:				
Dividends payable	(17,447)	-	(17,447)	-
Write-off of dividends to be paid in the following month	1,160	-	1,160	-
Total dividends paid	(16,287)	-	(16,287)	-
Reconciliation between dividends received and cash flow exclusions:				
Dividends	-	(14,437)	-	(14,437)
Dividends receivable (payable) from previous periods	-	1,391	-	1,391
Total dividends received	-	(13,046)	-	(13,046)
Reconciliation between loans and financing and cash flow additions:				
Raising of loans	-	700,000	-	700,000
Accrued Expenses	-	(6,414)	-	(6,414)
Total loans and financing	-	693,586	-	693,586
Reconciliation between debenture fundraising and cash flow additions:				
Raising of debentures	3,000,000	-	3,000,000	-
Appropriate funding costs and charges	(16,834)	-	(16,834)	-
Total debenture funding	2,983,166	-	2,983,166	-
Other transactions not affecting cash:				
Additions in the year arising from CPC 06 (R2) - Leases (Note 13)	102,383	101,165	108,161	107,162
Total transactions not affecting cash	102,383	101,165	108,161	107,162