Elfa
Medicamentos

Individual and consolidated interim financial statements at March 31, 2024

KPDS 1345505

Contents

EARNINGS RELEASE

1Q24

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São Paulo, May 13, 2024 – Elfa Medicamentos S.A., one of the main providers of healthcare solutions and logistics services in Brazil with over 30 years of history, announces its consolidated results for the first quarter of 2024 (1Q24). 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 first quarter of the year, ended March 31, 2024, filed with the CVM and available on the Company's Investor Relations website (https://ri.grupoelfa.com.br).

Highlights of **1Q24:**

Greater Efficiency in Cash Management and

Operational Improvement ensuring EBITDA growth

Adjusted EBITDA - 1Q24

R$ 60.3 M

(+3.0% vs 1Q23)

Net Operating Revenue - 1Q24

R$ 1,453.3 M

(-5.0% vs 1Q23)

Operating Cash Flow

+R$ 132 M

vs 1Q23

-13.7% in Operating expenses[1] **vs 1Q23**

[1] Considering Selling, General & Administrative Expenses and Allowance for Doubtful Accounts

Message from **Management**

We began the year with a more positive trend for the sector. The first quarter was a more stable period, the result of continued efforts by healthcare providers and payers to raise prices at a faster pace, along with a considerable drop in co-payments for health insurance plans. With a more stable scenario, we expect an improvement in the industry's cash generation, which will have a positive impact on working capital.

Elfa Group's resilient model, derived from the diversification of business units such as the provision of logistics services and distribution of own-brand materials, gave us a consistent 1Q24 with a better balance between sales volume, margins, and cash management, reinforcing our commitment to financial discipline.

We had an improvement in operating cash flow of R$ 132 million compared to the same period in 2023, impacted mainly by working capital management. We were able to equalize the increase in the average term of receipt, which is being heavily pressured by the liquidity of paying sources, with initiatives to control stock and adjust the payment term, prioritizing a portfolio of products with longer payment terms and adjusting the main partner suppliers.

We reinforce our commitment to organic growth focused on profitability and cash generation, mainly by focusing on business units and portfolios with higher returns. In 2023, we began the process of restructuring the Elfa Group with a significant reduction in operating expenses, which fell by 13.7% compared to the first quarter of last year. The process of capturing synergies remains Elfa Group's commitment in 2024 and will play an important role in margin growth.

We remain committed to innovation and the digitalization of our operations. In 1Q24, we completed our systems integration schedule with the implementation of the last company that was mapped, consolidating 100% of the total revenue from the pharmaceutical and materials distribution segment. This evolution is crucial to support client management, salesperson productivity and excellence, business generation, and decision-making for our sales and back-office teams.

We were recognized as one of the "100 most innovative companies in the use of IT" by ItForum, which acknowledges Elfa Group's leading role in innovation, reinforcing the importance of innovation fronts as an important lever for growth.

In March 2024, we successfully delivered the 3rd edition of the Elfa Group's intrapreneurship program in the Pitch Day format. The 5 best ideas implemented in 2023 were presented to the entire company and evaluated by the CEO and the Executive Board, who selected the 3 best ideas to be awarded. This edition of the program stood out in terms of the results presented, with an increase of more than R$ 40 million in FLD and a reduction of more than R$ 520 thousand in expenses. We took the opportunity to launch the 4th cycle of the intrapreneurship program, this time focusing on Operational Efficiency.

We recently announced the successful completion of another carbon inventory, for 2023, duly audited and validated by an independent external team. Based on the results of this inventory, we noticed a significant reduction in our direct emissions, which fell from 2,132 tons of carbon dioxide equivalent (TCO2e) to 1,325 tons of carbon dioxide equivalent (TCO2e), i.e. a 40% year-on-year reduction. In order to make further progress in reducing direct emissions, we have reaffirmed our commitment to using biofuels in 100% of our light fleet, projecting a reduction in Scope 1 emissions of over 40% by 2024.

Finally, we express our deep gratitude for the support, trust, and partnership of all our clients, suppliers, creditors, shareholders, and employees. The diversity of healthcare businesses is our strength, balancing and mitigating risks. We recognize the importance of each of you in our journey and we count on your partnership to continue transforming the health system in Brazil.

José Roberto (J.R.) Ferraz
CEO

Operating performance

We remain committed to maximizing the return on invested resources, prioritizing sales with healthier margins and a higher value-added product portfolio. As a reflection of our strategy, we had a contained reduction in sales volume, but with a significant improvement in cash and EBITDA.

We remain focused on managing our portfolio of products and business units with greater profitability and reached important milestones in the first quarter of 2024.

- Our OPME unit grew by more than 10% compared to the same period last year, mainly due to the entry of new regions in the countryside of São Paulo and increased participation in large public hospitals.

- In reference medicines, we saw a 15% increase in the sales volume of oncology products compared to 2023, managing to improve the product mix and profitability of the pharmaceutical segment, which led us to gain a share within the category. The increase in strategic partnerships with the main laboratories demonstrates confidence in the Elfa Group and the quality of the service provided.

- Our Services business unit grew by more than 11% compared to the same period last year, with the logistics operations unit standing out, with new clinical research protocols with the pharmaceutical industry, with additional revenue potential of more than R$ 18 million per annum.

After a challenging year in 2023, with margins under pressure and the market oversupplied, Descarpack’s performance in the first quarter of 2024 shows a market in the process of normalizing, reflecting growth of 10% compared to the same period last year, and analyzing the gross margin, we recorded an increase of 5 percentage points.

As part of our strategy of identifying the best opportunities, we expect an improvement in the generics segments, which still have strong pressure on margins and a great need for investments in working capital. In addition, we believe that the supply of products in the clinics segment has normalized, which caused a reduction in sales compared to the first quarter of the previous year.

On the operations and logistics front, we started the operational excellence program (PEO) to standardize our operations and increase productivity, ensuring that the quality of the service provided continues to be a competitive advantage for the Elfa Group. We are also continuing the process of optimizing our logistics network with the systemic integration of 100% of our DCs, which will increase productivity and synergies.

We continue to focus on increasing our operational efficiency, which has led to a -13.7% reduction in operating expenses compared to the same period last year. Our efficiency and productivity agenda, which began in 2023 with reviews of SG&A structures and the capture of synergies following systems integration, remains one of the main growth levers for 2024.

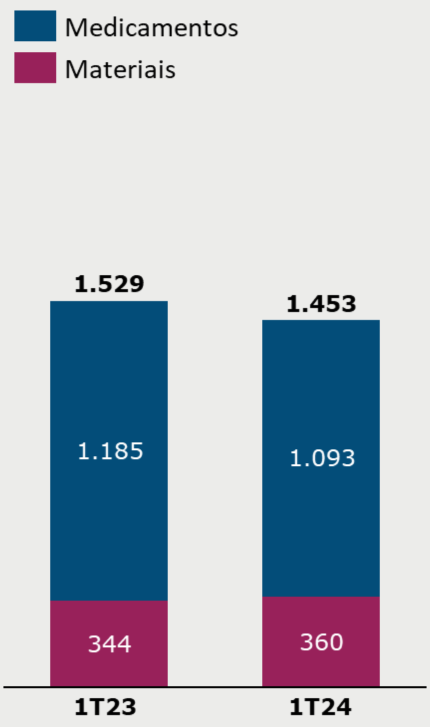
Financial performance
Net revenue

The Elfa Group's Net Revenue reached R$ 1.45 billion at the end of 1Q24, remaining practically stable compared to the revenue of the same period of the previous year. The first quarter of the year was impacted by the lower volume of commitments in the public market, as well as challenges faced by the healthcare sector, such as default by operators, price pressure, and delays in payments. As a result, the company prioritized businesses that could generate greater profitability and cash generation.

The 1Q24 continued to see growth in the oncology medicines market, not only through new product launches but also through volume growth. Meanwhile, the Generics segment continues to experience the lowest demand and a substantial downswing in prices, considerably influencing the Company's performance of a 7.7% reduction in Medicines compared to the same period last year.

We would like to highlight the Materials segment, which grew by 4.6% compared to 1Q23, driven mainly by Descarpack and OPME, thus fully offsetting the negative impact of the distribution of Essential materials, which continues to suffer from average price deflation since the end of the pandemic.

Net operating revenue (R$ MM)

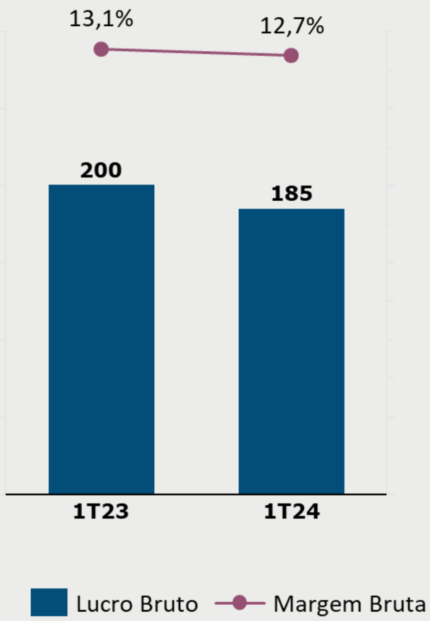


Gross Profit

In 1Q24, Gross Profit totaled R$ 185 million, a 7.5% decrease compared to the same period of 2023, with a Gross Margin of 12.7% in the quarter, a decrease of 0.4 p.p. compared to 1Q23.

Throughout the first quarter, we faced supply problems in the “Growth Hormones” industry, which impacted our Clinics segment. We expect this to normalize during the second half of 2024. The Elfa Group’s gross margin, after normalizing this effect, would be 13.1%, in line with the previous year.

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



Operating expenses

We delivered a substantial increase in operational efficiency with a 13.7% reduction in commercial, general, and administrative expenses compared to the same quarter last year.

This significant reduction reflects the company’s continuous and robust efforts, especially over the last 12 months, focused on improving operational efficiency by reducing expenses, completing integration processes, and capturing synergies from acquired companies.

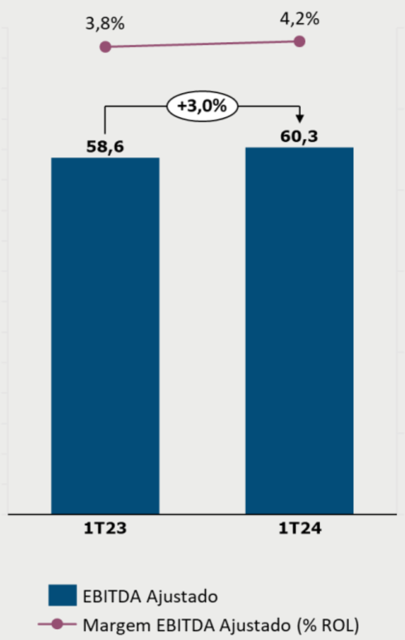
(R$ Milhões)	1T23	1T24	VAR.
Despesas Operacionais	(142,2)	(122,6)	*-13,7%*
%ROL	*-9,3%*	*-8,4%*	*0,9 p.p.*

EBITDA

Our ongoing commitment to controlling expenses and maximizing profitability continues to bring a positive result for 1Q24. Adjusted EBITDA grew by 3.0% compared to the same period last year, with an evolution of 0.4 percentage points in the EBITDA margin.

This positive result reflects the company's growth strategy in segments that generate the highest gross margin and return on capital employed above the business average. Moreover, we highlight the efficient management of structure optimization and capture of synergies, which generated a reduction of -13.7% in SG&A.

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



Financial Income

The Financial Income in 1Q24 was a negative R$ 89.7 million, down 4.9% compared to 1Q23. This reduction was mainly due to the company's debt restructuring, a 43.1% increase in financial revenues, and a reduction in interest rates.

At the end 2023, the Company successfully concluded the renegotiations of bilateral debts, aimed at improving the amortization schedule of its obligations with banks. The effects of these negotiations can be seen in the first quarter of 2024.

(R$ Milhões)	1T23	1T24	VAR.
Despesas Financeiras	(102,6)	(101,5)	*-1,1%*
Receitas Financeiras	8,2	11,8	*43,1%*
Resultado Financeiro	**(94,4)**	**(89,7)**	***-4,9%***

Income tax and **social contribution**

In 1Q24, Income Tax and Social Contribution recorded a positive income of R$ 25 million, which accounts for an effective rate increase of +14.8 p.p. compared to 2023.

In addition, in the first quarter of 2024, the Elfa Group joined the incentivized self-regulation of federal taxes, making it possible to settle 50% of the IOF debts with credits from tax losses and negative CSLL basis from previous periods, as indicated in the line "Deferred Taxes - Individuals using Self-Regulation" below:

(R$ MIlhões)	1T23	1T24
Lucro operacional antes de impostos	(89,1)	(79,3)
Aliquota combinada legal	34,0%	34,0%
IR/CSLL às alíquotas da legislação	**30,3**	**27,0**
Ajustes (efeito fiscal; multiplicado por 34%)		
Subvenção para investimentos	11,3	-
Prejuízo fiscal e diferenças temporárias sem diferimento	(17,5)	(4,3)
Regularização de impostos diferidos	(7,6)	(9,3)
Impostos Diferidos - PF utilizado Autorregularização	-	11,6
Outras adições e exclusões, liquidas	(1,6)	(0,0)
Adições e exclusões, líquidas	(15,4)	(2,0)
Imposto de renda e contribuição social, líquido	**14,9**	**25,0**
Alíquota efetiva	16,7%	31,5%

Net income

In 1Q24, the company's Net Income was negative by R$ 54.3 million and Adjusted Net Income was negative by R$ 45.0 million.

The improvement compared to the same period last year is mainly due to the improvement in the operating income and the decrease in the financial income. The Adjusted Net Margin was -3.1% in 1Q24, an increase of 0.9 percentage point compared to the same period last year.

(R$ Milhões)	1T23	1T24	VAR.
Lucro Operacional (EBIT)	5,4	10,4	*94,6%*
Resultado Financeiro	(94,4)	(89,7)	*-4,9%*
IR/CSLL	14,9	25,0	*68,3%*
Lucro Líquido	**(74,2)**	**(54,3)**	***-26,8%***
Margem Líquida (% ROL)	***-4,9%***	***-3,7%***	***1,1 p.p.***
Não Recorrentes	12,4	9,3	*-24,6%*
Lucro Líquido Ajustado	**(61,9)**	**(45,0)**	***-27,2%***
Margem Líquida (% ROL)	***-4,0%***	***-3,1%***	***0,9 p.p.***

Indebtedness

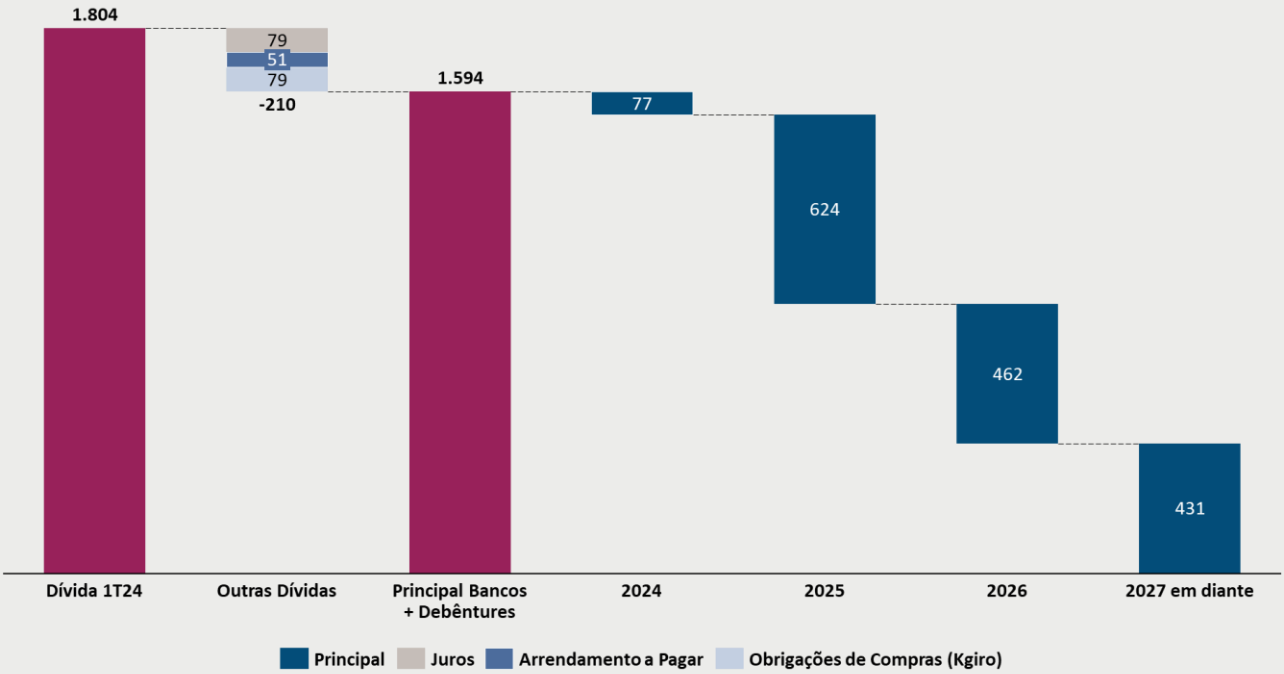
With regard to indebtedness, Elfa Group has remained committed to solid and responsible financial management.

In the first quarter of the year, the company's debt remained practically stable (+R$ 20 million compared to 2023). We are continuing our efforts to re-profile the 2025 maturities with our financial partners, reallocating commitments to the long term, to maintain efficient and conservative financial management.

The Company has been working intensely to improve cash generation, aiming to boost the healthy growth and reduce leverage.

(R$ MIlhões)	2023	1T24
Empréstimos e financiamentos		
Curto prazo	307,2	384,6
Longo prazo	1.475,7	1.419,2
Dívida Bruta	**1.782,9**	**1.803,8**

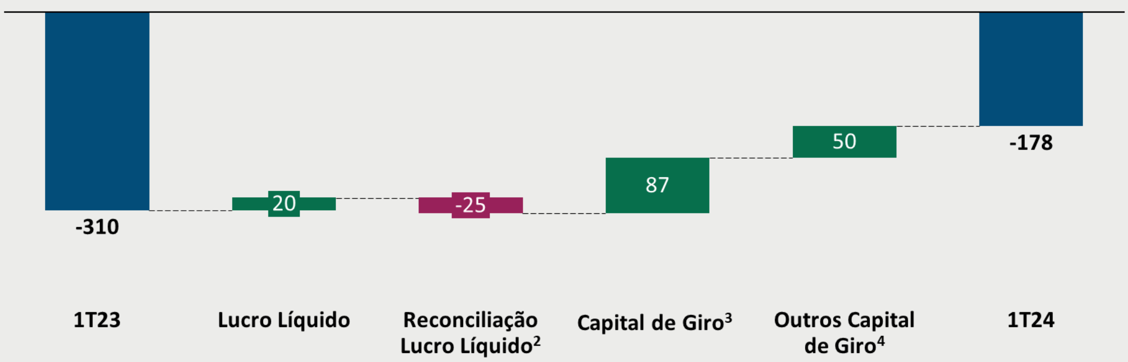
Schedule of debt amortization



Cash Flow

We remain focused on making the business profitable, prioritizing margin over volume growth; in this way we ensure a better performance in the Company's capital employed (Accounts Receivable, Inventory, Accounts Payable, and Other Working Capital lines) which was higher compared to the quarter of previous year, with operating cash generation of R$ 137 million.

Operating cash flow - 1Q24



The **generation of operating cash** is highly seasonal, with a large use in the first quarter of the year and a strong generation as of the second semester onwards. As a result, in 1Q24, the company consumed operating cash of R$ 178 million (a reduction of 43% compared to the consumption in 1Q23).

Faced with the lack of liquidity from paying sources, which continues to put pressure on payment terms, our Accounts Receivable continued to grow, although less than in the same period last year. We persist in improving our approach to credit policy and collection processes, adapting processes and support tools in a personalized way for each business unit, increasingly rigid and efficient.

In the first quarter of 2024, we recorded an improvement of R$ 49 million in inventory, achieved by reducing low-turnover products, reallocating resources to more profitable items, and strengthening strategic partnerships with suppliers. These actions have resulted in greater efficiency in stock management, keeping service levels at high levels.

Regarding **Cash Flow from Investments**, there was a consumption of R$ 8 million in 1Q24, caused by the continuity of strategic projects, concentrated in investments in the integration of systems from the acquisitions made, in addition to logistics efficiencies, which allow us to continue capturing synergies from operating expenses. When comparing investment cash consumption in 1Q24 vs. 1Q23, there was a 37% reduction.

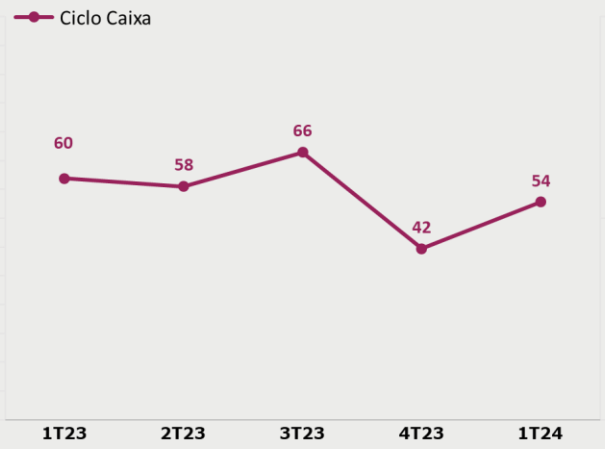
Financing Cash Flow closed in line when comparing funding and payments in 1Q24. We carried out an important change in the debt profile by raising R$ 135 million to cover the maturities of the quarter.

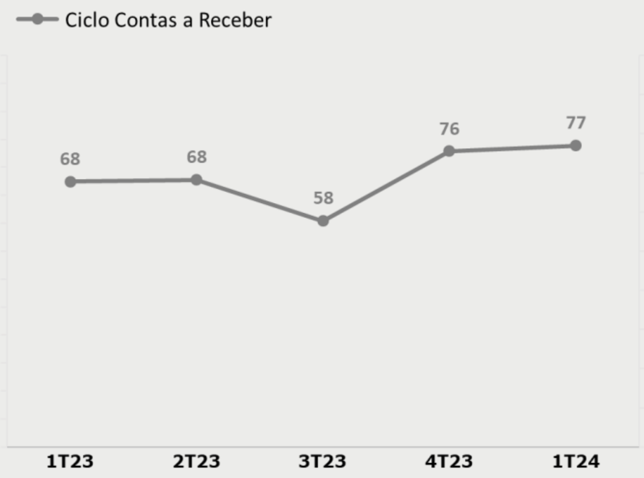
[2] Net Income Reconciliation: adjustments to reconcile Net Income to Cash (D&A, IR/CSLL, provisions and other non-cash effects)
[3] Working Capital (Accounts Receivable, Inventory, and Accounts Payable)
[4] Other Working Capital (Taxes Recoverable/Payable, Labor Obligations, Other Receivables and Court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

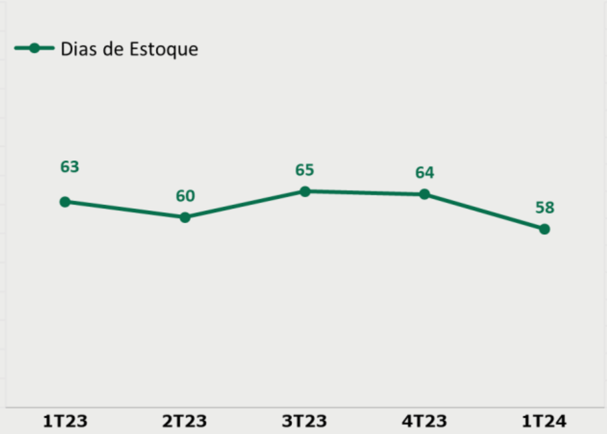
Cash cycle **(days)**

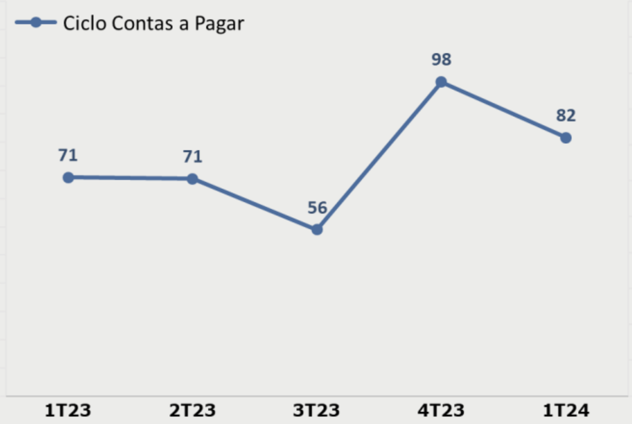
In 1Q24, the company's Cash Cycle reached 54 days, a decrease of 6 days compared to the same period last year. This effect is mainly due to:

1. Renegotiations and adjustments of deadlines with suppliers in light of the market liquidity scenario;
2. Reduction in stock position, adequate and in line with previous periods;









Events in the **Period**

During this quarter, Elfa Group made significant progress in integrating its systems and achieved exponential growth in its main service platforms, mainly through the use of artificial intelligence. We share below the significant milestones that were important to our Company:

Digital

- Completion of the systems integration program with implementation at subsidiary Dupatri, consolidating 100% of the medicines and materials distribution operation. These systems support the client management, sellers' productivity and excellence, business generation and decision-making for our commercial team in the Medicines and Medical Supplies business units.

- More than 300% growth in quotation confirmations using automatic responses integrated with the main market portals using artificial intelligence compared to 1Q23, and 74% growth compared to 4Q23.

- A 20% increase in the satisfaction rate of the self-service portal and a 51% increase in the number of active clients compared to 4Q23.

- We are reinforcing our commitment to excellence and improving our online stores, with improvements to our systems and digital marketing campaigns. In the first quarter of 2024, we recorded a 32% increase in accesses compared to 1Q23 and a 28% increase compared to 4Q23. This resulted in a 28% increase in turnover compared to 1Q23 and a 35% increase compared to 4Q23.

ESG Agenda

In 2024, we remain committed to further strengthening the Elfa Group's ESG agenda, promoting sustainability, social initiatives, and corporate governance as part of our People's daily lives.

We recently announced the successful completion of another carbon inventory, for 2023, duly audited and validated by an independent external team. Based on the results of this inventory, we noticed a significant reduction in our direct emissions, which fell from 2,132 tons of carbon dioxide equivalent (TCO2e) to 1,325 tons of carbon dioxide equivalent (TCO2e), i.e. a 40% year-on-year reduction. In order to make further progress in reducing direct emissions, we have reaffirmed our commitment to using biofuels in 100% of our light fleet, projecting a reduction in Scope 1 emissions of over 40% by 2024.

Also concerned with encouraging the circular economy, we have made progress in implementing waste management. At our largest Distribution Center, in Brasília, we monitor proper segregation and disposal, prioritizing recycling. In partnership with our value chain, we are committed to the reverse logistics of cold chain waste, contributing to the reuse of these materials. As a result, our pilot project has already forwarded more than 11,000 kg of waste, which qualifies us for the second phase of the project, which will see the rollout to the next wave of selected units.

Among our social initiatives, this year's milestone was the Elfa Group's Diversity Journey, an ongoing project that kicked off in February with the webinar "Deconstructing Biases at Work, with a Focus on Race and LGBTQIAPN+"; we then renewed the Racial Census with all our employees, culminating in 100% adherence. On International Women's Day, we addressed the theme "Promoting Corporate Diversity for Women and Generations". In a show of support for women in vulnerable situations and on the occasion of 'Women's Month', we carried out the Menstrual Dignity action, donating 500 hygiene kits to the Instituto T.P.M., which assists homeless women.

The Diversity Day also covered our main operational bases - Brasília, Embu das Artes, and Sumaré - promoting literacy and strengthening ties on issues such as diversity, equity, and inclusion.

As part of our annual social agenda, we promoted Solidarity Easter, donating chocolates that were delivered by our team to CUFA SP and CUFA JP, making almost 1,000 families happy.
Finally, ESG-related objectives remain integrated into the company's collective goals, including reducing emissions, increasing the number of women in leadership positions, and managing the Confidential Compliance Channel, in line with our solid governance agenda.

All these efforts will be made public with the release of our second Sustainability Report, which will highlight progress in relation to material issues, as well as reinforce the corporate responsibility of the entire Elfa team in consolidating our ESG agenda.

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.

Descarpack: Elfa Group's Company that manufactures and sells disposable products for use in the health area, such as gloves, masks, aprons, syringes, among others.

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

Reconciliation
Net income and EBITDA

(R$ Milhões)	1T23	1T24	VAR.
Lucro Líquido	**(74,2)**	**(54,3)**	***-26,8%***
IR/CSLL	(14,9)	(25,0)	*68,3%*
Resultado Financeiro	94,4	89,7	*-4,9%*
Lucro Operacional (EBIT)	5,4	10,4	*94,6%*
Depreciação e Amortização	40,9	40,6	*-0,7%*
EBITDA Contábil	**46,2**	**51,0**	***10,3%***
% ROL	***3,0%***	***3,5%***	***0,2 p.p.***
Não Recorrentes	12,4	9,3	*-24,6%*
EBITDA Ajustado	**58,6**	**60,3**	***3,0%***
% ROL	***3,8%***	***4,2%***	***0,1 p.p.***

Balance sheet - **Consolidated**

(R$ Milhares)	2023	1T24		2023	1T24
Ativo			**Passivo**		
Ativo Circulante			**Passivo Circulante**		
Caixa e equivalentes de caixa	365.624	128.639	Fornecedores e outras contas a pagar	1.312.492	1.139.384
Contas a receber de clientes	1.313.321	1.394.715	Empréstimos e financiamentos	307.163	384.645
Estoques	866.894	811.239	Obrigações trabalhistas	53.906	61.305
Tributos a recuperar	482.166	511.192	Tributos a recolher	199.065	225.653
Imposto de renda e contribuição social	107.152	118.316	Dividendos a Pagar	-	-
Outros créditos	331.534	317.027	Compromissos com Aquisições de investimentos	71.876	50.382
			Contas a pagar pela aquisição de investimentos	46.121	39.396
Total do Ativo Circulante	**3.466.691**	**3.281.128**	**Total do Passivo Circulante**	**1.990.623**	**1.900.765**
Realizável a longo prazo			**Passivo Não Circulante**		
Tributos a recuperar	224.597	238.267	Empréstimos e financiamentos	1.472.110	1.417.924
IR e CSLL diferidos	541.824	558.020	Derivativos	3.638	1.236
Depósitos judiciais	182.338	206.777	Tributos a recolher	3.086	3.035
Ativo indenizatório	166.866	166.417	Provisão para contingências	172.611	175.246
			Compromissos com Aquisições de investimentos	101.514	123.009
			Contas a pagar por aquisições de investimentos	153.517	159.527
Total	**1.115.625**	**1.169.481**	**Total do Passivo Não Circulante**	**1.906.476**	**1.879.977**
Ativo Não Circulante			**Patrimônio líquido**		
Imobilizado	283.296	282.032	PL de acionista controlador	2.980.723	2.929.228
Intangível	2.033.024	1.998.780	Participação de não controladores	20.814	21.451
Total do Ativo Não Circulante	**2.316.320**	**2.280.812**	**Total do Patrimônio Líquido**	**3.001.537**	**2.950.679**
Total do Ativo	**6.898.636**	**6.731.421**	**Total do passivo e do patrimônio líquido**	**6.898.636**	**6.731.421**

Statements of **income**

(R$ Milhares)	1T23	1T24
Receita operacional líquida	1.528.966	1.453.282
Custo das mercadorias vendidas	(1.328.623)	(1.268.057)
Lucro bruto	**200.343**	**185.225**
Despesas Operacionais	(194.990)	(174.807)
Lucro operacional antes do resultado financeiro e impostos	**5.353**	**10.418**
Despesas financeiras líquidas	**(94.412)**	**(89.738)**
Lucro (prejuízo) antes do imposto de renda e da contribuição social	**(89.059)**	**(79.320)**
Imposto de renda e contribuição social		
Corrente	(6.684)	(6.464)
Diferido	21.538	31.462
	14.854	**24.998**
Lucro (prejuízo) do período	**(74.205)**	**(54.322)**
Atribuível a		
Acionistas controladores	(74.908)	(54.959)
Acionistas não controladores	703	637

Cash Flow

(R$ Milhares)	1T23	1T24
Fluxo de caixa das atividades operacionais		
Lucro/(prejuízo) líquido do período	**(74.205)**	**(54.322)**
Ajustes para reconciliar o lucro líquido ao caixa:		
Depreciação e amortização	40.889	40.604
Impostos de renda e contribuição social, líquidos	(14.854)	(24.998)
Provisão para perdas no valor recuperável	4.962	(4.434)
Provisão para contingências	2.199	2.635
Provisão para perda com estoques	(6.088)	(814)
Remuneração baseada em ações	977	3.554
Juros, variações monetárias, líquidas - Empréstimos	87.076	73.872
(Acréscimo) decréscimo de ativos:		
Contas a receber de clientes	(95.201)	(76.960)
Estoques	7.362	56.469
Tributos a recuperar	(37.092)	(38.594)
Outros créditos	(39.135)	14.664
Depósitos judiciais	(6.960)	(24.439)
(Decréscimo) Acréscimo de passivos:		
Fornecedores e outras contas a pagar	(192.814)	(173.108)
Obrigações trabalhistas	(6.168)	7.395
Tributos a recolher	18.614	20.073
Caixa gerado pelas (utilizado nas) atividades operacionais	**(310.438)**	**(178.403)**
Pagamento de juros de empréstimos e financiamentos	(47.391)	(45.437)
Imposto de renda e contribuição social pagos	(11.598)	-
Fluxo de caixa líquido proveniente das (utilizado nas) atividades operacionais	**(369.427)**	**(223.840)**
Atividades de investimento:		
Aquisições de imobilizado e intangível, líquido	(12.923)	(8.188)
Fluxo de caixa líquido (utilizado nas) atividades de investimentos	**(12.923)**	**(8.188)**
Atividades de financiamento:		
Aumento de capital social	253.629	-
Captação de empréstimos, financiamentos e arrendamentos	575.933	135.439
Pagamento de parcelas de empresas adquiridas	(58.503)	(5.742)
Pagamento de principal de empréstimos e financiamentos	(543.688)	(125.982)
Pagamento de arrendamentos	(9.237)	(8.672)
Fluxo de caixa líquido proveniente das atividades de financiamentos	**218.134**	**(4.957)**
Aumento / (Redução) líquido em caixa e equivalentes de caixa	**(164.216)**	**(236.985)**
Caixa e equivalentes no início do período	323.696	365.624
Caixa e equivalentes no final do período	159.480	128.639
Aumento/(Redução)líquido em caixa e equivalentes de caixa	**(164.216)**	**(236.985)**

About **Elfa Group**

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 from Pátria Investimentos.

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 projects
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.

www.grupoelfa.com.br

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Independent auditor's report on review of condensed interim financial statements

To the Management and Shareholders of
Elfa Medicamentos S.A.
Brasília - DF

Introduction

We have reviewed the individual and consolidated interim financial information of Elfa Medicamentos S.A. ("The Company"), contained in the Quarterly Financial Information Form (ITR) for the quarter ended March 31, 2024, comprising the balance sheets as of March 31, 2024 and the respective statements of profit or loss, comprehensive income (loss) for the three-month period then ended and statements of changes in equity and cash flows for the three-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual interim financial information in accordance with the Accounting Pronouncement CPC 21(R1) and for the consolidated interim financial information in accordance with the Accounting Pronouncement CPC 21(R1) and IAS 34 – Interim Financial Reporting, issued by International Accounting Standards Board – IASB, and for the presentation of this information in accordance with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Quarterly Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion on the individual interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the individual interim financial information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1), applicable to the preparation of Quarterly Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

KPMG Auditores Independentes Ltda., uma sociedade simples brasileira, de responsabilidade limitada e firma-membro da organização global KPMG de firmas-membro independentes licenciadas da KPMG International Limited, uma empresa inglesa privada de responsabilidade limitada.

KPMG Auditores Independentes Ltda., a Brazilian limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Conclusion on the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Quarterly Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Other Mathers – Statements of value added

The quarterly information referred above includes the individual and consolidated statements of value added (DVA) for the three-month period ended March 31, 2024, prepared under the responsibility of the Company's management, and presented as a supplementary information for the purpose of IAS 34. These statements were submitted to the review procedures performed together with the review of the Company’s quarterly financial information in order to conclude whether these statements are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Accounting Pronouncement CPC 09 – Demonstração do Valor Adicionado (Statement of Value Added). Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been prepared, in all material respects, in accordance with the criteria set forth in this standard and with the individual and consolidated interim financial information taken as a whole.

São Paulo, May 13, 2024

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

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

KPMG Auditores Independentes Ltda., uma sociedade simples brasileira, de responsabilidade limitada e firma-membro da organização global KPMG de firmas-membro independentes licenciadas da KPMG International Limited, uma empresa inglesa privada de responsabilidade limitada.

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Elfa Medicamentos S.A.

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

(In thousands of reais)

		Individual		Consolidated	
Assets	**Note**	**03/31/2024**	**12/31/2023**	**03/31/2024**	**12/31/2023**
Cash and cash equivalents	5	59,055	125,744	128,639	365,624
Accounts receivable	6	747,465	635,131	1,394,715	1,313,321
Inventories	7	207,610	208,065	811,239	866,894
Recoverable taxes	8	52,662	50,016	511,192	482,166
Income tax and social contribution	19	42,632	42,051	118,316	107,152
Other receivables		124,464	107,357	317,027	331,534
Total current assets		**1,233,888**	**1,168,364**	**3,281,128**	**3,466,691**
Advance for future capital increase	11	137,454	116,642	-	-
Accounts receivable and other receivables from related parties	11	145,296	156,173	-	-
Recoverable taxes	8	200,775	189,543	238,267	224,597
Deferred income tax and social contribution	19	300,583	288,261	558,020	541,824
Judicial deposits	15	149,058	127,548	206,777	182,338
Indemnification assets	15	658	658	166,417	166,866
Investments in subsidiaries	9	3,590,287	3,622,543	-	-
Property, plant and equipment		114,723	112,594	282,032	283,296
Intangible assets	10	105,677	106,862	1,998,780	2,033,024
Total non-current assets		**4,744,511**	**4,720,824**	**3,450,293**	**3,431,945**
Total assets		**5,978,399**	**5,889,188**	**6,731,421**	**6,898,636**

See the accompanying notes to the Individual and consolidated interim financial statements.

Elfa Medicamentos S.A.

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

(In thousands of reais)

		Individual		Consolidated	
	Note	**03/31/2024**	**12/31/2023**	**03/31/2024**	**12/31/2023**
Liabilities and shareholders' equity					
Suppliers and other accounts payable	12	673,511	651,235	1,139,384	1,312,492
Loans and financing	13	293,118	239,494	384,645	307,163
Labor obligations		27,189	25,897	61,305	53,906
Taxes payable		108,923	88,870	225,653	199,065
Commitments with investment acquisitions	14	50,381	71,876	50,382	71,876
Accounts payable for the investment acquisition	14	5,444	2,244	39,396	46,121
Total current liabilities		**1,158,566**	**1,079,616**	**1,900,765**	**1,990,623**
Loans and financing	13	1,324,492	1,353,103	1,417,924	1,472,110
Derivatives	13	1,236	3,638	1,236	3,638
Taxes payable		1,966	1,966	3,035	3,086
Accounts payables to related parties	11	322,381	247,707	-	-
Provision for contingencies	15	5,250	5,019	175,246	172,611
Commitments with investment acquisitions	14	123,009	101,514	123,009	101,514
Accounts payable for the investment acquisition	14	112,271	115,902	159,527	153,517
Total non-current liabilities		**1,890,605**	**1,828,849**	**1,879,977**	**1,906,476**
Shareholders' equity					
Capital		1,403,574	1,403,574	1,403,574	1,403,574
Capital reserve		1,241,960	1,238,407	1,241,960	1,238,407
Profit reserves		283,694	338,742	283,694	338,742
Shareholders' equity attributed to the controlling shareholder of the Individual		**2,929,228**	**2,980,723**	**2,929,228**	**2,980,723**
Non-controlling interest		-	-	21,451	20,814
Total shareholders' equity		**2,929,228**	**2,980,723**	**2,950,679**	**3,001,537**
Total liabilities and shareholders' equity		**5,978,399**	**5,889,188**	**6,731,421**	**6,898,636**

See the accompanying notes to the Individual and consolidated interim financial statements.

Elfa Medicamentos S.A.

Statements of income

For the periods ended March 31, 2024 and 2023

(In thousands of reais, except earnings per share)

	Note	Individual		Consolidated	
		03/31/2024	03/31/2023	03/31/2024	03/31/2023
Net operating revenues	16	702,338	554,415	1,453,282	1,528,966
Cost of goods sold	17	(641,689)	(502,950)	(1,268,057)	(1,328,623)
Gross profit		**60,649**	**51,465**	**185,225**	**200,343**
Selling expenses	17	(30,969)	(31,706)	(78,635)	(87,529)
Reversal of impairment losses on accounts receivable	6|17	4,994	(1,668)	4,434	(4,962)
General and administrative expenses	17	(27,579)	(26,446)	(98,371)	(102,910)
Equity on earnings of affiliates	9	(27,896)	(10,023)	-	-
Other revenues	17	26,847	24,631	347	16,824
Other expenses	17	(1,242)	(10,799)	(2,582)	(16,413)
Operating income/(loss) before financial income		**4,804**	**(4,546)**	**10,418**	**5,353**
Financial income	18				
Financial revenues		4,523	2,748	11,785	8,236
Financial expenses		(76,492)	(81,392)	(101,523)	(102,648)
Financial expenses, net		**(71,969)**	**(78,644)**	**(89,738)**	**(94,412)**
Loss before income tax and social contribution		**(67,165)**	**(83,190)**	**(79,320)**	**(89,059)**
Income tax and social contribution	19				
Current item		-	-	(6,464)	(6,684)
Deferred		12,206	8,282	31,462	21,538
		12,206	8,282	24,998	14,854
Loss for the period		**(54,959)**	**(74,908)**	**(54,322)**	**(74,205)**
Attributable to:					
Controlling shareholders		-	-	(54,959)	(74,908)
Non-controlling shareholders		-	-	637	703
Loss per share - R$	20	-	-	(0,090)	(0,139)
Diluted loss per share - R$		-	-	(0,090)	(0,139)

See the accompanying notes to the Individual and consolidated interim financial statements.

Elfa Medicamentos S.A.

Statements of comprehensive income

For the periods ended March 31, 2024 and 2023

(In thousands of reais, except earnings per share)

	Individual		Consolidated	
	03/31/2024	**03/31/2023**	**03/31/2024**	**03/31/2023**
Loss for the period	(54,959)	(74,908)	(54,322)	(74,205)
Other comprehensive income	-	-	-	-
Comprehensive income for the period	**(54,959)**	**(74,908)**	**(54,322)**	**(74,205)**
Attributable to:				
Controlling shareholders	-	-	(54,959)	(74,908)
Non-controlling shareholders	-	-	637	703

See the accompanying notes to the Individual and consolidated interim financial statements.

Elfa Medicamentos S.A.

Statements of changes in shareholders' equity

For the periods ended March 31, 2024 and 2023

(In thousands of reais)

			Capital reserve		Profit reserve							
	Note	Capital	Capital reserve	Granted options	Equity valuation adjustment	Legal reserve	Retained profit	Tax incentive reserve	Retained earnings	Total	Non-controlling shareholders	Total
Balances as of January 01, 2023		**1,105,082**	**823,087**	**63,638**	**-**	**20,539**	**184,561**	**191,646**	**-**	**2,388,553**	**19,942**	**2,408,495**
Capital increase		253,629	-	-	-	-	-	-	-	253,629	-	253,629
Recognized granted options		-	-	977	-	-	-	-	-	977	-	977
Profit allocation (losses):					-							
Loss for the period		-	-	-	-	-	-	-	(74,908)	(74,908)	703	(74,205)
Interim transfer/change		-	-	-	-	-	(74,908)	-	74,908	-	-	-
Balances as of March 31, 2023		**1,358,711**	**823,087**	**64,615**	**-**	**20,539**	**109,653**	**191,646**	**-**	**2,568,251**	**20,645**	**2,588,896**
Balances as of January 01, 2024		**1,403,574**	**1,163,247**	**75,160**	**(1,477)**	**20,539**	**128,034**	**191646**	**-**	**2,980,723**	**20,814**	**3,001,537**
Recognized granted options		-	-	3,553	-	-	-	-	-	3,553	-	3,553
Profit allocation (losses):		-	-	-	-	-	-	-	-			
Loss for the period		-	-	-	-	-	-	-	(54,959)	(54,959)	637	(54,322)
Profit reserve					-	-	(54,959)	-	54,959	-	-	-
Equity valuation adjustment - Mergers		-	-	-	(89)	-	-	-	-	(89)	-	(89)
Balances as of March 31, 2024		**1,403,574**	**1,163,247**	**78,713**	**(1,566)**	**20,539**	**73,075**	**191,646**	**-**	**2,929,228**	**21,451**	**2,950,679**

See the accompanying notes to the Individual and consolidated interim financial statements.

Elfa Medicamentos S.A.

Statements of cash flows

For the periods ended March 31, 2024 and 2023

(In thousands of reais)

		Individual		Consolidated	
	Note	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Cash flow from operating activities					
Loss for the period		(54,959)	(74,908)	(54,322)	(74,205)
Adjustments to reconcile net income with cash:					
Depreciation and amortization	17	2,792	3,966	40,604	40,889
Income tax and social contribution, net	19	(12,206)	(8,282)	(24,998)	(14,854)
Reversal to impairment losses	6|17	(4,994)	1,668	(4,434)	4,962
Share-based remuneration	17	3,554	977	3,554	977
Formation of provision for contingencies	15	231	581	2,635	2,199
Reversal of provision for loss on inventories	7	(118)	(193)	(814)	(6,088)
Interest, monetary variations, net	18	63,029	73,524	73,872	87,076
Equity on earnings of subsidiaries		27,896	10,023	-	-
(Increase)/decrease in assets:					
Accounts receivable and other receivables		(92,816)	(8,451)	(76,960)	(95,201)
Inventories		571	27,796	56,469	7,362
Recoverable taxes		(14,575)	(14,545)	(38,594)	(37,092)
Judicial deposits		(21,510)	(5,750)	(24,439)	(6,960)
Other receivables		(17,021)	(18,190)	14,664	(39,135)
(Decrease) increase in liabilities:					
Suppliers and other accounts payable		96,950	(148,040)	(173,108)	(192,814)
Labor obligations		1,292	313	7,395	(6,168)
Taxes payable		20,053	13,811	20,073	18,614
Other Obligations		(20,812)	(96,887)	-	-
Cash used in operating activities		**(22,643)**	**(242,587)**	**(178,403)**	**(310,438)**
Payment of interest from loans, financing and leases		(35,369)	(42,407)	(45,437)	(47,391)
Income tax and social contribution paid		-	-	-	(11,598)
Net cash flow used in operating activities		**(58,012)**	**(284,994)**	**(223,840)**	**(369,427)**
Investing activities:					
Acquisition of PP&E and intangible assets		(3,736)	(5,403)	(8,188)	(12,923)
Capital increase in subsidiaries	9(c)	4,188	18,854	-	-
Loan receipt with related parties		(3,648)	1,296	-	-
Net cash flow (used in) from investment activities		**(3,196)**	**14,747**	**(8,188)**	**(12,923)**
Financing activities:					
Capital increase		-	253,629	-	253,629
Loans, financings and leases	13	78,571	472,641	135,439	575,933
Payment of principal on loans and financings	13	(78,429)	(452,914)	(125,982)	(543,688)
Payment of installments related to previous acquisitions	14	(3,583)	(57,600)	(5,742)	(58,503)
Lease payment	13	(2,040)	(2,376)	(8,672)	(9,237)
Net cash flow (used in) from financing activities		(5,481)	213,380	(4,957)	218,134
Net decrease in cash and cash equivalents		**(66,689)**	**(56,867)**	**(236,985)**	**(164,216)**
Net decrease in cash and cash equivalents:					
Cash and cash equivalents on January 01		125,744	143,030	365,624	323,696
Cash and cash equivalents at March 31		59,055	86,163	128,639	159,480
Net decrease in cash and cash equivalents		**(66,689)**	**(56,867)**	**(236,985)**	**(164,216)**

See the accompanying notes to the Individual and consolidated interim financial statements.

Elfa Medicamentos S.A.

Statements of added value

For the periods ended March 31, 2024 and 2023

(In thousands of reais)

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Revenues	**761,701**	**606,239**	**1,575,588**	**1,666,502**
Sales of goods and services	756,707	607,907	1,571,154	1,671,464
Losses due to impairment of accounts receivable	4,994	(1,668)	4,434	(4,962)
Inputs purchased from third parties	**(658,003)**	**(530,448)**	**(1,314,130)**	**(1,405,390)**
Cost of goods sold and services rendered	(641,689)	(502,950)	(1,267,944)	(1,328,990)
Materials, energy, third party services, and others	(10,701)	(21,930)	(26,700)	(47,537)
Freight	(5,613)	(5,568)	(19,486)	(28,864)
Gross added value	**103,698**	**75,791**	**261,458**	**261,112**
Depreciation and amortization	(2,792)	(3,966)	(40,604)	(40,889)
Net added value produced by the entity	**100,906**	**71,825**	**220,854**	**220,223**
Value added received as transfer	**(18,348)**	**3,062**	**11,312**	**4,314**
Financial revenues	4,523	2,748	11,785	8,236
Equity on earnings of subsidiaries	(27,896)	(10,023)	-	-
Other	5,025	10,336	(473)	(3,922)
Total value added to distribute	**82,556**	**74,887**	**232,166**	**224,537**
Distribution of added value	**(82,556)**	**(74,887)**	**(232,166)**	**(224,537)**
Personnel	**(32,019)**	**(26,700)**	**(76,954)**	**(71,949)**
Direct remuneration	(14,153)	(12,246)	(40,232)	(39,441)
Benefits	(13,051)	(12,248)	(29,117)	(26,848)
FGTS [GOVERNMENT SEVERANCE INDEMNITY FUND]	(1,261)	(1,229)	(4,051)	(4,683)
Share-based remuneration	(3,554)	(977)	(3,554)	(977)
Taxes, duties and contributions	**(49,520)**	**(43,475)**	**(106,204)**	**(124,190)**
Federal	4,898	8,673	11,923	1,934
State	(54,419)	(52,148)	(118,110)	(124,546)
Municipalities	-	-	(16)	(1,578)
Third-party capital remuneration	**(55,977)**	**(79,620)**	**(103,330)**	**(102,603)**
Interest	(35,100)	(39,081)	(44,475)	(48,462)
Rentals	-	(1)	(9)	(81)
Fines	(293)	(37)	(6,081)	(803)
Other	(20,584)	(40,501)	(52,765)	(53,257)
Remuneration of own capital	**54,959**	**74,908**	**54,322**	**74,205**
Constitution/Consumption of profit reserves	54,959	(74,908)	54,959	74,908
Non-controlling net profit	-	-	(637)	(703)

See the accompanying notes to the Individual and consolidated interim financial statements.

Notes to the Individual and consolidated interim 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, 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 Basis of preparation

Statement of compliance

The Individual interim financial statements have been prepared and are presented in accordance with the accounting practices adopted in Brazil, specifically CPC 21 (R1) - Interim Statements and interim consolidated financial statements were prepared and presented in accordance with accounting practices adopted in Brazil and in accordance with the International Financial Reporting Standards (“IFRS”), issued by the International Accounting Standards Committee Board (“IASB”), specifically CPC 21 (R1) - Interim Statements and IAS 34 - Interim Financial Reporting, applicable to the filing of quarterly financial statements, and presented in a manner consistent with the standards issued by the Brazilian Securities Commission (“CVM”).

All relevant information related to the condensed interim financial statements, and only this information, is being highlighted and corresponds to that used by Elfa's Management in its administration.

The issue of these Individual and consolidated interim financial statements was authorized by the Company’s Management on May 10, 2024. After the issue, shareholders must approve or authorize subsequent changes.

Basis of preparation

The interim financial statements are prepared to update users on the relevant events and transactions that took place in the period and shall be analyzed together with the financial statements for the year ended December 31, 2023, issued on March 13, 2024.

Accounting policies, accounting estimates and judgments, risk management and measurement methods are the same as those adopted in preparing the last annual financial statements.
We list below the notes that were presented in the annual financial statements as of December 31, 2023, which are not being included or presented in the same level of detail in this Individual and consolidated interim financial information, given the absence of relevant changes in this quarter:

	Reference
Preparation and presentation basis of the financial statements	Note 2
Accounting policies	Note 4

This interim financial information is 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.

3 New standards, reviews and interpretations not yet effective

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

The amendments, issued in 2020 and 2022, aim to clarify the requirements for determining whether a liability is current or non-current and require new disclosures to non-current liabilities that are subject to future covenants. The amendments are applicable for the annual periods started as of or after January 1, 2024. As disclosed in Note 17, the Company has collateralized bank loans that are subject to specific covenants. Although the liabilities are classified as non-current as of December 31, 2023, a possible future breach of specific covenants may require the Company to settle the liabilities before the contractual due dates. On the date of this interim financial information, this pronouncement had no significant effects on the Company and will continue to be monitored throughout the year, should any matter be identified that requires its immediate application given the facts and circumstances existing on each of the Company’s reporting dates.

Supplier financing agreements (“Drawee Risk”) (amendments to CPC 26/IAS 1 and CPC 40/IFRS 7)

The amendments introduce new disclosures related to financing agreements with suppliers (“Drawee Risk”) that help users of financial statements to assess the effects of those arrangements on an entity’s liabilities and cash flows and on the entity’s exposure to liquidity risk. Changes apply to the annual periods starting on or after January 1, 2024.

As disclosed in Note 13b, the Company has financing agreements with suppliers. On the date of this interim financial information, this pronouncement had no significant effects on the Company and will continue to be monitored throughout the year, should any matter be identified that requires its immediate application given the facts and circumstances existing on each of the Company’s reporting dates.

Other accounting standards

The following new and amended standards are not expected to have a significant impact on Individual and consolidated financial statements of the Company:

- Lease liabilities in a sale and leaseback (amendments to CPC 06/IFRS 16). Lack of convertibility (amendments to CPC 02/IAS 21).

4 Measurement basis and main accounting policies

Measurement basis

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

Main accounting policies

The Company applied the accounting policies listed below in a manner consistent with those adopted in the preparation of the financial statements as of December 31, 2023, unless otherwise indicated:

(a) Consolidation basis

(b) Foreign currency

(c) Revenue from contracts with customers

(d) Employee benefits

(e) Government grants

(f) Financial revenues and expenses

(g) Income tax and social contribution

(h) Inventories

(i) Property, plant and equipment

(j) Intangible assets and goodwill

(k) Financial instruments

(l) Impairment

(m) Provisions

(n) Earnings per share, basic and diluted

(o) Leases

(p) Measurement of fair value

5 Cash and cash equivalents

	Individual		Consolidated	
	03/31/2024	**12/31/2023**	**03/31/2024**	**12/31/2023**
Cash	12	8	613	573
Banks	40,814	36,625	80,207	91,583
Marketable securities (a)	18,229	89,111	47,819	273,468
Total cash and cash equivalents	**59,055**	**125,744**	**128,639**	**365,624**

(a) As of March 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 investment account.

6 Trade accounts receivable

	Individual		Consolidated	
	03/31/2024	**12/31/2023**	**03/31/2024**	**12/31/2023**
Private clients	463,205	459,777	1,237,327	1,189,465
Governmental entities clients	129,590	121,309	217,886	190,707
Accounts receivable from related parties (Note 11)	190,155	94,659	6,903	6,331
	782,950	675,745	1,462,116	1,386,503
(-) PROVISION FOR IMPAIRMENT (PECLD)	(35,485)	(40,614)	(67,401)	(73,182)
	747,465	**635,131**	**1,394,715**	**1,313,321**

The related party balances refer to transactions with companies that have not been consolidated and are under the control of Patria Brazilian Private Equity Fund IV – FIP, the Company's controlling shareholder.

The balances of accounts receivable from third parties by maturity bracket are shown as follows:

	Individual		Consolidated	
	03/31/2024	**12/31/2023**	**03/31/2024**	**12/31/2023**
To be due	449,191	462,562	1,112,444	1,062,026
Overdue (in days)				
≤30	32,417	20,066	73,366	58,506
31−90	19,856	16,124	52,635	45,123
91−180	12,065	13,835	33,264	34,735
>181	79,266	68,499	183,504	179,782
Total	**592,795**	**581,086**	**1,455,213**	**1,380,172**
(-) PROVISION FOR IMPAIRMENT (PECLD)	(35,485)	(40,614)	(67,401)	(73,182)
	557,310	**540,472**	**1,387,811**	**1,306,990**

The related party balances refer to transactions with companies that have not been consolidated and are under the control of Patria Brazilian Private Equity Fund IV – FIP, the Company's controlling shareholder. For the table listed above, with opening balances by maturity of securities, the balances of related parties were not considered.

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

	Individual		Consolidated	
	03/31/2024	**03/31/2023**	**03/31/2024**	**03/31/2023**
Opening balance	(40,614)	(36,401)	(73,182)	(105,103)
Constitution/(reversal)	5,129	(3,926)	5,781	(4,736)
Closing balance	**(35,485)**	**(40,327)**	**(67,401)**	**(109,839)**

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

	Individual		Consolidated	
	03/31/2024	**03/31/2023**	**03/31/2024**	**03/31/2023**
Provision/(reversal) for impairment losses	5,129	(3,926)	5,781	(4,736)
Reimbursements/(reversals) related to the recovery of receivables	(135)	2,258	(1,347)	(226)
Total credited (debited) to the result for the period	**4,994**	**(1,668)**	**4,434**	**(4,962)**

7 Inventories

	Individual		Consolidated	
	03/31/2024	**12/31/2023**	**03/31/2024**	**12/31/2023**
Goods for resale	204,518	197,287	769,405	816,428
Consignment Goods	3,408	11,210	43,265	52,711
	207,926	208,497	812,670	869,139
(-) Provision for inventory losses	(316)	(432)	(1,431)	(2,245)
Total	**207,610**	**208,065**	**811,239**	**866,894**

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

	Individual		Consolidated	
	03/31/2024	**12/31/2023**	**03/31/2024**	**12/31/2023**
Opening balance	(432)	(611)	(2,245)	(8,611)
(Constitution)/reversal	118	179	814	6,366
Closing balance	**(316)**	**(432)**	**(1,431)**	**(2,245)**

8 Recoverable taxes and income tax and social contribution

	Individual		Consolidated	
	03/31/2024	**12/31/2023**	**03/31/2024**	**12/31/2023**
ICMS	37,304	36,252	391,439	358,973
PIS (Social Integration Program) and COFINS (Contribution for the Financing of Social Security)	5,643	5,561	68,996	68,368
Other	9,715	8,203	50,757	54,825
Recoverable taxes - Current	**52,662**	**50,016**	**511,192**	**482,166**
Recoverable taxes - Non-current (a)	**200,775**	**189,543**	**238,267**	**224,597**
Income tax and social contribution	**42,632**	**42,051**	**118,316**	**107,152**

(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.

9 Investments (Individual)

a. Composition of investments

	Interest percentage		Shareholders' equity		Indemnification assets		Surplus value		Goodwill		Total investments	
Investee	**03/31/2024**	**12/31/2023**	**03/31/2024**	**12/31/2023**	**03/31/2024**	**12/31/2023**	**03/31/2024**	**12/31/2023**	**03/31/2024**	**12/31/2023**	**03/31/2024**	**12/31/2023**
Prescrita	100%	100%	221,249	219,790	-	-	1,530	1,715	8,569	8,569	231,348	230,074
Jaw	100%	100%	266,911	284,837	-	-	937	1,027	5,207	5,207	273,055	291,071
CDM Group	100%	100%	168,635	170,845	-	-	18,407	20,422	46,091	46,091	233,133	237,358
Medcom Group	100%	100%	185,158	182,688	-	-	44,370	48,182	221,274	221,274	450,802	452,144
Atrial	100%	100%	357,010	363,443	-	-	30,948	33,397	328,945	328,945	716,903	725,785
Mostaert	100%	100%	73,199	73,936	21,586	21,586	23,725	24,808	27,832	27,832	146,342	148,162
Biohosp	100%	100%	183,909	176,925	-	-	73,739	77,006	68,445	68,445	326,093	322,376
Dupatri	100%	100%	116,888	114,942	-	-	60,902	64,962	23,700	23,700	201,490	203,604
DRS Group	100%	100%	(24,913)	(27,533)	15,583	15,583	48,149	49,293	53,329	53,329	92,148	90,672
TLS	95%	95%	(31,309)	(28,447)	5,823	5,823	11,277	11,604	36,984	36,984	22,775	25,964
Descarpack	100%	100%	212,694	203,913	46,180	46,180	272,430	280,350	364,894	364,890	896,198	895,333
Total			**1,729,431**	**1,735,339**	**89,172**	**89,172**	**586,414**	**612,766**	**1,185,270**	**1,185,266**	**3,590,287**	**3,622,543**

b. Summarized financial information

Investee	Current assets		Non-current assets		Current liabilities		Non-current liabilities		Shareholders' equity		Net income (loss)	
	03/31/2024	**12/31/2023**	**03/31/2024**	**12/31/2023**	**03/31/2024**	**12/31/2023**	**03/31/2024**	**12/31/2023**	**03/31/2024**	**12/31/2023**	**03/31/2024**	**12/31/2023**
Prescrita	226,534	228,759	98,935	92,116	58,912	55,749	45,308	45,336	221,249	219,790	1,401	18,482
Jaw	491,287	438,322	147,322	162,685	291,895	237,713	79,803	80,297	266,911	282,997	(9,829)	30,178
CDM Group	183,926	210,353	68,910	67,863	83,663	106,732	538	639	168,635	170,845	(4,225)	1,232
Medcom Group	215,925	231,729	116,594	93,814	142,632	138,289	4,729	4,566	185,158	182,688	(1,343)	4,617
Atrial	534,287	560,660	291,118	279,943	268,578	282,542	199,817	194,618	357,010	363,443	(8,793)	(9,479)
Mostaert	70,626	74,975	36,959	36,216	22,806	25,308	11,580	11,947	73,199	73,936	(1,820)	(485)
Biohosp	238,880	251,452	129,693	80,642	171,102	137,658	13,562	17,511	183,909	176,925	(283)	2,078
Dupatri	209,575	217,445	87,986	68,845	149,519	142,539	31,154	28,809	116,888	114,942	(2,114)	(11,884)
DRS Group	82,693	61,695	17,700	18,340	77,090	65,496	48,216	42,072	(24,913)	(27,533)	1,448	3,656
TLS	8,185	6,979	20,576	19,361	15,753	15,364	44,317	39,423	(31,309)	(28,447)	(3,199)	(15,956)
Descarpack	316,692	349,219	107,189	90,869	104,105	134,758	107,082	101,417	212,694	203,913	861	56,124
Total	**2,578,610**	**2,631,588**	**1,122,982**	**1,010,694**	**1,386,055**	**1,342,148**	**586,106**	**566,635**	**1,729,431**	**1,733,499**	**(27,896)**	**78,563**

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 subsidiaries	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**	**452,145**	**725,785**	**148,162**	**322,377**	**203,604**	**90,673**	**25,964**	**895,330**	**3,622,544**
Capital increase	-	-	-	-	-	-	4,000	-	-	-	-	4,000
Capital decrease	-	(8,188)	-	-	-	-	-	-	-	-	-	(8,188)
Adjustments	(128)	1	-	-	-	-	(1)	-	27	10	7	(84)
Write-off upon merger	-	-	-	-	(89)	-	-	-	-	-	-	(89)
Equity on earnings of subsidiaries	1,401	(9,829)	(4,225)	(1,343)	(8,793)	(1,820)	(283)	(2,114)	1,448	(3,199)	861	(27,896)
Balance as of 03/31/2024	**231,348**	**273,055**	**233,133**	**450,802**	**716,903**	**146,342**	**326,093**	**201,490**	**92,148**	**22,775**	**896,198**	**3,590,287**

10 Intangible assets

	Individual			
			03/31/2024	12/31/2023
	Cost	**Accumulated amortization**	**Net**	**Net**
Defined useful life				
Right-of-use software	14,594	(6,221)	8,373	8,753
Customers' list	48,466	(38,397)	10,069	10,874
Undefined useful life				
Merged goodwill	87,235	-	87,235	87,235
	150,295	**(44,617)**	**105,677**	**106,862**

	Consolidated			
			03/31/2024	12/31/2023
	Cost	**Accumulated amortization**	**Net**	**Net**
Defined useful life				
Customers' list	987,972	(440,668)	547,305	579,287
Non-compete	6,753	(6,628)	125	467
Software license of use and other intangible	44,066	(21,584)	22,482	24,468
Undefined useful life				
Goodwill	1,359,373	-	1,359,373	1,359,373
Trademarks and patents	69,496	-	69,495	69,429
	2,467,660	**(468,880)**	**1,998,780**	**2,033,024**

The change of intangible assets is shown below:

	Individual		Consolidated	
	03/31/2024	**12/31/2023**	**03/31/2024**	**12/31/2023**
Opening balance	**106,862**	**107,751**	**2,033,023**	**2,154,192**
Additions				
Software license of use and other intangible	-	5,139	8,054	8,657
Surplus	-	-	-	-
Non-compete agreement	5,066			
Goodwill	-	-	-	-
Investee's merger	-	-	-	-
Balance acquired through acquisitions				
Software license of use and other intangible	-	-	-	-
Amortization				
Software license of use	(379)	(2,800)	(9,973)	(4,436)
Customers' list	-	-	(31,983)	(124,020)
Non-compete agreement	(5,871)	(3,228)	(341)	(1,369)
Closing balance	**105,677**	**106,862**	**1,998,780**	**2,033,024**

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$ 1,359,373 at March 31, 2024 (R$ 1,455,006 as of December 31, 2023).

The goodwill allocated by business segment is described below:

Goodwill	Total
Pharmaceutical specialties	734,098
Hospital medical supplies	625,275
Total	1,359,373

The Group understands that there is no internal or external evidence indicating that the projections used in the impairment test performed on December 31, 2023 need to be revisited and, therefore, concluded that there are no new indications that would require the performance of an interim test as of March 31, 2024.

11 Transactions with related parties

	Individual		Consolidated	
	03/31/2024	**12/31/2023**	**03/31/2024**	**12/31/2023**
Current assets				
Trade accounts receivable – Note 6				
Athena Healthcare Holding S.A.	218	341	225	369
HCLOE Hospital de Olhos Ltda.	360	262	403	275
HOB Hospital Oftalmológico de Brasília Ltda	390	268	485	287
Hospital Bom Samaritano de Maringá S/A	83	113	195	216
Hospital de Olhos Sadalla Amin Ghanem Ltda	143	136	167	149
Hospital Med Imagem S.A.	60	387	204	733
Humana Assistência Médica Ltda	89	251	132	259
INBOL - Instituto Brasiliense de Olhos Ltda	301	218	385	226
INOB - Instituto de Olhos e Microcirurgia de Bsb Ltda.	206	126	297	126
Instituto de Olhos Ltda.	354	312	454	344
Víncula Indústria Com Imp e Exp de Implantes S.A.	-	-	2,763	2,413
Vitoria Apart Hospital S/A	92	72	192	205
Other - Accounts receivable	667	495	1,000	729
	2,963	**2,981**	**6,902**	**6,331**
Trade accounts receivable – Subsidiaries – Note 6				
Agilfarma	869	188	-	-
Atrial	315	225	-	-
Biohosp	50,172	21,970	-	-
CDM	3,351	3,159	-	-
Descarpack	4	4	-	-
DRS	2,896	2,919	-	-
Dupatri	46,876	18,161	-	-
JAW	73,112	37,865	-	-
Medcom	7,101	4,880	-	-
Mostaert	72	72	-	-
Prescrita	2,424	2,235	-	-
	187,192	**91,678**	**-**	**-**
Total accounts receivable - related parties	**190,155**	**94,659**	**6,902**	**6,331**

	Individual		Consolidated	
	03/31/2024	**12/31/2023**	**03/31/2024**	**12/31/2023**
Non-current assets				
Debit notes (accounts receivable and other receivables from related parties)				
Prescrita	4,517	2,084	-	-
JAW	6,669	11,959	-	-
CDM	3,397	5,154	-	-
Medcom	4,576	3,329	-	-
Agilfarma	4,589	6,229	-	-
Anbioton	96	779	-	-
Biohosp	3,443	2,698	-	-
DRS	8,536	8,536	-	-
Dupatri	761	3,523	-	-
Atrial	30,967	39,427	-	-
Mostaert	-	100	-	-
TLS	3,095	3,095	-	-
Descarpack	10,623	8,881	-	-
	81,269	**95,794**	**-**	**-**

	Individual		Consolidated	
	03/31/2024	**12/31/2023**	**03/31/2024**	**12/31/2023**
Loans (accounts receivable and other receivables from related parties)				
Atrial	28,644	28,989	-	-
TLS	34,645	29,518	-	-
Agilfarma	-	859	-	-
DRS	738	719	-	-
Prescrita	-	124	-	-
Natbio	-	170	-	-
Mostaert	-	-	-	-
Oncorio	-	-	-	-
Total	**64,027**	**60,379**	**-**	**-**
Advance for future capital increase				
JAW	20,419	20,317	-	-
Prescrita	39,204	39,204	-	-
CDM	13,500	-	-	-
Atrial	27,550	20,635	-	-
Biohosp	7,389	10,701	-	-
Dupatri	26,191	24,840	-	-
Medcom	3,201	945	-	-
Total	**137,454**	**116,642**	**-**	**-**
Total accounts receivable - related parties	**282,750**	**272,814**	**-**	**-**

	Individual		Consolidated	
	03/31/2024	**12/31/2023**	**03/31/2024**	**12/31/2023**
Non-current liabilities				
Accounts payable to related parties				
Prescrita	5,800	2,067		-
JAW	11,778	30,329		-
SALUS	10,322	7,291	-	-
CDM	33,483	37,273	-	-
Medcom	53,545	31,891	-	-
Mostaert	25,966	26,043	-	-
Biohosp	67,515	24,361	-	-
Dupatri	18,469	517	-	-
Agilfarma	15,580	6,220	-	-
Anbioton	7,302	6,470	-	-
DPK	-	2,624	-	-
	249,760	**175,086**	**-**	**-**
Advance of dividends received (e)				
Prescrita Medicamentos	10,610	10,610	-	-
JAW	50,011	50,011	-	-
Prescrita	-	-	-	-
CDM	4,000	4,000	-	-
Atrial	8,000	8,000	-	-
	72,621	**72,621**	**-**	**-**
Total accounts payable - related parties	**322,381**	**247,707**	**-**	**-**

	Individual		Consolidated	
	03/31/2024	**03/31/2023**	**03/31/2024**	**03/31/2023**
Income				
Net sales revenue (a)				
Agilfarma	739	-	-	-
Biohosp	41,739	-	-	-
CDM	1,429	4,929	-	-
DRS	349	-	-	-
Dupatri	37,420	-	-	-
Cirúrgica JAW	54,274	74,134	-	-
Medcom	3,562	-	-	-
Prescrita Medicamentos	2,260	27,825	-	-
SALUS	53	-	-	-
Centro de Microcirurgia e Diagnostico Ltda	29	-	35	-
Centro Médico Maranhense Sá	62	-	71	-
Clínica de Oftalmodiagnostico Ltda	13	-	24	-
HCLOE Hospital de Olhos Ltda.	319	-	370	-
HOB Hospital Oftalmológico de Brasília Ltda	340	386	438	398
Hospital Bom Samaritano de Maringá S/A	207	-	319	-
Hospital de Olhos Sadalla Amin Ghanem Ltda	78	-	95	-
Hospital de Olhos Santa Luzia S/S Ltda	78	-	84	-
INOB - Instituto de Olhos e Microcirurgia de Bsb Ltda.	183	-	274	-
Instituto Brasiliense de Olhos S/C Ltda	249	-	343	-
Instituto de Olhos Ltda.	345	-	470	-
Jardim de Alah Centro Cirúrgico Ltda	101	-	123	-
Oftalmax Hospital de Olhos Ltda	110	-	126	-
São Bernardo Apart Hospital S/A	-	-	183	-
Vitoria Apart Hospital S/A	129	-	285	-
Med Imagem S/C (a subsidiary of Athena Saúde) (Fund V)	-	442	10	781
Hospital Memorial Nossa Senhora das Neves	-	299	-	604
VJ Farma Ltda. (Fund V)	-	-	37	79
Brazil Senior Living S.A. (Fund IV)	-	11	-	349
Other	157	-	329	-
	144,225	**108,026**	**3,616**	**2,192**

	Individual		Consolidated	
	03/31/2024	**03/31/2023**	**03/31/2024**	**03/31/2023**
Cost of goods sold				
Agilfarma	(730)	-	-	-
Biohosp	(40,770)	-	-	-
CDM	(1,077)	(4,929)	-	-
DRS	(338)	-	-	-
Dupatri	(36,397)	-	-	-
Cirúrgica JAW	(52,705)	(74,134)	-	-
Medcom	(3,403)	-	-	-
Prescrita	(2,024)	(27,825)	-	-
SALUS	(55)	-	-	-
Centro de Microcirurgia e Diagnostico Ltda	(33)	-	(40)	-
Centro Médico Maranhense Sá	(48)	-	(55)	-
Clínica de Oftalmodiagnostico Ltda	(15)	-	(25)	-
HCLOE Hospital de Olhos Ltda.	(360)	-	(405)	-
HOB Hospital Oftalmológico de Brasília Ltda	(374)	(545)	(483)	(553)
Hospital Bom Samaritano de Maringá S/A	(170)	-	(248)	-
Hospital de Olhos Sadalla Amin Ghanem Ltda	(88)	-	(104)	-
Hospital de Olhos Santa Luzia S/S Ltda	(87)	-	(91)	-
INOB - Instituto de Olhos e Microcirurgia de Bsb Ltda.	(206)	-	(314)	-
Instituto Brasiliense de Olhos S/C Ltda	(283)	-	(382)	-
Instituto de Olhos Ltda.	(379)	-	(488)	-
Jardim de Alah Centro Cirúrgico Ltda	(111)	-	(135)	-
Oftalmax Hospital de Olhos Ltda	(96)	-	(112)	-
São Bernardo Apart Hospital S/A	-	-	(134)	-
Vitoria Apart Hospital S/A	(103)	-	(209)	-
Med Imagem S/C (a subsidiary of Athena Saúde) (Fund V)	-	(372)	(8)	(714)
Hospital Memorial Nossa Senhora das Neves	-	(259)	-	(549)
Brazil Senior Living S.A. (Fund IV)	-	(9)	-	(243)
Other	(143)	-	(329)	(50)
	(139,995)	**(108,073)**	(3,562)	(2,109)
Payment of property leases				
Egallo Participações Ltda. - Epp e Lle Participações Ltda.	-	(162)	-	(162)
Lle Participações Ltda	-	(196)	-	(196)
Antônio Carlos Ferreira De Souza and Thúlio Coelho Moraes Guerra	-	-	-	(142)
Gershenson Participações Societárias Ltda	-	-	-	(90)
Shirley Gershenson Administradora De Bens Eireli	-	-	-	(22)
All Invest Empreendimentos Imobiliários	-	-	-	(119)
Wilson Gil Filho and Alessandra Moreno de Aguiar	-	-	-	(12)
	-	**(358)**	**-**	**(743)**
Expenses with service provision				
Gestão e Transformação Consultoria S.A. (b)	(937)	(625)	(937)	(625)
Gran Coffee Comércio, Locação e Serviços S/A (c)	(3)	(11)	(10)	(11)
	(940)	**(636)**	**(947)**	**(636)**

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

(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 longer than 12 months.

(e) Refers to the remittances sent from the subsidiaries to the Individual as an anticipation of future dividends without a defined term, which, however, the Management that controls the party and counterparty understands that they shall not be paid within 24 months.

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 the Company's targets), charges, and other benefits amounted to R$ 4,990 on March 31, 2024 (R$ 3,829 on March 31, 2023) and the share-based remuneration amounted to R$ 3,553 on March 31, 2024 (R$ 977 on March 31, 2023). Key management personnel includes statutory and non-statutory officers.

12 Suppliers 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	
	03/31/2024	**12/31/2023**	**03/31/2024**	**12/31/2023**
Suppliers of goods	634,755	615,431	1,023,160	1,187,865
Suppliers of property, plant and equipment	-	-	6	34
Consumer goods suppliers	510	687	1,641	3,513
Service providers	6,396	7,346	12,389	15,523
Advance and other accounts payable	31,850	27,771	102,188	105,557
Total	673,511	651,235	1,139,384	1,312,492

13 Loans and financing, leases payable

				Individual		Consolidated	
Modality	**Average interest rate**	**Currency**	**Maturity**	**03/31/2024**	**12/31/2023**	**03/31/2024**	**12/31/2023**
Working capital	CDI+4.92% p.a.	R$	from 2024 to 2027	863,006	845,652	1,007,009	983,067
Resolution 4131	CDI+2.49 p.a.	R$	2024–2024	11,708	27,473	11,708	27,473
Derivatives	CDI+2.67% p.a.	USD/R$	2024–2024	1,236	3,638	1,236	3,638
Debentures	CDI + 2.80% p.a.	R$	2024–2028	732,434	707,777	732,434	707,777
Leases	IGPM	R$	from 2024 to 2027	10,462	11,695	51,418	60,956
Total				**1,618,846**	**1,596,235**	**1,803,805**	**1,782,911**
Current				293,118	239,494	384,645	307,163
Non-current				1,325,728	1,356,741	1,419,160	1,475,748

- Key:
- CDI - Bank 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. 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. The average financial charges are equivalent to approximately CDI + 2.49% p.a. in the Individual and consolidated.

On April 18, 2022, the Company carried out the 2nd issue of debentures in connection with the acquisition of Descarpack and the rescheduling of debts. The debentures issued had 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 issuance; and
- Interest rate of CDI +2.80% pa, with payment of interest paid semiannually

Loans and financing 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 financing and derivatives is shown below:

	Individual		**Consolidated**	
	03/31/2024	**12/31/2023**	**03/31/2024**	**12/31/2023**
Opening balance	**1,584,541**	**1,599,890**	**1,721,955**	**1,858,796**
Financing	78,571	1,384,458	135,439	1,548,037
Interest incurred on loans and financing	59,070	268,460	66,412	299,290
Payment of principal	(78,429)	(1,364,194)	(125,982)	(1,648,167)
Interest payment	(35,369)	(304,073)	(45,437)	(336,001)
Total loans, financing, and derivatives	**1,608,384**	**1,584,541**	**1,752,387**	**1,721,955**
Leases payable	10,462	11,695	51,418	60,956
Total loans, derivatives and leases	**1,618,846**	**1,596,236**	**1,803,805**	**1,782,911**

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

	Individual		Consolidated	
	03/31/2024	**12/31/2023**	**03/31/2024**	**12/31/2023**
2025	458,499	525,624	509,638	601,278
2026	436,044	407,155	474,394	446,095
>2027	431,185	423,962	435,128	428,375
Total	**1,325,728**	**1,356,741**	**1,419,160**	**1,475,748**

The changes in lease are shown as follows:

	Individual		Consolidated	
	03/31/2024	**12/31/2023**	**03/31/2024**	**12/31/2023**
Opening balance	11,695	18,327	60,956	71,701
Additions	-	2,293	2,776	20,509
Write-offs and other changes	-	(3,077)	(6,076)	(4,823)
Payment of lease liability	(2,040)	(8,999)	(8,672)	(36,380)
Interest appropriation	807	3,151	2,433	9,949
Total leases payable	**10,462**	**11,695**	**51,417**	**60,956**

a. Guarantees

The Company has R$ 740,466 in trade bills pledged as guarantees for loan and financing agreements, as of March 31, 2024 (R$ 758,105, as of December 31, 2023).

b. Obligations from purchase of goods and services

As of March 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 upon are maintained, without right of return, considering an average rate of 1.75% per month and an average payment term by the Company to the Banks of 93 days.

The breakdown as of March 31, 2024 of this operation by Bank is as follows:

	03/31/2024	**12/31/2023**
Daycoval	24,194	19,639
Sifra	22,485	29,419
Industrial	19,277	-
Guanabara	13,307	-
Total	**79,264**	**49,058**

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.

14 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	
	03/31/2024	**12/31/2023**	**03/31/2024**	**12/31/2023**
Commitments with investment acquisitions	50,381	71,876	50,382	71,876
Accounts payable for the investment acquisition	5,444	2,244	39,396	46,121
Total current	55,825	74,120	89,778	117,997
Commitments with investment acquisitions	123,009	101,514	123,009	101,514
Accounts payable for the investment acquisition	112,271	115,902	159,527	153,517
Total non-current	235,280	217,416	282,536	255,031
Total	**291,105**	**291,536**	**372,314**	**373,028**

The changes in accounts payable for the acquisition of investments and commitments for the acquisition of investments are shown below:

	Individual		Consolidated	
	03/31/2024	**12/31/2023**	**03/31/2024**	**12/31/2023**
Opening balance	291,536	436,102	373,028	531,672
Adjustment in installments of acquisitions	-	(10,117)	-	(10,732)
Interest incurred	3,152	14,613	5,028	23,466
Payment of installments	(3,583)	(149,062)	(5,742)	(171,378)
Closing balance	**291,105**	**291,536**	**372,314**	**373,028**

As of March 31, 2024, the repayment schedule of the installments payable arising from the acquisitions made by the Group are as follows:

	03/31/2024	**12/31/2023**
2024	83,430	71,875
2025	156,069	50,757
>2026	132,815	50,758
	372,314	**173,390**

15 Provision for contingencies

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 Elfa, which are the liability of the former shareholders, 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	
	03/31/2024	**12/31/2023**	**03/31/2024**	**12/31/2023**
Civil (a)	1,380	1,360	3,651	1,607
Labor (b)	1,752	1,607	64,085	63,576
Tax (c)	2,118	2,052	107,510	107,428
Total provision for contingencies	**5,250**	**5,019**	**175,246**	**172,611**
Indemnification Assets (d)	**658**	**658**	**166,417**	**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 composed of materialized and non-materialized contingencies. Materialized contingencies mostly refer to requests for recognition of employment relationships, made by commercial representatives, as well as an action in which differences in commissions are discussed, given that, to a large extent, the amounts are the liability of the former members.

(c) Tax liabilities classified as probable are comprised of material and non-material contingencies and are fully the responsibility of the former members. The materialized contingencies refer substantially to disputes about the application of ICMS.

(d) Those balances are mainly guaranteed by accounts payable to former shareholders described in note 16.

Change in provision for contingencies is shown below:

	Individual				Consolidated			
	Civil	**Labor**	**Tax**	**Total**	**Civil**	**Labor**	**Tax**	**Total**
Balance as of December 31, 2023	**1,360**	**1,607**	**2,052**	**5,019**	**1,607**	**63,576**	**107,428**	**172,611**
Additions	48	145	66	259	2,954	1,016	82	4,052
Reversals	(28)	-	-	(28)	(910)	(507)	-	(1,417)
Balance as of March 31, 2024	**1,380**	**1,752**	**2,118**	**5,250**	**3,651**	**64,085**	**107,510**	**175,246**

As of March 31, 2024, the Company and its subsidiaries had lawsuits with risk of loss assessed as possible totaling R$ 152,106 (R$ 143,379 as of December 31, 2023), of which R$ 77,203 (R$ R$ 76,059 as of December 31, 2023) are the responsibility of the former controlling shareholders and thus subject to indemnity.

- The Company and its Subsidiaries are involved in other 48 tax foreclosures classified as possible loss, amounting to R$ 36,304, of which R$ 1,911 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$ 5,185, with the former management being responsible for R$ 2,902;

- The Commercial Subsidiary Commed Produtos Hospitalares Ltda. is a defendant in 102 lawsuits involving the "Essure" medical device, all of which under the responsibility of the former management, with 82 lawsuits classified as possible loss, amounting to R$ 39,645;

  Cirúrgica Jaw, a subsidiary of the Company, initiated an arbitration procedure to discuss compensation due to non-compliance with the Share Purchase and Sale Agreement by the counterparty. The defendant presented a counterclaim in the amount of R$ 3,348. The risk of loss was assessed by the Company's lawyers as "possible."

- Arbitration procedure instituted by former controlling shareholders of one of the investees to discuss the price readjustment, whose amount involved totals R$ 12,000.

  The Company is a party to approximately 2668 Administrative Lawsuits arising from supply contracts with public bodies, of which approximately 2185 cases are at the initial stage of defense, with a prognosis of possible loss, the amount of which totals approximately R$ 8,213.

  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 is assessed as possible. Any conviction to pay a fine may reach the ceiling of approximately R$ 81,218, subject to indemnification by the former partners.

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 05, 2022, due to the lapse of ninety days between the enactment of the law and the beginning of tax collection.

The Company's management, supported by its external legal advisors, has evaluated the decision of November 29, 2023, and the judgment recently published on May 06, 2024, and has not identified any changes to its initial assessments previously disclosed. It is expected that the ruling will also be challenged through motions for clarification and, only after this second judgment, will the decision become final.

Considering the foregoing scenario and in line with the evaluation previously disclosed in its financial statements, the Company – based on the opinion of its external legal counsel – concluded that there is no risk of loss for the period from January 1, 2022 to April 4, 2022. For this reason, the Company did not record any liabilities for the amounts in dispute relating to this period.

For the period between April 05, 2022 and December 31, 2022, the Company understands that, subject to the judgment of the motion for clarification, the risk of loss related to lawsuits becomes "probable," and therefore recognized a provision, based on the opinion of its external legal counsel and on the best information available at that date; such amount is deemed sufficient to face the risk assessed at the date of this interim financial information.

Judicial deposits

On March 31, 2024, the Group had R$ 206,777 (R$ 182,338 on December 31, 2023) referring to judicial deposits which are mostly related to writs of mandamus filed during the period from 2020 to 2023 in all States of the Federation, regarding the dispute about the unconstitutionality 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**	
	03/31/2024	**12/31/2023**	**03/31/2024**	**12/31/2023**
Opening balance	127,548	79,124	182,338	120,349
New deposits	21,510	68,424	24,740	86,904
Write-offs/reversals	-	(20,000)	(301)	(24,915)
Closing balance	**149,058**	**127,548**	**206,777**	**182,338**

16 Net operating revenue

	Individual		Consolidated	
	03/31/2024	**03/31/2023**	**03/31/2024**	**03/31/2023**
Gross Sales				
Sale of goods - private clients	698,950	566,602	1,430,586	1,508,388
Sale of goods - governmental entities clients	77,897	53,607	213,184	198,969
Total gross sales	**776,847**	**620,209**	**1,643,770**	**1,707,357**
Deduction from gross sales				
Sales Return - private clients	(17,784)	(11,152)	(40,832)	(30,875)
Sales Return – governmental entities clients	(1,876)	(1,149)	(8,334)	(4,728)
Discounts granted	(285)	(1,751)	(1,789)	(3,329)
Sales taxes	(54,564)	(51,742)	(139,533)	(139,459)
Total deductions from revenue	(74,509)	(65,794)	(190,488)	(178,391)
Net operating revenue	**702,338**	**554,415**	**1,453,282**	**1,528,966**

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.

17 Costs and expenses by function and nature

	Individual		Consolidated	
	03/31/2024	**03/31/2023**	**03/31/2024**	**03/31/2023**
By function				
Cost of goods sold	(641,689)	(502,950)	(1,268,057)	(1,328,623)
Selling expenses	(30,969)	(31,706)	(78,635)	(87,529)
General and administrative	(27,579)	(26,446)	(98,371)	(102,910)
Losses due to impairment of accounts receivable	4,994	(1,668)	4,434	(4,962)
Other revenues	26,847	24,631	347	16,824
Other expenses	(1,242)	(10,799)	(2,582)	(16,413)
	(669,638)	**(548,938)**	**(1,442,864)**	**(1,523,613)**
By nature				
Cost of resale of goods	(641,689)	(502,950)	(1,268,057)	(1,328,623)
Salaries and social charges	(28,479)	(25,764)	(70,402)	(71,244)
Share-based remuneration	(3,554)	(977)	(3,554)	(977)
Commissions on sales	-	-	(2,758)	(859)
Freights and carriages	(5,614)	(5,526)	(19,945)	(28,964)
Amortization and depreciation	(2,792)	(2,473)	(40,604)	(40,889)
Common area maintenance fees and other occupation expenses	(1,480)	(2,884)	(3,007)	(3,129)
Services rendered - Legal entity	(7,677)	(15,826)	(14,429)	(24,104)
Losses due to impairment of accounts receivable	4,994	(1,668)	4,434	(4,962)
Other revenues (a)	26,847	24,631	347	16,824
Other expenses	(10,194)	(15,501)	(24,889)	(36,686)
	(669,638)	**(548,938)**	**(1,442,864)**	**(1,523,613)**

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

18 Financial income

	Individual		Consolidated	
	03/31/2024	**03/31/2023**	**03/31/2024**	**03/31/2023**
Financial expenses				
Interest on loans and leases	(63,029)	(73,524)	(73,872)	(87,076)
Other financial expenses (a)	(13,463)	(7,868)	(27,651)	(15,572)
	(76,492)	**(81,392)**	**(101,523)**	**(102,648)**
Financial revenues				
Asset interest	1,465	877	10,562	5,910
Finance investment income	808	1,871	1,163	2,326
Other financial revenues	2,250	-	60	-
	4,523	**2,748**	**11,785**	**8,236**
Financial income	**(71,969)**	**(78,644)**	**(89,738)**	**(94,412)**

(a) The increase in "other financial expenses" caption for the period mainly refers to banking expenses and interest and fines from suppliers.

19 Income tax and social contribution

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

	Individual		Consolidated	
	03/31/2024	**03/31/2023**	**03/31/2024**	**03/31/2023**
Current:				
Corporate income tax	-	-	(4,753)	(4,915)
Social contribution on net income	-	-	(1,711)	(1,769)
	-	**-**	**(6,464)**	**(6,684)**
Deferred:				
Corporate income tax	8,975	6,090	23,134	15,837
Social contribution on net income	3,231	2,192	8,328	5,701
	12,206	**8,282**	**31,462**	**21,538**

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	
	03/31/2024	**03/31/2023**	**03/31/2024**	**03/31/2023**
Loss before income tax and social contribution	(67,165)	(83,190)	(79,320)	(89,059)
Legal combined rate	34%	34%	34%	34%
Income tax and social contribution at statutory rates	22,836	28,285	26,969	30,280
Adjustments to net income that affect taxable income:				
Equity on earnings of subsidiaries	(9,485)	(3,408)	-	-
Deferred Taxes - Individuals using Self-Regulation	481	-	11,602	-
Investment grant	-	7,549	-	11,287
Regularization of deferred tax balances	-	(10,132)	(9,295)	(7,572)
Interest on own capital	-	(6,292)	-	-
Tax loss and temporary differences without deferral	(3,179)	(7,179)	(4,274)	(17,525)
Other additions and exclusions, net	1,553	(540)	(4)	(1,617)
Additions and exclusions, net	(10,630)	(20,003)	(1,971)	(15,426)
Total credited/debited to the result	12,206	8,282	24,998	14,854
Effective rate on the net effect of current and deferred IRPJ/CSLL	18%	10%	32%	17%

Deferred income tax and social 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	
	03/31/2024	**12/31/2023**	**03/31/2024**	**12/31/2023**
Balances:				
Provision for impairment	4,360	6,103	22,145	23,457
Provision for inventory losses	107	147	527	898
Sundry provisions	47,912	32,548	225,352	174,787
Goodwill	(16,864)	(14,830)	(17,374)	(14,989)
Share-based remuneration	21,677	20,620	21,677	20,620
Tax loss and negative basis	243,391	243,673	305,693	337,051
	300,583	**288,261**	**558,020**	**541,824**

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, whose expectation of realization of tax credits is presented below:

Year	**Individual**	**Consolidated**
2024	(39,611)	(49,750)
2025	1,035	1,300
2026	21,348	26,813
2027	23,812	29,907
>2028	236,807	297,423
	243,391	**305,693**

20 Earnings per share

The calculation of net earnings per share for the periods ended March 31, 2024, and 2023 is shown below:

	03/31/2024	**03/31/2023**
Loss for the period	(54,322)	(74,205)
Number of shares	603,032	535,644
Loss per share - basic - R$	**(0,090)**	**(0,139)**
Adjustments to share purchase options (weighted average)	17,251	15,640
Number of shares for diluted profits per share	620,283	551,284
Diluted loss per share - R$	**(0,090)**	**(0,139)**

For the period ended March 31, 2024 and 2023, the calculation of diluted earnings per share resulted in an antidilutive effect, pursuant to item 19 of CPC 41 – Earnings per Share. Therefore, due to such effect, for purposes of presenting the earnings per share for the period, the basic and diluted earnings per share resulted in the same balance per share.

21 Financial instruments

Information related to Elfa'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	**03/31/2024**	**12/31/2023**	**03/31/2024**	**12/31/2023**
Assets, according to the balance sheet					
Cash and cash equivalents	(i)	59,055	125,744	128,639	365,624
Accounts receivable	(i)	747,465	635,131	1,394,715	1,313,321
Other receivables	(i)	124,464	107,357	317,027	331,534
Indemnification assets	(i)	658	658	166,417	166,866
Advance for future capital increase and related parties	(i)	282,750	272,815	-	-
Liabilities, according to the balance sheet					
Suppliers and other accounts payable	(iii)	673,511	651,235	1,139,384	1,312,492
Loans and financing	(iii)	1,617,610	1,592,597	1,802,569	1,779,273
Derivative	(ii)	1,236	3,638	1,236	3,638
Commitments with investment acquisitions	(iii)	173,391	173,390	173,391	173,390
Accounts payable for the investment acquisition	(iii)	117,715	118,146	198,923	199,638
Accounts payables to related parties	(iii)	322,381	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 Company is exposed to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk.

Risk management framework

The Company's Management has global responsibility for the establishment and overview of the Company's risk management structure.

The Company's risk management policies are established in order to identify and analyze the risks to which the Company is exposed, to define appropriate risk limits and controls, and to monitor the risks and compliance with the limits imposed. The risk management policies and systems are frequently revised to reflect changes in market conditions and in the activities of the Company. The Company, through its training and management standards and procedures, aims to keep a disciplined and controlled environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of the Company incurring financial losses if a customer or counterparty in a financial instrument fails to perform its contractual obligations. This risk is mainly due to trade accounts receivable and financial instruments of the Company.

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 6.

Accounts receivable

The Company's exposure to credit risk is mainly influenced by the individual characteristics of each customer. However, the Management also takes into account factors that may influence the credit risk of its customer base, including the risk of non-payment by the industry in which the customer operates.

The Management has established a credit policy in which each new customer is individually evaluated for their financial condition before the Company submits a proposed credit limit and payment methods. The Company's review includes the assessment of external ratings, when available, financial statements, information from credit agencies, industry information, and, in some cases, bank references. Credit limits are set for each client and are reviewed annually.

The Company 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, customers are grouped according to their credit characteristics, including whether they are individuals or legal entities, resellers or end customers, their geographical area, industry, history of trading with the Company, and the existence of financial difficulties in the past.

The Company 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 March 31, 2024, the Company does not have any client representing more than five percent (5%) of the balance of accounts receivable.

Assessment of expected credit loss for clients on January 1 and March 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 is constituted, when required, in accordance with the discretion of the Company'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 customers' list and its geographic dispersion significantly reduce the risk.

Cash and cash equivalents

The Company had a consolidated balance of "Cash and cash equivalents" of R$ 128,639 as of March 31, 2024 (R$ 365,624 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 Company 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 the Company's reputation.

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

Exposure to liquidity risk

We present below the contractual maturities of financial liabilities on the date of the financial statement. These amounts are gross, without deductions, including estimated interest payouts and excluding the effects of set-off agreements.

March 31, 2024		**Consolidated**				
		Contractual cash flows				
	Book value	**Total**	**01−12 months**	**01−02 years**	**02−05 years**	**>05 years**
Non-derivative financial liabilities						
Loans and financing	1,752,387	928,459	384,645	272,030	271,783	-
Leases payable	51,418	48,019	22,353	12,842	12,825	-
Suppliers and other accounts payable	1,139,385	1,139,385	1,139,385	-	-	-
Accounts payable for the investment acquisition	372,314	164,279	89,778	37,256	37,245	-
	3,315,504	**2,280,142**	**1,636,161**	**322,128**	**321,853**	**-**

March 31, 2023		**Consolidated**				
		Contractual cash flows				
	Book value	**Total**	**01−12 months**	**01−02 years**	**02−05 years**	**>05 years**
Non-derivative financial liabilities						
Loans and financing	1,923,922	2,287,310	716,297	786,968	784,045	-
Leases payable	73,659	64,593	24,394	19,718	20,481	-
Suppliers and other accounts payable	1,169,767	1,169,767	1,169,767	-	-	-
Accounts payable for the investment acquisition	314,680	319,538	120,885	99,484	99,169	-
	3,482,028	**3,841,208**	**2,031,343**	**906,170**	**903,695**	**-**

Market risk

Market risk is the risk that changes in market prices — such as foreign exchange rates and interest rates — affecting the Company'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.

Currency risk

The Company 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 Company in foreign currency are hedged through derivative agreements that mitigate the Company's exposure to exchange variation. The Company does not have hedge accounting.

Interest rate risk

The profile of interest rates of the Company's interest-bearing financial instruments, as reported to the Management, is as follows:

	Consolidated	
	Nominal value	
	03/31/2024	12/31/2023
Instruments with floating interest rate		
Cash and cash equivalents and financial investments	128,639	365,624
Bank loans and leases payable	(1,802,569)	(1,779,273)
Net exposure	**(1,673,930)**	**(1,413,649)**

Sensitivity analysis for instruments with interest and exchange rates

The Company does not have any financial assets or liabilities at fair value, with an interest rate fixed through profit or loss, and the Company does not designate derivatives (interest rate 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 consolidated financial statements for the period ended March 31, 2024, plus the CDI projected for 2024, two different scenarios were set. Scenario I assume a 25% drop in the CDI and scenario II assumes a 50% drop in the CDI. Considering the stress rates, the estimated accounting balances would be:

				Scenario I	Scenario II
Transaction	**CDI risk**	**Nominal value**	**Probable scenario**	**25% deterioration**	**50% deterioration**
Marketable securities	CDI decrease (25%)	47,819	51,884	50,867	49,851
Interest earning bank deposits			**51,884**	**50,867**	**49,851**

In order to evaluate the sensitivity of the index of the loans to which the Group was exposed on the base date of March 31, 2024, 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 1) and 50% (scenario 2). Considering the stress rates, the estimated accounting balances would be:

Data:		**Probable scenario**	**Scenario I 25% deterioration**	**Scenario II 50% deterioration**
USD FX rate on 03/31/2024		R$ 4.9962	R$ 4.9962	R$ 4.9962
Estimated USD FX rate for 2024[1]		R$ 5.0000	R$ 6.2500	R$ 7.5000
CDI projected for the end of the fiscal year [2]		8.50%	10.63%	12.75%
Loan Amount in USD		2,343	2,343	2,343
Transaction:				
Future	CDI increase[2]	995	1,244	1,493
Hedge Debt in USD	Debt (risk of USD rate increase)	(9)	(2,938)	(5,867)
	Derivative (risk of USD rate increase)	9	2,938	5,867
Net effect		995	1,244	1,493

(1) according to the projected rate for the end of the period disclosed in the Focus Bacen report of April 12, 2024.

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

22 Share-based payment

The accounting policy on share-based payment is presented in note 8(d)(ii) of the financial statements as of December 31, 2023.

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

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 Company recognized in the profit or loss as expenses with salaries and charges, the total amount against expenses with payment based on shares, as shown in the table below:

Plan	**03/31/2024**	**03/31/2023**
2019 Incentive	844	232
2020 Incentive	1,404	386
2021 Incentive	1,306	359
Expense recognized in the period	3,554	977

23 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: Specialties and Pharmaceuticals, which encompasses all medicines, whether specialties, generics, or similar, and Hospital Medical Supplies, which encompasses hospital materials and equipment and nutrition.

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

03/31/2024	**Medicines**	**Material**	**Corporate not allocated**	**Consolidated**
Net operating revenue	1,093,210	360,072	-	1,453,282
Cost of goods sold	(982,150)	(285,907)	-	(1,268,057)
Gross profit	**111,060**	**74,165**	**-**	**185,225**
Selling expenses	(53,294)	(25,341)	-	(78,635)
Contribution margin	**57,766**	**48,824**	**-**	**106,590**
Contribution Margin % /Net Operating Revenue	-	-	-	-
Losses (reversal) due to impairment of accounts receivable	-	-	4,434	4,434
General and administrative expenses	-	-	(98,371)	(98,371)
Other revenues	-	-	347	347
Other expenses	-	-	(2,582)	(2,582)
Operating profit before financial income and taxes	**57,766**	**48,824**	**(96,172)**	**10,418**

03/31/2023	**Medicines**	**Material**	**Corporate not allocated**	**Consolidated**
Net operating revenue	1,184,891	344,075	-	1,528,966
Cost of goods sold	(1,061,866)	(266,757)	-	(1,328,623)
Gross profit	**123,025**	**77,318**	**-**	**200,343**
	10.38%	22.47%	-	13.10%
Selling expenses	(50,016)	(37,513)	-	(87,529)
Contribution margin	**73,009**	**39,805**	**-**	**112,814**
Contribution Margin % /Net Operating Revenue	**6.16%**	**11.57%**	**-**	**7.38%**
Losses (reversal) due to impairment of accounts receivable	-	-	(4,962)	(4,962)
General and administrative expenses	-	-	(102,910)	(102,910)
Other revenues	-	-	16,824	16,824
Other expenses	-	-	(16,413)	(16,413)
Operating profit before financial income and taxes	**71,053**	**39,091**	**(107,606)**	**5,353**

24 Supplementary information to the Statement of cash flow

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

	Individual	Consolidated
	03/31/2024	**03/31/2024**
Cash transactions:		
Advance for future capital increase in investees.	(16,812)	-
Transactions not involving cash:		
Write-off of advance for future capital increase in investee	(4,000)	-
= Total shown in the Other social obligations line in the Statement of Cash Flows	(20,812)	-

*   *   *

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Helena Leal
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