Elfa Medicamentos S.A.

Individual and consolidated financial statements December 31, 2024 and 2023

KPDS 1401830

Contents

EARNINGS RELEASE

4Q24

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São Paulo, March 20, 2025 – Elfa Group (Elfa Medicamentos S.A.), a network that connects logistics services and solutions for the full healthcare system in Brazil, with the efficiency and customization of those who understand its business, announces its consolidated results for the fourth quarter of 2024. The operational and financial information, unless otherwise indicated, is presented in Brazilian reais, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the accounting practices adopted in Brazil issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM). The information contained herein must be analyzed together with the financial reports for period of the fourth quarter of the year, ended December 31, 2024, filed with the CVM and available on the Company's Investor Relations website (https://ri.grupoelfa.com.br).

Highlights of **2024:**

Net operating revenue 2024

R$ 5,565.3 M

(-5.9% vs 2023)

Gross margin 2024

16.2%

(+0.8 p.p. vs 2023)

Operating Cash Flow

R$ 251 M

(+R$ 345MM vs 2023)

NPS[1] 2024

79

(7.3 vs 2023)

Gross profit - 2024

R$ 902.0 M

(stable vs 2023)

Adjusted EBITDA - 2024

R$ 433.2 M

(+4.8% vs 2023)

[1]Fonte: SoluCX NPS is a measure of client loyalty and willingness to recommend a company to friends and colleagues. Through a single question: "What is the likelihood of you recommending Elfa Group to a colleague?" Clients are classified as promoters (9-10), neutral (7-8) or detractors (0-6). NPS is calculated by subtracting the percentage of detractors from the percentage of promoters. The result can range from -100 to +100 and indicates overall client satisfaction.

Message from **Management**

We reached the end of 2024 with the confirmation of our journey in the evolution of results, achieving significant operational and financial improvement in the Company. As we have already pointed out throughout the year, we are increasingly solid and active in transforming the Elfa Group and achieving our objectives with our shareholders and the communities in which we operate.

The diversity of the product and service portfolio has shown great resilience. We delivered superior performance in the Medical segment (Essential Items, Equipment and Dental) and positive results in some areas of the Pharma segment (Oncology), thus confirming the strength of our strategy of operating in different markets in distribution and services for clinics, hospitals and insurers.

Our main indicators once again show the robustness of our Company, with Net Revenue reaching R$ 5.6 billion and Adjusted EBITDA of R$ 433 million, accounting for a growth of +4.8% compared to the previous year. The gross margin confirmed the company's path of improvement, growing quarter after quarter, and closed the year at 16.2% (approximately +1 percentage point higher than in 2023).

We maintained our cost and expense efficiency, with a reduction of R$ 30 million vs. 2023, i.e. 6% lower expenses, the result of synergies between our companies and a robust process optimization program. Cash generation shows a spectacular recovery compared to the previous year, significantly improving operating cash, which closed at R$ 251 million, compared to a negative generation in 2023.

The company continues to pay close attention to the cash generation and ROIC of each segment of the portfolio and, although the collection periods still require caution, we see a stabilization in the delinquency levels, especially in the large accounts. In the capital restructuring process, we signed reprofiling agreements with creditor banks and debenture holders, improving the amortization flow for the coming years, especially 2025. We also continued to demobilize some non-core assets and closed the sale of our interest in DRS.

The Elfa team's commitment to offering the best solutions in the healthcare distribution and services market is confirmed by our NPS, which grew +7.3% to 79%. Moreover, we work on innovating our business through digital transformation, whether boosting e-commerce to support our sales or using AI to speed up and reduce the costs of order-taking processes.

It is worth highlighting the main recognitions that the Elfa Group achieved in 2024: i) we stayed among Exame's Best and Biggest 2024 - Exame Magazine; ii) we won the unprecedented award for "Best Compliance Department in Brazil", among competitors from the Biotechnology, Pharmaceutical and Healthcare sectors, at the Leaders League Compliance Summit & Awards Brazil; iii) we were recognized as one of the most innovative companies in Brazil by the Valor Inovação Brasil ranking for the third year in a row; iv) and we are also in the Top 5 - Transportation and Logistics, being the only healthcare company in this important business segment.

We are committed to the ESG agenda, maintaining our commitment to climate issues, focused on meeting 100% of our electricity needs from renewable sources by 2030. On the social front, in 2024 we led diversity and inclusion programs, such as Empodera (focused on leveraging minority sectors) and the affirmative internship program for black people. We continue striving to improve efficiency and distribution costs, allowing greater access to healthcare in the country.

We reached the end of the year very confident that our pillars are laying the foundations for sustainable growth and profitability, as recognized by our shareholders who made a capital contribution of R$ 267 million in November, reinforcing that we are on the right track.

The Elfa Group is the network that connects services for all healthcare stakeholders – industry, hospitals, clinics, professionals, and patients – offering a wide variety with the efficiency and customization of those who understand its business.

I would like to acknowledge our team spread all over Brazil, who have ensured this excellent year, and I am sure that together we will continue to widen our horizons to bring health to millions of lives.

José Roberto (J.R.) Ferraz
CEO

Operating performance

Net Revenue reaches R$ 5.6 billion, with the following highlights:

- Highlights include Descarpack, with growth of +27% and the Equipment operation +10%.

Gross Margin increased to 16.2%, +0.8 p.p. versus 2023 and Gross Profit reached R$ 902 million:

- Focus on the portfolios with the best ROIC.
- Better sales mix

Adjusted EBITDA grew 4.8 p.p. vs. 2023, reaching R$ 433 million, with a margin of 7.8% (+0.8 p.p. vs. 2023):

- Better Gross Margin.
- EBITDA margin of the fourth quarter reaches 11%
- Dilution of administrative expenses, with consolidation of distribution centers (reducing 3 centers and optimizing the size of other 2) and administrative offices in Greater São Paulo (reduction from 3 headquarters to 1), which are now centralized in a single corporate headquarters in the Morumbi region, in São Paulo/SP.

Cash Cycle improved by 32 days compared to 1Q24:

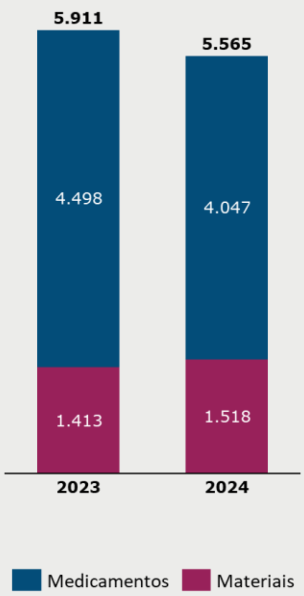
- Inventory optimization to 57 days, continuous rationalization of the inventory mix.
- Accounts payable remain at a good level, demonstrating the confidence of our suppliers.
- Accounts receivable recorded an improvement of 16 days versus 1Q24, with the stabilization of defaults.

Financial performance
Net revenue

Elfa Group's Net Revenue reached R$ 5.6 billion at the end of 2024. It is worth highlighting that 2024 was impacted by the challenges faced in the healthcare sector, such as default by operators, price pressure, and delays in payments. As a result, the Company continues prioritizing businesses that generate greater profitability and cash generation.

We would like to emphasize the performance of the Medical segment (Essential Items, Equipment and Dental), which recorded growth of 11.0% compared to 2023. In the Pharma, we had some segments that performed better and others that were impacted by the challenges in the sector mentioned above. The segments with a positive performance are mainly concentrated in Descarpack, Equipment and Oncology, which fully offset the negative impact of part of the distribution of medicines.

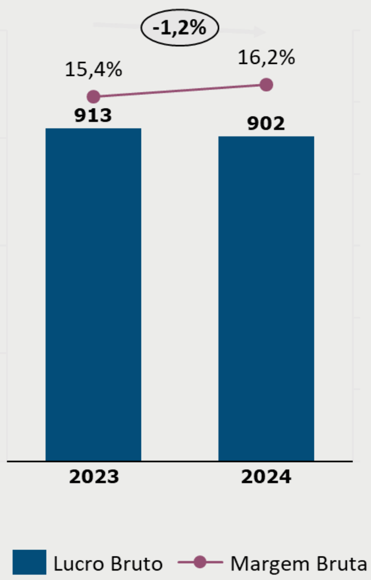
Net operating revenue (R$ M)



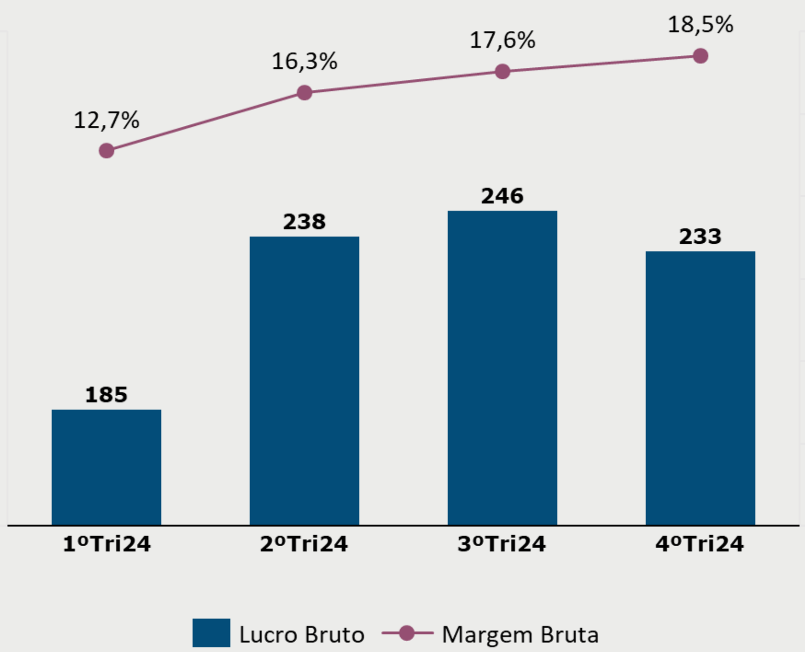
Gross Profit

Gross Profit totaled R$ 902 million in the year, with a margin of 16.2%, accounting for an increase of 0.8 p.p. compared to 2023, indicating an improvement quarter on quarter. We started 2024 with 12.7% and reached 18.5% in 4Q24, adding 5.8 p.p.

Gross profit and gross margin (R$ M; %)

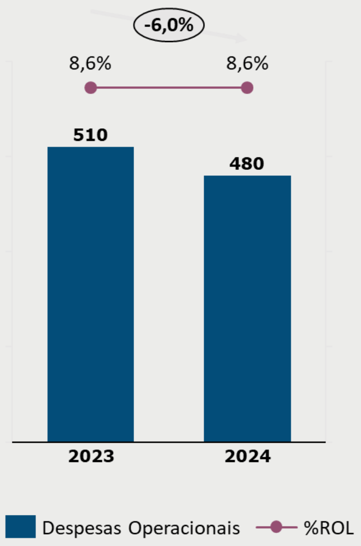


Gross profit and gross margin per quarter (R$ M; %)



Operating expenses

Operating expenses recorded a significant improvement compared to 2023, where we found a reduction of R$ 30 million, 6% lower than the previous year. Here we reinforce our commitment and focus on cost and expense efficiency. In 2024, we captured synergies between our companies, driven by the unification of systems and the simplification/compression of the distribution center, as well as the consolidation of our administrative offices in São Paulo into a single headquarters.

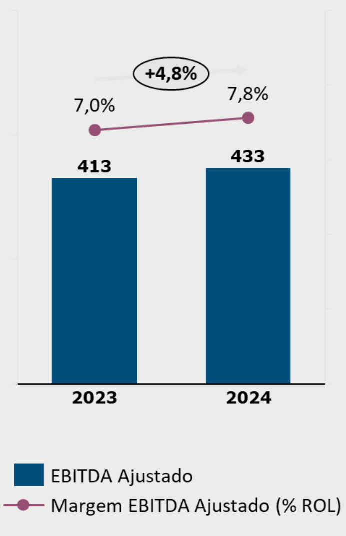


Adjusted EBITDA

Our continued commitment to controlling expenses and maximizing profitability generated an Adjusted EBITDA of R$ 433 million, accounting for a growth of +4.8 p.p. versus 2023 and an additional +0.8 p.p. in EBITDA Margin.

Said performance reflects the company’s strategy of concentrating on segments that offer higher gross margins and a higher return on capital employed than the sector average. Furthermore, we highlight the effective management in optimizing the structure and capturing synergies.

Adjusted EBITDA and EBITDA margin (R$ M; %)



Reconciliation of **Adjusted EBITDA**

(R$ Milhões)	4T23	4T24	VAR.	2023	2024	VAR.
Prejuízo do Período	**68,8**	**(20,1)**	***-129,2%***	**(42,9)**	**(134,0)**	***212,7%***
IR/CSLL	(34,9)	(47,6)	*36,6%*	(189,7)	(107,0)	*-43,6%*
Resultado Financeiro	86,0	126,3	*46,8%*	399,9	422,1	*5,5%*
Lucro Operacional (EBIT)	119,9	58,5	*-51,2%*	167,3	181,0	*8,2%*
Depreciação e Amortização	42,7	47,0	*10,0%*	169,1	173,8	*2,8%*
EBITDA Contábil	**162,6**	**105,5**	***-35,1%***	**336,4**	**354,9**	***5,5%***
% ROL	***10,6%***	***8,4%***	***-0,2 p.p.***	***5,7%***	***6,4%***	***0,1 p.p.***
Não Recorrentes	24,7	34,1	*38,1%*	76,8	78,3	*1,9%*
EBITDA Ajustado	**187,3**	**139,6**	***-25,5%***	**413,2**	**433,2**	***4,8%***
% ROL	***12,2%***	***11,1%***	***-0,1 p.p.***	***7,0%***	***7,8%***	***0,1 p.p.***

Breakdown of Non-recurring income

R$ MM	
Reestruturação	28,5
Backlog Integrações	19,3
Incentivo de Longo Prazo	13,0
M&A/Governance	13,6
Outros eventos One Time	3,9
Não Recorrentes	**78,3**

Non-recurring: Restructuring: Expense with indemnities / severance pay; Backlog Integrations: Integration accounting adjustment – no cash impact; LT incentive: Stock Options – no cash impact; M&A/Governance: Cost of the M&A process; Other events: Strategic Projects

Financial Income

The Financial Income closed at R$ 422 million, 5.5% above the previous year, reflecting the increase in market interest rates carried out by the monetary authority, with R$ 43 million in transactions that do not impact cash (exchange change, inflation adjustment and interest on own capital).

(R$ Milhões)	4T23	4T24	VAR.	2023	2024	VAR.
Despesas Financeiras	(91,3)	(129,1)	*41,3%*	(421,5)	(433,3)	*2,8%*
Receitas Financeiras	5,3	2,8	*-47,1%*	21,6	11,2	*-48,3%*
Resultado Financeiro	**(86,0)**	**(126,3)**	***46,8%***	**(399,9)**	**(422,1)**	***5,5%***

Income Tax and **Social Contribution**

In the year, we recorded R$ 107 million in our Income Tax and Social Contribution expenses, with a 37 p.p. decrease in the effective rate compared to 2023. It is worth highlighting that the pre-tax result is impacted by financial expenses.

In 2023, there was a significant increase in the grant amounts due to the retroactive use of ICMS credits, in accordance with the prognosis established in the STJ decision, Repetitive Topic 1182 (exemptions in general, such as reduction of the calculation basis, deemed credit, among others).

In 2024, there was no tax use of the grants, resulting in a reduction in the amounts compared to the previous year.

This is due to changes in legislation; with the enactment of Law 14789, the exclusion of grants from the IR/CSLL calculation basis was prohibited from 2024 onwards. As a result, the Group's companies have filed lawsuits related to the matter and, according to the assessment of their legal advisors, the prognosis of success is favorable for the grants arising from the deemed ICMS credits.

The deferred tax asset resulting from the taxation of the grant was thus formed, in accordance with ICPC 22/IFRIC 23 (which applies to cases in which there is uncertainty about the tax treatment related to income taxes), shown in the "Investment grant" caption below.

(R$ Milhões)	4T23	4T24	2023	2024
Lucro operacional antes de impostos	33,9	(67,7)	(232,6)	(241,1)
Aliquota combinada legal	34,0%	34,0%	34,0%	34,0%
IR/CSLL às alíquotas da legislação	**(11,5)**	**23,0**	**79,1**	**82,0**
Ajustes (efeito fiscal; multiplicado por 34%)				
Subvenção para investimentos	68,5	43,1	168,1	43,1
Despesas indedutíveis	(3,0)	(0,0)	(9,9)	(2,5)
Regularização de impostos diferidos	(1,0)	(3,3)	(19,7)	(13,0)
Impostos Diferidos - PF utilizado Autorregularização	-	-	-	11,6
Ajustes de consolidação	-	(12,3)	-	(12,3)
Outras adições e exclusões, liquidas	(18,0)	(2,9)	(27,9)	(1,9)
Adições e exclusões, líquidas	46,4	24,6	110,7	25,1
Imposto de renda e contribuição social, líquido	**34,9**	**47,6**	**189,7**	**107,0**
Alíquota efetiva	-102,8%	70,3%	81,6%	44,4%

Net income

Our Operating Profit improved by R$ 14 million, + 8 p.p.; in Net income, the worsening in relation to the previous year is mainly due to the differences between the periods in Income Tax and Social Contribution, as described above.

(R$ Milhões)	4T23	4T24	VAR.	2023	2024	VAR.
Lucro Operacional (EBIT)	119,9	58,5	*-51,2%*	167,3	181,0	*8,2%*
Resultado Financeiro	(86,0)	(126,3)	*46,8%*	(399,9)	(422,1)	*5,5%*
IR/CSLL	34,9	47,6	*36,6%*	189,7	107,0	*-43,6%*
Prejuízo do Período	**68,8**	**(20,1)**	***-129,2%***	**(42,9)**	**(134,0)**	***212,7%***
Margem Líquida (% ROL)	***4,5%***	***-1,6%***	***-6,1 p.p.***	***-0,7%***	***-2,4%***	***-1,7 p.p.***
Não Recorrentes	24,7	34,1	*38,1%*	76,8	78,3	*1,9%*
Prejuízo Ajustado	**93,5**	**14,0**	***-85,1%***	**34,0**	**(55,7)**	***-264,1%***
Margem Líquida (% ROL)	***6,1%***	***1,1%***	***-5,0 p.p.***	***0,6%***	***-1,0%***	***-1,6 p.p.***

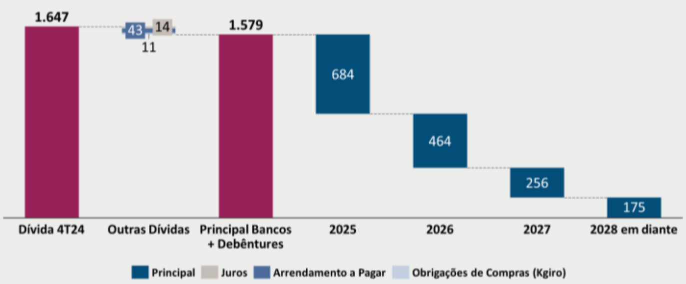
Indebtedness

In 2024, we closed a renegotiation with banks for a total of R$ 269 million; the main institutions were Banco do Brasil, Santander and ABC, with the following payment flow: 15% in 2025, 20% in 2026, 28% in 2027 and 37% in 2028.

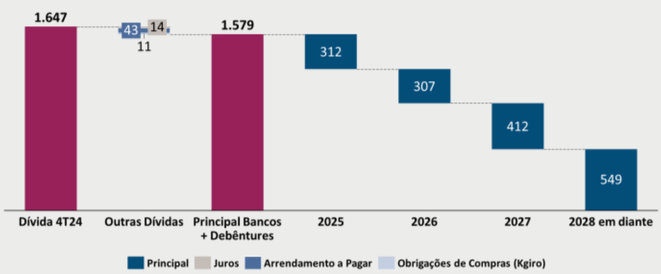
The Debenture (R$ 700 million) which was re-profiled at the Annual Debentureholders' Meeting held on November 1, 2024 deserves special emphasis, with over 98% approval, with a renegotiation similar to that of the banks above.

Schedule of debt amortization

Pre Renegotiation Scenario



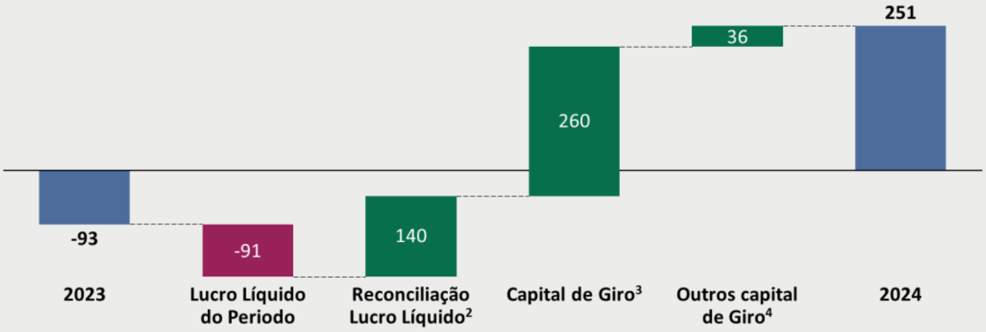
Post Renegotiation Scenario



Cash Flow

We continue to focus on improving the profitability of the company, prioritizing margin in businesses with better ROIC and cash generation. Such approach allows us to optimize the performance of the capital employed in the Company, including accounts receivable, inventory and accounts payable. We see a significant improvement in the company's operating cash flow in 2024, reaching R$ 251 million. This generation is based on improved working capital, as we can see in the improvement in the company's cash cycle, which was reduced by 18 days compared to the last quarter of 2023.

Operating cash flow - 2024



Cash Flow from Investments totaled R$ 14 million in 2024, used in the continuation of strategic projects, as well as logistics efficiencies, which allow us to continue capturing synergies in operating expenses.

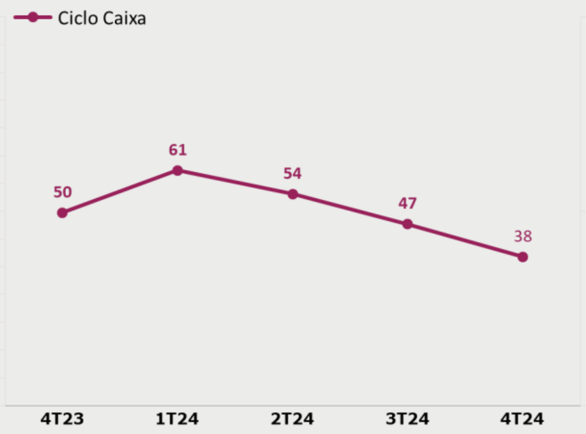
Cash flow from financing reached R$ 35 million, with an increase in shareholders' equity, demonstrating confidence in the business and the payment flow for the acquisitions of the M&As.

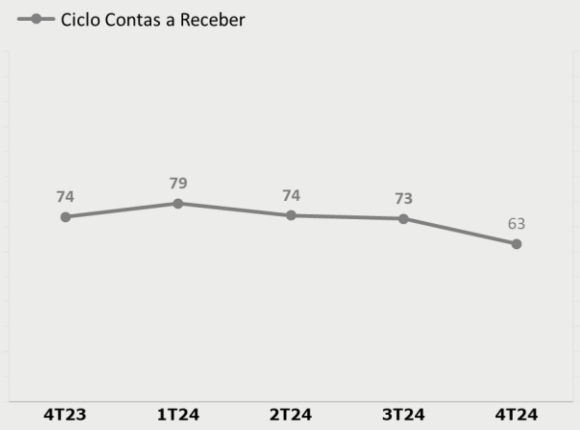
[2]Net Income Reconciliation: adjustments to reconcile Net Income to Cash (D&A, IR/CSLL, provisions and other non-cash effects)
[3] Working Capital (Accounts Receivable, Inventory, and Accounts Payable)
[4] Other Working Capital (Taxes Recoverable/Payable, Labor Obligations, Other Receivables and Court Deposits)

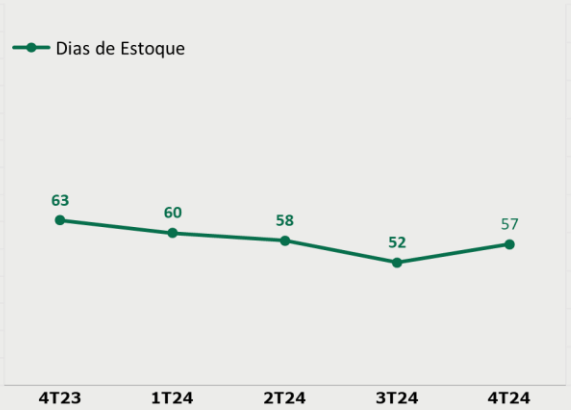
Cash cycle **(days)**

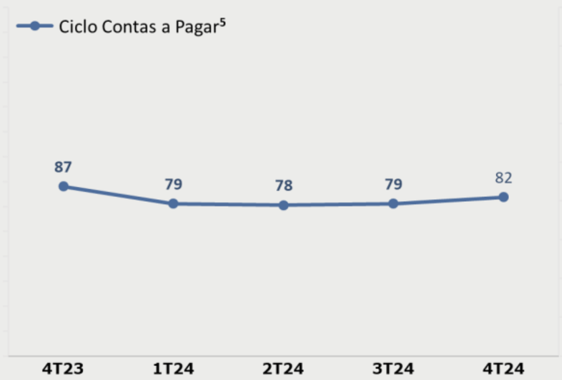
In the quarter, the company's Cash Cycle reached 38 days, a decrease of 18 days compared to the same period last year. This effect is mainly due to:

1. Renegotiation and continued support for suppliers in adjusting deadlines, considering the current market liquidity scenario;
2. Reduction of the inventory position, always seeking the best capital equation.
3. Focus on accounts receivable, seeking to reduce delinquency.









[5]The Accounts Payable Cycle does not consider Other Liabilities

Glossary

CPC: (Code of Civil Procedure) is the legislation that establishes the rules and procedures to be followed in the context of civil procedure in Brazil.

CGU: (Government Accountability Office) is a body of the Brazilian federal government responsible for promoting public transparency, fighting corruption and ensuring compliance with laws and regulations within the scope of the Federal Executive Branch.

CSLL: The CSLL (Social Contribution on Net Income) is a Brazilian tax levied on net income of companies.

DE&I: Diversity, Equity and Inclusion.

DIFAL: Acronym stands for ICMS rate difference (Value-Added Tax on Sales and Services).

DIO: Inventory average term (days).

DSO: Average receiving period.

DPO: Average payment period.

EBIT: (Earnings Before Interest and Taxes) is a financial indicator that represents the operating profit of a company before considering financial costs (interest) and taxes. EBIT is calculated by subtracting operating costs and operating expenses from the company's operating revenue.

Adjusted EBITDA: (Earnings Before Interest, Taxes, Depreciation, and Amortization) is a financial indicator that represents the operating profit of a company before considering financial costs (interest), taxes, depreciation and amortization and non-recurring expenses.

ERP: (Enterprise Resource Planning) is an integrated business management system that aims to facilitate and optimize the internal processes of an organization. ERP covers several areas, such as finance, accounting, sales, purchasing, inventory, production, human resources, among others.

ESG: This acronym refers to business practices related to environmental, social and governance criteria.

Great Place to Work: is a global organization that conducts surveys and evaluations to identify and recognize the best companies to work for.

IFRS: (International Financial Reporting Standards) are international accounting standards established by the International Accounting Standards Board (IASB).

IASB: (International Accounting Standards Board) is an independent organization responsible for the development and disclosure of the International Financial Reporting Standards (IFRS). The IASB is composed of members from different countries and aims to establish high quality international accounting standards that are useful for investors, analysts and other stakeholders in the analysis and understanding of financial statements.

Carbon inventory: The carbon inventory is a tool used to measure carbon footprint and to identify opportunities to reduce and mitigate emissions, contributing to environmental management and sustainability.

INCOME TAX: It is the acronym for Income Tax, which is a government tax on income of individuals and legal entities. Individuals pay income tax based on their earnings, while companies are taxed on their profits.

Market Share: It refers to the percentage or proportion that a company holds in relation to the total market in which it operates. It is an important measure for assessing a company's competitive position in its industry, showing its market share in relation to competitors.

NOR: It is the acronym for Net Operating Revenue. It is a financial indicator that represents revenue generated by a company from its operating activities, that is, excluding other revenues not directly related to its main activity.

TLS: It is the acronym for (Transport Layer Security), it is a cryptographic protocol used to protect the privacy and integrity of transmitted data, as a way to ensure that they are not intercepted or altered by third parties.

WMS: (Warehouse Management System) is software used to manage the operations of a warehouse or distribution center.

ANNEXES

Balance sheet - Consolidated

(R$ Milhares)	2023	2024
Ativo		
Ativo Circulante		
Caixa e equivalentes de caixa	365.624	365.516
Contas a receber	1.313.321	1.039.726
Estoques	866.894	733.841
Tributos a recuperar	482.166	651.951
Imposto de renda e contribuição social	107.152	128.483
Ativos não circulantes mantidos para venda	-	142.671
Outros créditos	331.534	254.138
Total do Ativo Circulante	**3.466.691**	**3.316.326**
Realizável a longo prazo		
Tributos a recuperar	224.597	269.331
IR e CSLL diferidos	541.824	686.249
Depósitos judiciais	182.338	259.928
Ativo indenizatório	166.866	122.505
Total do Ativo Realizável a longo prazo	**1.115.625**	**1.338.013**
Ativo Não Circulante		
Imobilizado	283.296	236.691
Intangível	2.033.024	1.948.261
Total do Ativo Não Circulante	**2.316.320**	**2.184.952**
Total do Ativo	**6.898.636**	**6.839.291**

	2023	2024
Passivo		
Passivo Circulante		
Fornecedores e outras contas a pagar	1.312.492	1.245.277
Empréstimos e financiamentos	307.163	375.917
Obrigações trabalhistas	53.906	63.076
Tributos a recolher	199.065	172.368
Passivos associados a ativos não circulantes classificados como mantidos para venda	-	152.381
Compromissos com Aquisições de investimentos	71.876	41.582
Contas a pagar pela aquisição de investimentos	46.121	100.020
Total do Passivo Circulante	**1.990.623**	**2.150.621**
Passivo Não Circulante		
Empréstimos e financiamentos	1.472.110	1.271.505
Derivativos	3.638	-
Tributos a recolher	3.086	6.992
Provisão para contingências	172.611	125.541
Compromissos com Aquisições de investimentos	101.514	50.757
Contas a pagar por aquisições de investimentos	153.517	86.763
Total do Passivo Não Circulante	**1.906.476**	**1.541.558**
Patrimônio líquido		
PL de acionista controlador	2.980.723	3.126.651
Participação de não controladores	20.814	20.461
Total do Patrimônio Líquido	**3.001.537**	**3.147.112**
Total do passivo e do patrimônio líquido	**6.898.636**	**6.839.291**

Statements of **income**

(R$ Milhares)	4T23	4T24	2023	2024
Receita operacional líquida	1.531.894	1.258.824	5.911.466	5.565.261
Custo das mercadorias vendidas	(1.227.554)	(1.025.454)	(4.998.473)	(4.663.274)
Lucro bruto	**304.340**	**233.370**	**912.993**	**901.987**
Despesas Operacionais	(184.414)	(174.860)	(745.681)	(720.960)
Lucro operacional antes do resultado financeiro e impostos	**119.926**	**58.510**	**167.312**	**181.027**
Despesas financeiras líquidas	**(85.992)**	**(126.254)**	**(399.920)**	**(422.087)**
Lucro (prejuízo) antes do imposto de renda e da contribuição social	**33.934**	**(67.744)**	**(232.608)**	**(241.060)**
Imposto de renda e contribuição social				
Corrente	(15.799)	(13.676)	21.850	(47.485)
Diferido	50.682	61.317	167.894	154.520
	34.882	**47.641**	**189.743**	**107.035**
Lucro (prejuízo) do período	**68.816**	**(20.103)**	**(42.865)**	**(134.025)**
Atribuível a				
Acionistas controladores	-	-	(43.737)	(133.399)
Acionistas não controladores	-	-	872	(626)

Cash Flow

(R$ Milhares)	4T23	4T24	2023	2024
Fluxo de caixa das atividades operacionais				
Lucro/(prejuízo) líquido do período	**68.816**	**(20.103)**	**(42.865)**	**(134.025)**
Ajustes para reconciliar o lucro líquido ao caixa:				
Depreciação e amortização	42.695	46.973	169.089	173.839
Impostos de renda e contribuição social, líquidos	(34.882)	(47.642)	(189.743)	(107.035)
Provisão para perdas no valor recuperável	(1.844)	389	(556)	(2.045)
Provisão para contingências	(64.249)	1.521	(61.012)	4.707
Provisão para perda com estoques	301	3.485	(6.366)	3.167
Remuneração baseada em ações	5.681	119	11.522	10.780
Juros, variações monetárias, líquidas - Empréstimos	65.687	78.511	333.986	309.232
Juros e variação monetária de operações descontinuadas	-	4.044	-	4.044
(Acréscimo) decréscimo de ativos:				
Contas a receber de clientes	(73.583)	226.512	2.046	275.640
Estoques	3.368	(42.159)	58.206	129.886
Tributos a recuperar	(201.418)	7.173	(379.325)	(225.755)
Outros créditos	44.666	75.538	(14.280)	123.945
Depósitos judiciais	(30.763)	(11.221)	(61.989)	(77.590)
Variações dos bens e direitos em operações descontinuadas	-	(56.345)	-	(56.345)
(Decréscimo) Acréscimo de passivos:				
Fornecedores e outras contas a pagar	328.025	13.358	(50.089)	(135.423)
Obrigações trabalhistas	(42)	(6.968)	(6.809)	9.170
Tributos a recolher	45.833	(151.870)	144.751	(120.311)
Outras obrigações	(0)	273	-	273
Variações nas operações descontinuadas	-	65.181	-	65.181
Caixa gerado pelas (utilizado nas) atividades operacionais	**198.291**	**186.770**	**(93.434)**	**251.335**
Pagamento de juros de empréstimos e financiamentos	(103.482)	(105.697)	(336.001)	(295.326)
Pagamento de juros de empréstimos e financiamentos de operações descontinuadas	-	(3.067)	-	(3.067)
Imposto de renda e contribuição social pagos	(479)	(639)	(18.844)	(1.742)
Fluxo de caixa líquido proveniente das (utilizado nas) atividades operacionais	**94.330**	**77.367**	**(448.279)**	**(48.800)**
Atividades de investimento:				
Aquisições de imobilizado e intangível, líquido	(23.794)	6.326	(75.324)	(27.569)
Aquisições de imobilizado e intangível de operações descontinuadas	-	(19.827)	-	(19.827)
Contraprestações pagas por aquisições, líquido de caixa adquirido	(4.908)	(1.785)	(4.908)	(1.785)
Contraprestações recebidas por aquisições, líquido de caixa adquirido	-	68.208	-	68.208
Caixa proveniente de operações descontinuadas	-	(4.908)	-	(4.908)
Fluxo de caixa líquido utilizado nas atividades de investimentos	**(28.702)**	**48.014**	**(80.232)**	**14.119**
Atividades de financiamento:				
Aumento de capital social	624.697	267.454	878.326	267.454
Adiantamento para futuro aumento de capital	(464.470)	-	-	-
Captação de empréstimos, financiamentos e arrendamentos	610.620	219.313	1.548.037	677.430
Pagamento de parcelas de empresas adquiridas	(36.189)	(25.561)	(171.378)	(109.358)
Pagamento de principal de empréstimos e financiamentos	(606.313)	(288.120)	(1.648.167)	(754.473)
Pagamento de arrendamentos	(8.873)	(11.630)	(36.380)	(41.278)
Efeito líquido de atividade de financiamento de operações descontinuadas	-	(5.202)	-	(5.202)
Fluxo de caixa líquido proveniente das (utilizado nas) atividades de financiamentos	**119.472**	**156.254**	**570.438**	**34.573**
Aumento / (Redução) líquido em caixa e equivalentes de caixa	**185.103**	**281.635**	**41.928**	**(108)**
Caixa e equivalentes no início do período	180.521	83.881	323.696	365.624
Caixa e equivalentes no final do período	365.624	365.516	365.624	365.516
Aumento/(Redução)líquido em caixa e equivalentes de caixa	**185.103**	**281.635**	**41.928**	**(108)**

About **Elfa Group**

The Elfa Group is the network that connects services for all healthcare stakeholders – industry, hospitals, clinics, professionals, and patients – offering a wide variety with the efficiency and customization of those who understand its business.
With the most complete logistics network and national coverage, the Elfa Group is one of the leaders in the distribution of medicines and services and logistics solutions for the healthcare ecosystem in Brazil. We are a benchmark in the distribution of medicines and materials for hospitals, clinics and medical offices and special and surgical materials, as well as services for clinical research. We are the only distributor of medical and hospital products to also operate in the dental area, and have exclusive services such as complete inventory management for large hospitals.
Composed by 21 companies, Elfa Group has over 30 years of history and more than 2,500 employees, serves 7 hospitals, 250 clinics and 700 healthcare plans throughout the country, being a benchmark in the value chain of the Brazilian healthcare market. Elfa Group is controlled by funds managed by Pátria Investimentos.
Learn more about our recognitions and visit our social media pages: Facebook, Instagram and LinkedIn.

Disclaimer

This document may contain forward-looking statements about future results or events, which reflect the expectations of the management team of Elfa Medicamentos S.A. based on the information currently available. These considerations can be identified by the words "anticipate, wish, hope, predict, intend, plan, project, objectify" and other similar terms, as well as by indicating future dates. Although such statements reflect what our management believes, they are naturally subject to risks and uncertainties, being influenced by external factors that cannot be controlled or foreseen by Elfa Medicamentos S.A. Elfa Medicamentos S.A. cannot guarantee the implementation of future events and thus they should not be interpreted as guarantees. Elfa Medicamentos S.A.'s financial situation, operating results, market share and competitive position, among other expectations and future results, may differ substantially from those expressed or suggested in the forward-looking statements contained herein. Any statements made by Elfa Medicamentos S.A. regarding future projects may change significantly due to variations in market conditions, changes in legislation or government policies and/or changes in the project's operating conditions and their respective costs, timing, operational performance, commercial negotiations or other technical and economic factors. Elfa Medicamentos S.A.'s
projects may be modified in whole or in part without prior notice. Elfa Medicamentos S.A. does not undertake to publicly update or revise any statement or expectation provided herein, whether due to new information or future events, or for any other reason that may arise. The reader/investor should not rely solely on the information contained in this document to make decisions regarding the trading of securities. For more information, please consult the Financial Statements, the Reference Form and other relevant information available on the Investor Relations website of Elfa Medicamentos S.A.: ri.grupoelfa.com.br.

EBITDA and Adjusted EBITDA are non-accounting measurements (unaudited) prepared by the Company, and consist of the net income (loss) for the year, plus income taxes, financial expenses net of financial revenues, discontinued operations, as well as depreciation and amortization.

The non-financial data included in this report are non-accounting measurements and have not been examined by our independent auditors.

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Independent auditors' report on the individual and consolidated financial statements

To the Shareholders of

Elfa Medicamentos S.A.

Brasília - DF

Opinion

We have audited the individual and consolidated financial statements of Elfa Medicamentos S.A. ("Company"), identified as individual and consolidated, respectively, comprising the balance sheet as of December 31, 2024 and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, as well as the corresponding notes, comprising the material accounting policies and other explanatory information.

Opinion on individual financial statements

In our opinion, the aforementioned financial statements present fairly, in all material respects, the individual financial position of Elfa Medicamentos S.A. as of December 31, 2024, the individual performance of its operations and its respective individual cash flows, for the year then ended, in accordance with the accounting practices adopted in Brazil.

Opinion on consolidated financial statements

In our opinion, the financial statements present fairly, in all material respects, the financial position of Elfa Medicamentos S.A. as of December 31, 2024, the consolidated performance of its operations and its respective cash flows, consolidated for the year then ended, in conformity with accounting practices adopted in Brazil and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

Our audit was conducted in accordance with Brazilian and international standards on auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the individual and consolidated Financial Statements section of our report.

We are independent in relation to the Company and its subsidiaries, in accordance with the relevant ethical principles provided for in the Accountant's Code of Professional Ethics and in professional standards issued by the Federal Accounting Council, and we have fulfilled other ethical responsibilities according to these standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Realization of deferred income tax and social contribution assets

See Notes 7 (g) and 23 of individual and consolidated financial statements

Key audit matters	How our audit addressed this matter
On December 31, 2024, the Company had recognized the respective amounts of R$ 422,440 thousand and R$ 686,249 thousand in its individual and consolidated financial statements, related to deferred income tax and social contribution assets, arising from temporary differences, accumulated tax losses and negative basis of social contribution. Such amounts should be recognized to the extent that it is probable that future taxable income will be available, against which temporary differences, accumulated tax losses and the negative basis of social contribution can be used. Estimates of future taxable income are based on a technical study prepared by the Company's management and involve certain assumptions that are affected by corporate strategies and the macroeconomic scenario, such as: (i) sales volume (ii) inflation rates and (iii) interest rates. We consider this material matter to be material for our audit due to the uncertainties related to the estimate assumptions, which, if changed, could impact the amount of these assets in the individual and consolidated financial statements.	– Our audit procedures included, but were not limited to: – Evaluation, with the assistance of our corporate finance specialists: (i) whether the assumptions linked to the technical study prepared by the Company's Management were prepared in a manner consistent with market practices normally used; (ii) if the assumptions used in the technical study are based on historical and/or market data and are consistent with the budget approved by the Company's Management; (iii) whether the macroeconomic assumptions used in the technical study are consistent with the date on which it was prepared, and come from reliable sources: (iv) if the mathematical calculations are adequate; – With help from our tax specialists, assessment of the nature of temporary differences, as well as of tax loss and negative basis of social contribution that comprise the basis for the realization of balances of deferred income tax and social contribution assets. – Evaluation whether the disclosures in the individual and consolidated financial statements include relevant information.

	Based on the evidence obtained through above-summarized audit procedures, we consider acceptable the amounts recognized of deferred income tax and social contribution regarding its realization, as well as respective disclosures in the context of the individual and consolidated financial statements taken as a whole for the year ended December 31, 2024.

Other matters – Statements of added value

Individual and consolidated statements of added value (DVA) for the year ended December 31, 2024, prepared under responsibility of Company's management, and presented as supplementary information for IFRS purposes, were submitted to audit procedures carried out together with the audit of Company's financial statements. To form our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in CPC 09 (R1) - Technical Pronouncement - Statement of Added Value. In our opinion, these statements of added value were prepared, in all material respects, in accordance with the criteria defined in this Technical Pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Other information accompanying individual and consolidated financial statements and the auditors' report

The Company's management is responsible for such other information that comprises the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the individual and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as going concern, disclosing, when applicable, the matters related to its going concern, and the use of this accounting basis in the preparation of the financial statements, unless the management intends to liquidate the Company and its subsidiaries, or cease their operations, or do not have any realistic alternative to avoid the discontinuance of operations.

Those charged with governance of the Company and its subsidiaries are the people responsible for overseeing the process of preparation of the financial statements.

Auditors' Responsibilities for the Audit of the individual and consolidated Financial Statements

Our objectives are to obtain reasonable assurance that the individual and consolidated financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error, and to issue audit report containing our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that the audit conducted pursuant to Brazilian and international auditing standards will always detect any existing material misstatements. Misstatements may arise from fraud or error, and are considered material when, individually or in aggregate, may influence, from a reasonable perspective, the economic decisions of users taken based on such financial statements.

As part of an audit conducted according to the Brazilian and international auditing standards, we exercise professional judgment, and maintain professional skepticism during the audit. We also:

– Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

– Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may lead the Company and its subsidiaries to no longer remain as a going concern.

– Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identified during our audit.

We also provide those charged with governance with a statement that we comply with the relevant ethical and independence requirements and communicate all possible relationships or matters that could considerably affect our independence, including, where applicable, the actions taken to eliminate the threats or the safeguards applied.

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

São Paulo, March 20, 2025

KPMG Auditores Independentes Ltda.
CRC 2SP-014428/O-6

Fábio Lopes do Carmo
Accountant CRC 1SP192172/O-3

Elfa Medicamentos S.A.

Balance sheets at December 31, 2024 and 2023

(In thousands of reais)

		Individual		Consolidated	
Assets	**Note**	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**
Cash and cash equivalents	8	279,821	125,744	365,516	365,624
Accounts receivable	9	627,100	635,131	1,039,726	1,313,321
Inventories	10	237,657	208,065	733,841	866,894
Recoverable taxes	11	90,061	50,016	651,951	482,166
Income tax and social contribution	11	50,052	42,051	128,483	107,152
Non-current assets held for sale	7q	-	-	142,671	-
Other assets		82,016	107,357	254,138	331,534
Total current assets		**1,366,707**	**1,168,364**	**3,316,326**	**3,466,691**
Advance for future capital increase	14	76,856	116,642	-	-
Accounts receivable	9	222,120	156,173	-	-
Recoverable taxes	11	216,899	189,543	269,331	224,597
Deferred income tax and social contribution	23	422,440	288,261	686,249	541,824
Judicial deposits	18	189,827	127,548	259,928	182,338
Indemnification assets	18	5,494	658	122,505	166,866
Investments in subsidiaries	12	3,400,686	3,622,543	-	-
Property, plant, and equipment		90,813	112,594	236,691	283,296
Intangible assets	13	248,093	106,862	1,948,261	2,033,024
Total non-current assets		**4,873,228**	**4,720,824**	**3,522,965**	**3,431,945**
Total assets		**6,239,935**	**5,889,188**	**6,839,291**	**6,898,636**

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

Elfa Medicamentos S.A.

Balance sheets at December 31, 2024 and 2023

(In thousands of reais)

		Individual		Consolidated	
	Note	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Liabilities and shareholders' equity					
Suppliers and other accounts payable	15	857,578	651,235	1,245,277	1,312,492
Loans and financings	16	247,844	239,494	375,917	307,163
Labor obligations		41,667	25,897	63,076	53,906
Taxes payable		88,872	88,870	172,368	199,065
Liabilities linked to non-current assets classified as held for sale	7q	-	-	152,381	-
Commitments with investment acquisitions	17	41,582	71,876	41,582	71,876
Accounts payable for the investment acquisition	17	78,484	2,244	100,020	46,121
Total current liabilities		**1,356,027**	**1,079,616**	**2,150,621**	**1,990,623**
Loans and financings	16	1,192,769	1,353,103	1,271,505	1,472,110
Derivatives	16	-	3,638	-	3,638
Taxes payable		1,195	1,966	6,992	3,086
Accounts payables to related parties	14	457,627	247,707	-	-
Provision for contingencies	18	5,730	5,019	125,541	172,611
Commitments with investment acquisitions	17	50,757	101,514	50,757	101,514
Accounts payable for the investment acquisition	17	49,179	115,902	86,763	153,517
Total non-current liabilities		**1,757,257**	**1,828,849**	**1,541,558**	**1,906,476**
Shareholders' equity	19				
Capital		1,406,249	1,403,574	1,406,249	1,403,574
Capital reserve		1,513,966	1,238,407	1,513,966	1,238,407
Profit reserves		206,436	338,742	206,436	338,742
Shareholders' equity attributed to the controlling shareholder		**3,126,651**	**2,980,723**	**3,126,651**	**2,980,723**
Non-controlling interest		-	-	20,461	20,814
Total shareholders' equity		**3,126,651**	**2,980,723**	**3,147,112**	**3,001,537**
Total liabilities and shareholders' equity		**6,239,935**	**5,889,188**	**6,839,291**	**6,898,636**

See the accompanying notes to the individual and consolidated financial statements.

Elfa Medicamentos S.A.

Statement of income

Years ended December 31, 2024 and 2023

(In thousands of reais)

		Individual		Consolidated	
	Note	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**
Net operating revenues	20	2,485,497	2,338,888	5,565,261	5,911,466
Cost of goods sold	21	(2,201,350)	(2,061,740)	(4,663,274)	(4,998,473)
Gross profit		**284,147**	**277,148**	**901,987**	**912,993**
Selling expenses	21	(122,791)	(111,669)	(284,845)	(326,370)
Impairment gain (loss) on accounts receivable	21	2,554	(869)	2,045	556
General and administrative expenses	21	(172,358)	(137,684)	(449,175)	(430,394)
Equity on earnings of affiliates	12	(3,996)	80,402	-	-
Other revenues	21	133,508	125,042	17,711	24,678
Other expenses	21	(4,340)	(4,407)	(6,696)	(14,151)
Operating profit before financial income		**116,724**	**227,963**	**181,027**	**167,312**
Financial income	22				
Financial revenues		14,765	15,219	11,182	21,619
Financial expenses		(367,917)	(362,666)	(433,269)	(421,539)
Net financial income		**(353,152)**	**(347,447)**	**(422,087)**	**(399,920)**
Loss before income tax and social contribution		**(236,428)**	**(119,484)**	**(241,060)**	**(232,608)**
Income tax and social contribution	23				
Current item		-	-	(47,485)	21,850
Deferred item		103,029	75,747	154,520	167,894
		103,029	75,747	107,035	189,743
Loss for the year		**(133,399)**	**(43,737)**	**(134,025)**	**(42,865)**
Attributable to:					
Controlling shareholders		**-**	**-**	**(133,399)**	**(43,737)**
Non-controlling shareholders		**-**	**-**	**(626)**	**872**
Loss per share - R$	24	**-**	**-**	**(0,217)**	**(0,071)**
Diluted loss per share - R$	24	**-**	**-**	**(0,217)**	**(0,071)**

See the accompanying notes to the individual and consolidated financial statements.

Elfa Medicamentos S.A.

Statements of comprehensive income

Years ended December 31, 2024 and 2023

(In thousands of reais, except earnings per share)

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Loss for the year	(133,399)	(43,737)	(134,025)	(42,865)
Comprehensive income for the year	**(133,399)**	**(43,737)**	**(134,025)**	**(42,865)**
Attributable to:				
Controlling shareholders	-	-	(133,399)	(43,737)
Non-controlling shareholders	-	-	(626)	872

See the accompanying notes to the individual and consolidated financial statements.

Elfa Medicamentos S.A.

Statements of changes in shareholders' equity

Years ended December 31, 2024 and 2023

(In thousands of reais)

		Capital	Capital reserves		Profit reserve					Total		Total
	Note	**Subscribed**	**Capital reserve**	**Granted options**	**Equity valuation adjustment**	**Legal reserve**	**Retained profit**	**Tax incentive reserve**	**Retained earnings (losses)**	**Individual**	**Non-controlling interest**	**Consolidated**
Balances as of January 01, 2023		**1,105,082**	**582,723**	**63,638**	**-**	**20,539**	**171,771**	**191,646**	**-**	**2,135,399**	**19,942**	**2,155,341**
Capital increase in the issue of shares	19|28	298,492	-	-	-	-	-	-	-	298,492	-	298,492
Recognized granted options	14	-	-	11,522	-	-	-	-	-	11,522	-	11,522
Capital reserve	19|28	-	602,877	-	-	-	-	-	-	602,877	-	602,877
Repurchase of shares	19|28	-	(22,353)	-	-	-	-	-	-	(22,353)	-	(22,353)
Equity valuation adjustment - Mergers		-	-	-	(1,477)	-	-	-	-	(1,477)	-	(1,477)
Profit allocation												
Loss for the year		-	-	-	-	-	-	-	(43,737)	(43,737)	872	(42,865)
Profit reserve		-	-	-	-	-	(43,737)	-	43,737	-	-	-
Balances as of December 31, 2023		**1,403,574**	**1,163,247**	**75,160**	**(1,477)**	**20,539**	**128,034**	**191,646**	**-**	**2,980,723**	**20,814**	**3,001,537**
Capital increase in the issue of shares	19|28	2,675	264,779	-	-	-	-	-	-	267,454	-	267,454
Recognized granted options	14	-	-	10,780	-	-	-	-	-	10,780	-	10,780
Reclassification of balances - Mergers		-	-	-	1,477	(384)	(1,093)	-	-	-	-	-
Incorporations	2	-	-	-	-	-	1,093	-	-	1,093	273	1,366
Allocation of income (loss)												
Loss for the year		-	-	-	-	-	-	-	(133,399)	(133,399)	(626)	(134,025)
Profit reserve		-	-	-	-	-	(128,034)	-	128,034	-	-	-
Legal reserve						(5,365)	-	-	5,365	-	-	-
Balances as of December 31, 2024		**1,406,249**	**1,428,026**	**85,940**	**-**	**14,790**	**-**	**191,646**	**-**	**3,126,651**	**20,461**	**3,147,112**

See the accompanying notes to the individual and consolidated financial statements.

Elfa Medicamentos S.A.

Statements of cash flows

Years ended December 31, 2024 and 2023

(In thousands of reais)

	Individual		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Cash flow from operating activities				
Loss for the year	(133,399)	(43,737)	(134,025)	(42,865)
Adjustments to reconcile net income with cash:				
Depreciation and amortization	17,031	14,941	173,839	169,089
Income tax and social contribution, net	(103,029)	(75,747)	(107,035)	(189,743)
Losses due to impairment of accounts receivable	(2,554)	869	(2,045)	(556)
Share-based remuneration	10,780	11,522	10,780	11,522
Provision (reversal) for contingencies	711	2,388	4,707	(61,012)
Provision (reversal) for inventory loss	3,770	(179)	3,167	(6,366)
Interest, monetary variations, net	263,458	287,537	309,232	333,986
Interest and monetary changes on discontinued operations	-	-	4,044	-
Equity on earnings of affiliates	3,996	(80,402)	-	-
(Increase)/decrease in assets:				
Accounts receivable	40,022	(114,230)	275,640	2,046
Inventories	2,684	(12,016)	129,886	58,206
Recoverable taxes	(70,643)	(118,050)	(225,755)	(379,325)
Judicial deposits	(62,279)	(48,424)	(77,590)	(61,989)
Other assets	159,068	(63,824)	123,945	(14,280)
Changes in discontinued operations	-	-	(56,345)	-
(Decrease)/Increase in liabilities:				
Suppliers and other accounts payable	406,143	62,997	(135,423)	(50,089)
Labor obligations	15,770	5,981	9,170	(6,809)
Taxes payable	(430)	73,484	(120,311)	144,751
Other Obligations	101,147	(85,847)	273	-
Changes in discontinued operations	-	-	65,181	-
Cash flow generated by (used in) operating activities	**652,246**	**(182,736)**	**251,335**	**(93,431)**
Dividends received	-	39,489	-	-
Payment of interest on loans and financings	(266,659)	(304,073)	(295,326)	(336,001)
Payment of interest on loans and financing from discontinued operations	-	-	(3,067)	-
Income tax and social contribution paid	-	-	(1,742)	(18,844)
Net cash flow (used in) operating activities	**385,587**	**(447,320)**	**(48,800)**	**(448,276)**
Investing activities:				
Consideration received by discontinued operations	68,208	-	68,208	-
Cash from discontinued operations	-	-	(4,908)	-
Considerations paid for acquisitions of non-controlling interest	(1,785)	(4,300)	(1,785)	(4,908)
Acquisition of property, plant and equipment and intangible assets	(132,628)	(39,001)	(27,569)	(75,324)
Acquisitions of property, plant and equipment and intangible assets from discontinued operations	-	-	(19,827)	
Capital contributions to subsidiaries, net of reductions for the year	(158,425)	(235,434)	-	-
Loans with related parties	(51,716)	(31,760)	-	-
Net cash flow (used in) generated by investment activities	**(276,346)**	**(310,495)**	**14,119**	**(80,232)**
Financing activities:				
Capital increase	267,454	878,326	267,454	878,326
Cash arising from mergers	3,403	-	-	-
Borrowings, financing and leases (Note 16)	313,594	1,384,458	677,430	1,548,037
Payment of principal of loans and financing (Note 16)	(447,506)	(1,364,194)	(754,473)	(1,648,167)
Payment of installments related to previous acquisitions (Note 17)	(81,406)	(149,062)	(109,358)	(171,378)
Lease payment (Note 16)	(10,703)	(8,999)	(41,278)	(36,380)
Net effect of financing activities of discontinued operations	-	-	(5,202)	-
Net cash flow generated in financing activities	**44,836**	**740,529**	**34,573**	**570,438**
Increase (decrease) in cash and cash equivalents	**154,077**	**(17,286)**	**(108)**	**41,928**
Cash and cash equivalents on January 1	125,744	143,030	365,624	323,696
Cash and cash equivalents on December 31	279,821	125,744	365,516	365,624
Increase (decrease) in cash and cash equivalents	**154,077**	**(17,286)**	**(108)**	**41,928**

See the accompanying notes to the individual and consolidated financial statements.

Elfa Medicamentos S.A.

Statements of added value

Years ended December 31, 2024 and 2023

(In thousands of reais)

	Individual		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Revenues	**2,625,036**	**2,514,162**	**5,864,509**	**6,336,510**
Sales of goods and services	2,618,364	2,508,854	5,853,337	6,315,405
Other revenues	4,117	6,177	9,127	20,549
Impairment gain (loss) on accounts receivable	2,554	(869)	2,045	556
Inputs purchased from third parties	**(2,322,649)**	**(2,168,589)**	**(4,890,467)**	**(5,264,279)**
Cost of goods sold and services rendered	(2,201,350)	(2,061,740)	(4,644,649)	(4,997,367)
Materials, energy, third party services, and others	(100,172)	(88,878)	(177,418)	(178,350)
Freight	(21,127)	(17,971)	(68,400)	(88,562)
Gross added value	**302,387**	**345,572**	**974,042**	**1,072,231**
Depreciation and amortization	(17,031)	(14,941)	(173,839)	(169,089)
Net value added produced by the entity	**285,356**	**330,631**	**800,204**	**903,142**
Value added received as transfer	**10,771**	**95,622**	**18,133**	**29,099**
Financial revenues	14,765	15,219	11,182	23,265
Equity on earnings of affiliates	(3,996)	80,402	-	-
Other	2	-	6,951	5,833
Total value added to distribute	**296,127**	**426,253**	**818,337**	**932,240**
Distribution of value added	**296,127**	**426,253**	**818,337**	**932,240**
Personnel	**137,056**	**113,678**	**283,504**	**272,809**
Direct remuneration	90,295	66,349	205,061	190,561
Benefits	30,857	31,106	52,541	53,925
FGTS [GOVERNMENT SEVERANCE INDEMNITY FUND]	5,123	4,702	15,121	16,801
Share-based payments (direct remuneration)	10,780	11,522	10,780	11,522
Taxes, fees and contributions	**74,403**	**129,195**	**266,800**	**291,727**
Federal	(57,205)	(41,654)	54,509	(62,019)
State	131,198	170,544	201,493	346,978
Municipalities	411	304	10,798	6,767
Remuneration of third-party capital	**218,066**	**227,116**	**402,059**	**410,568**
Interest	340,172	339,554	397,148	389,229
Rentals	29	12	(571)	356
Fines	2,481	5,853	6,309	17,010
Other	(124,616)	(118,303)	(826)	3,973
Remuneration of own capital	**(133,399)**	**(43,737)**	**(134,025)**	**(42,865)**
Controlling shareholders net profit	(133,399)	(43,737)	(133,399)	(43,737)
Non-controlling Net Profit	-	-	(626)	872

See the accompanying notes to the individual and consolidated financial statements.

Notes to the individual and consolidated financial statements

(In thousands of reais)

1 Operating context

Elfa Medicamentos S.A. ("Company" or "Individual") is a corporation headquartered in Brasília, Federal District. The Company, when together with its subsidiaries (referred to as “Elfa” or “Group”), are engaged in the wholesale and retail segments of pharmaceutical products for human use, dermatological products, special fertility drugs, oncology, hormones, hospital and dental supplies, among others.

The Company also has equity interests in other companies in the national territory (Note 2), whose operating activities are related to its own business purposes. The Group sells its products to the private (hospitals, clinics and health care plans) and public (federal, state and municipal) sectors.

2 List of subsidiaries

	2024	2023
Direct subsidiaries:		
Prescrita Medicamentos Ltda. ("Prescrita")	100%	100%
Cirúrgica Jaw Comércio de Material Médico Hospitalar Ltda. ("Cirúrgica Jaw")	100%	100%
Central Distribuidora de Medicamentos Ltda. (“CDM PE”) (a) (*)	-	100%
Central Distribuidora de Medicamentos Ltda. (“CDM PA”) (a) (*)	-	100%
Prime Distribuidora de Medicamentos Ltda. (“Prime”) (a) (*)	-	100%
Medcom Comércio de Medicamentos Ltda (“Medcom") (b)	100%	100%
G.B. Distribuidora de Medicamentos e Produtos Hospitalares Ltda (“GB”) (b)	100%	100%
Salus Latam Holding S.A. (“Salus”) (c)	100%	100%
Comercial Mostaert Ltda (“Mostaert”) (*)	-	100%
Biohosp Produtos Hospitalares S.A. ("Biohosp")	100%	100%
Dupatri Hospitalar Comércio, Importação e Exportação Ltda. (“Dupatri”)	100%	100%
DRS Holding de Sociedades Empresariais Ltda. (“DRS”) (e)	100%	100%
TLS Logística Hospitalar e Transporte de Medicamentos Ltda. (“TLS”)	95%	95%
Descarpack Descartáveis do Brasil Ltda.	100%	100%

	2024	2023
Indirect subsidiaries:		
Agilfarma Medicamentos Ltda. (“Agilfarma”)	100%	100%
Nacional Comercial Hospitalar S.A. (“NCH”) (c)	100%	100%
Artmédica Comércio e Representações Ltda (“Artmedica”) (c)	100%	100%
Comercial Commed Produtos Hospitalares Ltda (“Commed”) (c)	100%	100%
Procifar Distribuidora Ltda (“Procifar”) (c)	100%	100%
Fenergy Indústria e Comércio Ltda (“Fenergy”) (c)	100%	100%
Surya Dental Ltda (“Surya”) (c)	100%	100%
Anbioton Importadora Ltda (“Anbioton”). (d)	100%	100%
Biodente Materiais Odontológicos Ltda. (“Biodente”) (c) (*)	-	100%
DRS Administração de Estoques Ltda. (“DRS ADM”) (e)	100%	100%
Suportmed Distribuidora Comércio e Representação Comercial Ltda. (“Suportmed”) (e)	100%	100%
DRS Courier Ltda (“DRS Courier”) (e)	100%	100%
DRS Importadora e Serviços Ltda. (“DRS Importadora”) (e)	100%	100%

(a) These companies form the CDM Group.

(b) These companies form the Medcom Group.

(c) These companies form the Atrial Group

(d) These companies form the Anbioton Group

(e) These companies form the DRS Group

(*) Companies merged during the year.

The balances of merged net assets relating to merged entities during the year ended December 31, 2024 are presented below.

Vital

On January 31, 2024, Vital Materiais Especiais Ltda., through a merger process registered with the Board of Trade, fully transferred its assets and rights, as well as its obligations to its Individual, Procifar Distribuidora de Material Hospitalar Ltda. The merged net assets was:

	01/31/2024
Cash and cash equivalents	259
Trade accounts receivable	4,563
Inventories	1,214
Recoverable taxes	181
Income tax and social contribution	815
Loans	3,033
Other assets	3,687
Total merged assets	**13,752**
Trade accounts payable	3,684
Taxes payable	336
Other liabilities	954
Total merged liabilities	**4,974**
Total merged shareholders' equity	**8,778**

CDM PA

On July 26, 2024, Central Distribuidora de Medicamentos Ltda. (“CDM Pará”), through a merger process registered with the Board of Trade, fully transferred its assets and rights, as well as its obligations, to its Individual, Elfa Medicamentos S.A. The merged net assets were as follows:

	07/26/2024
Cash and cash equivalents	417
Trade accounts receivable	17,307
Inventories	599
Recoverable taxes	4,736
Income tax and social contribution	2,459
Other assets	8,100
Total merged assets	**33,618**
Trade accounts payable	10,668
Other liabilities	7,557
Total merged liabilities	**18,225**
Total merged shareholders’ equity	**15,393**

CDM PE

On July 26, 2024, Central Distribuidora de Medicamentos Ltda. (“CDM Pernambuco”), through a merger process registered with the Board of Trade, fully transferred its assets and rights, as well as its obligations, to its Individual, Elfa Medicamentos S.A. The merged net assets were as follows:

	07/26/2024
Cash and cash equivalents	1,654
Trade accounts receivable	49,752
Inventories	9,623
Recoverable taxes	17,486
Income tax and social contribution	2,346
Other assets	59,229
Total merged assets	**140,090**
Trade accounts payable	16,446
Other liabilities	16,969
Total merged liabilities	**33,415**
Total merged shareholders’ equity	**106,675**

PRIME

On October 30, 2024, Prime Distribuidora de Medicamentos Ltda. (“CDM BA”), through a merger process registered with the Board of Trade, fully transferred its assets and rights, as well as its obligations, to its Individual, Elfa Medicamentos S.A. The merged net assets were as follows:

	10/30/2024
Cash and cash equivalents	409
Trade accounts receivable	14,922
Inventories	5051
Recoverable taxes	754
Income tax and social contribution	983
Loans	10452
Other assets	9,149
Total merged assets	**41,720**
Trade accounts payable	6,293
Accounts payables to related parties	0
Other liabilities	2,771
Total merged liabilities	**9,064**
Total merged shareholders’ equity	**32,656**

Mostaert

On October 30, 2024, Comercial Mostaert Ltda., through a merger process registered with the Board of Trade, fully transferred its assets and rights, as well as its obligations, to its Individual, Elfa Medicamentos S.A. The merged net assets were as follows:

	10/30/2024
Cash and cash equivalents	416
Trade accounts receivable	8,474
Inventories	6,062
Loans	40,882
Other assets	46,018
Total merged assets	**101,852**
Trade accounts payable	5,067
Advances to clients	1,269
Other liabilities	6,287
Total merged liabilities	**12,623**
Total merged shareholders' equity	**89,229**

Biodente

On October 31, 2024, Biodente Materiais Odontológicos Ltda., through a merger process registered with the Board of Trade, fully transferred its assets and rights, as well as its obligations, to its Individual, Surya Dental Comércio de Produtos Odontológicos e Farmacêuticos S.A. The merged net assets were as follows:

	10/31/2024
Cash and cash equivalents	248
Trade accounts receivable	11,117
Inventories	13,497
Recoverable taxes	3,296
Income tax and social contribution	2,853
Advances	8,399
Accounts receivable from related parties	8,100
Other assets	8,385
Total merged assets	**55,895**
Trade accounts payable	6,382
Taxes payable	3
Provision for contingencies	20,112
Accounts payable from related parties	9,548
Other liabilities	5,444
Total merged liabilities	**41,488**
Total merged shareholders' equity	**14,407**

3 Basis of preparation

Statement of compliance

The consolidated financial statements were prepared and are presented in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and also in accordance with accounting practices adopted in Brazil issued by the Accounting Pronouncement Committee ("CPC"), approved by the Brazilian Securities and Exchange Commission ("CVM") and the Federal Accounting Committee ("CFC").

The Individual's financial statements were prepared in accordance with accounting practices adopted in Brazil, issued by the Accounting Pronouncement Committee ("CPC"), Brazilian Securities and Exchange Commission ("CVM") and by the Federal Accounting Council ("CFC").

The issue of financial statements was authorized by the Management on March 20, 2025. Once the financial statements have been issued, only the shareholders have the power to approve the changes.

Details on the Company's accounting policies are shown in Note 7.

All relevant information specific to the financial statements, and only such information, is being evidenced, and corresponds to the information used by Company's Management.

4 Functional and presentation currency

These financial statements are presented in thousands of Reais, which is the functional currency of the Company and its subsidiaries. All balances have been rounded up to the nearest thousand, except where otherwise specified.

5 Use of estimates and judgments

In the preparation of these financial statements, Management used judgments and estimates that affect the Group's application of accounting policies and amounts reported of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis and consistent with the Group's risk management. Reviews of estimates are recognized on a prospective basis.

a. Estimates and Judgments

Information on judgment referring to the adoption of accounting policies which impact significantly the amounts recognized in the financial statements are included in the following notes:

- **Note 7 a.** – Consolidation: determination whether the Group has control over an investee;
- **Note 12 -** equity on earnings of subsidiaries in investees: determines if the Group has significant influence over an investee;
- **Note 26** – Fair value of the options that are part of the share-based payment.

b. Uncertainties on assumptions and estimates

Information on uncertainties as to assumptions and estimates as of December 31, 2024 that pose a high risk of resulting in a material adjustment in book balances of assets and liabilities in the next fiscal year are included in the following notes:

- **Note 9 -** Measurement of expected credit loss for accounts receivable: main assumptions in determining the weighted average loss rate;
- **Note 10** – Measurement of inventory loss;
- **Note 13 -** Impairment test of intangible assets and goodwill: main assumptions in relation to recoverable values;

- **Note 18 -** Recognition and measurement of provisions and contingencies: main assumptions about the likelihood and magnitude of the outflows of funds;

- **Note 23 -** Recognition of deferred tax assets: availability of future taxable income against which deductible temporary differences and tax losses may be used.

c. Measurement of fair value

A number of Company's accounting policies and disclosures requires the measurement of fair value, for both financial and non-financial assets.

The Management periodically reviews non-observable data considered significant and valuation adjustments. If third-party information, such as broker quotes or pricing services, is used to measure fair value, the Management analyzes the evidence obtained from the third parties to support the conclusion that such valuations meet the IFRS and CPC requirements, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are classified at different levels according to hierarchy based on information (inputs) used in valuation techniques, as follows:

- **Level 1:** prices quoted (not adjusted) in active markets for identical assets and liabilities.

- **Level 2:** inputs, except for quoted prices, included in Level 1 which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices).

- **Level 3:** inputs, for assets or liabilities, which are not based on observable market data (non-observable inputs).

6 Changes in significant accounting policies and new standards, reviews and interpretations not yet effective

<u>Changes in the significant accounting policies:</u>

A. Classification of liabilities as current or non-current and non-current liabilities with Covenants (amendments to CPC 26/IAS 1)

The Group adopted the classification of liabilities as current or non-current (amendments to CPC 26/IAS 1) and non-current liabilities with covenants (amendments to CPC 26/IAS 1) as of January 1, 2024. The changes apply retrospectively. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current loan liabilities that are subject to covenants within 12 months of the reporting period. According to the Group's assessment, this standard had no significant impact on its financial statements.

New standards, reviews and interpretations not yet effective

a) IFRS 18 Presentation and Disclosure of Financial Statements

IFRS 18 will replace CPC 26/IAS 1 Presentation of Financial Statements and applies to annual reporting periods beginning on or after January 1, 2027. The new standard introduces the following main new requirements.

- Entities are required to classify all revenues and expenses into five categories in the statement of income and loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a subtotal for newly defined operating profit. The net income of the entities will not change.

- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.

- Enhanced guidance is provided on how to group information in the financial statements.

Furthermore, all entities are required to use the subtotal of operating profit as the starting point for the statement of cash flows when presenting operating cash flows using the indirect method.

The Company and its subsidiaries are still in the process of assessing the impact of the new standard, particularly regarding the structure of the statement of income, statement of cash flows and the additional disclosures required for MPMs.
The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labeled 'other'.

b) Other accounting standards

New and amended standards are not expected to have a significant impact on the Group's consolidated financial statements:

- Lack of convertibility (amendments to CPC 02/IAS 21);

- Classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7).

7 Measurement basis and significant accounting policies

Measurement basis

The financial statements were prepared based on the historical cost, unless otherwise indicated.

Significant and material accounting policies

The Company applied the material accounting policies described below consistently to all the years presented in these financial statements, unless otherwise indicated.

a. Basis of consolidation

(i) Business combinations

Business combinations are recorded using acquisition method, when control is transferred to the Group. The consideration transferred is usually measured at fair value, as well as the identifiable net assets acquired. Any goodwill arising from the transaction is annually tested for evaluation of impairment. Gains in a bargain purchase, when applicable, are immediately recognized in profit or loss. Transaction costs are recorded in income (loss) as incurred, except for costs related to the issue of debt or equity instruments.

Any contingent consideration payable is measured at its fair value on acquisition date. The Group’s contingent consideration is remeasured at fair value on each reporting date, and subsequent changes in fair value are recorded in the statement of operations for the year.

If the plans of payment based on shares held by the employees of the acquiree need to be replaced (plan replacement), all or part of the new amount of the replacement plan issued by the acquirer is included in the measurement of the consideration transferred in the business combination. This determination is based on the fair value of the replacement plan compared to the fair value of the share-based payment of the acquiree and to the extent that such replacement plan refers to services rendered before the combination.

(ii) Subsidiaries

The Group controls an entity when it is exposed to, or has a right over the variable returns arising from its involvement with the entity and has the ability to affect those returns exerting its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements as from the date the Group obtains the control until the date such control ceases.

The financial information of subsidiaries is recognized under the equity method in the individual financial statements of the Individual.

(iii) Non-controlling interest

The Group chose to measure non-controlling interest initially at their proportion in identifiable net assets of the acquiree on the acquisition date. Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as shareholders’ equity transactions.

(iv) Loss of control

When the Individual loses control over a subsidiary, the Group derecognizes assets and liabilities and any non-controlling interest and other components recorded in shareholders' equity referring to that subsidiary. Any gain or loss resulting from loss of control is recognized in income (loss).

If the Group holds any in interest in former subsidiary, this interest is measured at fair value on the date control is lost.

(v) Transactions eliminated in the consolidation

Intragroup balances and transactions, and any unrealized revenues or expenses derived from intragroup transactions, are eliminated. Unrealized gains originating from transactions with investee recorded using the equity method, are eliminated against the investment in the proportion of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only up to the point where there is no evidence of loss due to impairment.

b. Foreign currency

Transactions in foreign currency are translated into the functional currency at the exchange rates on the dates of the transactions.

Monetary assets and liabilities denominated and calculated in foreign currencies on the balance sheet date are reconverted into the functional currency at the foreign exchange rate on that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the foreign exchange rate on the date the fair value was determined. Non-monetary items that are measured based on the historical cost in foreign currency are translated using the rate of the transaction date. Foreign currency differences arising from the translated are usually recognized in income (loss).

c. Revenue from contracts with customers

Revenue is measured based on the consideration specified in the contract with the client. The Company and its subsidiaries recognize revenue when it transfers control over the product or service to the client, and it is recognized when performance obligations are met and its respective risks are transferred to the buyer, which usually occurs upon delivery. Revenue is measured based on the consideration specified in the contract with the client.

d. Employee benefits

(i) Short-term employee benefit

Obligations for short-term employee benefits are recognized as personnel expenses as the related service is provided. Liability is recognized for the amount of expected payment in case the Company and its subsidiaries have a legal or constructive obligation of paying this amount due to service provided in the past by the employee and the obligation can be estimated reliably.

(ii) Share-based payment agreements

The fair value of share-based payment agreements is recognized at the grant date, as personnel expenses, with a corresponding increase in shareholders' equity, over the period when employees become entitled to the premiums.

The amount recognized as an expense is adjusted to reflect the actual number of awards for which the related service and performance conditions will be met, so that the amount ultimately recognized as an expense is based on the number of awards meeting these performance conditions at vesting date.

e. Government grant

The Company and its subsidiaries benefit from the special tax regime for reducing the tax base.

According to the applicable Brazilian tax legislation, the ICMS tax benefit validated and deposited by the Executive Secretariat of the National Council for Finance Policy (Confaz), are excluded from the IRPJ [Company Income Tax] and CSLL [Social Contribution on Net income] calculation basis, provided that it is registered in a profit reserve, which may only be used for:

(i) Absorption of losses, provided that the other profits reserve, with the exception of the legal reserve, have already been fully absorbed;

(ii) Capital increase. If that allocation is not followed, the Company may be subject to taxation by IRPJ and CSLL.

The Company and its subsidiaries recognize these benefits as income (loss), for which a special tax incentive reserve is subsequently recorded in accordance with the registration in their calculations and rules related to Income Tax and Social Contribution then effective.

f. Financial revenues and expenses

The financial revenues and expenses of the Company and its subsidiaries comprise the following:

- Interest revenue;
- Expenses from interest from loans and financing, net of derivatives; and
- Net gains/losses from exchange-rate change on financial assets and liabilities.

Interest revenue and expenses are recognized in income (loss) at the effective interest rate method. The effective interest rate is the rate that exactly discounts payments or receipts in estimated future cash flows over the expected life of the financial instrument at:

- Gross book value of financial assets; or
- Amortized cost of financial liabilities.

In the calculation of interest revenue or expenses, the actual interest rate is levied on the gross book value of the assets (when the assets have no recovery issues) or at amortized cost of liabilities. However, interest revenue is calculated by applying the actual interest rate at amortized cost of financial assets with recovery issues after the initial recognition. If the asset no longer presents recovery issues, the calculation of interest revenue is again based on the gross value.

g. *Income tax and social contribution*

The income tax and social contribution, both current and deferred, are calculated based on the rate of 15% plus a surcharge of 10% on taxable income in excess of R$ 240 for income tax and 9% on taxable income for social contribution on net income, and consider the offsetting of tax loss carryforward and negative basis of social contribution limited to 30% of the taxable income for the year.

Income tax and social contribution expense comprises both current and deferred income tax and social contribution. Current taxes and deferred taxes are recognized in profit or loss unless they are related to the business combination, or items directly recognized in shareholders' equity or other comprehensive income.

(i) Current income tax and social contribution expenses

Current tax expense is the tax payable or receivable on the taxable income or loss for the year and any adjustments to taxes payable in relation to prior years. The amount of current taxes payable or receivable is recognized in the balance sheet as an asset or tax liability under the best estimate of the expected amount of taxes to be paid or received reflecting the uncertainties related to its calculation, if any. It is measured based on tax rates enacted on the balance sheet date.

(ii) Expenses with deferred income tax and social contribution

Deferred tax assets and liabilities are recognized in relation to the temporary differences between the book values of assets and liabilities for financial statements and used for taxation purposes. The changes in deferred tax assets and liabilities for the year are recognized as deferred income tax and social contribution expense.

A deferred tax asset is recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable income is determined based on the reversal of relevant taxable temporary differences. If the amount of the taxable temporary differences is insufficient to fully recognize a deferred tax asset, the future taxable income, adjusted for reversals of the existing temporary differences, will be considered, based on the business plans of the Individual and of its subsidiaries, individually.

Deferred tax assets are reviewed at each reporting date and reduced when their realization is no longer probable. Deferred tax assets and liabilities are measured at tax rates expected to be applied to temporary differences when they are reversed, based on rates decreed up to the balance sheet date and results in an uncertainty related to income tax (if any).

The measurement of deferred tax assets and liabilities reflects the tax consequences of how the Company and its subsidiaries expect to recover or settle their assets or liabilities.

h. *Inventories*

Inventory is valued based on the historical cost of acquisition, or at the net realizable value, whichever is lower. The cost of inventories is determined by the weighted average cost criteria and includes all acquisition and transformation costs and other costs incurred to bring inventories to current condition and location.

Net realizable value is formed by estimated sales price, throughout the normal course of business less estimated costs for its completion and estimated sales expenditures. Estimated losses from slow-moving or obsolete inventories are formed when considered necessary by Management and revaluated every quarter.

i. *Property, plant and equipment*

(i) Recognition and measurement

Property, plant and equipment items are stated at historical acquisition or construction cost, including loan cost capitalized, net of accumulated depreciation and impairment losses.

If significant parts of a property, plant and equipment item have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gains and losses on disposal of a property, plant and equipment item are recognized in income (loss).

(ii) Subsequent costs

Subsequent costs are capitalized only when it is probable that associated future benefits may be earned by the Company and its subsidiaries.

(iii) Depreciation

Depreciation is calculated to amortize the cost of items of property, plant and equipment, net of their estimated residual values, using the straight-line method based on estimated useful lives of such items.

Depreciation is recognized in income (loss). Land is not depreciated.

The estimated useful lives of property, plant and equipment are as follows:

- Leasehold improvements - According to the lease term
- Machinery and equipment - 3-12 years
- Furniture and fixtures - 5-10 years

Depreciation methods, useful lives and residual values are reviewed on each balance sheet date and adjusted if appropriate.

j. Intangible assets and goodwill

(i) Recognition and measurement

Goodwill
Goodwill on the expectation of future profitability is initially measured as being the excess of consideration transferred in relation to the fair value of net assets acquired (identifiable assets and assumed liabilities, net). The goodwill balance is tested for impairment at least once a year and is presented net of recognized losses, when applicable.

Customers' list
Customers' list is initially recorded at fair value and amortized over the expected term of the customers' list, considering the customer base churn rate.

Non-compete
Some acquisitions have specific clauses that provide for that the seller do not to compete in the Group's operating segment for a certain period. Such clauses have their fair value assigned by the estimate of the gain due to the absence of the acquired competitor in the market (with or without) and are amortized over the term of this clause.

Indemnification assets
Some acquired companies have labor, tax or civil contingent liabilities (arising from legal/administrative proceedings or not), arising from taxable events incurred in periods prior to the closing date of the acquisition. Pursuant to the purchase and sale agreements of said acquisitions, such contingencies are the responsibility of the former shareholders and must be indemnified by them to the company of the group that suffered the loss.

The indemnity may also occur through the use of funds from the installments withheld from the payment of the price, any other guarantees or own funds resources of the former shareholders. The Company and its subsidiaries recognize the fair value of said liabilities in the opening balance sheet of the acquired company on the acquisition date and the same amount as an indemnification assets.

Licenses
Some acquisitions have operating licenses, which are necessary for the operation of these companies. The Company and its subsidiaries recognize the fair value of these assets in the opening balance sheet of the acquired company on the acquisition date.

Other intangible assets
Other intangible assets acquired by the Company and its subsidiaries with defined useful lives are measured at cost, net of accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditures
Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures, including expenditures on internally-generated goodwill and trademarks and patents, are recognized in the income (loss) as incurred.

(iii) Amortization
Amortization is calculated using the straight-line method based on estimated useful lives of such items, net of estimated residual values. Amortization is usually recognized in income (loss).

Estimated useful lives are as follows:

Software licenses	05 years
Client portfolio	07−13 years
Non-compete	05 years
Brands and patents	Undefined
Licenses	02 years

Amortization methods, useful lives and residual values are reviewed on each date of statement of financial position and adjusted if appropriate.

k. Financial instruments

(i) Initial recognition and measurement
Accounts receivable are initially recognized on the date that they were originated. All other financial assets and liabilities are initially recognized when the Company and its subsidiaries become a party to the instrument's contractual provisions.

A financial asset (unless it is trade accounts receivable without a material financing component) or a financial liability is initially measured at fair value, plus, for an item not measured at fair value through profit or loss (“FVTPL”), transaction costs which are directly attributable to its acquisition or issue. Trade accounts receivable without a significant financing component is initially measured at the price of operation.

(ii) Subsequent classification and measurement

Financial assets
In the initial recognition, a financial asset is classified as measured: at amortized cost; at fair value through profit or loss (FVTPL).

Financial assets are not reclassified after initial recognition, unless the Company and its subsidiaries change the business model for the management of financial assets, in which case all affected financial assets are reclassified on the first day of the reporting period subsequent to the change in the business model.

A financial asset is measured at amortized cost if it meets conditions below and is not designated as measured at FVTPL:

- It is held within a business model whose purpose is to maintain financial assets to receive contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal value.

A debt instrument is measured at FVTOCI (fair value through other comprehensive income) if it meets both conditions below and is not designated as measured at FVTPL:

- It is held within a business model whose objective is achieved by both the collection contractual cash flows and selling financial assets; and

- Its contractual terms generate, on specific dates, cash flows which are only payments of principal and interest on outstanding principal value.

Financial assets - Evaluation of business model
The Company and its subsidiaries and its subsidiaries carry out an evaluation of the purpose of the business in which a financial asset is held in the portfolio, since this better reflects the way in which the business is managed and the information is provided to management. The information considered includes:

- The policies and goals established for the portfolio and practical operation of these policies. They include the question of whether management's strategy focuses on obtaining contractual interest revenues, maintaining a certain interest rate profile, matching the duration of financial assets with the duration of related liabilities or expected cash outflows, or the realization of cash flows through the sale of assets.

- How the performance of the portfolio is evaluated and reported to the Group's management.

- Risks that affect the performance of the business model (and the financial assets held in that business model) and the way those risks are managed.

- The sales rate, volume and timing of sales of financial assets in prior periods, the reasons for such sales and future sales expectations.

- Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales, which is consistent with the ongoing recognition of the assets of the Company and its subsidiaries.

- Financial assets that are held for trading or are managed and whose performance is evaluated on fair value basis are measured at fair value through profit or loss (FVTPL).

Financial assets - Evaluation whether the contractual cash flows represent solely payments of principal and interest:

For this evaluation purposes, “principal” is defined as the fair value of the financial asset at initial recognition. “Interest” is defined as a consideration for the amount of cash at the time and for the credit risk associated to the outstanding principal value during a certain period and for other risks and base costs of loans (for example, liquidity risk and administrative costs), as well as for the profit margin.

The Company and its subsidiaries consider the contractual terms of the instruments to evaluate whether the contractual cash flows are only payments of principal and interest. It includes evaluating whether the financial asset contains a contractual term that could change the time or amount of the contractual cash flows so that it would not meet this condition. In making this evaluation, the Company and its subsidiaries consider the following:

- Contingent events that change the amount or timing of cash flows.
- Terms that may adjust the contractual rate, including variable rates.
- The prepayment and the extension of the term.
- The terms that limit the access of the Company and its subsidiaries to cash flows of specific assets (for example, based on the performance of an asset).

Financial assets - Subsequent measurement and gains and losses
Financial assets at FVTPL: these assets are subsequently measured at fair value. Net income (loss), plus interest or dividend revenue, is recognized in income (loss).

Financial assets at amortized cost: these assets are subsequently measured at amortized cost using the effective interest method. Amortized cost is impaired. Interest revenue, foreign exchange gains and impairment losses are recognized in income (loss). Any gain or loss on derecognition is recognized in income (loss).

Financial liabilities - classification, subsequent measurement and gains and losses
Financial liabilities were classified as measured as amortized cost. A financial liability is classified as measured at fair value through profit or loss if it is classified as held-for-trading it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense, foreign exchange gains and losses are recognized in income (loss). Any gain or loss on derecognition is also recognized in income (loss).

(iii) Derecognition

Financial assets
The Company and its subsidiaries derecognize a financial asset when the contractual rights to the cash flow of the asset expire, or when the Company and its subsidiaries transfer the contractual rights to the reception of contractual cash flows over a financial asset in a transaction in which essentially all the risks and rewards of ownership of the financial asset are transferred or in which the Company and its subsidiaries nor transfer or maintain all ownership risks and rewards of the financial assets and also does not hold the control over the financial asset.

Financial liabilities
The Company and its subsidiaries derecognize a financial liability when its contractual obligations are discharged or canceled or expired. The Company and its subsidiaries also derecognize a financial liability when terms are modified, and the cash flows of the modified liability are substantially different if a new financial liability based on the terms changed is recognized at fair value.

In the derecognition of a financial liability, the difference between the extinct book value and the consideration paid (including assets transferred that do not pass through the cash or assumed liabilities) is recognized in the income.

(iv) Offset
Financial assets and liabilities are offset and the net amount reported in the balance sheet only when the Company and its subsidiaries have a legally exercisable right to offset and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

l. Impairment

(i) Non-derivative financial assets

Financial instruments
The Company and its subsidiaries recognize provision for expected credit losses on financial assets measured at amortized cost.

Provisions for losses on trade accounts receivable are measured at a value equal to a credit loss estimated for the instrument's entire life.

When determining if the credit risk of a financial asset has significantly increased since the initial recognition and when estimating expected credit losses, the Company considers reasonable and tolerable information that is relevant and available without excessive cost or effort. It includes quantitative and qualitative information and analysis, based on the historical experience of the Company and its subsidiaries, credit assessment, and considering forward-looking information applying the expected losses based on data available to sales of the period.

The Company and its subsidiaries consider a financial asset in default when:

- It is very unlikely that the debtor will fully pay its credit obligations to the Company and its subsidiaries, without having to resort to actions like the realization of guarantee (if any) or when the financial asset is overdue for more than 360 days for accounts receivable from private market and 540 days for public market.

- The financial asset is overdue for over 540 days for accounts receivable from the public sector market and is not committed to the balance payable for the previous year or has no administrative or judicial decision determining the payment.

The maximum period considered in the estimate of expected credit loss is the maximum contractual period during which the Company and its subsidiaries are exposed to credit risk.

As of the year ended December 31, 2024, in addition to the valuation by maturity bracket of the public and private sectors separately, the Company carried out the individualized valuation of its large private market clients. This individualized assessment of large clients considers the loss history of the last five years combined with the assessment of the public financial information of said clients and the rating assessments available and published by large rating agencies. The effects of the individualized assessment of these clients have been reflected in the statement of income of the Company and its subsidiaries on a prospective basis.

Measurement of expected credit losses
Expected credit losses are estimates weighted by the probability of credit losses. Credit losses are measured based on all cash insufficiencies (that is, the difference between the cash flows owed to the Company and its subsidiaries in accordance with the contract and the cash flows that the Company and its subsidiaries expect to receive). Loan losses are recognized according to the aging/delinquency brackets, starting from 1 day of arrears.

Financial assets with recovery issues
On each balance sheet date, the Company and its subsidiaries evaluate whether the financial assets accounted for at amortized cost and are experiencing recovery issues. A financial asset has “recovery problems” when one or more events with a negative impact on the estimated future cash flows of the financial asset occur.

For monitoring assets, customers are grouped according to their credit characteristics, including whether they are governmental entities clients or private clients and the history of negotiations with the Group are took into account, and existence of financial difficulties in the past.

The Group does not require collateral for trade accounts receivable and other receivables. The Group does not have trade accounts receivable and contract assets for which no provision for loss is recognized due to the guarantee provided.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulties of the issuer or borrower;

- Breach of contractual clauses, such as delinquency or late payment of more than 180 days;

- Restructuring of an amount due to the Company and its subsidiaries under terms that would not be accepted in normal conditions;

- The probability that the debtor will enter bankruptcy or other financial reorganization; or

- The disappearance of an active market for that financial asset because of financial difficulties.

Presentation of provision for expected credit losses in balance sheet
Provision for losses for financial assets measured at amortized cost are deducted from the gross book value of assets.

Decrease
The gross book value of a financial asset is written off when the Company and its subsidiaries have no reasonable expectation of recovering the financial asset in full or in part. With respect to individual customers, the Company and its subsidiaries write off the assets when it considers that the possibility of collection has been exhausted, based on the historical experience of recovering similar assets. With respect to corporate clients, the Company and its subsidiaries assess, on an individual basis, the time and amount of write-off based on the existence or not of reasonable expectation of recovery. The Company and its subsidiaries do not expect any significant recovery of amount written off. However, financial assets written off may still be subject to credit collection, in compliance with procedures of the Company and its subsidiaries for the recovery of the amounts due.

(ii) *Non-financial assets*
The book values of the non-financial assets of the Company and its subsidiaries, except for deferred tax assets and inventories are reviewed at each balance sheet date for indication of impairment. If such indication exists, the asset's recoverable value is estimated.

For goodwill impairment tests, the Group considers two cash generating units (CGUs), which are aligned with the segments reported by the Company (see Note 27).

Recoverable value or CGU of an asset is the higher of value in use and fair value less selling costs. Value in use is based on estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognized in income (loss). Recognized losses referring to CGUs are initially allocated to reduce any goodwill allocated to that CGU (or CGU group) and then to reduce the book value of other assets of that CGU (or CGU group) on a pro rata basis.

An impairment loss related to goodwill is not reversed. Regarding other assets, impairment losses are reversed only with the condition that the new book value of the asset does not exceed the book value that would have been calculated, net of depreciation or amortization, if the value loss had not been recognized.

m. Provision

A provision is formed if the Company and its subsidiaries have a legal or constructive obligation as a result of a past event, which can be reliably estimated, and it is probable that an outflow of funds will be required to settle the obligation. Provisions are recorded considering the best estimates of the risk involved. Liabilities related to lawsuits are provisioned at amounts deemed sufficient by management and legal advisors to cover unfavorable outcomes.

n. Basic and diluted earnings per share

The Group calculates basic earnings per share using the weighted average number of common shares outstanding during the year. Diluted earnings per share consider the dilutive effect of options granted outstanding during the year, weighted based on the grant date.

o. Leases

In the beginning of the contract, the Company and its subsidiaries determine whether it contains a lease or not. A contract is or contains a lease if it transfers the right to control the use of an identified asset for a period in exchange for consideration. The Company and its subsidiaries follow the definition of lease under CPC 06(R2) / IFRS 16 to assess whether an agreement transfer the right to control the use of an identified asset.

At the inception or amendment of an agreement containing a lease component, the Company and its subsidiaries allocate the lease consideration to each lease and non-lease component based on its individual prices. However, for leases of real estate, the Company and its subsidiaries have chosen to not separate non-lease components and lease and non-lease components are calculated as a single component.

The Company and its subsidiaries recognize a right-of-use asset and a lease liability on the lease inception date. The right-of-use asset is initially measured at cost, which comprises the value of initial measurement of the lease liability adjusted to any lease payments made to the initial date, plus any initial direct costs incurred by the lessee and an estimate of the costs to be incurred by the lessee to disassemble and remove the underlying asset, by returning it to the place where it is located or returning the underlying asset to the state required under the lease terms and conditions, less any lease incentives received accordingly.

The right-of-use asset is subsequently depreciated using the straight-line method from the start date to the end of the lease term, unless the lease transfers ownership of underlying asset to the lessee at the end of lease term, or if the cost of the right-of-use asset reflects that the lessee will exercise the call option. In this case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as that of property, plant and equipment. Moreover, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the inception date, and discounted using the interest rate implied in the lease or, if that rate cannot be immediately determined, the incremental loan rate of the Company and its subsidiaries. Usually, the Company uses their incremental loan rate as discount rate.

The Group sets its incremental rate on loans by obtaining interest rates from a number of external funding sources and making some adjustments to reflect the agreement terms and the type of leased asset.

Lease payments included in the measurement of lease liability comprise the following:

- Fixed payments, including initial fixed payments;
- Variable payments based on an index or rate, initially measured based on the index or rate at the start date;
- Payments estimated by the lessee, in accordance with the residual value guarantees; and
- the call option exercise price if the lessee is reasonably certain to exercise such option, and payments of fines due to termination of the lease agreement, if the term of the lease reflects the fact that the lessee is exercising their option to terminate the lease agreement

The lease liability is measured at amortized cost using the effective interest method. It is remeasured if there is a change in future lease payments as a result of a change in an index or rate, if there is a change in the amounts expected to be paid in accordance with the residual value guarantee, if the Company and its subsidiaries change its assessment of call option, extend or terminate it, or if there is a payment of a initially fixed revised lease.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the book value of the right-of-use asset, or is recorded in income (loss) if the book value of the right-of-use asset has been reduced to zero.

p. Measurement of fair value

Fair value is the price that would be received upon the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date, on the primary market or, in the absence thereof, on the most advantageous market to which the Company and its subsidiaries have access on such date. Fair value of a liability reflects its risk of not being performed.

A series of accounting policies and disclosures of the Company and its subsidiaries require the measurement of fair value, for financial and non-financial assets and liabilities.

When available, the Company and its subsidiaries measure the fair value of a security using the price quoted on an active market for such securities. A market is considered as active if the transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no price quoted on an active market, the Company and its subsidiaries use valuation techniques that maximize the use of relevant observable data and minimize the use of unobservable data. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a purchase price and a selling price, the Company and its subsidiaries measure assets based on purchase prices and liabilities based on selling prices.

The best evidence of the fair value of a financial instrument upon initial recognition is usually the transaction price – i.e., the fair value of the consideration given or received. If the Company and its subsidiaries determine that the fair value at initial recognition differs from the transaction price and the fair value is not evidenced by a price quoted on an active market for an identical asset or liability or based on an evaluation technique for which any non-observable data are judged to be insignificant in relation to measurement, then the financial instrument is initially measured at fair value adjusted to defer the difference between the fair value at the initial recognition and the transaction price. This difference is subsequently recognized in income (loss) on an appropriate basis over the life of the instrument, or until such time when its valuation is fully supported by observable market data or the transaction is closed, whichever comes first.

q. Discontinued operation

A discontinued operation is an item of the Group's business including operations and cash flows that can be clearly distinguished from the rest of the Group and that:

- represent a separate major line of business or geographical area of operations;
- are part of an individual coordinated plan to sell an important separate business line or geographical operation area; or
- are from a subsidiary acquired only for the purpose of resale.

The classification as a discontinued operation is made upon its disposal or when the operation fails to meet the criteria for being held for sale, if this occurs before.

When an operation is classified as a discontinued operation, the comparative statements of income and the statement of comprehensive income are reissued as if the operation had been discontinued since the beginning of the comparative period.

As of December 23, 2024, the Company published a material fact to inform the market in general and its shareholders that it had reached an agreement for the sale of the DRS Group with funds managed by Vinci GGN Gestão de Recursos Ltda. (Vinci Impacto e Retorno IV – Fundo de Investimento em Participações Multi-Estratégia and Vinci Impacto e Retorno IV Master P – Fundo de Investimento em Participações Multiestratégia).

Considering that the total assets and revenues of the discontinued operation account for approximately 2% and 3%, respectively, the Group opted to classify only the assets and liabilities separately in the balance sheet and not to restate the results arising from continued and discontinued operations in separate captions in the statement of income and statement of comprehensive income, since they are not considered relevant in the context of its financial statements as a whole and are therefore not expected to significantly affect the Group's continued operations prospectively.

Balance sheets for the years ended December 31, 2024 and 2023 are presented below:

Balance sheet	**DRS Group**	
	12/31/2024	**12/31/2023**
Cash and cash equivalents	4,908	9,043
Trade accounts receivable	88,445	27,283
Inventories	2,411	2,569
Recoverable taxes	24,251	16,802
Other assets	3,188	6,936
Property, plant, and equipment	19,307	17,054
Intangible assets	161	348
Non-current assets held for sale	**142,671**	**80,035**
Suppliers and other accounts payable	78,896	37,225
Loans and financings	24,157	28,739
Labor obligations	3,382	3,871
Taxes payable	40,300	16,050
Other liabilities	776	700
Provision for contingencies	4,870	4,805
Liabilities linked to non-current assets classified as held for sale	**152,381**	**91,390**

Statement of income for the year	**DRS Group**	
	12/31/2024	**12/31/2023**
Net operating revenue	158,776	125,187
Cost of goods sold	- 110,038	- 77,209
Gross profit	**48,738**	**47,978**
Selling expenses	- 304	- 208
General and administrative expenses	- 22,602	- 18,703
Other revenues	28	- 2,171
Other expenses	- 39	- 335
Operating income before financial income and taxes	**25,820**	**26,561**
Financial revenues	1,375	- 670
Financial expenses	- 12,550	- 8,429
Financial expenses, net	**- 11,175**	**- 9,098**
Profit (loss) before income tax and social contribution	**14,645**	**17,462**
Income tax and social contribution		
Current	- 13,494	- 7,536
Deferred	493	-
Net income for the period	**1,280**	**6,780**
Net income for the period - non-controlling shareholders	**365**	**3,147**

8 Cash and cash equivalents and short-term investments

	Individual		**Consolidated**	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Cash	11	8	493	573
Bank account movement	22,879	36,625	50,861	91,583

Highly liquid financial investments (a)	256,931	89,111	314,162	273,468
Total cash and cash equivalents	**279,821**	**125,744**	**365,516**	**365,624**

(a) As of December 31, 2024, these investments were made substantially in Bank Deposit Certificates (CDB) and funds, all with immediate liquidity and with yields indexed to the Interbank Deposit Certificate (CDI) with remuneration percentages between 85% and 100%, progressively according to the period that the amount is kept in the account.

9 Accounts receivable

	Individual		**Consolidated**	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Private clients	266,580	459,777	903,187	1,189,465
Governmental entities clients	130,612	121,309	187,897	190,707
Accounts receivable from related parties (Note 14) (*)	494,309	250,832	14,036	6,331
	891,501	831,918	1,105,120	1,386,503
(-) Provision for impairment (PECLD)	(42,281)	(40,614)	(65,394)	(73,182)
	849,220	**791,304**	**1,039,726**	**1,313,321**
Current	**627,100**	**635,131**	**1,039,726**	**1,313,321**
Non-current	**222,120**	**156,173**	**-**	**-**

(*) The related party consolidated balances refer to transactions with companies that are under the control of Pátria Brazilian Private Equity Fund IV – FIP, the Company's controlling shareholder, but are not part of Elfa Group.

The trade accounts receivable balance by maturity age are shown below, not considering the balances owed by related parties:

	Individual		**Consolidated**	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
To be due	267,792	462,562	799,997	1,062,026
Overdue (days):				
≤30	17,497	20,066	47,803	58,506
31−90	15,773	16,124	33,094	45,123
91−180	7,470	13,835	22,278	34,735
>181	88,660	68,499	187,912	179,782
Total	**397,192**	**581,086**	**1,091,084**	**1,380,172**
(-) Provision for impairment (PECLD)	(42,281)	(40,614)	(65,394)	(73,182)
	354,911	**540,472**	**1,025,690**	**1,306,990**

Changes in the provision for loss due to impairment of amounts receivable are shown below:

	Individual		**Consolidated**	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Opening balance	(40,614)	(38,768)	(73,182)	(105,103)
Formation / (Reversal)	(1,667)	(1,846)	7,788	31,921
Final balance	(42,281)	(40,614)	(65,394)	(73,182)

The net losses reflected in the statement of profit (loss) are follows:

	Individual		Consolidated	
	12/31/2023	**12/31/2023**	**12/31/2024**	**12/31/2023**
Provision for impairment losses	(1,667)	(1,846)	7,788	31,921
Reimbursements/(expenses) related to the recovery of receivables	4,221	977	(5,743)	(31,365)
Total debited to the result of the year	**2,554**	**(869)**	**2,045**	**556**

10 Inventories

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Goods for resale	238,712	197,287	707,638	816,428
Consignment Goods	3,147	11,210	31,615	52,711
	241,859	208,497	739,253	869,139
(-) Provision for loss on inventories	(4,202)	(432)	(5,412)	(2,245)
Total	**237,657**	**208,065**	**733,841**	**866,894**

The change in the provision for loss on inventories is shown below:

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Opening balance	(432)	(611)	(2,245)	(8,611)
Reversal/(Formation)	(3,770)	179	(3,167)	6,366
Final balance	**(4,202)**	**(432)**	**(5,412)**	**(2,245)**

11 Recoverable taxes and income tax and social contribution

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
ICMS	53,423	36,252	537,283	358,973
PIS (Social Integration Program) and COFINS (Contribution for the Financing of Social Security)	12,238	5,561	48,018	68,368
Other	24,400	8,203	66,650	54,825
Recoverable taxes - Current	**90,061**	**50,016**	**651,951**	**482,166**

Recoverable taxes - Non-current (a)	**216,899**	**189,543**	**269,331**	**224,597**
Income tax and social contribution – Current	**50,052**	**42,051**	**128,483**	**107,152**
Income tax and social contribution - Non-current	**422,440**	**288,261**	**686,249**	**541,824**

(a) The balances of recoverable taxes recorded as non-current assets refer to the recognition of credits, whereby the Company was successful in legal discussions with a favorable ruling for the Group.

12 Investments (Individual)

a. Composition of investments

	Interest percentage		Shareholders' equity		Indemnification assets		Surplus value		Goodwill		Total investments	
Investee	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**
Prescrita	100%	100%	261,337	219,790	-	-	971	1,715	8,569	8,569	270,877	230,074
Jaw	100%	100%	320,021	284,837	-	-	663	1,027	5,207	5,207	325,891	291,071
CDM Group		100%	-	170,845	-	-	-	20,422	-	46,091	-	237,358
Medcom Group	100%	100%	190,944	182,688	-	-	32,848	48,182	221,274	221,274	445,066	452,144
Atrial	100%	100%	390,461	363,443	-	-	23,547	33,397	328,945	328,945	742,953	725,785
Mostaert		100%	-	73,936	-	21,586	-	24,808	-	27,832	-	148,162
Biohosp	100%	100%	192,368	176,925	-	-	63,867	77,006	68,445	68,445	324,680	322,376
Dupatri	100%	100%	220,071	114,942	-	-	48,633	64,962	23,700	23,700	292,404	203,604
DRS Group (*)		100%	(11,201)	(27,533)	2,017	15,583	44,690	49,293	53,329	53,329	88,835	90,672
TLS	95%	95%	(43,318)	(28,447)	4,248	5,823	10,290	11,604	36,984	36,984	8,204	25,964
Descarpack	100%	100%	265,203	203,913	23,187	46,180	248,496	280,350	364,890	364,890	901,776	895,333
Total			**1,785,886**	**1,735,339**	**29,452**	**89,172**	**474,005**	**612,766**	**1,111,343**	**1,185,266**	**3,400,686**	**3,622,543**

(*) Reclassified assets and liabilities for discontinued operations in the Group's consolidated position, as disclosed in Note 7.

b. Summarized financial information

Investee	**Current assets**		**Non-current assets**		**Current liabilities**		**Non-current liabilities**		**Shareholders' equity**		**Net income (loss)**	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**
Prescrita	206,243	228,759	107,556	92,116	43,610	55,749	8,852	45,336	261,337	219,790	11,614	18,482
Jaw	527,118	438,322	147,502	162,685	243,622	237,713	110,977	80,297	320,021	282,997	5,287	30,178
CDM Group	-	210,353	-	67,863	-	106,732	-	639	-	170,845	(5,349)	1,232
Medcom Group	183,282	231,729	150,745	93,814	135,500	138,289	7,583	4,566	190,944	182,688	(5,671)	4,617
Atrial	510,241	560,660	335,399	279,943	255,521	282,542	199,658	194,618	390,461	363,443	(11,389)	(9,479)
Mostaert	-	74,975	-	36,216	-	25,308	-	11,947	-	73,936	(2,876)	(485)
Biohosp	189,460	251,452	203,484	80,642	186,993	137,658	13,583	17,511	192,368	176,925	(4,526)	2,078
Dupatri	385,355	217,445	162,763	68,845	320,020	142,539	8,027	28,809	220,071	114,942	43,769	(11,884)
DRS Group (*)	142,671	61,695	-	18,340	152,381	65,496	1,491	42,072	(11,201)	(27,533)	(1,853)	3,656
TLS	11,283	6,979	18,675	19,361	16,914	15,364	56,362	39,423	(43,318)	(28,447)	(17,803)	(15,956)
Descarpack	419,548	349,219	90,903	90,869	184,510	134,758	60,738	101,417	265,203	203,913	(15,199)	56,124
Total	**2,575,201**	**2,631,588**	**1,217,027**	**1,010,694**	**1,539,071**	**1,342,148**	**467,271**	**566,635**	**1,785,886**	**1,733,499**	**(3,996)**	**78,563**

(*) Reclassified assets and liabilities for discontinued operations in the Group's consolidated position, as disclosed in Note 7.

c. Changes in investments

	Prescrita	Jaw	CDM Group	Medcom Group	Atrial	Mostaert	Biohosp	Dupatri	DRS Group (*)	TLS	Descarpack	Total
Balance as of 01/01/2023	**223,770**	**166,265**	**203,076**	**452,738**	**635,802**	**154,230**	**324,352**	**210,696**	**86,877**	**41,873**	**846,510**	**3,346,189**
Addition/(Write-off) by merger	-	(1,922)	-	-	2,603	-	-	-	-	-	-	681
Distribution of dividends	(978)	(14,598)	(5,286)	-	-	(5,168)	(13,460)	-	-	-	-	(39,490)
Capital decrease	(11,198)	(6,663)	(20,100)	(5,211)	-	(915)	(1,416)	-	-	-	(7,304)	(52,807)
Capital increase	-	115,971	58,436	-	96,859	500	10,823	4,792	140	47	-	287,568
Equity on earnings of affiliates	18,481	32,018	1,232	4,617	(9,479)	(485)	2,078	(11,884)	3,656	(15,956)	56,124	80,402
Balance as of 12/31/2023	**230,075**	**291,071**	**237,358**	**452,144**	**725,785**	**148,162**	**322,377**	**203,604**	**90,673**	**25,964**	**895,330**	**3,622,543**
Addition/(Write-off) by merger	-	-	(232,009)	-	1,008	(145,286)	-	-	-	-	-	(376,287)
Capital decrease	(10,264)	(18,100)	-	(4,619)	-	-	(4,681)	(10,654)	-	-	-	(48,318)
Capital increase	39,452	47,633	-	3,212	27,549	-	11,510	55,685	15	43	21,645	206,744
Equity on earnings of affiliates	11,614	5,287	(5,349)	(5,671)	(11,389)	(2,876)	(4,526)	43,769	(1,853)	(17,803)	(15,199)	(3,996)
Balance as of 12/31/2024	**270,877**	**325,891**	**-**	**445,066**	**742,953**	**-**	**324,680**	**292,404**	**88,835**	**8,204**	**901,776**	**3,400,686**

(*) Reclassified assets and liabilities for discontinued operations in the Group's consolidated position, as disclosed in Note 7.

13 Intangible assets

	Individual			
	12/31/2024			12/31/2023
	Cost	**Accumulated amortization**	**Net**	**Net**
Definitive useful life				
Right-of-use software	58,356	(12,624)	45,732	8,753
Client portfolio	144,652	(103,449)	41,203	10,874
Indefinite useful life				
Merged goodwill	161,158	-	161,158	87,235
	364,166	**(116,073)**	**248,093**	**106,862**

As of December 31, 2023, the Company presented the balances arising from the business combination of the acquisitions of CDM and Mostaert, as required by CPC 15 (Business Combinations), under Investments, for the Individual. With the merger events (mentioned in Note 2) that occurred during the year ended December 31, 2024, the balances were restated under intangible assets.

	Consolidated			
	12/31/2024			12/31/2023
	Cost	**Accumulated amortization**	**Net**	**Net**
Definitive useful life				
Client portfolio	987,972	(534,724)	453,248	579,287
Non-compete	6,753	(6,753)	-	467
Software license of use and other intangib	94,820	(28,676)	66,144	24,468
Indefinite useful life				
Goodwill	1,359,372	-	1,359,372	1,359,372
Brands and patents	69,497	-	69,497	69,429
	2,518,413	**(570,153)**	**1,948,261**	**2,033,024**

The change of intangible assets is shown below:

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Opening balance	**106,862**	**107,751**	**2,033,024**	**2,154,192**
Additions				
Software license of use and other intangible	43,812	5,139	58,075	8,657
Brands and patents	-	-	66	-
Distribution agreements (a)	95,168	-	-	-
Goodwill *(a)*	73,923	-	-	-
Amortization				
Software license of use	(6,833)	(2,800)	(16,400)	(4,436)
Client portfolio	-	-	(126,039)	(124,020)
Non-compete agreement	(64,839)	(3,228)	(467)	(1,369)
Final balance	**248,093**	**106,862**	**1,948,261**	**2,033,024**

(a) The impact of the mergers reported in the previous table and presented in Note 2 totals R$ 96,136, of which R$ 36,930 for the subsidiary Mostaert and R$ 59,206 for the CDM Group, which were reclassified in the year 2024 from Investments to Intangible assets in the Individual due to the aforementioned corporate transaction in 2024, with no effect on the Group's consolidated position.

Goodwill paid on expected future profitability

The balance of goodwill on acquisitions of ownership interest is based on expected future profitability of the acquired business and amounts to R$ 1,359,372 at December 31, 2024 (R$ 1,359,372 as of December 31, 2023).

The goodwill allocated by business segment is described below:

Goodwill	12/31/2024
Pharmaceutical specialties	970,381
Hospital medical supplies	388,991
Total	1,359,372

The estimated recoverable amount per business segment was higher than its book value. Therefore, no provision for impairment losses was recognized as of December 31, 2024.

As of December 31, 2024, the future cash flows were discounted based on the rate representing the weighted average cost of capital (WACC). Consistently with the economic valuation techniques, the valuation of fair value is carried out for a period of eleven (11) years and from then on, considering the perpetuity of the assumptions after that period, with growth, considering the ability to continue business indefinitely.

To discount future cash flows, the WACC of 11.69% p.a. pre-tax (in nominal local currency, including inflation) for both segments. The main assumptions used to estimate the recoverable amount of reportable segments are defined below:

	Consolidated	
As a percentage – p.a.	2024	2023
Discount rate (Both segments)	11.69	11.92
Perpetuity growth rate (Both segments)	3.6	3.5
Estimated growth rate (average for the next five years) - Specialties	18.3	10.5
Estimated growth rate (average for the next five years) - Materials	9.7	14.0

14 Transactions with related parties

	Individual		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Current assets				
Trade accounts receivable (e)				
Athena Healthcare Holding S.A.	454	341	538	369
HCLOE Hospital de Olhos Ltda.	-	262	422	275
HOB Hospital Oftalmológico de Brasília Ltda.	211	268	378	287
Hospital Bom Samaritano de Maringá S/A	517	113	1,298	216
Hospital de Olhos Sadalla Amin Ghanem Ltda.	30	136	176	149
Hospital Med Imagem S.A.	1,236	387	2,301	733
Humana Assistência Médica Ltda.	411	251	900	259
INBOL - Instituto Brasiliense de Olhos Ltda.	172	218	224	226
INOB - Instituto de Olhos e Microcirurgia de Brasília Ltda.	116	126	285	126
Instituto de Olhos Ltda.	70	312	349	344
Víncula Indústria Com Imp e Exp de Implantes S.A.	-	-	3,114	2,413
Vitoria Apart Hospital S/A	1,301	72	2,951	205
Other - Accounts receivable	415	495	1,100	729
	4,933	**2,981**	**14,036**	**6,331**
Trade accounts receivable – Subsidiaries				
Agilfarma	1,694	188	-	-
Atrial	8,372	225	-	-
Biohosp	58,521	21,970	-	-
CDM	-	3,159	-	-
Descarpack	4	4	-	-

	Individual		Consolidated	
DRS	3,219	2,919	-	-
Dupatri	98,775	18,161	-	-
Elfa	-	-	-	-
JAW	73,705	37,865	-	-
Medcom	20,056	4,880	-	-
Mostaert	-	72	-	-
TLS	5	-	-	-
Prescrita	2,905	2,235	-	-
	267,256	**91,678**	**-**	**-**
Total accounts receivable - related parties - current	**272,189**	**94,659**	**14,036**	**6,331**
Non-current assets				
Debit notes				
Prescrita	2,143	2,084	-	-
JAW	4,352	11,959	-	-
CDM	-	5,154	-	-
Medcom	4,198	3,329	-	-
Agilfarma	5,402	6,229	-	-
Anbioton	1,036	779	-	-
Biohosp	2,402	2,698	-	-
DRS	8,536	8,536	-	-
Dupatri	9,357	3,523	-	-
Atrial	43,696	39,426	-	-
Mostaert	(690)	100	-	-
TLS	3,226	3,095	-	-
Descarpack	2,235	8,881	-	-
	85,893	**95,793**	**-**	**-**
Loans				
Atrial	57,142	28,989	-	-
TLS	53,609	29,518	-	-
Agilfarma	-	859	-	-
DRS	1,345	719	-	-
Prescrita	-	124	-	-
Natbio	-	171	-	-
	112,096	**60,380**	**-**	**-**
Interest on own capital and dividends receivable				
JAW	12,333	-	-	-
Prescrita	4,964	-	-	-
Biohosp	4,272	-	-	-
Medcom	1,807	-	-	-
Dupatri	755	-	-	-
	24,131	**-**	**-**	**-**
Advance for future capital increase (d)				
JAW	45,911	20,317	-	-
Prescrita	-	39,204	-	-
Descarpack	29,791	-	-	-
Atrial	10	20,635	-	-
Biohosp	166	10,701	-	-
Dupatri	110	24,840	-	-
Medcom	868	945	-	-
	76,856	**116,642**	**-**	**-**
Total accounts receivable - related parties - non-current	**298,976**	**272,815**	**-**	**-**
Non-current liabilities				
Loans				
Prescrita	5,476	2,067	-	-
JAW	11,340	30,329	-	-
SALUS	-	7,291	-	-
CDM	-	37,273	-	-
Medcom	86,980	31,891	-	-
Mostaert	-	26,043	-	-
Biohosp	138,819	24,361	-	-
Dupatri	91,882	517	-	-
Agilfarma	6,734	6,220	-	-
Anbioton	5,515	6,470	-	-
DPK	42,259	2,624	-	-
	389,005		**-**	**-**

	Individual		Consolidated	
		175,086		
Advance of dividends received				
Prescrita Medicamentos	10,610	10,610	-	-
SALUS	50,012	50,011	-	-
CDM	-	4,000	-	-
Medcom	8,000	8,000	-	-
	68,622	**72,621**	**-**	**-**
Total accounts payable - related parties	**457,627**	**247,707**	**-**	**-**

Income **Net sales revenue (a)**	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2024**
Agilfarma	6,999	3,159	-	-
Anbioton	-	736	-	-
Biohosp	140,808	28,566	-	-
CDM	2,383	8,816	-	-
DRS	476	4,747	-	-
Dupatri	187,761	21,714	-	-
Cirúrgica JAW	103,356	43,941	-	-
Medcom	27,933	13,028	-	-
Prescrita Medicamentos	9,735	9,207	-	-
SALUS	9,153	1,066	-	-
Centro de Microcirurgia e Diagnostico Ltda.	60	259	131	289
Centro Médico Maranhense Sá	119	347	152	368
Clínica de Oftalmodiagnostico Ltda.	13	248	29	267
HCLOE Hospital de Olhos Ltda.	539	1,523	1,074	1,581
HOB Hospital Oftalmológico de Brasília Ltda.	551	1,645	999	1,760
Hospital Bom Samaritano de Maringá S/A	2,067	551	4,819	1,496
Hospital de Olhos Sadalla Amin Ghanem Ltda.	108	615	492	669
Hospital de Olhos Santa Luzia S/S Ltda.	171	667	300	680
INOB - Instituto de Olhos e Microcirurgia de Brasília Ltda.	299	1,252	672	1,302
Instituto Brasiliense de Olhos S/C Ltda.	821	1,073	1,083	1,156
Instituto de Olhos Ltda.	729	1,523	1,433	1,628
Jardim de Alah Centro Cirúrgico Ltda.	110	552	299	577
Oftalmax Hospital de Olhos Ltda.	110	482	127	530
São Bernardo Apart Hospital S/A	1	48	447	464
Vitoria Apart Hospital S/A	129	587	555	1,400
Med Imagem S/C (a subsidiary of Athena Saúde) (Fund V)	13	-	50	77
Other	730	651	1,439	1,594
	495,174	**147,003**	**14,101**	**15,838**

Cost of goods sold	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2024**
Agilfarma	(6,964)	(3,132)	-	-
Anbioton	-	(738)	-	-
Biohosp	(141,393)	(27,564)	-	-
CDM	(2,015)	(8,411)	-	-
DRS	(461)	(4,634)	-	-
Dupatri	(187,724)	(20,225)	-	-
Cirúrgica JAW	(103,943)	(40,700)	-	-
Medcom	(27,097)	(13,291)	-	-
Prescrita	(9,760)	(9,357)	-	-
SALUS	(9,249)	(1,069)	-	-
Centro de Microcirurgia e Diagnostico Ltda.	(61)	(297)	(129)	(327)
Centro Médico Maranhense Sá	(90)	(284)	(117)	(299)
Clínica de Oftalmodiagnostico Ltda.	(15)	(236)	(29)	(246)
HCLOE Hospital de Olhos Ltda.	(579)	(1,799)	(1,113)	(1,834)
HOB Hospital Oftalmológico de Brasília Ltda.	(554)	(1,982)	(1,062)	(2,057)
Hospital Bom Samaritano de Maringá S/A	(1,635)	(455)	(4,197)	(1,266)
Hospital de Olhos Sadalla Amin Ghanem Ltda.	(109)	(676)	(478)	(702)
Hospital de Olhos Santa Luzia S/S Ltda.	(187)	(816)	(316)	(825)
INOB - Instituto de Olhos e Microcirurgia de Brasília Ltda.	(317)	(1,481)	(730)	(1,520)
Instituto Brasiliense de Olhos S/C Ltda.	(829)	(1,290)	(1,091)	(1,365)
Instituto de Olhos Ltda.	(752)	(1,835)	(1,449)	(1,912)
Jardim de Alah Centro Cirúrgico Ltda.	(118)	(631)	(315)	(647)
Oftalmax Hospital de Olhos Ltda.	(96)	(513)	(113)	(552)
São Bernardo Apart Hospital S/A	(1)	(39)	(384)	(344)
Vitoria Apart Hospital S/A	(103)	(489)	(392)	(1,199)
Med Imagem S/C (a subsidiary of Athena Saúde) (Fund V)	(9)	-	(34)	(61)
Other	(585)	(702)	(1,208)	(1,416)
	(494,646)	**(142,646)**	**(13,157)**	**(16,572)**
Property rental cost				
Egallo Participações Ltda - Epp e Lle Participações Ltda.	-	(665)	-	(665)
Lle Participações Ltda	-	(802)	-	(802)
Antônio Carlos Ferreira De Souza and Thúlio Coelho Moraes Guerra	-	-	-	(303)
Gershenson Participações Societárias Ltda.	-	-	-	(213)
Shirley Gershenson Administradora De Bens Eireli	-	-	-	(89)
All Invest Empreendimentos Imobiliários	-	-	-	(419)
Wilson Gil Filho and Alessandra Moreno de Aguiar	-	-	-	(47)
	-	**(1,467)**	**-**	**(2,538)**
Expenses with service provision				
Gestão e Transformação Consultoria S.A. (b)	(3,278)	(2,798)	(3,278)	(2,798)
Gran Coffee Comércio, Locação e Serviços S/A (Fundo IV) (c)	(8)	(16)	(15)	(16)
	(3,286)	**(2,814)**	**(3,293)**	**(2,814)**

(a) Sale of goods with maturity of 2 to 3 years.

(b) Refers to management and consulting services performed in the processes of prospecting for new business with terms of 2 to 3 months.

(c) Refers to the leasing of coffee machines and equipment used in the group's facilities for a period of 30 days.

(d) Refers to advances made for capital increases in future periods. As they are Elfa's subsidiaries, the Company's intention is that payments or capitalization will occur in a period lower than 12 months.

(e) The related party consolidated balances refer to transactions with companies that are under the control of Pátria Brazilian Private Equity Fund IV – FIP, the Company’s controlling shareholder, but are not part of Elfa Group.

All outstanding balances with those related parties reported in the individual and consolidated, when they occur between companies of Elfa Group, are priced based on conditions usually applicable to transactions between unrelated parties. None of the balances is secured.

No expense was recognized in the year or the previous year for bad debts or doubtful debts in relation to the amounts owed by related parties.

Management Remuneration

The fixed and variable remuneration (subject to the achievement of Group targets), charges and other benefits comprised the amount of R$ 15,327 as of December 31, 2024 (R$ 16,150 as of December 31, 2023), while share-based remuneration totaled R$ 10,780 as of December 31, 2024 (R$ 11,522 as of December 31, 2023). Statutory and non-statutory directors are considered key management personnel.

15 Trade and other accounts payable

The transactions that the Company and its subsidiaries maintain with domestic and foreign suppliers are substantially medicine purchase transactions.

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Suppliers of goods	691,871	615,431	993,878	1,187,865
Suppliers of property, plant and equipment	-	-	2	34
Consumer goods suppliers	1,485	687	2,124	3,513
Payable Services	14,082	7,346	20,868	15,523
Other accounts payable (a)	150,140	27,771	228,405	105,557
Total	**857,578**	**651,235**	**1,245,277**	**1,312,492**

(a) The balances presented in the other accounts payable caption refer mainly to sundry provisions, advances received from clients and other payables.

16 Loans, financing, derivatives and leases payable

				Individual		Consolidated	
Modality	**Average rate p.a.**	**Currency**	**Maturity**	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**
Working capital	CDI+5.16%	R$	2023–2028	737,455	845,652	909,705	983,067
Resolution 4131	CDI + 2.49%	R$	2023–2024	-	27,473	-	27,473
Debentures	CD+3.40%	R$	2023–2028	694,500	707,777	694,500	707,777
Derivatives	CDI + 2.67%.	USD/BRL	2023–2024	-	3,638	-	3,638
Leases	IGPM	R$	2023–2027	8,658	11,695	43,217	60,956
Total				**1,440,613**	**1,596,235**	**1,647,422**	**1,782,911**
Current				247,844	239,494	375,917	307,163
Non-current				1,192,769	1,356,741	1,271,505	1,475,748

Caption:

- CDI - Interbank Deposit Certificates
- Resolution 4131 – Funds obtained in foreign currency
- IGPM - Disclosed General Market Price Index

Funding is entirely in Brazilian *reais* or in accordance with Central Bank Resolution 4131. When it takes place, funding pursuant to Resolution 4131 is hedged from fluctuations in foreign currencies through swaps contracted at the same time of funding, under the same terms and terms as the original loan agreement.

On April 18, 2023, the 2nd issue of debentures was carried out in connection with the acquisition of Descarpack and the rescheduling of debts with the following characteristics:

- 700,000 simple debentures, in the total amount of R$ 700,000;
- Non-convertible into shares, in a single series, of the type with real guarantee for Public Distribution, with restricted placement efforts, pursuant to CVM Instruction 476;
- Maturity period of 6 years as of the date of issue; and
- Interest rate of CDI +2.80% p.a., with payment of interest paid semiannually.

Loans and financings are guaranteed by fiduciary assignment of credit rights owned by the Company and its subsidiaries arising from the issue of trade bills.

The change in loans and financings and derivatives is shown below:

	Individual		**Consolidated**	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Opening balance	**1,584,541**	**1,599,890**	**1,721,955**	**1,858,796**
Financing	313,594	1,384,458	677,430	1,548,037
Interest incurred on loans and financings	247,985	268,459	283,228	299,290
Net effect of discontinued transactions	-	-	(28,609)	-
Payment of principal	(447,506)	(1,364,194)	(754,473)	(1,648,167)
Interest payment	(266,659)	(304,073)	(295,326)	(336,001)
Total loans, financing, and derivatives	**1,431,955**	**1,584,540**	**1,604,205**	**1,721,955**
Leases payable	8,658	11,695	43,217	60,956
Total working capital and derivatives	**1,440,613**	**1,596,235**	**1,647,422**	**1,782,911**

As of December 31, 2024, the repayment schedule for installments of long-term loans and financing are as follows:

	Individual		**Consolidated**	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
2026	302,934	525,624	330,623	601,278
2027	380,369	407,155	403,448	446,095
>2028	509,466	423,962	537,435	428,375
Total	**1,192,769**	**1,356,741**	**1,271,505**	**1,475,748**

The changes in lease are shown as follows:

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Opening balance	**11,695**	**18,327**	**60,956**	**71,701**
Additions	4,511	2,294	25,445	20,509
Write-offs	(660)	(3,077)	(10,901)	(4,823)
Payment of lease liability	(10,703)	(8,999)	(41,278)	(36,380)
Interest appropriation	3,815	3,151	12,811	9,949
Net effect of discontinued transactions	-	-	(3,816)	-
Total leases payable	**8,658**	**11,695**	**43,217**	**60,956**

As of December 31, 2024, the lease amortization schedule is as follows:

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
2024	-	4,751	-	24,149
2025	5,020	3,885	23,561	18,636
2026	2,962	2,691	14,261	12,964
>2027	676	368	5,395	5,207
	8,658	**11,695**	**43,217**	**60,956**

a. Guarantees

The Company has R$ 604,398 in trade bills pledged as guarantees for loan and financing agreements, as of December 31, 2024 (R$ 758,105, as of December 31, 2023).

b. Obligations from purchase of goods and services

At December 31, 2024, the Company had contracts with banks that allow its suppliers to receive, in advance, debts issued for the sale of merchandise to the Company. In the aforementioned operation, suppliers transfer ownership and the right to receive these debts to the Banks. The banks, in turn, become holders of these debts. The amounts and terms originally agreed are maintained, with no right of recourse, considering the average rate of 1.84% p.m. and an average payment term by the Company to the Banks of 100 days. As of December 31, 2024, the Company has R$ 12,301 (R$ 49,058 as of December 31, 2023) in this modality classified in Loans and financing according to the practice described below.

The debts payable related to these operations are reclassified from the Accounts Payable and Other Accounts Payable items to the Loans, Financing and Leases Payable item, where they remain until settlement.

17 Accounts payable for the acquisition of investments

It regards installments payable to former shareholders of the companies acquired by the Group, and those amounts are re-estimated as defined in each agreement and the payment shall occur within up to 6 years after the date of each acquisition. Those installments also work as retention and guarantee of possible liabilities within the pre-acquisition period and are measured at current value.

	Individual	Consolidated	
		12/31/2024	**12/31/2023**

	12/31/2024	**12/31/2023**		
Commitments with investment acquisitions	41,582	71,876	41,582	71,876
Accounts payable for the investment acquisition	78,484	2,244	100,020	46,121
Total current	120,066	74,120	141,602	117,997
Commitments with investment acquisitions	50,757	101,514	50,757	101,514
Accounts payable for the investment acquisition	49,179	115,902	86,763	153,517
Total non-current	99,936	217,416	137,520	255,031
Total	**220,002**	**291,536**	**279,122**	**373,028**

The amounts presented as "commitments with investment acquisitions" refer to commitments that generated future obligations that may or may not materialize fully or partially due to performance measurements or exercise of put options as provided for in the acquisition agreements.

Changes in accounts payable for the acquisition of investments are as follows:

	Individual		**Consolidated**	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Opening balance	291,536	436,102	373,028	531,672
Adjustment in installments of acquisitions	(1,786)	(10,117)	(1,785)	(10,732)
Interest incurred	11,658	14,613	17,237	23,466
Payment of installments	(81,406)	(149,062)	(109,358)	(171,378)
Final balance	**220,002**	**291,536**	**279,122**	**373,028**

As of December 31, 2024, the schedule of the balance of accounts payable for acquisitions of investments is as follows:

	Individual		**Consolidated**	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
2025	78,484	2,244	100,020	46,121
2026	21,422	70,238	35,758	73,200
>2027	27,757	45,664	51,005	80,317
	127,663	**118,146**	**186,783**	**199,638**

On December 31, 2024, the balance of commitments with investment acquisitions is as follows:

	Consolidated	
	12/31/2024	**12/31/2023**
2025	41,582	71,875
2026	50,757	50,757
>2027	-	50,758
	92,339	**173,390**

18 Provision for contingencies, indemnification assets and escrow deposits

The Group is exposed to tax, civil, and labor contingencies arising from the regular course of its operations. The provision policy adopted by the Group takes into account the likelihood of loss in the cases. When the likelihood of loss is probable, a provision is made for 100% of the amount due in those lawsuits, according to the Group's assessment, supported by the opinion of its legal advisors.

The Group has lawsuits and contingencies arising, in whole or in part, from periods prior to the acquisition by the Group, which are the liability of the former partners, pursuant to the purchase and sale agreements. For this reason, the Group recognizes the provision for the fair value of contingent liabilities, as well as the assets receivable from former shareholders for these processes and contingencies provided under the title "Indemnification assets." There was no cash effect on this transaction.

The composition of the provision for contingencies and reimbursement rights, according to their nature, are presented below:

	Individual		**Consolidated**	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Civil (a)	2,190	1,360	4,328	1,607
Labor (b)	1,322	1,607	55,024	63,576
Tax (c)	2,218	2,052	66,189	107,428
Total provision for contingencies	**5,730**	**5,019**	**125,541**	**172,611**
Indemnification Assets (d)	**5,494**	**658**	**122,505**	**166,866**

(a) Civil liabilities classified as probable arise from actions for damages, as a rule, with a low amount involved, and mostly under the liability of former members.

(b) Labor liabilities classified as probable are comprised of labor claims currently under judicial discussion and contingent liabilities arising from business combinations. Claims are mostly requests for recognition of employment relationships, made by commercial representatives, as well as an action in which differences in commissions are discussed.

(c) Tax liabilities classified as probable are mainly based on the application of ICMS arising from business combinations.

(d) Those balances are mainly guaranteed by accounts payable to former shareholders described in Note 17.

As of December 31, 2024, the Company and its subsidiaries had lawsuits as defendant with risk of loss assessed as possible, in the amount of R$ 159,823 (R$ 143,379 as of December 31, 2023), of which R$ 73,079 (R$ 76,059 as of December 31, 2023) are the responsibility of the former controlling shareholders. The main cases classified as possible risk of loss and, therefore, not subject to a provision are the following:

- The Company and its subsidiaries are involved in 68 tax foreclosures (49 as of December 31, 2023) classified as possible loss, amounting to R$ 58,925 (R$ 36,304 as of December 31, 2023), of which R$ 15,252 (R$ 11,516 as of December 31, 2023) is payable by the former management;

- Labor claims that discuss differences in commissions due to the sale of products, as well as recognition of employment relationship, totaling the updated amount of R$ 5,980 (R$ 5,998 as of December 31, 2023), with the former management being responsible for R$ 3,239 (R$ 3,299 as of December 31, 2023).

- The subsidiary Comercial Commed Produtos Hospitalares Ltda. is a defendant in 82 lawsuits (107 as of December 31, 2023) involving the "Essure" medical device, all of which were the responsibility of the former management, thus also liable to indemnification by the respective party, of which 71 lawsuits (85 lawsuits as of December 31, 2023) were classified as possible losses, with the amount involved totaling R$ 33,739 (R$ 39,990 as of December 31, 2023).

The Company and/or its subsidiaries are parties to four arbitrations, all of them classified as a possible risk of loss:

- The Company and one of its subsidiaries filed two arbitration procedures in 2024 to discuss compensation due to non-compliance with the Share Purchase and Sale Agreement by the counterparty. The defendant in one of the arbitrations filed a counterclaim in the amount of R$ 5,683, whereas the defendant in the second arbitration filed a counterclaim in the amount of R$ 38,400.

- There are two arbitration procedures filed in 2024 by former controlling shareholders of two of the investees to discuss price adjustment, whose amounts involved, claimed against the Company and its subsidiaries, total R$ 12,000 and R$ 17,621, respectively.

- Additionally, the Subsidiary Dupatri Hospitalar Comércio, Importação e Exportação Ltda., acquired by the Company in January 2021, is a party to an Administrative Proceeding pending before CADE since 2015 to investigate an alleged improper practice, on a date prior to the acquisition by the Company, in public bids carried out by several states of Brazil and aimed at the acquisition of medicines, whose risk of loss was assessed as possible. On December 18, 2024, the lawsuit was dismissed in favor of Dupatri, with no impact on the subsidiary or its former partners

The Company is a party to approximately 2,904 (2,536 as of December 31, 2023) Administrative Lawsuits arising from supply contracts with public bodies, of which approximately 2,332 cases with a prognosis of possible loss, the amount of which totals approximately R$ 7,563.

ICMS-DIFAL

On November 29, 2023, Brazil's Federal Supreme Court ("STF") handed down a decision on the constitutionality of Complementary Law 190/22, within the scope of the discussion regarding the need (or not) to observe the 90-day and annual holding period in establishing the ICMS-DIFAL [differentiated sales tax rate] (ADIs [Direct Actions of Declarations of Unconstitutionality] 7066, 7078 and 7070). In the ruling, the STF understood that ICMS-DIFAL is payable as from April 5, 2023, due to the lapse of ninety days between the enactment of the law and the beginning of tax collection.

However, to date, the ruling has been released by the Federal Supreme Court (STF) and clarification has been requested by taxpayers through a motion for clarification (still pending judgment), which prevents analysis of the extent and exact impacts of the decision. The Company is currently waiting for the decision to become final and unappealable.

The Company and its subsidiaries still have legal disputes over the collection of ICMS-Difal and have adopted the accounting practice of provisioning the amounts and their payment in court monthly, with the exception of monthly provisioning for the states that have vices in their Ordinary Law, which regulates Complementary Law 190/22, and have been assessed by external legal advisors considering a prognosis more likely than not of a favorable outcome for the Company and its subsidiaries up to the date of publication of these financial statements.

Change in provision for contingencies is shown below:

	Individual				Consolidated			
	Civil	Labor	Tax	Total	Civil	Labor	Tax	Total
Balance as of 12/31/2023	1,360	1,607	2,052	5,019	1,606	63,576	107,428	172,610
Additions	1,044	201	176	1,421	4,882	3,706	195	8,783
Reversals of provision	(214)	(486)	(10)	(710)	(2,160)	(1,906)	(10)	(4,076)
Write-off	-	-	-	-	-	(9,631)	(37,274)	(46,905)
Net effect of discontinued transactions	-	-	-	-	-	(721)	(4,151)	(4,872)
Balance as of 12/31/2024	**2,190**	**1,322**	**2,218**	**5,730**	**4,328**	**55,024**	**66,188**	**125,540**

Judicial deposits

On December 31, 2024, the Company and its subsidiaries had the total amount of R$ 259,928 (R$ 182,338 on December 31, 2023) referring to judicial deposits, mainly related to dispute about the unconstitutionality and illegality of the Rate Differential (DIFAL) of the ICMS levied on part of Elfa Group's interstate sales.

The Company and its subsidiaries dispute the matter through Writs of Mandamus and, since July 2020, have made judicial deposits of amounts related to DIFAL.

The changes in judicial deposits are shown below:

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Opening balance	127,548	79,124	182,338	120,349
New deposits	63,786	68,424	90,573	86,904
Write-offs and reversals (a)	(1,507)	(20,000)	(12,034)	(24,915)
Net effect of discontinued transactions	-	-	(949)	-
Final balance	**189,827**	**127,548**	**259,928**	**182,338**

(a) The amounts presented in "write-offs and reversals" refer to write-offs due to losses or reversals due to court decisions favorable to the Company.

19 Shareholders' equity

a. Capital

As of December 31, 2024, the subscribed and paid-up capital was R$ 1,406,249 (R$ 1,403,574 as of December 31, 2023) represented by five hundred and twenty-four million, three hundred and seventy-six thousand, two hundred and fifty-two (524,376,252) common shares, sixty-four million, nine hundred and fourteen thousand, three hundred and ninety-two (64,914,392) Class A preferred shares and twenty-seven million, eight hundred and sixty-seven thousand, six hundred and ninety-three (27,867,693) Class B preferred shares (538,117,690 common shares and 64,914,392 preferred shares as of December 31, 2023).

Find below the table with the main shareholders of the Company represented in number of shares:

Shareholders/Treasury Shares	**12/31/2024**	**12/31/2023**
Brazilian private equity IV – FIP	314,141,499	314,141,499
Brazilian private equity V – FIP	103,274,141	103,274,141
Individuals	75,723,586	81,040,133
Stepstone K IV SPV	24,277,244	24,277,244
Stepstone TS Opportunities Fund	551,756	551,756
San Pelegrino Participações S.A.	64,601,802	64,601,802
San Lorenzo Participações S.A.	27,681,645	-
C-Level Executive Board	1,256,401	843,183
Treasury	5,650,263	14,302,325
	617,158,337	**603,032,083**

(i) Capital increase

On January 13, 2023, the Company disclosed a material fact informing the market in general and its shareholders on the increase in the Company's capital through the issue of 163,175,110 common, book-entry, nominative shares, with no face value, at the issue price of R$ 9.9893 per share, totaling R$ 253,600.

On April 26, 2023, one of the former partners of the investee Biohosp Produtos Hospitalares S.A. ("Biohosp") made an injection of R$ 2,010 as a capital increase, through capitalization of accounts payable for the acquisition of investments.

The Company received the amount of R$ 464,470 as advance for a future capital increase (AFAC) up to September 30, 2023, to be made by San Pelegrino Participações S.A. within the scope of the operation described above, as well as the amount of R$ 3,000 from one of the former partners of the investee Biohosp Produtos Hospitalares S.A.("Biohosp") upon capitalization of accounts payable for acquiring investments.

Between October 5, 2023 and October 26, 2023, the Company received the total amount of R$ 155,530 from San Pelegrino S.A., also as an advance for future capital increase.

The balances recorded as a future capital increase contained in this Note were subject to approval by the Company's Board of Directors on November 03, 2023, in which 3.23% of the total amount recorded as Advance for Future Capital Increase ("AFAC") was paid in as a capital increase in the year and 96.77% was recorded as capital reserve, for a total amount of R$ 623,000.

On November 24, 2023, the Board of Directors approved the Company's capital increase, due to the partial exercise of subscription bonuses held against the Company by former partners of the investee Descarpack Descartáveis do Brasil Ltda. ("Descarpack"), with an increase in capital of R$ 22,729.

On December 18, 2024, the Company published a material fact informing the market in general and its shareholders of the approval of the Company's capital increase through the issue of 27,867,693 Class B preferred shares at an issue price of R$ 9.5973 per share, totaling R$ 267,454. Of the total amount paid up, R$ 2,675 was allocated to the capital account and R$ 264,779 to the capital reserve account.

The capital was paid up in cash by signing an investment agreement with San Lorenzo Participações S.A., a company controlled by Brazilian Private Equity IV – Fundo de Investimento em Participações Multiestratégicas, in the total amount of R$ 265,668, corresponding to 27,681,645 Class B preferred shares. Moreover, former partners of the investee Biohosp Produtos Hospitalares S.A. ("Biohosp") made a contribution of R$ 1,786 corresponding to 186,048 Class B preferred shares through the capitalization of accounts payable for the acquisition of investments.

The transactions listed above and the effects recognized in the statement of cash flow are presented in Note 28.

b. Legal reserve

According to the Bylaws, 5% of the net income for the fiscal year shall be allocated to the legal reserve provided in Article 193 of Law 6404/76, until it reaches 20% of the capital.

c. Profit reserve

It represents the allocated portion of the profit, after the constitution of the legal reserve and allocation tax incentive reserves and the mandatory minimum dividend, which should be resolved in a definitive manner through a corporate act, during the approval of the Financial Statements. As of December 31, 2024, the allocation of the result for the year consumed the balance of the profit reserve up to the limit of R$ 128,034 (R$ 43,737 as of December 31, 2023), with the remaining loss of R$ 5,365 being allocated to the legal reserve account.

d. Tax incentive reserve

For the year ended December 31, 2024, the Company did not form a tax incentive reserve, due to the changes introduced by Law 14789, which revoked Article 30 of Law 12739, precluding the exclusion of grants from the Income Tax and Social Contribution calculation basis.

The Company and its subsidiaries also benefit from special ICMS tax regimes recognized by the respective states and validated by CONFAZ, as well as the possibility of paying this tax under a differentiated regime as a tax substitute.

According to the assessment of external consultants and the prognosis that a favorable outcome is more likely than not for the Company and its subsidiaries, the gain related to these grants was not deducted for the purposes of calculating income tax and social contribution (as presented in Note 23), but in accordance with IFRIC 23 a deferred tax asset was recognized for this matter.

e. Capital reserve

As of December 31, 2024, the total amount set aside in the capital reserve was R$ 1,513,966 (R$ 1,238,407 as of December 31, 2023), and the changes that occurred during the year are presented below:

(i) The amount of R$ 264,779, equivalent to 99% of the total amount of the capital increase approved on December 18, 2024, was paid in as a capital reserve with the approval of the Company's Board of Directors;

(ii) The amount of R$ 10,780 recorded as share-based remuneration, as described in Note 26.

f. Distribution of profits and payment of additional dividends

The allocation of the Company's profits, according to its Bylaws, shall be:

(a) five percent (5%) shall be invested, before any other allocation, to constitute the legal reserve, which shall not exceed twenty percent (20%) of the Company's capital, pursuant to Article 193 of the Brazilian Corporations Law;

(b) a portion of the net income, as proposed by the management bodies, may be allocated to the formation of a reserve for contingencies, pursuant to Article 195 of the Brazilian Corporations Law;

(c) the portion of net income arising from government investment subsidies, which may be excluded from the calculation basis of the mandatory dividend, may be allocated to the tax incentive reserve;

(d) in the year in which the amount of the mandatory dividend, calculated pursuant to item (f) below, exceeds the actual portion of the profit for the year, the General Meeting may, upon a proposal of the management bodies, allocate the excess to the constitution of a reserve for unrealized profits, subject to the provisions of Article 197 of the Brazilian Corporations Law;

(e) a portion not exceeding the difference between (i) seventy-five percent (75%) of the annual net income adjusted as provided for in Article 202 of the Brazilian Corporations Law (including, therefore, any allocation of a portion of the net income to constitute a reserve for contingencies) and (ii) the reserve indicated in item (c) above, may be used to create a reserve for investments and working capital, which shall have the purpose of defraying investments for growth and expansion and financing working capital of the Company, with the exception that the accumulated balance of this reserve may not exceed one hundred percent (100%) of the Company's capital; and

(f) the remaining balance shall be distributed to the shareholders as dividends, ensuring the distribution of the minimum mandatory dividend of not less than, in each fiscal year, twenty-five percent (25%) of the adjusted annual net income, as provided for in Article 202 of the Brazilian Corporations Law.

20 Net operating revenue

	Individual		**Consolidated**	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Gross Sales				
Sale of goods - private clients	2,217,665	2,194,190	5,064,358	5,559,819
Sale of goods - governmental entities clients	457,161	369,558	977,788	931,156
Total gross sales	**2,674,826**	**2,563,748**	**6,042,146**	**6,490,975**
Deduction from gross sales				
Sales Return - private clients	(46,684)	(42,042)	(147,061)	(127,312)
Sales Return – governmental entities clients	(8,645)	(5,969)	(30,385)	(24,304)
Discounts granted	(1,132)	(6,883)	(4,413)	(13,590)
Sales taxes	(132,868)	(169,966)	(295,026)	(414,303)
Total deductions from revenue	**(189,329)**	**(224,860)**	**(476,885)**	**(579,509)**
Net operating revenue	**2,485,497**	**2,338,888**	**5,565,261**	**5,911,466**

Revenue is measured based on the consideration specified in the transaction with the client. The Group recognizes the revenue when the control over the product or service is transferred to the client, which is when performance obligation with clients is addressed.

Invoices issued must normally be paid according to a 30-day maturity period. Additional discounts are not offered to the invoice value, and returns are only accepted when the defect or error in the delivery of the product is dully proven. The sector’s return percentage is considered low.

21 Costs and expenses by function and nature

	Individual		**Consolidated**	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
By function				

Cost of goods sold	(2,201,350)	(2,061,740)	(4,663,274)	(4,998,473)
Selling expenses	(122,791)	(111,669)	(284,845)	(326,370)
General and administrative	(172,358)	(137,684)	(449,175)	(430,394)
Gain/(losses) due to impairment	2,554	(869)	2,045	556
Other revenues (b)	133,508	125,042	17,711	24,678
Other expenses	(4,340)	(4,407)	(6,696)	(14,151)
	(2,364,777)	**(2,191,327)**	**(5,384,234)**	**(5,744,154)**
By nature				
Cost of resale of goods	(2,201,350)	(2,061,740)	(4,663,274)	(4,998,473)
Salaries and social charges	(143,418)	(115,663)	(287,659)	(278,682)
Share-based remuneration	(10,780)	(11,522)	(10,780)	(11,522)
Commissions on sales	-	-	(8,727)	(10,869)
Freight, carriage and packaging	(21,127)	(17,928)	(70,400)	(91,257)
Amortization and depreciation	(17,031)	(14,941)	(173,839)	(169,089)
Common area maintenance fees and other occupation expenses	(7,343)	(6,337)	(12,373)	(12,266)
Services provided - Legal entity (a)	(44,581)	(54,241)	(70,610)	(85,718)
Gain/(losses) due to impairment	2,554	(869)	2,045	556
Travel and accommodation	(6,411)	(6,613)	(8,779)	(7,419)
Maintenance of machinery and equipment	(975)	(919)	(2,670)	(4,593)
Other revenues (b)	133,509	125,042	17,711	24,678
Other expenses	(47,824)	(25,596)	(94,879)	(99,500)
	(2,364,777)	**(2,191,327)**	**(5,384,234)**	**(5,744,154)**

(a) Services provided by legal entities are mainly related to consulting services, legal services, information technology, among others.

(b) The amounts recorded under "Other Revenues" mainly refer to the Individual's apportionment of expenses shared with the Group's subsidiaries.

22 Financial income

	Individual		**Consolidated**	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Financial expenses				
Interest on loans and financing, leases, and other liabilities	(247,985)	(268,460)	(283,228)	(299,290)
Interest on installments of investment acquisitions	(15,473)	(19,077)	(30,048)	(34,696)
Other financial expenses	(104,459)	(75,129)	(119,993)	(87,553)
	(367,917)	(362,666)	(433,269)	(421,539)
Financial revenues				
Interest income	2,068	3,237	8,214	14,525
Finance investment income	2,114	5,453	2,908	7,158
Other financial revenues	10,583	6,529	60	(64)
	14,765	15,219	11,182	21,619
Financial income	**(353,152)**	**(347,447)**	**(422,087)**	**(399,920)**

23 Income tax and social contribution

Based on the decision of the Superior Court of Justice (STJ), Recurrent Topic 1182, it was defined that ICMS benefits may be excluded from the IRPJ and CSLL calculation basis, since for deemed credit there is no need to record a reserve for investments in Shareholders' Equity, while for exemption, reduction and deferral there is the need to comply with the requirements provided for in Article 30 of Law 12973/2014.

In view of the above, by benefiting from ICMS exemption, reduction and deferral agreements, the Company, based on the assessment of favorable outcomes of its external legal advisors, chose to observe past periods and take advantage of these benefits retroactively and prospectively, as provided for in the previous paragraph resulting from the STJ decision.

As of December 31, 2023, the impact recorded in “current income tax and social contribution” is R$ 118,624 regarding the exclusion of ICMS from IRPJ and CSLL calculation basis.

On December 29, 2023, Law 14789 was published, which repealed Article 30 of Law 12739, prohibiting the exclusion of grants from the Income Tax and Social Contribution calculation basis.

For the year ended December 31, 2024, the Company and its subsidiaries did not benefit from the aforementioned ICMS grants for the purposes of excluding them from the income tax and social contribution calculation basis, according to Law 14789 mentioned above.

The Company and its subsidiaries have filed writs of mandamus related to this matter and, according to the assessment of external legal advisors, the prognosis of success is favorable. Accordingly, the Company and its subsidiaries recognized deferred tax assets resulting from the taxation of the grant in accordance with ICPC 22.

The breakdown of the expense with income tax and social contribution on profit is shown below:

	Individual		**Consolidated**	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Current:				
Corporate income tax	-	-	(34,915)	16,066
Social contribution on net income	-	-	(12,570)	5,784
	-	**-**	**(47,485)**	**21,850**
Deferred:				
Corporate income tax	75,757	55,699	113,618	123,452
Social contribution on net income	27,272	20,048	40,902	44,442
	103,029	**75,747**	**154,520**	**167,894**

Reconciliation of effective income tax and social contribution expenses

Income tax and social contribution on profit provided in the statement of income show the following reconciliation at the nominal rate:

	Individual		**Consolidated**	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Profit (loss) before income tax and social contribution	(236,428)	(119,484)	(241,060)	(232,608)

Legal combined rate	(34%)	(34%)	(34%)	(34%)
Net effect from current and deferred income tax and social contribution expense at statutory rates	80,386	40,625	81,960	79,087
Adjustments to net income that affect taxable income:				
Equity on earnings of affiliates	(1,359)	27,337	-	-
Investment grant	34,371	50,754	43,137	168,076
Non-deductible expenses	(2,008)	(749)	(2,472)	(9,851)
Deferred Taxes - Individuals using Self-Regulation (*)	481	-	11,602	-
Regularization of deferred taxes	6,259	(14,123)	(13,035)	(19,670)
Interest on own capital	(14,241)	(14,467)	-	-
Other additions and exclusions, net	(860)	(13,630)	(14,157)	(27,899)
Additions and exclusions, net	22,643	35,122	25,075	110,656
Total credited to the result	103,029	75,747	107,035	189,743
Effective rate %	44%	63%	44%	82%

(*) Self-regularization is the installment payment plan of the Brazilian Federal Revenue Service joined by the Company within the year ended December 31, 2024, introduced by Law 14740/2023. For the purposes of presentation in the note, the portion of the tax loss used in the period to settle 50% of outstanding debts, as established by law, has been shown.

Deferred income tax and social security contribution on temporary differences

The Company and its subsidiaries, based on the expectation of generating future taxable profit, recognized deferred tax credits on temporary differences and tax loss balance and negative social security contribution base.

The calculation bases for net assets are comprised of as follows:

	Individual		**Consolidated**	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Balances:				
Provision for impairment on accounts receivable	6,610	6,103	22,440	23,457
Provision for inventory losses	1,429	147	1,886	898
Miscellaneous provisions	58,413	32,548	219,398	174,787
IFRIC 23 – Law 14789	34,371	-	34,371	-
Goodwill	(24,432)	(14,830)	(26,625)	(14,989)
Share-based remuneration	24,134	20,620	24,134	20,620
Tax loss and negative basis (a)	321,915	243,673	410,645	337,051
	422,440	**288,261**	**686,249**	**541,824**

(a) Technical feasibility studies prepared by the Management indicate the full recovery capacity, in subsequent years, of the recognized deferred tax amounts and correspond to Management's best estimates on the future evolution of the Company and its subsidiaries, and the market in which it operates. For the year ended December 31, 2024, no indications of lack of recoverability of tax credits in the investees of the Elfa Group were identified.

Changes in tax credits are as follows:

	Individual						
	Tax loss and negative basis	**Provision for impairment**	**Provision for inventory losses**	**Goodwill**	**Sundry provisions**	**Share-based remuneration**	**Total**
Balance as of 12/31/2022		**6,638**	**210**	**-**	**33,039**	**19,868**	**211,000**

	151,245						
Income (loss) for the year (Restated)	91,398	(1,019)	(63)	(14,830)	(491)	752	75,747
Incorporations	-	484	-	-	-	-	484
Other	1,030	-	-	-	-	-	1,030
Balance as of 12/31/2023	**243,673**	**6,103**	**147**	**(14,830)**	**32,548**	**20,620**	**288,261**
Income (loss) for the year	78,329	507	1,282	(9,602)	28,999	3,514	103,029
Incorporations	-	-	-	-	(1,392)	-	(1,392)
IFRIC 23 – Law 14789	-	-	-	-	34,371	-	34,371
Other	(87)	-	-	-	(1,742)	-	(1,829)
Balance as of 12/31/2024	**321,915**	**6,610**	**1,429**	**(24,432)**	**92,784**	**24,134**	**422,440**

	Consolidated						
	Tax loss and negative basis	**Provision for impairment**	**Provision for inventory losses**	**Goodwill**	**Sundry provisions**	**Share-based remuneration**	**Total**
Balance as of 12/31/2022	**184,806**	**26,333**	**5,634**	**-**	**134,531**	**19,868**	**371,172**
Income (loss) for the year (Restated)	150,409	(3,720)	(4,736)	(14,989)	40,178	752	167,894
Mergers (a)	-	844	-	-	78	-	922
Other	1,836	-	-	-	-	-	1,836
Balance as of 12/31/2023	**337,051**	**23,457**	**898**	**(14,989)**	**174,787**	**20,620**	**541,824**
Income (loss) for the year	79,038	(1,017)	989	(11,636)	83,632	3,514	154,520
Incorporations	-	-	-	-	(4,821)	-	(4,821)
Other	(5,444)	-	-	-	171	-	(5,273)
Balance as of 12/31/2024	**410,645**	**22,440**	**1,887**	**(26,625)**	**253,769**	**24,134**	**686,249**

24 Earnings (losses) per share

The calculation of net earnings (losses) per share for the years ended December 31, 2024, and 2023 is shown below:

	12/31/2024	**12/31/2023**
Loss for the year	(134,025)	(42,865)
Number of shares	617,158	603,032
Loss per share - basic - R$	**(0,217)**	**(0,071)**
Adjustments to share purchase options (weighted average)	12,902	16,846
Number of shares for diluted losses per share	630,060	619,878
Diluted loss per share - R$	**(0,217)**	**(0,071)**

For the year ended December 31, 2024, the calculation of diluted earnings per share resulted in an antidilutive effect, pursuant to item 19 of CPC 41/IAS 33 – Earnings per Share. Therefore, due to such effect, for purposes of presenting the earnings per share for the year, the basic and diluted earnings resulted in the same amount per share.

25 Financial instruments

Information related to Group's financial instruments and their respective analyzes are listed in the items below:

a. Accounting classification and fair values

The table below shows the book values of financial assets and liabilities and their classifications. The book values of those financial instruments are close to their respective fair values.

		Individual	**Consolidated**	
	Classification		**12/31/2024**	**12/31/2023**

		12/31/2024	12/31/2023		
Assets					
Cash and cash equivalents	(ii)	279,821	125,744	365,516	365,624
Accounts receivable	(i)	610,630	635,131	974,909	1,313,321
Accounts receivable	(ii)	16,470	-	64,817	-
Other assets	(i)	82,016	107,357	254,138	331,536
Advance for future capital increase and related parties	(i)	298,976	272,815	-	-
Liabilities					
Suppliers and other accounts payable	(iii)	857,578	651,235	1,245,277	1,312,492
Loans and financings	(iii)	1,440,613	1,592,597	1,647,422	1,779,273
Derivative	(ii)	-	3,638	-	3,638
Commitments with investment acquisitions	(ii)	92,339	173,390	92,339	173,390
Accounts payable for the investment acquisition	(ii)	127,663	118,146	186,783	199,638
Accounts payables to related parties	(iii)	457,627	247,707	-	-

Classification:

(i) Assets at amortized cost

(ii) Assets measured at fair value through profit or loss

(iii) Liabilities at amortized cost

Financial risk management

The Group is exposed to the following risks resulting from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

The Group's Management has full responsibility for the establishment and supervision of the Group's risk management structure.

The risk management policies of the Group are established to identify and analyze risks to which the Group is exposed, to set risk limits and appropriate controls, and to monitor risks and compliance with defined limits. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and in the Group's activities.

The Group seeks to develop, upon its training and management standards and procedures, aims at maintaining a discipline and control environment in which all employees are aware of their assignments and obligations.

Credit risk

Credit risk is the risk of the Group incurring financial losses due to a client or financial instrument counterparty, resulting from failure in complying with contract obligations. Such risk is basically due to Group's trade accounts receivable, and of financial instruments.

Book values of financial assets represent the maximum credit exposure. Impairment losses on financial assets and contracts recognized in the statement of income are shown in Note 9.

Accounts receivable

The Group's exposure to credit risks is influenced mainly by the individual characteristics of each client. However, the Management also considers factors that may influence the credit risk of its client base, including the risk of non-payment by the industry in which the client operates.

The Management established a credit policy in which new client is analyzed individually to verify their financial status before the Group submits a credit limit proposal and payment terms. The review carried out by the Group includes external ratings, when available, financial statements, credit agency information, industry information and in some cases, bank references. Credit limits are set for each client and are reviewed annually.

The Group limits its exposure to the credit risk of accounts receivable, establishing an average payment term of 1 and 4 months for clients in the public and private sectors, respectively.
In monitoring credit risk, client s are grouped according to their credit characteristics, including whether they are individuals or legal entities, resellers or end client s, their geographical area, industry, history of trading with the Group, and the existence of financial difficulties in the past.

The Group does not require guarantees regarding trade accounts receivable and other receivables, and it does not use guarantees for not setting up a provision for losses.

As of December 31, 2024 and 2023, the group does not have any client individually representing more than five percent (5%) of the balance of accounts receivable.

Assessment of expected credit loss for clients as of December 31, 2024

An expected credit loss is calculated for each type of client (governmental entities or private client) based on previously observed characteristics and credit loss default conditions. Specifically, the provision for the reduction to the realization value of accounts receivable was constituted in accordance with the discretion of the Group's Management and by means of internal policies for credit analysis, considering the loss background of the last five years, adjusted to reflect current and expected economic conditions, as well as other factors of determination of credit risk to calculate expected losses, including individual analysis of outstanding trade bills. The diversification of the client portfolio and its geographic dispersion significantly reduce the risk. The description of the credit policy is presented in Note 7l.

Cash and cash equivalents

The Group had a consolidated balance of "Cash and cash equivalents" of R$ 365,516 as of December 31, 2024 (R$ 356,581 as of December 31, 2023). "Cash and cash equivalents" are maintained with banks and financial institutions that have a rating rated by Fitch between AA- and AA+, based on the main rating agencies and, therefore, considered to have low credit risk.

The Group retains derivative financial instruments with financial institutions of the same rating.

(i) *Liquidity risk*

Liquidity risk is the risk related to the fulfillment of obligations associated with financial liabilities that are settled with cash payments and/or with another financial asset. The approach to liquidity management is to ensure that there it will always be sufficient liquidity to meet obligations on maturity, both under normal and stress conditions, without causing unacceptable losses or risk of damaging Group's reputation.

The Group seeks to maintain the level of its "Cash and cash equivalents" and other active market investments higher than cash outflows for the settlement of financial liabilities (except for "Suppliers") for the next 60 days and monitors the expected level of cash inflows from "Trade accounts receivable and other receivables" and the expected cash outflows related to "Suppliers and other accounts payable".

Exposure to liquidity risk

Below are the contractual maturity dates of financial liabilities on the date of the financial information. These amounts are gross, without deductions, including estimated interest payouts and excluding the effects of set-off agreements.

December 31, 2024	**Consolidated**					
	Book value	**Total**	**01−12 months**	**01−02 years**	**02−05 years**	**>05 years**
Non-derivative financial liabilities						
Loans and financings	1,604,205	3,165,638	1,283,776	941,751	940,110	-
Leases payable	43,217	113,838	23,561	45,229	45,048	-
Suppliers and other accounts payable	1,245,277	1,245,277	1,245,277	-	-	-
Accounts payable and commitments for investment acquisition	279,122	554,891	268,197	143,056	143,638	-
	3,171,821	**5,079,644**	**2,820,811**	**1,130,037**	**1,128,795**	**-**

December 31, 2023	**Consolidated**					
	Book value	**Total**	**01−12 months**	**01−02 years**	**02−05 years**	**>05 years**
Non-derivative financial liabilities						
Loans and financings	1,721,955	3,828,968	307,163	1,762,722	1,759,084	-
Leases payable	60,956	106,443	24,576	40,974	40,894	-
Suppliers and other accounts payable	1,312,492	1,312,492	1,312,492	-	-	-
Accounts payable and commitments for investment acquisition	373,028	519,114	117,997	200,747	200,369	-
	3,468,431	**5,767,017**	**1,762,228**	**2,004,443**	**2,000,347**	**-**

Market risk
Market risk is the risk that changes in market prices — such as foreign exchange rates and interest rates — affecting Group's earnings or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

Exchange risk
The Group is not materially exposed to exchange risk; thus, it chose not to present the exchange rate sensitivity analysis table.

The foreign exchange risk arises from future and current commercial transactions, generated mainly by the importation of goods denominated in US dollars. All loans contracted by the Group in foreign currency are hedged through derivative agreements that mitigate the Group's exposure to exchange variation. The Group does not have hedge accounting.

Interest rate risk
Profile of the Group's financial instruments' interest rate in par values is as follows as reported by Management:

	Consolidated	
	12/31/2024	**12/31/2023**
Instruments with floating interest rate		
Cash and cash equivalents and financial investments	365,516	365,624
Loans and financings	(1,647,422)	(1,779,273)
Net exposure	**(1,281,906)**	**(1,413,649)**

Sensitivity analysis for instruments with interest and exchange rates
The Group has financial assets or liabilities at fair value, with an interest rate fixed through profit or loss, and the Group does not designate derivatives (interest rate and foreign exchange swaps) as hedging instruments using the fair value hedge accounting model for this type of protection.

In order to evaluate the sensitivity of the balance of highly liquid financial investments and short-term investments of the Group in the financial statements for the year ended December 31, 2024, plus the CDI, two different scenarios were set. Based on projections published by the Central Bank of Brazil (Bacen), the projection of foreign currency and rate that backs the interbank operations for each of the analyzed transactions was obtained, which is set as variations in the rate worsening by 25% (scenario I) and 50% (scenario II). Considering the stress rates, the estimated accounting balances would be:

Transaction	CDI risk	Nominal value	Probable scenario	Scenario I 25% deterioration	Scenario II 50% deterioration
Cash and cash equivalents	CDI decrease (25%)	314,162	353,432	343,615	333,797
Loans and financings		1,440,613	1,620,690	1,575,670	1,530,651
			1,974,122	**1,919,285**	**1,864,448**

(1) According to the projected rate for the end of the fiscal year disclosed in the Focus Bacen report of January 24, 2025.

On the base date of December 31, 2024, the Group had no loans in foreign currency for the stress scenarios of the sensitivity analysis of balances to exchange rate projections published by the Central Bank of Brazil (BACEN) to be presented. For the base date of December 31, 2023, the projected balances disclosed were as follows:

Data:		**Probable scenario**	**Scenario I 25% deterioration**	**Scenario II 50% deterioration**
USD FX rate on 12/31/2023		4.8413	5.0076	5.0076
Estimated USD FX rate for 2024[1]		5.00	6.2500	7.5000
CDI projected for the end of the fiscal year [2]		9.00%	11.25%	13.50%
Loan Amount in USD		5,675	5,675	5,675
Transaction:		**Amounts in R$**	**Amounts in R$**	**Amounts in R$**
Future	CDI increase[2]	2,473	3,197	3,836
	Debt (risk of USD rate increase)	(901)	(7,050)	(14,144)
Hedge Debt in USD	Derivative (risk of USD rate increase)	901	7,050)	14,144
Net effect		2,473	3,197	3,836

(1) According to the projected rate for the end of the fiscal year disclosed in the Focus Bacen report of January 26, 2024.

(2) Calculated considering the impact until the end of the period if the indicator changes.

26 Share-based payment

As of December 31, 2024, the Group has long-term incentives that grant employees call options, which may be settled through shares.

Under this incentive, the options may be exercised at preset prices on the grant date when the conditions for exercise are met. The conditions for the exercise are: (i) liquidity event for the controlling shareholder; (ii) minimum expected return from the controlling shareholder; and (iii) minimum length of service. These criteria were not cumulatively met. Therefore, no options have been exercised to date. If the employee decides to leave the Group before the three conditions above are met, their options shall be canceled

Plan	**Date of grant**	**Number of options**	**Total in R$'000**	**Option contractual term**

		(in thousands)		
2014 Incentive	December 01, 2014	893	8,607	48 months after the grant
2015 Incentive	December 01, 2015	55	158	48 months after the grant
2016 Incentive	August 01, 2016	590	1,487	48 months after the grant
2017 Incentive	August 24, 2017	410	2,677	48 months after the grant
2018 Incentive	February 09, 2018	1,597	11,490	48 months after the grant
2019 Incentive	January 09, 2019	2,114	17,097	48 months after the grant
2020 Incentive	January 09, 2020	2,804	18,876	48 months after the grant
RSU 2021	July 01, 2021	855	8,557	36 months after the grant
RSU 2022	July 01, 2022	595	5,031	36 months after the grant
RSU 2023	July 01, 2023	2,123	10,774	36 months after the grant
RSU 2024	July 01, 2024	865	1,186	
Total call options		**12,901**	**85,940**	

(*) The options kept their original vesting of the acquiree. Therefore, the plan is different in contractual term from the others.

Measurement of fair values

The fair value of stock option plans that have share-based payment, which may be settled in shares, was measured at fair value based on the Black-Scholes formula. Non-market performance and service conditions were not considered in the fair value measurement.

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows:

Long-term incentive plans	**2014**	**2015**	**2017**	**2018**	**2019**	**2020**
Fair value on grant date	1.78	2.85	2.52	6.54	7.15	5.93
Share price on the grant date	2.61	4.09	4.37	8.79	10.37	11.58
Price for the fiscal year	1.46	2.15	2.44	2.91	3.84	6.17
Expected volatility (weighted average)	23%	26%	19%	22%	18%	18%
Option term (in years)	4	4	4	4	4	4
Risk-free interest rate (CDI)	11.57%	14.14%	6.9%	6.4%	4.4%	2.15%

Expected volatility was estimated considering the historical market volatility metric of the Bovespa index, in a period proportional to the expected term. The expected term of the instruments was based on historical experience and the general behavior of the option holder. The valuation method used was Black-Scholes.

Between 2021 and 2024, the Group granted a new restricted stock plan. The number of restricted shares is set forth in financial terms, and translated into shares based on the last fair value determined by the Group before granting restricted shares.

Expenses recognized in the income

Regarding the plans mentioned above, the Group recognized the total amount as expenses with salaries and charges, against granted option reserve expenses as the table below:

Plan	**12/31/2024**	**12/31/2023**
2019 Incentive	-	2,734
2020 Incentive	713	4,549
2021 Incentive	584	4,239
2022 Incentive	558	-
2023 Incentive	7,739	-

2024 Incentive	1,186	-
Expense recognized in the period	10,780	11,522

27 Segment information

The following segment information is used by Group's management to evaluate the performance of the operating segments and to make decisions regarding the allocation of funds, with the gross margin being the measure used in the performance of its operating segments. As mentioned in Note 1.

The Company analyzes its results based on two segments: medicines and material. The medicines' segment encompasses all types of drugs, whether specialty, generic or similar. And the segment of Materials that includes materials, hospital equipment and nutrition.

All of the Company's operations are carried out in Brazil and there are no clients that represent more than 10% of the revenue of each segment.

December 31, 2024	**Medicines**	**Material**	**Corporate not allocated**	**Consolidated**
Net operating revenue	4,047,141	1,518,120	-	5,565,261
Cost of goods sold	(3,443,401)	(1,219,873)	-	(4,663,274)
Gross profit	**603,740**	**298,247**	**-**	**901,987**
Selling expenses	(196,585)	(88,260)	-	(284,845)
Contribution margin	**407,155**	**209,987**	**-**	**617,142**
Impairment gain (losses) accounts receivable	-	-	2,045	2,045
General and administrative expenses	-	-	(449,175)	(449,175)
Other revenues	-	-	17,711	17,711
Other expenses	-	-	(6,696)	(6,696)
Operating profit before financial income and taxes	**407,155**	**209,987**	**(436,115)**	**181,027**

December 31, 2023	**Medicines**	**Material**	**Corporate not allocated**	**Consolidated**
Net operating revenue	4,498,140	1,413,326	-	5,911,466
Cost of goods sold	(3,888,690)	(1,109,783)	-	(4,998,473)
Gross profit	**609,450**	**303,543**	**-**	**912,993**
Selling expenses	(195,352)	(131,018)	-	(326,370)
Contribution margin	**414,098**	**172,525**	**-**	**586,623**

Impairment gain (losses) accounts receivable	-	-	556	556
General and administrative expenses	-	-	(430,394)	(430,394)
Other revenues	-	-	24,678	24,678
Other expenses	-	-	(14,151)	(14,151)
Operating profit before financial income and taxes	**414,098**	**172,525**	**(419,311)**	**167,312**

28 Supplementary information to the Statement of cash flow

Additional information on non-cash transactions for the year ended December 31, 2024 is presented below:

	Individual		**Consolidated**	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Capital increase				
Cash transactions:				
Paid-up contribution by capital increase	889	273,655	889	273,655
Transactions not involving cash:				
Capitalization of sellers finance - via capital increase	1,786	2,108	1,786	2,108
Partial exercise of subscription warrant - Descarpack		22,729		22,729
	2,675	298,492	2,675	298,492
Cash transactions:				
Contribution with cash effect - paid in through the creation of a capital reserve	264,779	599,974	264,779	599,974
Transactions not involving cash:				
Capitalization of sellers finance - via formation of capital reserve	-	2,903	-	2,903
(-) Recognition of stock buyback commitment - Descarpack Options	-	(22,353)	-	(22,353)
	264,779	580,524	264,779	580,524
Transactions not involving cash:				
(-) Mergers in the period	-	(691)	-	(691)
= Total shown in the capital increase line in the Statement of Cash Flow	267,454	878,325	267,454	878,325

29 Subsequent events

On February 28, 2025, the Company disclosed a material fact to its shareholders and the market in general announcing that it has completed the sale of its full equity interest in DRS Holding de Sociedade Empresariais, Financeira, Mercados de Saúde, Entretenimento e Afins S.A. to an investee of the funds managed by Vinci GCN Gestão de Recursos Ltda. The conclusion of the transaction is in line with the Company’s strategic planning and will boost competitiveness, focusing on businesses with greater synergies and operating differentials, improving the capital structure.

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José Roberto Ferraz
CEO

Rafael Moisés Costa
Chief Financial Officer

Helena Leal
Controller/Accountant
CRC RJ 118982/O