

**Hypera S.A.**  
Quarterly information report  
September 30, 2023

# Content

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## Hypera Pharma reports Net Revenue growth of 5.0% and reaches the highest ever recorded EBITDA from Continuing Operations of R\$797.2 million in 3Q23

São Paulo, October 26, 2023 – Hypera S.A. (“Hypera Pharma” or “Company”; B3: HYPE3; Bloomberg: HYPE3 BZ; ISIN: BRHYPEACNOR0; Reuters: HYPE3.SA; ADR: HYPMY) announces its financial results for the 3<sup>rd</sup> quarter of 2023. Financial data disclosed here are taken from the consolidated financial statements of Hypera S.A., prepared in accordance with the Brazilian Accounting Pronouncement Committee (CPC) and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

### 3Q23 Highlights

- Net Revenue of R\$2,138.5 million, up 5.0% versus 3Q22
- Highest ever recorded EBITDA from Continuing Operations (excl. Others) of R\$774.1 million, up 7.0% vs. 3Q22
- Growth of 63.8%<sup>1</sup> in Non-Retail revenues when compared to 3Q22
- Cash Flow From Operations of R\$724.4 million, highest level ever recorded in a quarter
- Interest on Equity approval of R\$194.8 million

Table 1

(R\$ million)	3Q22	% NR	3Q23	% NR	Δ %	9M22	% NR	9M23	% NR	Δ %
Gross Revenue, net of Returns and Unconditional Discounts	2,341.4	115.0%	2,485.7	116.2%	6.2%	6,205.5	114.4%	6,975.5	115.0%	12.4%
Net Revenue	2,035.8	100.0%	2,138.5	100.0%	5.0%	5,425.0	100.0%	6,067.7	100.0%	11.8%
Gross Profit	1,292.4	63.5%	1,353.8	63.3%	4.8%	3,439.6	63.4%	3,849.1	63.4%	11.9%
SG&A (excl. Marketing and R&D)	(259.3)	-12.7%	(280.5)	-13.1%	8.2%	(691.3)	-12.7%	(821.4)	-13.5%	18.8%
Research & Development	(28.9)	-1.4%	(45.1)	-2.1%	56.1%	(105.3)	-1.9%	(128.7)	-2.1%	22.2%
Marketing	(326.8)	-16.1%	(327.8)	-15.3%	0.3%	(872.0)	-16.1%	(950.3)	-15.7%	9.0%
EBITDA from Continuing Operations (excl. Others)	723.6	35.5%	774.1	36.2%	7.0%	1,897.7	35.0%	2,127.2	35.1%	12.1%
EBITDA from Continuing Operations	727.2	35.7%	797.2	37.3%	9.6%	1,916.2	35.3%	2,175.4	35.9%	13.5%
Net Income from Continuing Operations	469.7	23.1%	499.5	23.4%	6.3%	1,274.7	23.5%	1,343.3	22.1%	5.4%
Cash Flow from Operations	677.5	33.3%	724.4	33.9%	6.9%	1,524.3	28.1%	1,604.0	26.4%	5.2%

EARNINGS CONFERENCE CALL – PORTUGUESE: 10/27/2023, 11am (Brasília) / 10am (New York)

Webcast: [click here](#) / Phone: +55 (11) 4700-9668 ID: 892 4147 8130 Passcode: 55981

Replay: [ri.hypera.com.br](http://ri.hypera.com.br)

EARNINGS CONFERENCE CALL – ENGLISH: (Simultaneous translation): 10/27/2023, 11am (Brasília) / 10am (New York)

Webcast: [click here](#) / Phone: +1 (646) 558-8656 ID: 892 4147 8130 Passcode: 55981

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Note: (1) Does not include the non-recurring revenue from Immunoglobulin recorded in 3Q22.

## Operating Scenario

Hypera Pharma's Net Revenue grew 5.0% in the third quarter when compared to 3Q22, reaching R\$2,138.5 million. The performance of Net Revenue in 3Q23 is a consequence of: (i) the recent sell-out growth in drugstores and distributors; (ii) the increase in e-commerce platforms, supermarkets, Simple Organic and Bioage sales, not considered in the sell-out measured by IQVIA; and (iii) the growth in the Non-Retail sales.

The sell-out growth for the quarter was 4.2%<sup>1</sup> and was negatively impacted by the performance in Flu, Respiratory, Pain and Fever categories that concentrate important Power Brands<sup>2</sup> for the Company. The pharmaceutical retail market grew 8.8%<sup>3</sup> in the quarter, decelerating from the around 12% growth in 1H23.

The performance observed in these categories, which represented 37% of Hypera Pharma's sell-out and 12% of the total pharmaceutical retail market in the quarter, is mainly the result of the approximately 30% decrease in the total number of flu cases<sup>4</sup> recorded in Brazil in 3Q23, which led to a 10% reduction<sup>5</sup> in the volume of medicines sold in these categories in the period, mainly as a result of the totally atypical winter with the country's highest temperatures in the last 60 years<sup>6</sup>. It is important to mention that the Company kept its market-share in the categories in which it operates.

Hypera Pharma's growth in categories more related to off-patent chronic and preventive treatments, such as Cardiology, Central Nervous System, Ophthalmology and Women's Health, was higher than the market growth in 3Q23. It is worth highlighting that the Company has several projects in its innovation pipeline to strengthen its operations in these categories, whose growth estimated by IQVIA for the next 5 years is higher than the average growth expected for the pharmaceutical retail market.

Non-Retail contributed with R\$119.3 million to Net Revenue, up 18.3% versus 3Q22, 63.8% when excluding the revenue from the non-recurring sale of Immunoglobulin recorded in the same period of the previous year, with EBITDA Margin expanding once again. This growth, higher than the Company's initial expectations for the period, is a consequence of the recently implemented initiatives aimed at boosting the growth of the current product portfolio, the recent launches, the increase in the sales teams and the higher product availability.

The growth in Net Revenue and a greater discipline in managing variable costs and expenses related to the Flu, Respiratory, Pain and Fever categories helped Hypera Pharma to achieve EBITDA from Continuing Operations, when excluding the contribution from Other Operating Revenues, of R\$774.1 million, with margin of 36.2%, or 0.7 percentage point higher than 3Q22, and record Cash Flow From Operations of R\$724.4 million, the highest level ever recorded in a quarter.

Also in 3Q23, the Company declared Interest on Equity of R\$194.8 million (R\$0.31/share), and was recognized once again for its medium and long-term sustainable practices and commitments.

The Company is now present of the London Stock Exchange's FTSE4Good Index Series, one of the most important international sustainability indexes from the Financial Times Stock Exchange (FTSE), and B3's IDIVERSA, which awards companies that meet gender and race diversity criteria.

**Considering the recent sell-out performance in Flu, Respiratory, Pain and Fever categories and the slowdown in the growth rate of the Brazilian pharmaceutical retail market, which went from 12% in 1H23 to 7% in September and October, according to the data and recent projections from IQVIA, the Company estimates Net Revenue growth of around 8% for 2023, reaching around 95% of the Net Revenue, EBITDA from Continuing Operations (ex-Others) and Net Income from Continuing Operations estimated for the year, in line with the guidance reported on February 16, 2023.**

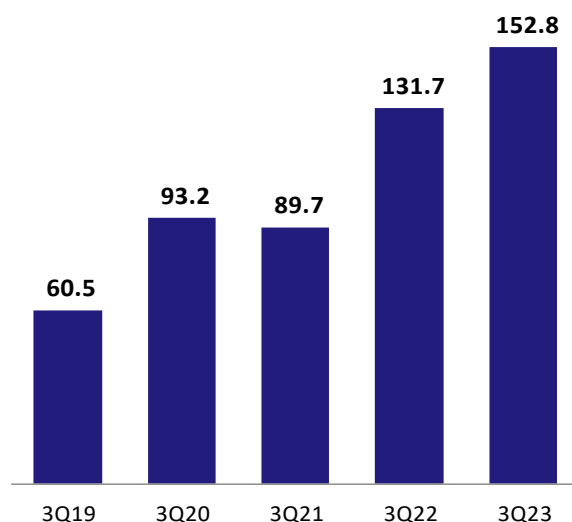
**The operating performance expected for 2023 does not change the Company's vision of the many opportunities in the Brazilian pharmaceutical market, which is expected to grow between 8% and 11% over the next 5 years, according to IQVIA<sup>7</sup>, or its sustainable growth strategy based on the growth of its leading brands, new product launches and increased production capacity.**

*Note: (1) Sell-out PPP (Pharmacy Purchase Price), as reported by IQVIA, considers the average purchase price by pharmacies and chains; (2) Power Brands are brands with +R\$100 million sell-out; (3) according to IQVIA; (4) according to Fiocruz; (5) in units, according to IQVIA; (6) according to the National Institute of Meteorology; (7) IQVIA Latin America Market Review & Projections | 2nd Edition 2023.*

## Innovation & Launches

Graph 1

R&D Investments (R\$ million)



Total R&D investments, including the amount capitalized as intangible assets, totaled R\$152.8 million in 3Q23<sup>1</sup>, or 16.0% higher than 3Q22, once again evidencing the Company's commitment to the constant innovation of its portfolio of products and additional investments in R&D to develop the innovation pipeline to support the growth in Non-Retail.

The Freshness Index, corresponding to the percentage of Net Revenue from products launched in the last five years, was 24% in the 3Q23, and the products launched in the last two years represented 241.5% of the Net Revenue added in the quarter when compared to 3Q22.

In 3Q23, the Company launched several new products such as **Descon**, a new brand for treating the common symptoms of flu, cold, rhinitis and sinusitis, **Addera Max Cal**, which combines vitamin D with a high concentration of calcium, and **Rinosoro XT Spray** with xylitol.

Also in this quarter, Hypera launched the first line extensions of Nebacetin and Cepacol, brands recently acquired from Takeda and Sanofi, with the new **Nebacetin Baby** line, for the prevention and treatment of diaper rash in babies and children, and the new **Cepacol**

**Menta Ice** and **Cepacol Nitrus Fusion** mouthwashes.

In Skincare, the Company expanded its line of **Ivy** and **Epidrat** brands, and in Similar and Generics, it launched the hypertensive **Levanlopidine Besylate** and the new combination of **Ezetimibe with Simvastatin**, which acts against high cholesterol and triglyceride levels. In Non-Retail, the highlights were the launches of the antibiotics **Azithromycin** and **Clarithromycin**.



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

## Earnings Discussion

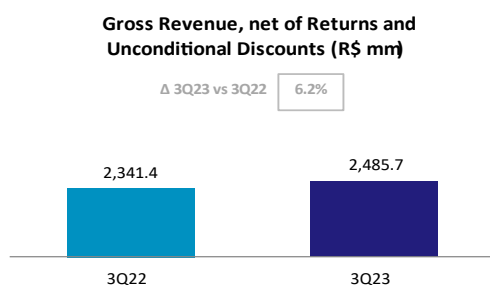
### Income Statement

Table 2

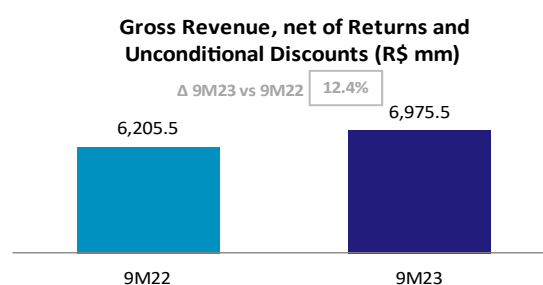
(R\$ million)	3Q22	% NR	3Q23	% NR	Δ %	9M22	% NR	9M23	% NR	Δ %
<b>Net Revenue</b>	<b>2,035.8</b>	<b>100.0%</b>	<b>2,138.5</b>	<b>100.0%</b>	<b>5.0%</b>	<b>5,425.0</b>	<b>100.0%</b>	<b>6,067.7</b>	<b>100.0%</b>	<b>11.8%</b>
<b>Gross Profit</b>	<b>1,292.4</b>	<b>63.5%</b>	<b>1,353.8</b>	<b>63.3%</b>	<b>4.8%</b>	<b>3,439.6</b>	<b>63.4%</b>	<b>3,849.1</b>	<b>63.4%</b>	<b>11.9%</b>
Marketing Expenses	(326.8)	-16.1%	(327.8)	-15.3%	0.3%	(872.0)	-16.1%	(950.3)	-15.7%	9.0%
Selling Expenses	(205.7)	-10.1%	(236.4)	-11.1%	15.0%	(578.1)	-10.7%	(690.2)	-11.4%	19.4%
General and Administrative Expenses	(82.5)	-4.1%	(89.2)	-4.2%	8.0%	(218.5)	-4.0%	(259.9)	-4.3%	18.9%
Other Operating Revenues (Expenses)	3.7	0.2%	23.0	1.1%	527.8%	18.5	0.3%	48.2	0.8%	160.8%
Equity in Subsidiaries	3.0	0.1%	12.4	0.6%	317.5%	6.7	0.1%	8.8	0.1%	32.0%
<b>EBIT from Continuing Operations</b>	<b>684.0</b>	<b>33.6%</b>	<b>735.8</b>	<b>34.4%</b>	<b>7.6%</b>	<b>1,796.1</b>	<b>33.1%</b>	<b>2,005.8</b>	<b>33.1%</b>	<b>11.7%</b>
Net Financial Expenses	(241.9)	-11.9%	(261.5)	-12.2%	8.1%	(625.9)	-11.5%	(789.6)	-13.0%	26.2%
Income Tax and CSLL	27.5	1.4%	25.1	1.2%	-8.8%	104.5	1.9%	127.1	2.1%	21.7%
<b>Net Income (Loss) from Continuing Operations</b>	<b>469.7</b>	<b>23.1%</b>	<b>499.5</b>	<b>23.4%</b>	<b>6.3%</b>	<b>1,274.7</b>	<b>23.5%</b>	<b>1,343.3</b>	<b>22.1%</b>	<b>5.4%</b>
Net Income from Discontinued Operations	(3.6)	-0.2%	(0.2)	0.0%	-94.6%	(5.9)	-0.1%	(0.8)	0.0%	-85.7%
<b>Net Income (Loss)</b>	<b>466.0</b>	<b>22.9%</b>	<b>499.3</b>	<b>23.3%</b>	<b>7.1%</b>	<b>1,268.8</b>	<b>23.4%</b>	<b>1,342.4</b>	<b>22.1%</b>	<b>5.8%</b>
<b>EBITDA from Continuing Operations</b>	<b>727.2</b>	<b>35.7%</b>	<b>797.2</b>	<b>37.3%</b>	<b>9.6%</b>	<b>1,916.2</b>	<b>35.3%</b>	<b>2,175.4</b>	<b>35.9%</b>	<b>13.5%</b>

## Net Revenue

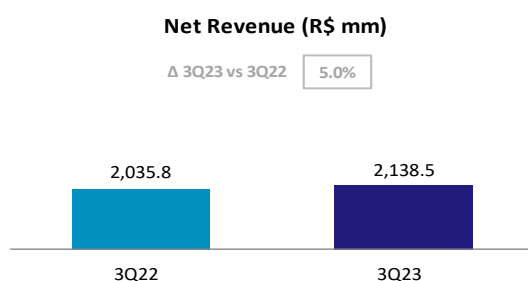
**Graph 2**



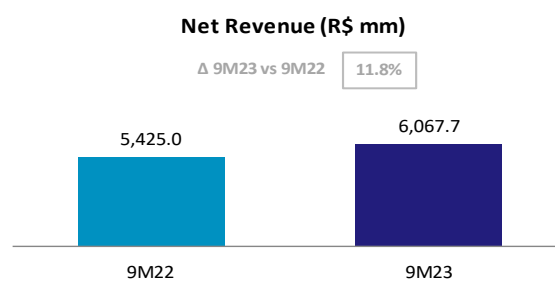
**Graph 3**



**Graph 4**



**Graph 5**



**Table 3**

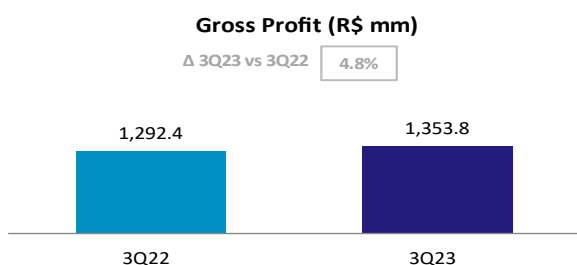
(R\$ million)	3Q22	3Q23	Δ %	9M22	9M23	Δ %
Gross Revenue, net of Returns and Unconditional Discounts	2,341.4	2,485.7	6.2%	6,205.5	6,975.5	12.4%
Promotional Discounts	(137.7)	(177.8)	29.1%	(337.6)	(423.3)	25.4%
Taxes	(168.0)	(169.4)	0.8%	(442.9)	(484.5)	9.4%
Net Revenue	2,035.8	2,138.5	5.0%	5,425.0	6,067.7	11.8%

Net Revenue grew by 5.0% in 3Q23 and reached R\$2,138.5 million. The performance of Net Revenue in 3Q23 is a consequence of: (i) the recent sell-out growth in drugstores and distributors; (ii) the increase in e-commerce platforms, supermarkets, **Simple Organic** and **Bioage** sales, not considered in the sell-out measured by IQVIA; and (iii) **the 18.3% sales growth in the Non-Retail, or 63.8% when excluding the revenue from non-recurring sales of Immunoglobulin recorded in the same period of the previous year.**

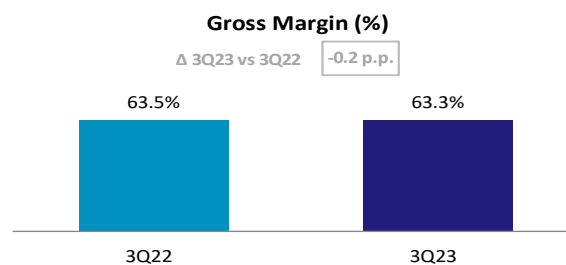


## Gross Profit

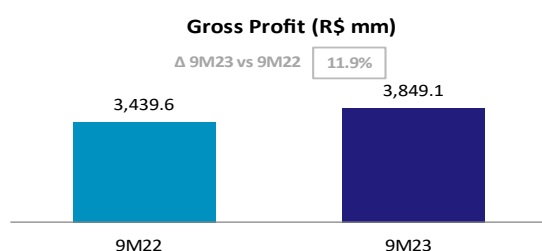
**Graph 6**



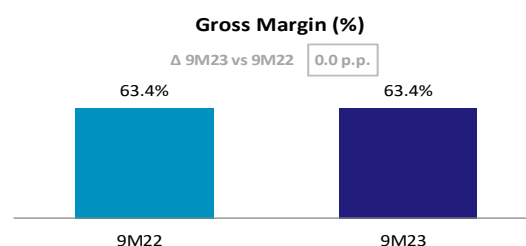
**Graph 7**



**Graph 8**



**Graph 9**



**Table 4**

(R\$ million)	3Q22	% NR	3Q23	% NR	Δ %	Δ p.p.	9M22	% NR	9M23	% NR	Δ %	Δ p.p.
Gross Profit	1,292.4	63.5%	1,353.8	63.3%	4.8%	-0.2 p.p.	3,439.6	63.4%	3,849.1	63.4%	11.9%	0.0 p.p.

Gross Profit reached R\$1,353.8 million in 3Q23, with a Gross Margin of 63.3%, compared to 63.5% in 3Q22. The variation in Gross Margin is mainly due to the negative impact of the mix of products sold.



## Marketing Expenses

Table 5

(R\$ million)	3Q22	% NR	3Q23	% NR	Δ %	9M22	% NR	9M23	% NR	Δ %
Marketing Expenses	(326.8)	-16.1%	(327.8)	-15.3%	0.3%	(872.0)	-16.1%	(950.3)	-15.7%	9.0%
Advertisement and Consumer Promotion	(95.9)	-4.7%	(96.4)	-4.5%	0.5%	(262.1)	-4.8%	(274.1)	-4.5%	4.6%
Trade Deals	(48.2)	-2.4%	(79.6)	-3.7%	65.2%	(127.6)	-2.4%	(158.2)	-2.6%	23.9%
Medical Visits, Promotions and Others	(182.7)	-9.0%	(151.8)	-7.1%	-16.9%	(482.3)	-8.9%	(518.0)	-8.5%	7.4%

Marketing Expenses represented 15.3% of Net Revenue, compared to 16.1% in 3Q22. In the last 9 months, Marketing Expenses grew by 9.0% to R\$950.3 million.

The dilution in Marketing Expenses as a percentage of Net Revenue in the quarter is mainly the result of the lower Advertising and Consumer Promotion and Medical Visits, Promotions and Other related to the Flu, Respiratory, Pain and Fever categories, whose performance was negatively affected by the 30% decrease in the number of flu cases in Brazil, according to Fiocruz.

## Selling Expenses

Table 6

(R\$ million)	3Q22	% NR	3Q23	% NR	Δ %	9M22	% NR	9M23	% NR	Δ %
Selling Expenses	(205.7)	-10.1%	(236.4)	-11.1%	15.0%	(578.1)	-10.7%	(690.2)	-11.4%	19.4%
Commercial Expenses	(131.2)	-6.4%	(144.8)	-6.8%	10.4%	(354.7)	-6.5%	(421.0)	-6.9%	18.7%
Freight and Logistics Expenses	(45.6)	-2.2%	(46.5)	-2.2%	2.0%	(118.0)	-2.2%	(140.4)	-2.3%	19.0%
Research & Development	(28.9)	-1.4%	(45.1)	-2.1%	56.1%	(105.3)	-1.9%	(128.7)	-2.1%	22.2%

Selling Expenses increased its share of Net Revenue by 1.0 percentage point, mainly due to the 0.7 percentage point increase in the share of Research and Development expenses, as a result of investments in its innovation pipeline and the reduction in the benefit from Lei do Bem, which went from R\$21.6 million in 3Q22 to R\$6.5 million in 3Q23.

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

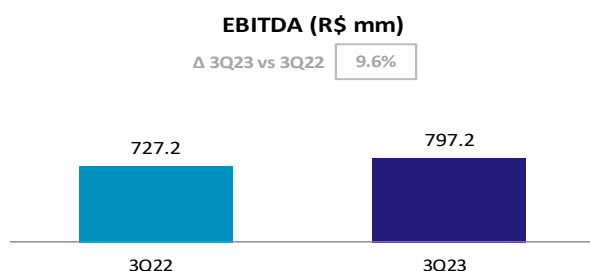
Table 7

(R\$ million)	3Q22	% NR	3Q23	% NR	Δ %	9M22	% NR	9M23	% NR	Δ %
General & Administrative Expenses	(82.5)	-4.1%	(89.2)	-4.2%	8.0%	(218.5)	-4.0%	(259.9)	-4.3%	18.9%
Other Operating Revenues (Expenses)	3.7	0.2%	23.0	1.1%	527.8%	18.5	0.3%	48.2	0.8%	160.8%

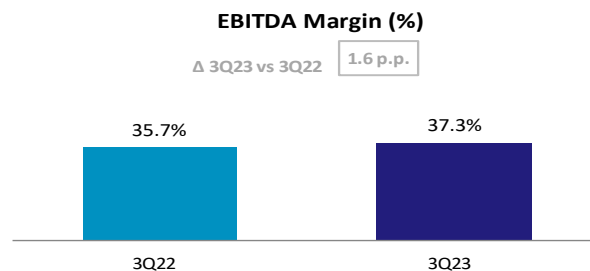
General and Administrative Expenses remained around the same level as in 3Q22, and increased its share of Net Revenue by 0.3 percentage point in the last 9 months, when compared to the same period of the previous year, mainly as a result of the increase in administrative teams and information technology and infrastructure expenses.

## EBITDA from Continuing Operations

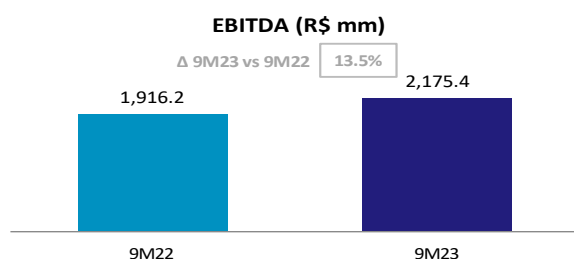
**Graph 10**



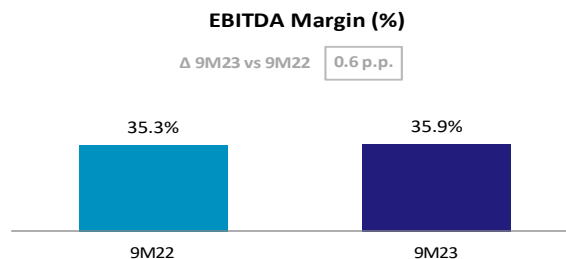
**Graph 11**



**Graph 12**



**Graph 13**



**Table 8 – EBITDA from Continuing Operations**

(R\$ million)	3Q22	% NR	3Q23	% NR	Δ %	9M22	% NR	9M23	% NR	Δ %
EBITDA from Continuing Operations	727.2	35.7%	797.2	37.3%	9.6%	1,916.2	35.3%	2,175.4	35.9%	13.5%
EBITDA from Continuing Operations (excl. Others)	723.6	35.5%	774.1	36.2%	7.0%	1,897.7	35.0%	2,127.2	35.1%	12.1%

EBITDA from Continuing Operations was R\$797.2 million in 3Q23, with a margin of 37.3%. When excluding the contribution of Other Operating Revenues, the EBITDA Margin from Continuing Operations was 36.2% in 3Q23, compared to 35.5% in 3Q22, mainly reflecting the lower share of Marketing Expenses in Net Revenues.

In 9M23, the EBITDA Margin from Continuing Operations, when excluding the contribution of Other Operating Revenues, was 35.1%, compared to 35.0% in 9M22.

## Net Financial Expenses

Table 9

(R\$ million)	3Q22	% NR	3Q23	% NR	Δ R\$	9M22	% NR	9M23	% NR	Δ R\$
Financial Result	(241.9)	-11.9%	(261.5)	-12.2%	(19.6)	(625.9)	-11.5%	(789.6)	-13.0%	(163.7)
Net Interest Expenses	(195.9)	-9.6%	(235.4)	-11.0%	(39.5)	(515.3)	-9.5%	(689.4)	-11.4%	(174.0)
Cost of Hedge and FX Gains (Losses)	(14.1)	-0.7%	(5.2)	-0.2%	8.9	(38.4)	-0.7%	(27.0)	-0.4%	11.4
Other	(32.0)	-1.6%	(20.9)	-1.0%	11.0	(72.2)	-1.3%	(73.2)	-1.2%	(1.1)

The Financial Result presented a negative balance of R\$261.5 million in 3Q23, compared to R\$241.9 million in 3Q22. This variation is the result of the increase in interest expenses in the period due to the Company's higher gross debt.

## Net Income

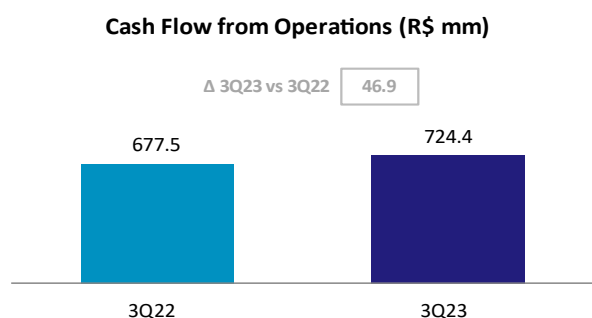
Table 10

(R\$ million)	3Q22	% NR	3Q23	% NR	Δ %	9M22	% NR	9M23	% NR	Δ %
EBIT from Continuing Operations	684.0	33.6%	735.8	34.4%	7.6%	1,796.1	33.1%	2,005.8	33.1%	11.7%
(-) Net Financial Expenses	(241.9)	-11.9%	(261.5)	-12.2%	8.1%	(625.9)	-11.5%	(789.6)	-13.0%	26.2%
(-) Income Tax and Social Contribution	27.5	1.4%	25.1	1.2%	-8.8%	104.5	1.9%	127.1	2.1%	21.7%
<b>Net Income from Continuing Operations</b>	<b>469.7</b>	<b>23.1%</b>	<b>499.5</b>	<b>23.4%</b>	<b>6.3%</b>	<b>1,274.7</b>	<b>23.5%</b>	<b>1,343.3</b>	<b>22.1%</b>	<b>5.4%</b>
(+) Net Income from Discontinued Operations	(3.6)	-0.2%	(0.2)	0.0%	-94.6%	(5.9)	-0.1%	(0.8)	0.0%	-85.7%
<b>Net Income</b>	<b>466.0</b>	<b>22.9%</b>	<b>499.3</b>	<b>23.3%</b>	<b>7.1%</b>	<b>1,268.8</b>	<b>23.4%</b>	<b>1,342.4</b>	<b>22.1%</b>	<b>5.8%</b>
<b>EPS</b>	<b>0.73</b>	<b>0.00</b>	<b>0.79</b>	<b>0.0%</b>	<b>7.5%</b>	<b>2.01</b>	<b>0.00</b>	<b>2.12</b>	<b>0.0%</b>	<b>5.6%</b>
<b>EPS from Continuing Operations</b>	<b>0.74</b>	<b>0.0%</b>	<b>0.79</b>	<b>0.0%</b>	<b>6.4%</b>	<b>2.02</b>	<b>0.0%</b>	<b>2.12</b>	<b>0.0%</b>	<b>5.3%</b>

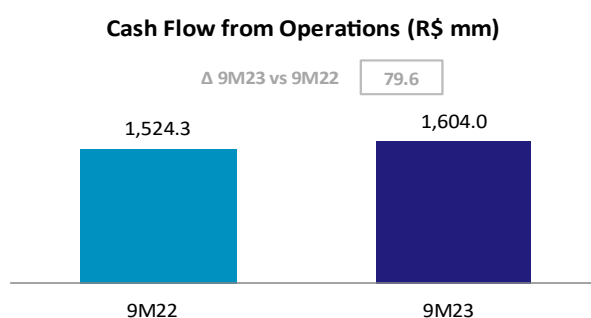
Net Income from Continuing Operations totaled R\$499.5 million in the quarter, or 6.3% more than in 3Q22. The variation in Net Income from Continuing Operations is mainly due to the 7.6% growth in EBIT from Continuing Operations and the 8.1% increase in Net Financial Expenses.

## Cash Flow (Continuing and Discontinued Operations)

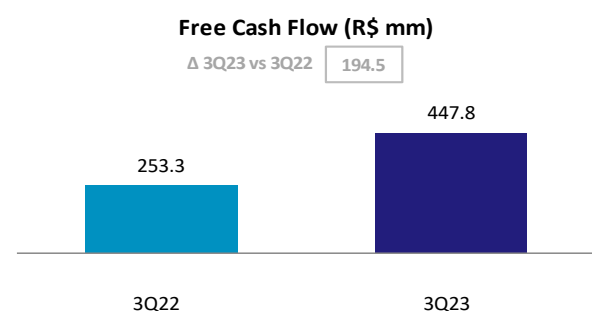
**Graph 14**



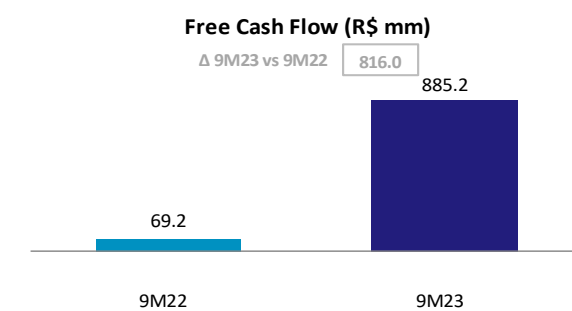
**Graph 15**



**Graph 16**



**Graph 17**



**Table 11**

(R\$ million)	3Q22	3Q23	9M22	9M23
Cash Flow from Operations	677.5	724.4	1,524.3	1,604.0
Capital increase in subsidiaries/associates	(4.6)	(0.5)	(10.8)	(7.1)
Purchase of Property, Plant and Equipment	(142.5)	(103.7)	(339.3)	(343.2)
Purchase of Intangible Assets	(86.6)	(79.6)	(900.3)	(257.3)
Acquisitions of Subsidiaries, Net of Cash Acquired	(198.5)	(94.0)	(208.5)	(110.4)
Sale of Property, Plant and Equipment	8.0	1.2	3.7	(0.7)
(=) Free Cash Flow	253.3	447.8	69.2	885.2

**Cash Flow from Operations reached R\$724.4 million, the highest level ever recorded by the Company in a quarter, and Free Cash Flow grew 76.8%, amounting to R\$447.8 million.**

The variation in Free Cash Flow is mainly due to: (i) the 6.9% growth in Operating Cash Flow; and (ii) the increase in investments for the purchase of PP&E, including the acquisition of the Boehringer Ingelheim facility in Itapecerica da Serra/SP to increase the Company's production capacity and internalize the production of part of the brands acquired in recent years.

## Net Debt

Table 12

(R\$ million)	2Q23	3Q23
Loans and Financing	(9,826.3)	(9,839.3)
Notes Payable	(29.5)	(29.8)
<b>Gross Debt</b>	<b>(9,855.8)</b>	<b>(9,869.2)</b>
Cash and Cash Equivalents	2,139.5	2,218.4
<b>Net Cash / (Debt)</b>	<b>(7,716.3)</b>	<b>(7,650.8)</b>
Unrealized Gain/Loss on Debt Hedge	(38.8)	1.8
<b>Net Cash / (Debt) After Hedge</b>	<b>(7,755.1)</b>	<b>(7,649.0)</b>

The Company ended 3Q23 with Net Debt after Hedge of R\$7,649.0 million, compared to R\$7,755.1 million at the end of 2Q23, or 2.6x the EBITDA from Continuing Operations expected for 2023.

## Other Information

### Cash Conversion Cycle – Continuing Operations

Table 13

(Days)						(R\$ million)	3Q22	4Q22	1Q23	2Q23	3Q23
	3Q22	4Q22	1Q23	2Q23	3Q23						
Receivables <sup>(1)</sup>	90	98	112	99	111	Receivables	2,238	2,532	2,320	2,691	2,896
Inventories <sup>(2)</sup>	243	247	352	252	253	Inventories	2,009	2,196	2,394	2,302	2,207
Payables <sup>(2)(3)</sup>	(143)	(147)	(184)	(117)	(110)	Payables <sup>(3)</sup>	(1,181)	(1,310)	(1,248)	(1,072)	(957)
<b>Cash Conversion Cycle</b>	<b>190</b>	<b>198</b>	<b>281</b>	<b>234</b>	<b>254</b>	<b>Working Capital</b>	<b>3,066</b>	<b>3,418</b>	<b>3,466</b>	<b>3,921</b>	<b>4,146</b>
						<b>% of Annualized Net Revenue <sup>(4)</sup></b>	<b>38%</b>	<b>40%</b>	<b>51%</b>	<b>44%</b>	<b>48%</b>

(1) Calculated based on Continuing Operations Gross Revenue, Net of Discounts

(2) Calculated based on Continuing Operations COGS

(3) Includes Suppliers' Assignment of Receivables

(4) Annualized Net Revenue for the last 3 months

### Tax Credits to offset Income Tax payment

i) **Federal Recoverable Taxes:** R\$570.7 million (please refer to Explanatory Note 13 of the Financial Statements);

ii) **Cash effect of Income Tax and Social Contribution Losses Carryforward:** R\$3,021.2 million (please refer to Explanatory Note 21(a) of the Financial Statements).

iii) **Goodwill:** the Company has R\$2,070.9 million in goodwill to be amortized for tax purposes until August 2026, which will generate a reduction in cash disbursement for the payment of Income Taxes of R\$704.1 million.

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

Table 14

(R\$ million)	3Q22	% NR	3Q23	% NR	Δ %	9M22	% NR	9M23	% NR	Δ %
Net Income	466.0	22.9%	499.3	23.3%	7.1%	1,268.8	23.4%	1,342.4	22.1%	5.8%
(+) Income Tax and CSLL	(29.8)	-1.5%	(27.1)	-1.3%	-8.8%	(108.2)	-2.0%	(129.4)	-2.1%	19.6%
(+) Net Interest Expenses	241.9	11.9%	261.5	12.2%	8.1%	625.9	11.5%	789.6	13.0%	26.2%
(+) Depreciations / Amortizations	43.2	2.1%	61.3	2.9%	42.0%	120.0	2.2%	169.6	2.8%	41.3%
<b>EBITDA</b>	<b>721.3</b>	<b>35.4%</b>	<b>795.0</b>	<b>37.2%</b>	<b>10.2%</b>	<b>1,906.6</b>	<b>35.1%</b>	<b>2,172.2</b>	<b>35.8%</b>	<b>13.9%</b>
(-) EBITDA from Discontinued Operations	5.9	0.3%	2.2	0.1%	-62.4%	9.6	0.2%	3.2	0.1%	-66.9%
<b>Adjusted EBITDA (EBITDA from Continuing Operations)</b>	<b>727.2</b>	<b>35.7%</b>	<b>797.2</b>	<b>37.3%</b>	<b>9.6%</b>	<b>1,916.2</b>	<b>35.3%</b>	<b>2,175.4</b>	<b>35.9%</b>	<b>13.5%</b>

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

## Disclaimer

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

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

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



## Consolidated Income Statement (R\$ thousand)

Table 15

	3Q22	3Q23	9M22	9M23
<b>Net Revenue</b>	<b>2,035,775</b>	<b>2,138,461</b>	<b>5,424,961</b>	<b>6,067,733</b>
Cost of Goods Sold	(743,411)	(784,650)	(1,985,390)	(2,218,611)
<b>Gross Profit</b>	<b>1,292,364</b>	<b>1,353,811</b>	<b>3,439,571</b>	<b>3,849,122</b>
Selling and Marketing Expenses	(532,455)	(564,269)	(1,450,075)	(1,640,493)
General and Administrative Expenses	(82,527)	(89,168)	(218,546)	(259,906)
Other Operating Revenues (Expenses)	3,667	23,020	18,490	48,225
Equity in Subsidiaries	2,981	12,445	6,688	8,829
<b>Operating Income Before Equity Income and Financial Result</b>	<b>684,030</b>	<b>735,839</b>	<b>1,796,128</b>	<b>2,005,777</b>
Net Financial Expenses	(241,897)	(261,503)	(625,863)	(789,581)
Financial Expenses	(310,562)	(323,687)	(804,735)	(973,943)
Financial Income	68,665	62,184	178,872	184,362
<b>Profit Before Income Tax and Social Contribution</b>	<b>442,133</b>	<b>474,336</b>	<b>1,170,265</b>	<b>1,216,196</b>
Income Tax and Social Contribution	27,543	25,131	104,452	127,077
<b>Net Income from Continuing Operations</b>	<b>469,676</b>	<b>499,467</b>	<b>1,274,717</b>	<b>1,343,273</b>
Net Income from Discontinued Operations	(3,649)	(198)	(5,869)	(842)
<b>Income for the Period</b>	<b>466,027</b>	<b>499,269</b>	<b>1,268,848</b>	<b>1,342,431</b>
<b>Earnings per Share – R\$</b>	<b>0.73</b>	<b>0.79</b>	<b>2.01</b>	<b>2.12</b>

## Consolidated Balance Sheet (R\$ thousand)

Table 16

Assets	12/31/2022	09/30/2023	Liabilities and Shareholders' Equity	12/31/2022	09/30/2023
<b>Current Assets</b>	<b>8,530,120</b>	<b>8,101,972</b>	<b>Current Liabilities</b>	<b>5,225,194</b>	<b>4,285,240</b>
Cash and Cash Equivalents	2,862,473	2,218,401	Suppliers	421,501	308,533
Accounts Receivables	2,531,789	2,896,189	Assignment of Receivables	888,150	648,446
Inventories	2,195,982	2,207,229	Loans, Financing and Debentures	2,230,678	1,812,767
Recoverable Taxes	532,564	514,541	Salaries Payable	378,933	449,065
Financial Derivatives	10,303	2,804	Income Tax and Social Contribution	6,389	3,335
Other Assets	391,058	262,808	Taxes Payable	70,861	101,266
Dividends and IOC receivables	5,951	0	Accounts Payable	431,239	383,421
			Dividends and IOC Payable	677,773	530,034
			Notes Payable	68,079	23,959
			Financial Derivatives	51,591	24,414
<b>Non-Current Assets</b>	<b>15,225,513</b>	<b>16,168,115</b>	<b>Non-Current Liabilities</b>	<b>7,874,998</b>	<b>8,584,801</b>
<b>Long Term Assets</b>	<b>1,159,417</b>	<b>1,368,352</b>	Loans, Financing and Debentures	7,376,881	8,026,581
Deferred Income Tax and Social Contribution	603,170	866,292	Deferred Income Tax and Social Contribution	206,378	200,530
Recoverable Taxes	344,013	255,925	Taxes Payable	4,179	3,088
Other Assets	188,109	209,810	Accounts Payable	128,966	181,340
Financial Derivatives	24,125	36,325	Provisions for Contingencies	153,256	135,091
			Notes Payable	5,331	5,860
			Financial Derivatives	7	32,311
<b>Fixed Assets and Investments</b>	<b>14,066,096</b>	<b>14,799,763</b>	<b>Shareholders' Equity</b>	<b>10,655,441</b>	<b>11,400,046</b>
Investments	131,717	115,301	Capital	4,478,126	4,478,126
Investment Properties	19,568	0	Capital Reserve	1,232,710	1,177,042
Biological Assets	4,799	17,771	Equity Valuation Adjustments	(244,191)	(259,251)
Property, Plants and Equipments	2,814,540	3,300,575	Profit Reserves	5,266,249	5,266,249
Intangible Assets	11,095,472	11,366,116	Treasury Stock	(87,134)	(30,332)
			Attributed to non-controlling shareholders	9,681	11,614
			Income for the Period	0	756,598
<b>Total Assets</b>	<b>23,755,633</b>	<b>24,270,087</b>	<b>Total Liabilities and Shareholders' Equity</b>	<b>23,755,633</b>	<b>24,270,087</b>

## Consolidated Cash Flow Statement (R\$ thousand)

Table 17

	3Q22	3Q23	9M22	9M23
<b>Cash Flows from Operating Activities</b>				
Income (Loss) Before Income Taxes including Discontinued Operations	436,255	472,125	1,160,660	1,213,016
Depreciation and Amortization	43,198	61,330	120,046	169,609
Asset Impairment	(10,967)	(2,988)	(11,562)	(2,988)
Gain on Permanent Asset Disposals	17,776	4,881	63,478	45,257
Equity Method	(2,793)	(13,147)	(6,305)	(9,531)
Foreign Exchange (Gains) Losses	14,013	5,198	38,312	26,967
Net Interest and Related Revenue/Expenses	227,854	256,305	587,521	762,614
Expenses Related to Share Based Remuneration	5,773	11,920	18,698	29,518
Provisions and Others	6,887	(61,798)	17,352	(72,249)
<b>Adjusted Results</b>	<b>737,996</b>	<b>733,826</b>	<b>1,988,200</b>	<b>2,162,213</b>
<b>Decrease (Increase) in Assets</b>	<b>(333,698)</b>	<b>140,915</b>	<b>(918,513)</b>	<b>(176,791)</b>
Trade Accounts Receivable	(70,056)	(211,293)	(177,860)	(381,722)
Inventories	(318,198)	89,412	(757,019)	(86,625)
Recoverable Taxes	12,920	67,292	75,333	129,322
Judicial Deposits and Others	(3,293)	5,289	(17,560)	7,294
Other Accounts Receivable	44,929	190,215	(41,407)	154,940
<b>Increase (Decrease) in Liabilities</b>	<b>273,206</b>	<b>(150,370)</b>	<b>454,653</b>	<b>(381,447)</b>
Suppliers	49,141	(84,749)	124,003	(93,548)
Assignment of Receivables	128,396	(51,750)	246,597	(224,630)
Financial Derivatives	(8,576)	(27,481)	(108,139)	(67,528)
Income Tax and Social Contribution Paid	(488)	(1,350)	(1,030)	(2,790)
Taxes Payable	4,491	9,452	4,923	30,822
Salaries and Payroll Charges	74,483	63,489	93,656	46,374
Accounts Payable	1,973	(80,375)	28,211	(83,266)
Operations Interest Paid	22,176	26,000	56,180	24,733
Other Accounts Payable	1,610	(3,606)	10,252	(11,614)
<b>Net Cash Provided by Operating Activities</b>	<b>677,504</b>	<b>724,371</b>	<b>1,524,340</b>	<b>1,603,975</b>
<b>Cash Flows from Investing Activities</b>				
Capital Increase/Decrease in Subsidiaries/Affiliates	(4,598)	(470)	(10,826)	(7,104)
Acquisitions of Subsidiaries, Net of Cash Acquired	(198,473)	(94,047)	(208,463)	(110,429)
Acquisitions of Property, Plant and Equipment	(142,520)	(103,652)	(339,261)	(343,156)
Intangible Assets	(86,606)	(79,581)	(900,290)	(257,339)
Proceeds from the Sale of Assets with Permanent Nature	7,950	1,175	3,746	(701)
Interest and Others	38,284	39,031	97,758	107,239
Investment Hedge	820	0	(148,629)	0
<b>Net Cash From Investing Activities</b>	<b>(385,143)</b>	<b>(237,544)</b>	<b>(1,505,965)</b>	<b>(611,490)</b>
<b>Cash Flows from Financing Activities</b>				
Inflow from Loans and Financing	750,000	6,000	1,657,674	1,356,000
Treasury Stock Purchase / Sale	(1)	1	35,772	(55,397)
Repayment of Loans - Principal	(26,716)	(125,175)	(372,309)	(1,211,547)
Repayment of Loans - Interest	(231,682)	(253,382)	(599,792)	(927,585)
Dividends and IOC Paid	(25,310)	(27,511)	(755,062)	(732,046)
Loan Derivatives	(38,852)	(7,847)	(52,815)	(65,982)
<b>Net Cash From Financing Activities</b>	<b>427,439</b>	<b>(407,914)</b>	<b>(86,532)</b>	<b>(1,636,557)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>719,800</b>	<b>78,913</b>	<b>(68,157)</b>	<b>(644,072)</b>
<b>Statement of Increase in Cash and Cash Equivalents, Net</b>				
Cash and Cash Equivalents at the Beginning of the Period	1,499,105	2,139,488	2,287,062	2,862,473
Cash and Cash Equivalents at the End of the Period	2,218,905	2,218,401	2,218,905	2,218,401
<b>Change in Cash and Cash Equivalent</b>	<b>719,800</b>	<b>78,913</b>	<b>(68,157)</b>	<b>(644,072)</b>

(A free translation of the original in Portuguese)

**Hypera S.A.**  
**Quarterly Information (ITR) at**  
**September 30, 2023**  
**and report on review of**  
**quarterly information**

(A free translation of the original in Portuguese)

## **Report on review of quarterly information**

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

### **Introduction**

We have reviewed the accompanying parent company and consolidated interim accounting information of Hypera S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended September 30, 2023, comprising the balance sheet at that date and the statements of income and comprehensive income for the quarter and nine-month period then ended, and the statements of changes in equity and cash flows for the nine-month period then ended, and explanatory notes.

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

### **Scope of review**

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

### **Conclusion on the interim information**

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

Hypera S.A.

## **Other matters**

### **Statements of value added**

The quarterly information referred to above includes the parent company and consolidated statements of value added for the nine-month period ended September 30, 2023. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the interim accounting information for the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated interim accounting information taken as a whole.

Goiânia, October 26, 2023

PricewaterhouseCoopers  
Auditores Independentes Ltda.  
CRC 2SP000160/O-5

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





(A free translation of the original in Portuguese)

## **Hypera S.A.**

Quarterly Information (ITR)  
at September 30, 2023

# Hypera S.A.

## Balance sheets In thousands of Reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated			Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022		September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
<b>Assets</b>					<b>Liabilities and equity</b>				
Current assets					Current liabilities				
Cash and cash equivalents (Note 10)	1,966,850	2,597,837	2,218,401	2,862,473	Suppliers (Note 18)	766,349	755,614	308,533	421,501
Accounts receivable (Note 11)	2,854,460	2,501,327	2,896,189	2,531,789	Suppliers' assignment of receivables (Note 19)	42,267	39,124	648,446	888,150
Inventories (Note 12)	544,586	445,753	2,207,229	2,195,982	Loans, financing and debentures (Note 20)	1,806,662	2,224,673	1,812,767	2,230,678
Taxes recoverable (Note 13)	325,722	378,774	514,541	532,564	Salaries payable	288,410	249,674	449,065	378,933
Derivative financial instruments (Note 4(e))	-	-	2,804	10,303	Income tax and social contribution payable	-	-	3,335	6,389
Dividends receivable	52,914	68,733	-	5,951	Taxes payable (Note 22)	20,747	21,003	101,266	70,861
Other assets (Note 14)	177,859	277,200	262,808	391,058	Notes payable	23,959	68,079	23,959	68,079
	<u>5,922,391</u>	<u>6,269,624</u>	<u>8,101,972</u>	<u>8,530,120</u>	Dividends and interest on capital payable	530,034	677,773	530,034	677,773
					Derivative financial instruments (Note 4(e))	2,190	41,347	24,414	51,591
					Other liabilities (Note 23)	<u>256,354</u>	<u>295,783</u>	<u>383,421</u>	<u>431,239</u>
						<u>3,736,972</u>	<u>4,373,070</u>	<u>4,285,240</u>	<u>5,225,194</u>
Non-current assets					Non-current liabilities				
Long-term receivables					Loans, financing and debentures (Note 20)	8,026,451	7,376,443	8,026,581	7,376,881
Deferred income tax and social contribution (Note 21)	822,629	558,784	866,292	603,170	Taxes payable (Note 22)	2	763	3,088	4,179
Taxes recoverable (Note 13)	196,757	284,836	255,925	344,013	Deferred income tax and social contribution (Note 21)	-	-	200,530	206,378
Derivative financial instruments (Note 4(e))	36,307	24,087	36,325	24,125	Provision for contingencies (Note 24)	122,120	139,387	135,091	153,256
Other assets (Note 14)	184,850	165,844	209,810	188,109	Derivative financial instruments (Note 4(e))	32,311	-	32,311	7
	<u>1,240,543</u>	<u>1,033,551</u>	<u>1,368,352</u>	<u>1,159,417</u>	Notes payable	5,860	5,331	5,860	5,331
					Other liabilities (Note 23)	121,079	92,600	181,340	128,966
						<u>8,307,823</u>	<u>7,614,524</u>	<u>8,584,801</u>	<u>7,874,998</u>
					Total liabilities	<u>12,044,795</u>	<u>11,987,594</u>	<u>12,870,041</u>	<u>13,100,192</u>
Biological assets	-	-	17,771	4,799					
Investments (Note 15)	5,918,783	5,038,461	115,301	131,717	<b>Equity</b>				
Investment properties	-	19,568	-	19,568	Share capital (Note 25 (a))	4,478,126	4,478,126	4,478,126	4,478,126
Property, plant and equipment (Note 16)	295,040	213,965	3,300,575	2,814,540	Capital reserves	1,177,042	1,232,710	1,177,042	1,232,710
Intangible assets (Note 17)	10,056,470	10,058,185	11,366,116	11,095,472	Equity valuation adjustments	(259,251)	(244,191)	(259,251)	(244,191)
	<u>16,270,293</u>	<u>15,330,179</u>	<u>14,799,763</u>	<u>14,066,096</u>	Profit reserves	5,266,249	5,266,249	5,266,249	5,266,249
					Treasury shares	(30,332)	(87,134)	(30,332)	(87,134)
	<u>17,510,836</u>	<u>16,363,730</u>	<u>16,168,115</u>	<u>15,225,513</u>	Net income for the period	756,598	-	756,598	-
					<b>Equity attributable to the owners of the parent company</b>	<u>11,388,432</u>	<u>10,645,760</u>	<u>11,388,432</u>	<u>10,645,760</u>
					Equity attributable to non-controlling interests	-	-	11,614	9,681
					<b>Total equity</b>	<u>11,388,432</u>	<u>10,645,760</u>	<u>11,400,046</u>	<u>10,655,441</u>
Total assets	<u>23,433,227</u>	<u>22,633,354</u>	<u>24,270,087</u>	<u>23,755,633</u>	Total liabilities and equity	<u>23,433,227</u>	<u>22,633,354</u>	<u>24,270,087</u>	<u>23,755,633</u>

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

# Hypera S.A.

## Statement of income

Periods ended September 30

In thousands of Reais, unless stated otherwise

(A free translation of the original in Portuguese)

	Parent company			
	7/1/2023 to 9/30/2023	1/1/2023 to 9/30/2023	7/1/2022 to 9/30/2022	1/1/2022 to 9/30/2022
<b>Continuing operations</b>				
Net revenue (Note 26)	2,163,124	6,132,864	2,059,299	5,507,456
Cost of sales (Note 27(a))	(990,397)	(2,830,993)	(962,756)	(2,528,665)
<b>Gross profit</b>	<b>1,172,727</b>	<b>3,301,871</b>	<b>1,096,543</b>	<b>2,978,791</b>
Selling and marketing expenses (Note 27(a))	(500,111)	(1,447,809)	(478,970)	(1,308,219)
General and administrative expenses (Note 27(a))	(58,860)	(172,604)	(57,981)	(150,971)
Other operating income (expenses), net (Note 27(b))	(22,410)	(33,878)	(7,326)	(17,554)
Equity accounting (Note 15 (b))	141,836	342,820	109,137	236,200
<b>Income before financial income and expenses</b>	<b>733,182</b>	<b>1,990,400</b>	<b>661,403</b>	<b>1,738,247</b>
Financial income (Note 27 (c))	54,142	163,832	60,219	156,403
Financial expenses (Note 27 (d))	(358,701)	(1,055,266)	(316,588)	(826,357)
<b>Financial expenses, net</b>	<b>(304,559)</b>	<b>(891,434)</b>	<b>(256,369)</b>	<b>(669,954)</b>
<b>Income before income tax and social contribution</b>	<b>428,623</b>	<b>1,098,966</b>	<b>405,034</b>	<b>1,068,293</b>
Income tax and social contribution (Note 21(c))	71,003	242,780	63,982	206,393
<b>Net income from continuing operations</b>	<b>499,626</b>	<b>1,341,746</b>	<b>469,016</b>	<b>1,274,686</b>
<b>Discontinued operations</b>				
Loss from discontinued operations	(198)	(842)	(3,649)	(5,869)
<b>Net income for the period</b>	<b>499,428</b>	<b>1,340,904</b>	<b>465,367</b>	<b>1,268,817</b>

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

# Hypera S.A.

## Statement of income

Periods ended September 30

In thousands of Reais, unless stated otherwise

(A free translation of the original in Portuguese)

	Consolidated			
	7/1/2023 to 9/30/2023	1/1/2023 to 9/30/2023	7/1/2022 to 9/30/2022	1/1/2022 to 9/30/2022
<b>Continuing operations</b>				
Net revenue (Note 26)	2,138,461	6,067,733	2,035,775	5,424,961
Cost of sales (Note 27(a))	(784,650)	(2,218,611)	(743,411)	(1,985,390)
<b>Gross profit</b>	<b>1,353,811</b>	<b>3,849,122</b>	<b>1,292,364</b>	<b>3,439,571</b>
Selling and marketing expenses (Note 27(a))	(564,269)	(1,640,493)	(532,455)	(1,450,075)
General and administrative expenses (Note 27(a))	(89,168)	(259,906)	(82,527)	(218,546)
Other operating income (expenses), net (Note 27(b))	23,020	48,225	3,667	18,490
Equity accounting (Note 15 (b))	12,445	8,829	2,981	6,688
<b>Income before financial income and expenses</b>	<b>735,839</b>	<b>2,005,777</b>	<b>684,030</b>	<b>1,796,128</b>
Financial income (Note 27 (c))	62,184	184,362	68,665	178,872
Financial expenses (Note 27 (d))	(323,687)	(973,943)	(310,562)	(804,735)
<b>Financial expenses, net</b>	<b>(261,503)</b>	<b>(789,581)</b>	<b>(241,897)</b>	<b>(625,863)</b>
<b>Income before income tax and social contribution</b>	<b>474,336</b>	<b>1,216,196</b>	<b>442,133</b>	<b>1,170,265</b>
Income tax and social contribution (Note 21(c))	25,131	127,077	27,543	104,452
<b>Net income from continuing operations</b>	<b>499,467</b>	<b>1,343,273</b>	<b>469,676</b>	<b>1,274,717</b>
<b>Discontinued operations</b>				
Loss from discontinued operations	(198)	(842)	(3,649)	(5,869)
<b>Net income for the period</b>	<b>499,269</b>	<b>1,342,431</b>	<b>466,027</b>	<b>1,268,848</b>
<b>Attributable to</b>				
Owners of the parent company	499,428	1,340,904	465,367	1,268,817
Non-controlling interests	(159)	1,527	660	31
	<b>499,269</b>	<b>1,342,431</b>	<b>466,027</b>	<b>1,268,848</b>
<b>Earnings per share</b>				
Basic earnings per share (in R\$)	0.78949	2.12047	0.73466	2.00754
Diluted earnings per share (in R\$)	0.78221	2.10202	0.72856	1.98786
<b>Earnings per share - Continuing operations</b>				
Basic earnings per share (in R\$)	0.78951	2.12421	0.74208	2.01688
Diluted earnings per share (in R\$)	0.78227	2.10574	0.73531	1.99710

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

# Hypera S.A.

## Statement of comprehensive income Periods ended September 30 In thousands of Reais, unless stated otherwise

(A free translation of the original in Portuguese)

	Parent company			
	7/1/2023 to 9/30/2023	1/1/2023 to 9/30/2023	7/1/2022 to 9/30/2022	1/1/2022 to 9/30/2022
<b>Net income for the period</b>	<b>499,428</b>	<b>1,340,904</b>	<b>465,367</b>	<b>1,268,817</b>
Other comprehensive income				
<b>Items that will be reclassified to profit or loss</b>				
Cash flow hedge - effective portion of the changes in fair value	38,172	1,132	12,578	(21,587)
Income tax and social contribution on other comprehensive income	(12,978)	(385)	(4,276)	7,340
	25,194	747	8,302	(14,247)
<b>Items that will not be reclassified to profit or loss</b>				
Cash flow hedge - effective portion of the changes in fair value	-	-	-	(41,885)
Income tax and social contribution on other comprehensive income	-	-	-	(4,527)
	-	-	-	(46,412)
<b>Other comprehensive income, net of income tax and social contribution</b>	<b>25,194</b>	<b>747</b>	<b>8,302</b>	<b>(60,659)</b>
<b>Comprehensive income for the period</b>	<b>524,622</b>	<b>1,341,651</b>	<b>473,669</b>	<b>1,208,158</b>

	Consolidated			
	7/1/2023 to 9/30/2023	1/1/2023 to 9/30/2023	7/1/2022 to 9/30/2022	1/1/2022 to 9/30/2022
<b>Net income for the period</b>	<b>499,269</b>	<b>1,342,431</b>	<b>466,027</b>	<b>1,268,848</b>
Other comprehensive income				
<b>Items that will be reclassified to profit or loss</b>				
Cash flow hedge - effective portion of the changes in fair value	38,172	1,132	12,578	(21,587)
Income tax and social contribution on other comprehensive income	(12,978)	(385)	(4,276)	7,340
	25,194	747	8,302	(14,247)
<b>Items that will not be reclassified to profit or loss</b>				
Cash flow hedge - effective portion of the changes in fair value	-	-	-	(41,885)
Income tax and social contribution on other comprehensive income	-	-	-	(4,527)
	-	-	-	(46,412)
<b>Other comprehensive income, net of income tax and social contribution</b>	<b>25,194</b>	<b>747</b>	<b>8,302</b>	<b>(60,659)</b>
<b>Comprehensive income for the period</b>	<b>524,463</b>	<b>1,343,178</b>	<b>474,329</b>	<b>1,208,189</b>
<b>Attributable to</b>				
Owners of the parent company	524,622	1,341,651	473,669	1,208,158
Non-controlling interests	(159)	1,527	660	31
	<b>524,463</b>	<b>1,343,178</b>	<b>474,329</b>	<b>1,208,189</b>

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

# Hypera S.A.

## Statement of changes in equity Periods ended September 30 In thousands of Reais

(A free translation of the original in Portuguese)

	Capital reserves					Profit reserves							
	Premium on share issuance	Stock options	Debtenture subscription bonus options	Treasury shares	Equity valuation adjustments	Legal reserve	Government grant reserve	Profit retention reserve	Retained earnings	Equity attributable to the owners of the parent company	Equity attributable to non-controlling interests	Total equity	
Capital													
Balances at January 1, 2022	4,478,126	1,090,895	110,278	50,244	(81,350)	(181,839)	180,592	3,993,329	186,316	-	9,826,591	6,880	9,833,471
Adjustments from prior periods	-	-	-	-	-	-	-	-	(11,208)	(11,208)	-	(11,208)	
Stock options	-	-	17,674	-	-	-	-	-	17,674	-	-	17,674	
Results on sales of treasury shares	-	(34,815)	-	-	-	-	-	-	(34,815)	-	-	(34,815)	
Sales of shares (Note 25(b))	-	-	-	70,607	-	-	-	-	70,607	-	-	70,607	
Net income for the period	-	-	-	-	-	-	-	-	1,268,817	1,268,817	32	1,268,849	
Interest on capital	-	-	-	-	-	-	-	-	(584,320)	(584,320)	-	(584,320)	
Non-controlling interests in subsidiaries/associates	-	-	-	-	-	-	-	-	-	-	710	710	
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	
Gains or losses on derivatives, net of tax	-	-	-	-	(60,659)	-	-	-	-	(60,659)	-	(60,659)	
At September 30, 2022	4,478,126	1,056,080	127,952	50,244	(10,743)	(242,498)	180,592	3,993,329	186,316	673,289	10,492,687	7,622	10,500,309
At January 1, 2023	4,478,126	1,049,560	132,906	50,244	(87,134)	(244,191)	180,592	4,950,300	135,357	-	10,645,760	9,681	10,655,441
Stock options	-	-	12,106	-	-	-	-	-	-	12,106	-	12,106	
Results on sales of treasury shares	-	(67,774)	-	-	-	-	-	-	-	(67,774)	-	(67,774)	
Goodwill on interests in subsidiaries	-	-	-	-	(15,807)	-	-	-	-	(15,807)	-	(15,807)	
Acquisitions of shares (Note 25 (b))	-	-	-	(44,028)	-	-	-	-	-	(44,028)	-	(44,028)	
Sales of shares (Note 25(b))	-	-	-	100,830	-	-	-	-	-	100,830	-	100,830	
Net income for the period	-	-	-	-	-	-	-	-	1,340,904	1,340,904	1,527	1,342,431	
Interest on capital	-	-	-	-	-	-	-	-	(584,306)	(584,306)	-	(584,306)	
Interest attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	406	406	
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	
Gains or losses on derivatives, net of tax	-	-	-	-	747	-	-	-	-	747	-	747	
At September 30, 2023	4,478,126	981,786	145,012	50,244	(30,332)	(259,251)	180,592	4,950,300	135,357	756,598	11,388,432	11,614	11,400,046

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

# Hypera S.A.

## Statement of cash flows Periods ended September 30 In thousands of Reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated
	September 30, 2023	September 30, 2022	September 30, 2023
	September 30, 2023	September 30, 2022	September 30, 2022
<b>Cash flows from operating activities</b>			
<b>Income before income tax and social contribution, including discontinued operations</b>	1,095,909	1,058,168	1,213,016
<b>Adjustments</b>			
Depreciation and amortization	64,743	45,547	120,046
Impairment of assets	(2,922)	(1,791)	(11,562)
Results on sales of fixed assets	44,770	63,793	63,478
Equity accounting	(343,367)	(236,871)	(6,305)
Foreign exchange losses (gains)	801	(337)	38,312
Interest and related expenses (income), net	890,633	670,291	587,521
Share-based compensation expenses	24,793	16,030	18,698
Provisions (reversals) and other	39,371	(1,152)	17,352
<b>Adjusted income</b>	<b>1,814,731</b>	<b>1,613,678</b>	<b>2,162,213</b>
Changes in assets and liabilities			
Accounts receivable	(370,333)	(179,481)	(177,860)
Inventories	(153,064)	(109,267)	(757,019)
Taxes recoverable	145,176	157,574	75,333
Deposits with courts and others	5,249	(16,208)	(17,560)
Other accounts receivable	127,645	20,061	(41,407)
Suppliers	10,719	36,643	124,003
Suppliers' assignment of receivables	17,264	(3,544)	246,597
Derivative financial instruments	-	1,062	(108,139)
Accounts payable	(66,488)	1,012	28,211
Interest on transactions	(10,474)	3,094	56,180
Taxes payable	(210)	5,702	4,923
Payroll and related taxes	23,682	66,695	93,656
Income tax and social contribution paid	-	-	(1,030)
Other accounts payable	(11,388)	4,707	10,252
<b>Net cash provided by operating activities</b>	<b>1,532,509</b>	<b>1,601,728</b>	<b>1,603,975</b>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiaries (less net cash on acquisition)	(15,784)	(10,125)	(208,463)
Capital increases in subsidiaries/associates	(572,065)	(900,369)	(10,826)
Purchases of property, plant and equipment	(23,550)	(4,808)	(339,261)
Purchases of intangible assets	(18,148)	(697,314)	(900,290)
Investment hedges	-	(145,678)	(148,629)
Proceeds from sale of fixed assets	3	2,340	3,746
Interest and other	96,453	86,126	97,758
Dividends received	-	9,274	-
Loans receivable	(3,406)	5,953	-
<b>Net cash used in investment activities</b>	<b>(536,497)</b>	<b>(1,654,601)</b>	<b>(1,505,965)</b>
<b>Cash flows from financing activities</b>			
Purchases of treasury shares	(88,453)	-	(88,453)
Hedge of loans	(65,982)	(52,815)	(52,815)
Sales of treasury shares	33,056	35,772	35,772
Loans taken out	1,350,000	1,657,674	1,657,674
Payment of loans – principal	(1,199,692)	(364,024)	(372,309)
Payment of loans – interest	(921,974)	(591,558)	(599,792)
Dividends and interest on capital paid	(732,046)	(755,062)	(755,062)
Loans payable	(1,908)	921	-
<b>Net cash used in financing activities</b>	<b>(1,626,999)</b>	<b>(69,092)</b>	<b>(1,636,557)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(630,987)</b>	<b>(121,965)</b>	<b>(644,072)</b>
Cash and cash equivalents at beginning of the period	2,597,837	2,121,253	2,862,473
Cash and cash equivalents at end of the period	1,966,850	1,999,288	2,218,401
<b>Change in cash and cash equivalents</b>	<b>(630,987)</b>	<b>(121,965)</b>	<b>(644,072)</b>
<b>Transactions not involving cash</b>	<b>1,294</b>	<b>2,541</b>	<b>30,590</b>
Acquisitions of companies	-	965	558
Acquisitions of property, plant and equipment	1,294	1,576	24,632

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



# Hypera S.A.

## Statement of value added (\*)

Periods ended September 30

In thousands of Reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
<b>Gross revenue</b>				
Sales of goods and products, including discontinued operations	6,416,143	5,768,930	6,552,183	5,867,899
Other income	5,641	(7,745)	138,466	25,879
Income related to construction of own assets	12,508	2,295	138,115	111,040
Allowance for doubtful accounts	1,678	(93)	1,557	(434)
	<u>6,435,970</u>	<u>5,763,387</u>	<u>6,830,321</u>	<u>6,004,384</u>
<b>Inputs acquired from third parties</b>				
Costs of materials, goods and services sold	(2,801,756)	(2,545,812)	(1,761,802)	(1,810,011)
Materials, power, third-party services and others	(1,029,380)	(853,717)	(1,613,653)	(1,317,056)
Impairment of assets	(91,545)	(58,316)	(92,156)	(68,596)
	<u>(3,922,681)</u>	<u>(3,457,845)</u>	<u>(3,467,611)</u>	<u>(3,195,663)</u>
<b>Gross value added</b>	<u>2,513,289</u>	<u>2,305,542</u>	<u>3,362,710</u>	<u>2,808,721</u>
Depreciation and amortization	(64,743)	(45,547)	(169,609)	(120,046)
<b>Net value added generated by the Company</b>	<u>2,448,546</u>	<u>2,259,995</u>	<u>3,193,101</u>	<u>2,688,675</u>
<b>Transfers of value added received</b>				
Equity accounting	343,367	236,871	9,531	6,305
Financial income	163,832	156,403	184,362	178,872
	<u>507,199</u>	<u>393,274</u>	<u>193,893</u>	<u>185,177</u>
<b>Total value added to be distributed</b>	<u>2,955,745</u>	<u>2,653,269</u>	<u>3,386,994</u>	<u>2,873,852</u>
<b>Distribution of value added</b>				
Personnel and charges	638,867	573,528	1,166,326	998,841
Salaries and wages	524,789	487,608	932,269	821,604
Benefits	80,934	54,583	174,856	123,218
Government severance indemnity fund for employees (FGTS)	33,144	31,337	59,201	54,019
Taxes and contributions	(84,423)	(22,471)	(110,769)	(215,877)
Federal	(165,463)	(121,545)	65,030	6,703
State	79,715	97,843	(179,392)	(224,951)
Municipal	1,325	1,231	3,593	2,371
Interest	1,055,129	826,173	972,928	804,268
Rentals	5,268	7,222	16,078	17,772
Capital remuneration	1,340,904	1,268,817	1,342,431	1,268,848
Interest on capital	584,306	584,320	584,306	584,320
Retained earnings	756,598	684,497	758,125	684,528
<b>Total value added distributed</b>	<u>2,955,745</u>	<u>2,653,269</u>	<u>3,386,994</u>	<u>2,873,852</u>

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

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

(A free translation of the original in Portuguese)

## **Hypera S.A.**

Quarterly Information (ITR)  
at September 30, 2023

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## **Notes to the quarterly information**

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

### **1 General information**

Hypera S.A. (the “Company”), headquartered in São Paulo - State of São Paulo (SP), is a Brazilian pharmaceutical company and a leader in the various markets in which it operates<sup>1</sup>. Its mission consists of “providing access to healthcare for the Brazilian population, offering safe, high-quality products, continually investing in innovation and growing in a sustainable way, enabling people to live longer and better”.

The Company’s main products are as follows:

- a) Under the umbrella brand Mantecorp Farmasa, the Company operates in various medical specialty areas within the Primary Care segment, being present in most of the main therapeutic classes in the country<sup>1/2</sup> with products such as Addera D3, Nesina, Dramin, Alivium, Predsim, Lisador and Rinosoro;
- b) Under the Mantecorp Skincare brand, the Company offers dermo-cosmetics recommended by dermatologists throughout Brazil, according to information from Close-Up International. The Company also operates in this segment with the Simple Organic brand, offering organic and vegan products produced without animal cruelty, and Bioage, which is focused on the professional aesthetic treatment market;
- c) The Company is a lead supplier in the Brazilian market for over-the-counter drugs<sup>1</sup>, including brands such as Apracur, Benegrip, Buscopan, Coristina D Pro, Engov, Epocler, Estomazil and Neosaldina, among others. It also offers nutritional products, sweeteners and vitamin supplement lines, under brands such as Tamarine, Biotônico Fontoura and Zero-Cal, which was the Top of Mind brand for 19 years in Brazil, according to Datafolha;
- d) Through the Neo Química brand, the Company is vice-leader in the Similar and Generic drugs market in Brazil<sup>1</sup>. The brand is present in almost all Brazilian pharmaceutical points of sale<sup>1</sup>, consistent with the Company’s mission to provide access to health for the Brazilian population.

The production of goods is carried out mainly in the subsidiaries Brainfarma Indústria Química Farmacêutica S.A. (“Brainfarma”) and Cosmed Indústria de Cosméticos e Medicamentos S.A. (“Cosmed”), in units located in the State of Goiás (GO). The main distribution center is in Anápolis (GO).

The Company’s research and development activities for pharmaceuticals, dermo-cosmetics and nutritional products are concentrated at the Brainfarma innovation facility in Barueri (SP). The facility houses technologies for the development of various forms of pharmaceutical products across the six laboratories that make up the complex.

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<sup>1</sup> IQVIA Data

<sup>2</sup> Considering CT Level 2 classification

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

## **2 Summary of significant accounting policies**

The parent company and consolidated interim financial information has been prepared in accordance with CPC 21 (R1) and International Accounting Standard (IAS) 34, issued by the International Accounting Standards Board (IASB) and applicable to the preparation of Quarterly Information (ITR), and is being presented consistently with the standards issued by the Brazilian Securities and Exchange Commission applicable to the preparation of ITR.

The presentation of the parent company and consolidated statements of value added in accordance with technical pronouncement CPC 09 - Statement of Value Added is required by Brazilian corporate legislation and the accounting practices adopted in Brazil for listed companies. International Financial Reporting Standards (IFRS) do not require the presentation of this statement. Under IFRS, the presentation of this statement is considered as supplementary information and not part of the set of interim financial information.

The material accounting policies applied to the preparation of this parent company and consolidated interim financial information are consistent with those applied and disclosed in accompanying note No. 2 to the Company's audited financial statements for the year ended December 31, 2022, as well as with those applied for the nine-month comparative period ended September 30, 2022, except for standards and amendments effective as from January 1, 2023.

Among the amendments effective as from January 1, 2023, we wish to highlight the amendments to CPC 23, Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8), where the concepts of accounting estimates were clarified, and to CPC 26 (R1), Presentation of Financial Statements (IAS 1, in addition to the amendments to IFRS Practice Statement 2, Making Materiality Judgments, a document of an educational nature issued by the IASB and not published by the CPC in Brazil), where the concepts of applying materiality judgments to accounting policy disclosures were clarified, with the aim of helping entities provide accounting policy disclosures that are more useful. The requirement for entities to disclose their "significant" accounting policies was replaced with a requirement for them to disclose their "material" accounting policies. While preparing this interim financial information, these concepts were considered; however, there were no relevant effects on the nature and detail of the information presented.

The effects of the other amendments to the financial reporting standards effective as from January 1, 2023 on the Company's parent company and consolidated interim financial information were not material.

### **2.1 Approval of the interim financial information**

The present Quarterly Information was approved by the Company's Board of Directors on October 26, 2023.

### 3 Critical accounting estimates and judgments

Accounting estimates and judgments are evaluated on an ongoing basis, and are based on experience and other factors, including expectations of future events that are considered as reasonable under the circumstances. The critical accounting estimates and judgments underlying this Quarterly Information have not changed relative to those published in the annual audited financial statements for 2022.

### 4 Financial risk management

There have been no changes in the financial risk factors or in the risk management policy compared to those described in the financial statements at December 31, 2022.

In the following tables, the financial data for the current period are presented on a comparative basis with the financial data at December 31, 2022.

#### a. Foreign exchange risk

At September 30, 2023 and December 31, 2022, the assets and liabilities denominated in foreign currencies and the financial instruments to mitigate exchange risks were as follows:

Parent company					
September 30, 2023			December 31, 2022		
US\$ '000	EUR '000	RS '000	US\$ '000	EUR '000	RS '000
<b>Liabilities</b>					
Suppliers	196	-	1,013	178	938
Suppliers' assignment of receivables	-	-	-	-	-
Loans and financing	65,865	52,822	622,808	114,783	606,007
Derivative instruments to mitigate risks	(65,000)	(54,473)	(617,178)	(115,000)	(607,154)
Other payables	-	-	-	-	-
Net exposure	1,061	(1,651)	6,643	(39)	(209)
<b>Consolidated</b>					
September 30, 2023			December 31, 2022		
US\$ '000	EUR '000	RS '000	US\$ '000	EUR '000	RS '000
<b>Assets</b>					
Customers	(752)	-	(3,882)	(384)	(1,982)
<b>Liabilities</b>					
Suppliers	4,725	-	24,398	13,588	71,739
Suppliers' assignment of receivables	70,110	-	352,912	105,298	557,718
Loans and financing	65,865	52,822	622,808	114,783	606,007
Derivative instruments to mitigate risks	(148,242)	(56,843)	(1,048,808)	(291,528)	(1,544,093)
Other payables	460	935	7,466	358	8,880
Net exposure	(7,834)	(3,086)	(45,106)	(57,885)	(301,731)

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

The exposure to the interest rate risk of transactions related to variations in the Interbank Deposit Certificate (CDI) rate, long-term rate (TLP) and reference rate (IPCA) is presented in the following table:

	<b>September 30, 2023</b>	
	<b>Parent company</b>	<b>Consolidated</b>
Loans, financing and swaps – CDI	1,518,442	1,518,442
Financing – TLP	246,675	246,675
Debentures – CDI	6,023,389	6,023,389
Debentures – IPCA	537,187	537,187
Notes payable – CDI	13,600	13,600
Financial investments – CDI (Note 10)	(1,900,770)	(2,147,636)
Net exposure	<u>6,438,523</u>	<u>6,191,657</u>

**c. Credit risk**

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

For banks and financial institutions, the Company has a policy of diversifying its financial investments in top-tier institutions with the ratings described in Note 9 (Credit quality of financial assets).

**d. Liquidity risk**

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

**Parent company**

	<b>September 30, 2023</b>				
	<b>Less than one year</b>	<b>From one to two years</b>	<b>From two to five years</b>	<b>More than five years</b>	<b>Overall total</b>
Debentures	2,170,090	2,423,987	5,160,981	895,011	10,650,069
Loans and financing	333,146	956,648	810,409	39,234	2,139,437
Notes payable	30,613	-	-	-	30,613
Suppliers	766,349	-	-	-	766,349
Suppliers' assignment of receivables	42,267	-	-	-	42,267
Other payables	256,354	72,022	-	-	328,376
Derivative financial instruments	(59,313)	(3,013)	13,911	-	(48,415)
	<u>3,539,506</u>	<u>3,449,644</u>	<u>5,985,301</u>	<u>934,245</u>	<u>13,908,696</u>

	<b>December 31, 2022</b>				
	<b>Less than one year</b>	<b>From one to two years</b>	<b>From two to five years</b>	<b>More than five years</b>	<b>Overall total</b>
Debentures	1,626,807	1,998,955	5,730,958	688,783	10,045,503
Loans and financing	1,407,876	690,290	527,700	66,258	2,692,124
Notes payable	56,990	-	-	-	56,990
Suppliers	755,614	-	-	-	755,614
Suppliers' assignment of receivables	39,124	-	-	-	39,124
Other payables	295,783	41,517	-	-	337,300
Derivative financial instruments	50,002	9,738	(71,357)	-	(11,617)
	<u>4,232,196</u>	<u>2,740,500</u>	<u>6,187,301</u>	<u>755,041</u>	<u>13,915,038</u>



## Consolidated

	September 30, 2023				
	Less than one year	From one to two years	From two to five years	More than five years	Overall total
Debentures	2,170,090	2,423,987	5,160,981	895,011	10,650,069
Loans and financing	339,522	956,689	810,409	39,249	2,145,869
Notes payable	30,613	-	-	-	30,613
Suppliers	308,533	-	-	-	308,533
Suppliers' assignment of receivables	648,446	-	-	-	648,446
Other payables	383,421	102,669	-	-	486,090
Derivative financial instruments	(80,100)	(3,013)	13,911	-	(69,202)
	3,800,525	3,480,332	5,985,301	934,260	14,200,418

	December 31, 2022				
	Less than one year	From one to two years	From two to five years	More than five years	Overall total
Debentures	1,626,807	1,998,955	5,730,958	688,783	10,045,503
Loans and financing	1,414,652	690,417	527,710	66,258	2,699,037
Notes payable	56,990	-	-	-	56,990
Suppliers	421,501	-	-	-	421,501
Suppliers' assignment of receivables	888,150	-	-	-	888,150
Other payables	431,239	25,870	-	-	457,109
Derivative financial instruments	52,524	9,738	(71,357)	-	(9,095)
	4,891,863	2,724,980	6,187,311	755,041	14,559,195

### e. Derivatives

At September 30, 2023, the derivative instrument operations contracted by the Company totaled R\$ 2,643,808 (at December 31, 2022 - R\$ 1,939,093) in the consolidated and R\$ 2,212,178 (at December 31, 2022 - R\$ 1,002,154) in the parent company. The results of the transactions not yet settled represented losses of R\$ 17,596 (at December 31, 2022 losses of R\$ 17,170) in the consolidated and gains of R\$ 1,806 (at December 31, 2022 losses of R\$ 17,260) in the parent company.

At September 30, 2023 and December 31, 2022, these transactions can be summarized as follows:

### Parent company

Type	Counterparties	Notional value		Fair value receivable (payable)		Gain (loss) realized	
(In R\$ thousand)		Sep/23	Dec/22	Sep/23	Dec/22	Sep/23	Dec/22
<b>Foreign currency</b>							
<b>Forward contracts</b>		-	-	-	-	-	(144,616)
Long position	BNP Paribas, Bradesco, BTG, Itaú, BofA, Safra, Santander, Votorantin, Citibank	-	-	-	-	-	(166,247)
Short position	Bradesco, BTG, Itaú, BofA, Santander, Votorantin, Citibank	-	-	-	-	-	21,631
<b>Swaps</b>		<b>617,178</b>	<b>607,154</b>	<b>(21,132)</b>	<b>(4,412)</b>	<b>(55,114)</b>	<b>(45,143)</b>
Long position	BNP, Citibank	617,178	607,154	(21,132)	(4,412)	(55,114)	(45,143)
<b>Subtotal</b>		<u><b>617,178</b></u>	<u><b>607,154</b></u>	<u><b>(21,132)</b></u>	<u><b>(4,412)</b></u>	<u><b>(55,114)</b></u>	<u><b>(189,759)</b></u>
<b>Interest rate</b>							
<b>Swaps</b>		<b>1,595,000</b>	<b>395,000</b>	<b>22,938</b>	<b>(12,848)</b>	<b>(10,834)</b>	<b>(13,117)</b>
Asset Position-Pre	BNP Paribas, Itaú, Santander, BofA	1,595,000	395,000	22,938	(12,848)	(10,834)	(13,117)
<b>Total</b>		<u><b>2,212,178</b></u>	<u><b>1,002,154</b></u>	<u><b>1,806</b></u>	<u><b>(17,260)</b></u>	<u><b>(65,948)</b></u>	<u><b>(202,876)</b></u>

## Consolidated

Type	Counterparties	Notional value		Fair value receivable (payable)		Gain (loss) realized	
(In R\$ thousand)		Sep/23	Dec/22	Sep/23	Dec/22	Sep/23	Dec/22
<b>Foreign currency</b>							
Forward contracts		431,630	936,939	(19,794)	90	(67,645)	(265,330)
Long position	BNP, Bradesco, BTG, Citibank, Daycoval, Itaú, Original, Safra, Votorantim	502,532	941,970	(20,435)	(159)	(71,284)	(315,978)
Short position	BNP Paribas, Citibank	(70,902)	(5,031)	641	249	3,639	50,648
Swaps		617,178	607,154	(20,741)	(4,412)	(55,114)	(45,143)
Long position	BNP, Citibank	617,178	607,154	(20,741)	(4,412)	(55,114)	(45,143)
Subtotal		1,048,808	1,544,093	(40,535)	(4,322)	(122,759)	(310,473)
<b>Interest rate</b>							
Swaps		1,595,000	395,000	22,939	(12,848)	(10,834)	(13,117)
Asset Position-Pre	BNP Paribas	1,595,000	395,000	22,939	(12,848)	(10,834)	(13,117)
Total		2,643,808	1,939,093	(17,596)	(17,170)	(133,593)	(323,590)

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

- (i) Foreign currency forward contracts are valued using the interpolation of the market rates of US Dollar future contracts for each base date published by B3 S.A. – Brasil, Bolsa, Balcão (“B3”) (formerly BM&F BOVESPA).
- (ii) Swaps are valued using the interpolation of the exchange coupon market and future interbank deposit rates for each base date, as informed by B3.

### g. Sensitivity analysis

The table below presents a sensitivity analysis of the financial instruments, including derivatives that describe the risks that could result in material losses to the Company, with the most likely scenario (Scenario I, based on a fluctuation of 4.90% for the US Dollar, corresponding to three standard deviations of the fluctuation during the three months of the third quarter of the year) according to management’s evaluation, considering a projection period of three months, after which the next quarterly financial information containing this analysis should be released. In addition, two additional scenarios (Scenarios II and III) are presented to show deteriorations of 25% and 50%, respectively, in the exchange rates between both the Brazilian Real and the US Dollar.

Risk	Parent company					
	Scenario I		Scenario II		Scenario III	
			25% fluctuation		50% fluctuation	
(In R\$ thousand)	Appreciation	Depreciation	Appreciation	Depreciation	Appreciation	Depreciation
US Dollar quotation	4.557	5.511	3.775	6.292	2.517	7.551
<b>Foreign currency</b>						
Economic hedge	(60,337)	60,337	(308,124)	308,124	(616,247)	616,259
Forward contracts	-	-	-	-	-	-
Swap	(60,337)	60,337	(308,124)	308,124	(616,247)	616,259
Objects of the economic hedge	60,337	(60,337)	308,124	(308,124)	616,247	(616,259)
Loans, financing and notes payable subject to short-term exchange rate variations	60,337	(60,337)	308,124	(308,124)	616,247	(616,259)
Net effect	-	-	-	-	-	-

<b>Consolidated</b>						
<b>Risk</b>	<b>Scenario I</b>		<b>Scenario II</b>		<b>Scenario III</b>	
<i>(In R\$ thousand)</i>			<b>25% fluctuation</b>		<b>50% fluctuation</b>	
	<b>Appreciation</b>	<b>Depreciation</b>	<b>Appreciation</b>	<b>Depreciation</b>	<b>Appreciation</b>	<b>Depreciation</b>
<b>US Dollar quotation</b>	4.557	5.511	3.775	6.292	2.517	7.551
<b>Foreign currency</b>						
<b>Economic hedges</b>	<b>(81,166)</b>	<b>81,166</b>	<b>(414,484)</b>	<b>414,484</b>	<b>(828,968)</b>	<b>828,980</b>
Forward contracts	(20,829)	20,829	(106,360)	106,360	(212,720)	212,720
Swap	(60,337)	60,337	(308,124)	308,124	(616,248)	616,260
<b>Objects of the economic hedge</b>	<b>81,435</b>	<b>(81,435)</b>	<b>415,860</b>	<b>(415,860)</b>	<b>831,719</b>	<b>(831,731)</b>
Loans, financing and notes payable subject to short-term exchange rate variations	81,435	(81,435)	415,860	(415,860)	831,719	(831,731)
<b>Net effect</b>	<b>269</b>	<b>(269)</b>	<b>1,376</b>	<b>(1,376)</b>	<b>2,751</b>	<b>(2,751)</b>

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

The scenarios for monetary variations and floating interest rates on the Company's loans, financing, debentures and notes payable projected for the fourth quarter of 2023 are as follows:

### Parent company

<b>Variation scenarios</b>	<b>Likely scenario*</b>	<b>25% change</b>	<b>50% change</b>
Loans - CDI	(5,257)	48,021	96,043
Financing - TLP	(1,037)	4,317	8,634
Debentures - CDI	(20,853)	190,490	380,979
Debentures - IPCA	3,625	631	1,262
Notes payable - CDI	(47)	430	860
Financial investments	6,581	(60,112)	(120,224)
<b>Total loss (gain)</b>	<b>(16,988)</b>	<b>183,777</b>	<b>367,554</b>

### Consolidated

<b>Variation scenarios</b>	<b>Likely scenario*</b>	<b>25% change</b>	<b>50% change</b>
Loans - CDI	(5,257)	48,021	96,043
Financing - TLP	(1,037)	4,317	8,634
Debentures - CDI	(20,853)	190,490	380,979
Debentures - IPCA	3,625	631	1,262
Notes payable - CDI	(47)	430	860
Financial investments	7,435	(67,919)	(135,838)
<b>Total loss (gain)</b>	<b>(16,134)</b>	<b>175,970</b>	<b>351,940</b>

**\*Likely scenario assumptions**

Forecast CDI of 12.26% p.a.

Forecast TLP of 6.55% p.a.

Forecast IPCA 1.15% p.a.

## 5 Capital management

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

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

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

The indexes of financial leverage at September 30, 2023 and December 31, 2022 may be summarized as follows:

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Total loans, financing and debentures (Note 20)	9,833,113	9,601,116	9,839,348	9,607,559
Total notes payable	29,819	73,410	29,819	73,410
Loss (gain) on financial hedge	(1,806)	17,260	(1,806)	17,260
Less: cash and cash equivalents (Note 10)	(1,966,850)	(2,597,837)	(2,218,401)	(2,862,473)
Cash and cash equivalents, net	7,894,276	7,093,949	7,648,960	6,835,756
Total equity	11,388,432	10,645,760	11,400,046	10,655,441
Adjusted equity	19,282,708	17,739,709	19,049,006	17,491,197
Net debt to adjusted equity ratio	40.9%	39.9%	40.2%	39.1%

## 6 Estimate of fair value

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

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

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

The table below presents the Company's derivative instrument assets and liabilities at September 30, 2023, as well as the amounts measured at fair value.

	<b>Parent company</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Total balance</b>
Assets			
Derivative financial instruments	-	36,307	36,307
Total assets	-	36,307	36,307
Liabilities			
Derivative financial instruments	-	34,501	34,501
Total liabilities	-	34,501	34,501
	<b>Consolidated</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Total balance</b>
Assets			
Derivative financial instruments	-	39,129	39,129
Total assets	-	39,129	39,129
Liabilities			
Derivative financial instruments	-	56,725	56,725
Total liabilities	-	56,725	56,725

The table below presents the Company's assets and liabilities at December 31, 2022, as well as the amounts stated at fair value.

	<b>Parent company</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Total balance</b>
Assets			
Derivative financial instruments	-	24,087	24,087
Total assets	-	24,087	24,087
Liabilities			
Derivative financial instruments	-	41,347	41,347
Total liabilities	-	41,347	41,347
	<b>Consolidated</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Total balance</b>
Assets			
Derivative financial instruments	-	34,428	34,428
Total assets	-	34,428	34,428
Liabilities			
Derivative financial instruments	-	51,598	51,598
Total liabilities	-	51,598	51,598

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

## 7 Hedge accounting

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

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

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

### Fair value hedges

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

<b>Parent company</b>					
<b>September 30,</b>					
<b>2023</b>					
<b>Operation</b>	<b>Indexing</b>	<b>Hedge type</b>	<b>Principal amount</b>	<b>Asset/(liability) balance</b>	<b>Gain (loss) in P&amp;L</b>
Loan – 4131**	USD + spread	Fair value	218,075	226,517	779
Swap – 4131**	USD + Spread vs. CDI+	Fair value	218,075	5,650	-
Loan – 4131**	USD + spread	Fair value	94,600	103,973	69
Swap – 4131**	USD + Spread vs. CDI+	Fair value	94,600	1,413	-
Loan – 4131	EUR + spread	Fair value	300,000	298,809	7,678
Swap – 4131	EUR + Spread vs CDI+	Fair value	300,000	(28,256)	-
Loan – 4131*	Fixed rate	Fair value	95,000	103,604	(1,680)
Swap – 4131*	Fixed rate vs. CDI+	Fair value	95,000	(2,185)	-

<b>Consolidated</b>					
<b>September 30, 2023</b>					
<b>Operation</b>	<b>Indexing</b>	<b>Hedge type</b>	<b>Principal amount</b>	<b>Asset/(liability) balance</b>	<b>Gain (loss) in P&amp;L</b>
Loan – 4131**	USD + spread	Fair value	218,075	226,517	779
Swap – CDI**	USD + Spread vs. CDI+	Fair value	218,075	5,650	-
Loan – 4131**	USD + spread	Fair value	94,600	103,973	69
Swap – 4131**	USD + Spread vs. CDI+	Fair value	94,600	1,413	-
Loan – 4131	EUR + spread	Fair value	300,000	298,809	7,678
Swap – 4131	EUR + Spread vs CDI+	Fair value	300,000	(28,256)	-
Loan – 4131*	Fixed rate	Fair value	95,000	103,604	(1,680)
Swap – 4131*	Fixed rate vs. CDI+	Fair value	95,000	(2,185)	-
<b>Parent company</b>					
<b>December 31, 2022</b>					
<b>Operation</b>	<b>Indexing</b>	<b>Hedge type</b>	<b>Principal amount</b>	<b>Asset/(liability) balance</b>	<b>Gain (loss) in P&amp;L</b>
Loan – 4131**	USD + spread	Fair value	218,075	234,909	(4)
Swap – CDI**	USD + Spread vs. CDI+	Fair value	218,075	15,524	-
Loan – 4131*	USD + spread	Fair value	94,600	105,275	16
Swap – 4131*	USD + Spread vs. % CDI	Fair value	94,600	8,562	-
Loan – 4131*	Fixed rate	Fair value	395,000	548,964	(398)
Swap – 4131*	Fixed rate vs. CDI+	Fair value	395,000	(12,849)	-
Loan – 4131*	USD + spread	Fair value	263,980	265,823	987
Swap – 4131*	USD + Spread vs. CDI+	Fair value	263,980	(28,498)	-
<b>Consolidated</b>					
<b>December 31, 2022</b>					
<b>Operation</b>	<b>Indexing</b>	<b>Hedge type</b>	<b>Principal amount</b>	<b>Asset/(liability) balance</b>	<b>Gain (loss) in P&amp;L</b>
Loan – 4131**	USD + spread	Fair value	218,075	234,909	(4)
Swap – CDI**	USD + Spread vs. CDI+	Fair value	218,075	15,524	-
Loan – 4131*	USD + spread	Fair value	94,600	105,275	16
Swap – 4131*	USD + Spread vs. % CDI	Fair value	94,600	8,562	-
Loan – 4131*	Fixed rate	Fair value	395,000	548,964	(398)
Swap – 4131*	Fixed rate vs. CDI+	Fair value	395,000	(12,849)	-
Loan – 4131*	USD + spread	Fair value	263,980	265,823	987
Swap – 4131*	USD + Spread vs. CDI+	Fair value	263,980	(28,498)	-

\* Maturity within one year

\*\* Maturity in up to two years

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

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

### Cash flow hedges

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

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

<b>Parent company</b>					
<b>September 30, 2023</b>					
<b>Operation</b>	<b>Indexing</b>	<b>Hedge type</b>	<b>Principal amount</b>	<b>Asset/(liability) balance</b>	<b>Gain/loss in comprehensive income</b>
Debentures	CDI+	Cash flow	500,000	509,913	(4,314)
Swap	CDI+ vs Fixed Rate	Cash flow	500,000	6,184	-
Debentures	CDI+	Cash flow	500,000	519,074	(3,967)
Swap	CDI+ vs Fixed Rate	Cash flow	500,000	5,725	-
Debentures	CDI+	Cash flow	500,000	500,051	(12,655)
Swap	CDI+ vs Fixed Rate	Cash flow	500,000	13,214	-
<b>Consolidated</b>					
<b>September 30, 2023</b>					
<b>Operation</b>	<b>Indexing</b>	<b>Hedge type</b>	<b>Principal amount</b>	<b>Asset/(liability) balance</b>	<b>Gain/loss in comprehensive income</b>
Debentures	CDI+	Cash flow	500,000	509,913	(4,314)
Swap	CDI+ vs Fixed Rate	Cash flow	500,000	6,184	-
Debentures	CDI+	Cash flow	500,000	519,074	(3,967)
Swap	CDI+ vs Fixed Rate	Cash flow	500,000	5,725	-
Debentures	CDI+	Cash flow	500,000	500,051	(12,655)
Swap	CDI+ vs Fixed Rate	Cash flow	500,000	13,214	-
Suppliers	USD	Cash flow	67,612	(67,612)	-
NDF Suppliers (I)	USD vs. R\$	Cash flow	67,612	(20,344)	1,093
NDF Purchases	USD vs. R\$	Cash flow	18,000	550	550



Parent company					
December 31, 2022					
Operation	Indexing	Hedge type	Principal amount	Asset/(liability) balance	Gain/loss in comprehensive income
NDF Acquisition	USD vs. R\$	Cash flow	-	-	-
Consolidated					
December 31, 2022					
Operation	Indexing	Hedge type	Principal amount	Asset/(liability) balance	Gain/loss in comprehensive income
Suppliers	USD	Cash flow	572,335	(572,335)	-
NDF Suppliers (I)	USD vs. R\$	Cash flow	572,335	(7,389)	3,269
NDF Purchases	USD vs. R\$	Cash flow	341	9,236	9,236

(I) Maturities within one year.

## 8 Financial instruments by category

### Parent company

September 30, 2023					
	Amortized cost	FVOCI	FVTPL	Designated as a cash flow hedge	Total
<b>Financial assets per the balance sheet</b>					
Accounts receivable (Note 11)	2,854,460	-	-	-	2,854,460
Financial investments (Note 10)	1,900,770	-	-	-	1,900,770
Cash and banks (Note 10)	66,080	-	-	-	66,080
Derivative financial instruments	-	-	11,184	25,123	36,307
Other assets	208,987	-	-	-	208,987
	<u>5,030,297</u>	<u>-</u>	<u>11,184</u>	<u>25,123</u>	<u>5,066,604</u>
September 30, 2023					
	Amortized cost	FVTPL	FVOCI	Designated as a cash flow hedge	Total
<b>Financial liabilities per the balance sheet</b>					
Loans, financing and debentures (Note 20)	9,833,113	-	-	-	9,833,113
Suppliers (Note 18)	766,349	-	-	-	766,349
Suppliers' assignment of receivables (Note 19)	42,267	-	-	-	42,267
Other payables	328,376	-	-	-	328,376
Notes payable	29,819	-	-	-	29,819
Derivative financial instruments	-	34,501	-	-	34,501
	<u>10,999,924</u>	<u>34,501</u>	<u>-</u>	<u>-</u>	<u>11,034,425</u>
December 31, 2022					
	Amortized cost	FVOCI	FVTPL	Designated as a cash flow hedge	Total
<b>Financial assets per the balance sheet</b>					
Accounts receivable (Note 11)	2,501,327	-	-	-	2,501,327
Financial investments (Note 10)	2,576,489	-	-	-	2,576,489
Cash and banks (Note 10)	21,348	-	-	-	21,348
Derivative financial instruments	-	-	24,087	-	24,087
Other assets	320,945	-	-	-	320,945
	<u>5,420,109</u>	<u>-</u>	<u>24,087</u>	<u>-</u>	<u>5,444,196</u>

	December 31, 2022			
	Amortized cost	FVTPL	FVOCI	Designated as a cash flow hedge
Financial liabilities per the balance sheet				Total
Loans, financing and debentures (Note 20)	9,601,116	-	-	-
Suppliers (Note 18)	755,614	-	-	-
Suppliers' assignment of receivables (Note 19)	39,124	-	-	-
Other payables	337,300	-	-	-
Notes payable	73,410	-	-	-
Derivative financial instruments	-	41,347	-	-
	10,806,564	41,347	-	-

## Consolidated

	September 30, 2023			
	Amortized cost	FVOCI	FVTPL	Designated as a cash flow hedge
Financial assets per the balance sheet				Total
Accounts receivable (Note 11)	2,896,189	-	-	-
Financial investments (Note 10)	2,147,636	-	-	-
Cash and banks (Note 10)	70,765	-	-	-
Derivative financial instruments	-	1,292	11,184	26,653
Other assets	223,526	-	-	-
	5,338,116	1,292	11,184	26,653

	September 30, 2023			
	Amortized cost	FVTPL	FVOCI	Designated as a cash flow hedge
Financial liabilities per the balance sheet				Total
Loans, financing and debentures (Note 20)	9,839,348	-	-	-
Suppliers (Note 18)	308,533	-	-	-
Suppliers' assignment of receivables (Note 19)	648,446	-	-	-
Other payables	486,090	-	-	-
Notes payable	29,819	-	-	-
Derivative financial instruments	-	34,501	841	21,383
	11,312,236	34,501	841	21,383

	December 31, 2022			
	Amortized cost	FVOCI	FVTPL	Designated as a cash flow hedge
Financial assets per the balance sheet				Total
Accounts receivable (Note 11)	2,531,789	-	-	-
Financial investments (Note 10)	2,836,848	-	-	-
Cash and banks (Note 10)	25,625	-	-	-
Derivative financial instruments	-	-	24,087	10,341
Other assets	340,695	-	-	-
	5,734,957	-	24,087	10,341

	December 31, 2022			
	Amortized cost	FVTPL	FVOCI	Designated as a cash flow hedge
<b>Financial liabilities per the balance sheet</b>				<b>Total</b>
Loans, financing and debentures (Note 20)	9,607,559	-	-	-
Suppliers (Note 18)	421,501	-	-	-
Suppliers' assignment of receivables (Note 19)	888,150	-	-	-
Other payables	457,109	-	-	-
Notes payable	73,410	-	-	-
Derivative financial instruments	-	51,598	(10,246)	10,246
	<u>11,447,729</u>	<u>51,598</u>	<u>(10,246)</u>	<u>10,246</u>
				<u>11,499,327</u>

## 9 Credit quality of financial assets

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

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
<b>Current accounts and financial investments (*)</b>				
AAA	1,966,849	2,597,763	2,218,391	2,862,329
A	-	71	-	71
	<u>1,966,849</u>	<u>2,597,834</u>	<u>2,218,391</u>	<u>2,862,400</u>

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

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

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
<b>Derivative financial assets</b>				
AAA	36,307	24,087	39,102	34,064
AA+	-	-	-	30
AA	-	-	27	-
A-	-	-	-	334
	<u>36,307</u>	<u>24,087</u>	<u>39,129</u>	<u>34,428</u>

No fully performing financial assets were renegotiated in the last financial year.

None of the loans with related parties are overdue or impaired.

Note 4 (c) describes the credit risks of these financial assets.

## 10 Cash and cash equivalents

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Cash and banks	66,080	21,348	70,765	25,625
Short-term investments:				
Repurchase operations	4,354	228	4,354	48,029
Bank deposit certificates (CDBs)	1,896,416	2,576,261	2,143,282	2,788,819
	1,900,770	2,576,489	2,147,636	2,836,848
	1,966,850	2,597,837	2,218,401	2,862,473

Financial investments (both repurchase operations and CDBs) have yield of between 96.5% and 103.2% of the CDI p.a. (at December 31, 2022, between 70% and 103.5% of the CDI p.a.), with a weighted average of 101.9% of the CDI p.a. (at December 31, 2022, 101.8% p.a.) and are substantially liquid.

## 11 Accounts receivable

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Domestic customers	2,875,075	2,519,496	2,915,780	2,550,833
Foreign customers	-	-	3,882	1,982
Expected credit losses	(20,615)	(18,169)	(23,473)	(21,026)
	2,854,460	2,501,327	2,896,189	2,531,789

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

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Up to 3 months	40,986	37,947	40,986	37,947
From 3 to 6 months	449	9,151	449	9,151
Over 6 months	36,577	552	36,577	552
	78,012	47,650	78,012	47,650

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

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

Changes to the expected credit losses for the period ended September 30, 2023 are as follows:

	<b>Parent company</b>	<b>Consolidated</b>
Balances at 12/31/2022	(18,169)	(21,026)
(Additions)/reversals, net	(2,528)	(2,649)
Disposals	82	202
Balances at 09/30/2023	(20,615)	(23,473)

## 12 Inventories

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Finished goods and goods for resale	594,803	480,149	823,052	621,931
Semi-finished goods	-	-	169,840	176,055
Raw materials	-	-	1,188,341	1,354,599
Maintenance and supplies	104	186	203,508	164,149
Allowance for inventory losses	(50,321)	(34,582)	(177,512)	(120,752)
	<u>544,586</u>	<u>445,753</u>	<u>2,207,229</u>	<u>2,195,982</u>

The table below presents the changes in the provision:

	<b>Parent company</b>	<b>Consolidated</b>
At 12/31/2022	(34,582)	(120,752)
Additions for the period (a)	(95,602)	(164,502)
Write-offs for the period (b)	79,863	107,742
At 09/30/2023	(50,321)	(177,512)

(a) Refers to the addition of a provision for losses due to discontinuity, validity, quality and realization of inventory, in accordance with the policy established by the Company.

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

## 13 Taxes recoverable

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
PIS/COFINS/IPI and others (*)	347,976	505,665	454,176	608,743
ICMS	99,034	105,407	199,789	200,361
Recoverable IRPJ and CSLL	75,469	52,538	116,501	67,473
	<u>522,479</u>	<u>663,610</u>	<u>770,466</u>	<u>876,577</u>
Current	<u>325,722</u>	<u>378,774</u>	<u>514,541</u>	<u>532,564</u>
Non-current	<u>196,757</u>	<u>284,836</u>	<u>255,925</u>	<u>344,013</u>

(\*) Refers mainly to the PIS and COFINS credit, recorded in 2019 when ICMS was excluded from the calculation basis of contributions to PIS and COFINS.

## 14 Other assets

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Prepaid expenses (a)	118,303	85,720	154,556	127,716
Bills receivable (b)	72,374	208,283	75,807	216,349
Deposits in court (c)	127,568	107,023	147,719	124,346
Advances	33,968	34,515	92,769	108,192
Other	10,496	7,503	1,767	2,564
	<u>362,709</u>	<u>443,044</u>	<u>472,618</u>	<u>579,167</u>
Current	177,859	277,200	262,808	391,058
Non-current	184,850	165,844	209,810	188,109

(a) Refers mainly to advance payments for advertising and publicity.

(b) On April 20, 2023, the principal amount referring to the Leniency Agreement (R\$ 100,000) was settled (Note 23).

(c) Refers to deposits made as guarantees of contingencies.

## 15 Investments

The investments held by the Company are presented below:

Company	Date of incorporation	Country	Business	Interest in shares/quotas	Type of interest
Cosmed Indústria de Cosméticos e Medicamentos S.A.	December 17, 2008	Brazil	Sweeteners/Pharma	100%	Direct
My Agência de Propaganda Ltda.	November 29, 1999	Brazil	Advertising agency	100%	Direct
Brainfarma Indústria Química e Farmacêutica S.A.	June 24, 2002	Brazil	Pharma	93.97%	Direct
Brainfarma Indústria Química e Farmacêutica S.A.	June 24, 2002	Brazil	Pharma	6.03%	Indirect
Bionovis S.A.	July 15, 2010	Brazil	Biotechnology	25%	Direct
Neolatina Comércio e Indústria Farmacêutica S.A.	September 15, 1966	Brazil	Pharma	100%	Indirect
Simple Organic Beauty S.A.	April 29, 2016	Brazil	Natural beauty dermo-cosmetics	64.93%	Direct
Mantecorp Participações S.A.	September 28, 2016	Brazil	Holding company	100%	Direct
Bio Brands Franchising Gestão de Marcas Ltda	August 29, 2014	Brazil	Dermo-cosmetics	100%	Direct
Bio Scientific Indústria de Cosméticos Ltda.	July 13, 2001	Brazil	Dermo-cosmetics	100%	Indirect
Solana Agropecuária Ltda.	November 04, 1981	Brazil	Crop	100%	Indirect
Amigotech S.A.	July 02, 2021	Brazil	Technology	15%	Direct
MGF Farmácia Magistral Ltda.	September 10, 2020	Brazil	Pharma	100%	Direct

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

	Brainfarma	Cosmed	Mantecorp	Bionovis	My	Other		Total
	Cost	Cost	Cost	Cost	Cost	Cost	Goodwill	
Balances at January 1, 2023	3,404,418	1,071,419	275,717	59,744	9,437	115,739	101,987	5,038,461
Capital increase	531,770	19,362	217	-	-	20,310	-	571,659
Equity accounting	230,310	52,131	48,326	9,127	715	2,211	-	342,820
Share of discontinued equity accounting in the investment	(129)	676	-	-	-	-	-	547
Stock Options/Matching/Restricted	2,094	(182)	187	-	-	271	-	2,370
Carrying value adjustments	(11,427)	(1,653)	-	-	-	-	-	(13,080)
Write-off	-	-	-	-	-	(4,218)	(35,595)	(39,813)
Dividends receivable	8,007	1,861	-	5,951	-	-	-	15,819
Balances at September 30, 2023	<u>4,165,043</u>	<u>1,143,614</u>	<u>324,447</u>	<u>74,822</u>	<u>10,152</u>	<u>134,313</u>	<u>66,392</u>	<u>5,918,783</u>

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

<b>September 30, 2023</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Revenue</b>	<b>Profit (loss)</b>	<b>Adjusted profit (loss) (*)</b>
Brainfarma Indústria Química e Farmacêutica S.A.	5,683,920	1,289,176	2,612,481	184,238	230,310
Cosmed Indústria de Cosméticos e Medicamentos S.A.	1,360,897	217,950	527,802	43,525	52,131
My Agência de Propaganda Ltda.	11,422	1,282	3,420	703	715
Simple Organic Beauty S.A.	47,169	14,054	95,428	4,301	1,745
Mantecorp Participações S.A.	324,504	-	-	48,326	48,326
Bio Brands Franchising Gestão de Marcas Ltda	53,787	4,605	15,835	1,727	170
MGF Farmácia Magistral Ltda.	1,028	593	1,925	(282)	(282)

<b>December 31, 2022</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Revenue</b>	<b>Profit (loss)</b>	<b>Adjusted profit (loss) (*)</b>
Brainfarma Indústria Química e Farmacêutica S.A.	5,183,405	1,502,742	3,183,569	230,436	235,034
Cosmed Indústria de Cosméticos e Medicamentos S.A.	1,393,707	313,675	669,632	66,468	69,738
My Agência de Propaganda Ltda.	9,977	540	4,560	(527)	(395)
Simple Organic Beauty S.A.	33,967	10,734	98,054	4,083	1,741
Mantecorp Participações S.A.	275,174	-	-	1,770	1,770
Bio Brands Franchising Gestão de Marcas Ltda	41,891	3,442	19,760	(4,576)	4,472
MGF Farmácia Magistral Ltda.	732	414	364	(468)	(468)

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

## b. Equity accounting of the parent company

	<b>Number of shares and quotas</b>	<b>Adjusted equity at September 30, 2023</b>	<b>Ownership %</b>	<b>Equity accounting at September 30, 2023</b>	<b>Balance of the investment at September 30, 2023</b>	<b>Equity accounting at September 30, 2022</b>	<b>Balance of the investment at December 31, 2022</b>
Cosmed Indústria de Cosméticos e Medicamentos S.A.	2,523,021,640	1,143,614	100%	52,131	1,143,614	53,817	1,071,419
My Agência de Propaganda Ltda.	22,467,861	10,152	100%	715	10,152	(656)	9,437
Brainfarma Indústria Química e Farmacêutica S.A.	1,143,842,353	4,165,043	100%	230,310	4,165,043	172,822	3,404,418
Simple Organic Beauty S.A.	216,983	41,600	64.93%	1,745	41,600	(430)	34,680
Drogarias Online Agência de Farmácias S.A.	506,250	-	22.50%	(298)	-	(3,211)	40,111
Bio Brands Franchising Gestão de Marcas Ltda	49,872,454	118,597	100%	170	118,597	3,956	109,421
Mantecorp Participações S.A.	275,300,100	324,447	100%	48,326	324,447	3	275,717
Bionovis S.A.	6,000,000	299,289	25%	9,127	74,822	9,899	59,744
MGF Farmácia Magistral Ltda.	1,210,000	1,950	100%	(282)	1,950	-	1,832
				<b>341,944</b>	<b>5,880,225</b>	<b>236,200</b>	<b>5,006,779</b>

## c. Business combinations

### Acquisition of Buscopan Manufacturing Business

On July 1, 2023, the subsidiary Brainfarma acquired a business for the manufacturing of the medicine Buscopan, for R\$ 95,271, mainly comprising land, buildings, machinery, equipment, inventories and certain labor provisions related to the transferred employees, as well as manufacturing know-how. The Company has analyzed the transaction and concluded that it represents a business combination.

Currently, the Company continues to identify the assets acquired and liabilities assumed in the combination, as well as measuring their fair values to determine the goodwill or negative goodwill for the transaction, not yet registered. As at September 30, 2023, the composition of items and amounts are presented as follows:

On July 1, 2023	
Amount paid in cash	95,271
Total consideration in cash	95,271
Provisional fair values of identifiable assets acquired and liabilities assumed	
Inventories	25,431
Property, plant and equipment	72,564
Intangible assets	2,108
Other assets	801
Tax recoverable	1,077
Other payables	(6,710)
Total identifiable assets	95,271

## 16 Property and equipment

### Parent company

Own assets	Balances at January 1, 2023	Additions	Write-off	Depreciation	Transfer	Balances at September 30, 2023
Land	-	5,058	(68)	-	-	4,990
Buildings and improvements	3,442	383	-	(1,009)	8,819	11,635
Machinery, equipment and facilities	75,808	2,312	(100)	(4,900)	124	73,244
Vehicles	91	-	-	(3)	-	88
Furniture and fittings	16,387	4,231	(2)	(868)	20	19,768
Other	3,395	31	(116)	(483)	3	2,830
<b>Total in operation</b>	99,123	12,015	(286)	(7,263)	8,966	112,555
Construction in progress	21,054	15,253	-	-	(9,012)	27,295
<b>Total PP&amp;E</b>	120,177	27,268	(286)	(7,263)	(46)	139,850

Right-of-use assets - leases	Balances at January 1, 2023	Additions	Write-off	Amortization	Transfer	Balances at September 30, 2023
Buildings and improvements	43,486	12,814	-	(7,568)	-	48,732
Machinery, equipment and facilities	12,890	17,864	-	(7,081)	-	23,673
Vehicles	37,412	85,907	(13,424)	(27,110)	-	82,785
<b>Right-of-use assets Total</b>	93,788	116,585	(13,424)	(41,759)	-	155,190

<b>Net book value</b>	213,965	143,853	(13,710)	(49,022)	(46)	295,040
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### Consolidated

Own assets	Balances at January 1, 2023	Additions	Write-off	Depreciation	Transfer	Balances at September 30, 2023
Land	243,195	16,661	(68)	-	(40)	259,748
Buildings and improvements	277,419	13,226	-	(14,108)	32,068	308,605
Machinery, equipment and facilities	1,512,866	169,907	(483)	(53,111)	54,106	1,683,285
Vehicles	1,849	1,140	(9)	(320)	-	2,660
Furniture and fittings	43,052	48,093	(2)	(2,056)	573	89,660
Other	57,437	32,824	(115)	(9,707)	(6,426)	74,013
<b>Total in operation</b>	2,135,818	281,851	(677)	(79,302)	80,281	2,417,971
Construction in progress (*)	554,243	198,828	(606)	-	(81,199)	671,266
<b>Total PP&amp;E</b>	2,690,061	480,679	(1,283)	(79,302)	(918)	3,089,237



	Balances at					Balances at
Right-of-use assets - leases	January 1, 2023	Additions	Write-off	Amortization	Transfer	September 30, 2023
Buildings and improvements	69,064	34,838	-	(10,100)	-	93,802
Machinery, equipment and facilities	15,295	20,695	-	(9,258)	-	26,732
Vehicles	40,120	94,177	(14,668)	(28,825)	-	90,804
<b>Right-of-use assets Total</b>	<b>124,479</b>	<b>149,710</b>	<b>(14,668)</b>	<b>(48,183)</b>	<b>-</b>	<b>211,338</b>
 <b>Net book value</b>	 <b>2,814,540</b>	 <b>630,389</b>	 <b>(15,951)</b>	 <b>(127,485)</b>	 <b>(918)</b>	 <b>3,300,575</b>

(\*) Mainly represents purchases for upgrades to the Anápolis-GO plant.

## 17 Intangible assets

### a) Balance composition

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
<b>Goodwill in non-merged companies</b>				
Simple Organic Beauty S.A.	-	-	12,677	12,677
Bio Brands Franchising Gestão de Marcas Ltda.	-	-	43,257	43,257
Neolatina Comércio e Indústria Farmacêutica S.A.	-	-	12,204	12,204
Solana Agropecuária Ltda. (*)	-	-	-	25,200
MGF Farmácia Magistral Ltda.	-	-	1,515	1,515
<b>Goodwill on the acquisition of investments in merged companies</b>				
Mantecorp Indústria Química Farmacêutica S.A.	1,798,470	1,798,470	1,798,470	1,798,470
Darwin Prestação de Serviços de Marketing Ltda.	2,945,156	2,945,156	2,945,156	2,945,156
Laboratório Neo Química Comércio e Indústria S.A.	967,154	967,154	967,154	967,154
DM Indústria Farmacêutica Ltda.	743,029	743,029	743,029	743,029
Farmasa - Laboratório Americano de Farmacoterapia S.A.	666,808	666,808	666,808	666,808
Amazon Distribuidora de Medicamentos e Produtos Cosméticos Ltda.	52,614	52,614	52,614	52,614
Luper Indústria Farmacêutica Ltda.	45,917	45,917	45,917	45,917
Barrenne Indústria Farmacêutica Ltda.	33,955	33,955	33,955	33,955
Finn Administradora de Marcas Ltda.	17,857	17,857	17,857	17,857
	<b>7,270,960</b>	<b>7,270,960</b>	<b>7,340,613</b>	<b>7,365,813</b>
 Trademarks	 2,708,618	 2,711,098	 2,729,700	 2,732,180
Rights of use and software	70,099	69,509	144,610	138,874
Product development	5,893	1,921	346,714	265,571
Intangible assets in progress	900	4,697	804,479	593,034
	<b>10,056,470</b>	<b>10,058,185</b>	<b>11,366,116</b>	<b>11,095,472</b>

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

**b) Changes in the balances**

**Parent company**

	<b>Balances at January 1, 2023</b>	<b>Additions</b>	<b>Write-off</b>	<b>Amortization</b>	<b>Transfer</b>	<b>Balances at September 30, 2023</b>
Right of use and trademarks	2,711,098	-	-	(2,480)	-	2,708,618
Rights of use and software	69,509	15,930	-	(15,340)	-	70,099
Product development	1,921	27	-	(573)	4,518	5,893
Goodwill	7,270,960	-	-	-	-	7,270,960
<b>Total in operation</b>	<b>10,053,488</b>	<b>15,957</b>	<b>-</b>	<b>(18,393)</b>	<b>4,518</b>	<b>10,055,570</b>
Intangible assets in progress	4,697	729	-	-	(4,526)	900
<b>Total</b>	<b>10,058,185</b>	<b>16,686</b>	<b>-</b>	<b>(18,393)</b>	<b>(8)</b>	<b>10,056,470</b>

**Consolidated**

	<b>Balances at January 1, 2023</b>	<b>Additions</b>	<b>Write-off</b>	<b>Amortization</b>	<b>Transfer</b>	<b>Balances at September 30, 2023</b>
Right of use and trademarks	2,732,180	-	-	(2,480)	-	2,729,700
Rights of use and software	138,874	32,541	(868)	(26,842)	905	144,610
Product development	265,571	84,688	-	(13,470)	9,925	346,714
Goodwill (*)	7,365,813	-	(25,200)	-	-	7,340,613
<b>Total in operation</b>	<b>10,502,438</b>	<b>117,229</b>	<b>(26,068)</b>	<b>(42,792)</b>	<b>10,830</b>	<b>10,561,637</b>
Intangible assets in progress	593,034	221,410	-	-	(9,965)	804,479
<b>Total</b>	<b>11,095,472</b>	<b>338,639</b>	<b>(26,068)</b>	<b>(42,792)</b>	<b>865</b>	<b>11,366,116</b>

(\*) Amount allocated to Assets identified and Liabilities assumed (AVJ Solana).

**c) Impairment of assets**

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

In connection with the annual impairment test of these assets, which will be realized on December 31, 2023, the Company performs stress tests to demonstrate the existence of a reasonable gap indicating the need to record an impairment loss. Considering the performance of the Company's operations up to the date of approval of this quarterly information and the gap shown in the stress testing, management concluded that there is no indication of impairment that requires additional testing.

## 18 Suppliers

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Domestic suppliers	10,593	10,713	284,135	349,762
Trade payables - foreign	1,013	938	24,398	71,739
Related party suppliers (Note 28(a))	754,743	743,963	-	-
	<u>766,349</u>	<u>755,614</u>	<u>308,533</u>	<u>421,501</u>

## 19 Suppliers' assignment of receivables

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Domestic market (drawee risk)	32,400	9,982	236,908	268,499
Foreign market ( <i>forfaiting</i> )	-	-	352,912	557,718
Total suppliers' assignment of receivables	<u>32,400</u>	<u>9,982</u>	<u>589,820</u>	<u>826,217</u>
Total service providers' assignment of receivables	<u>9,867</u>	<u>29,142</u>	<u>58,626</u>	<u>61,933</u>
Total assignment of receivables	<u>42,267</u>	<u>39,124</u>	<u>648,446</u>	<u>888,150</u>

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

At September 30, 2023, the discount rates in assignment operations entered into by the Company's suppliers with financial institutions in the domestic market were between 1.08% and 1.43% with a weighted average of 1.23% p.m. (at December 31, 2022, these rates were between 1.14% and 1.55% with a weighted average of 1.24% p.m.).

At September 30, 2023, the discount rates in assignment operations entered into by the Company's suppliers with the financial institutions in the foreign market were between 5.73% and 8.88% p.a. with a weighted average of 7.37% p.a. (at December 31, 2022, these rates were between 3.01% and 9.00% p.a. with a weighted average of 5.88% p.a.).

## 20 Loans, financing and debentures

		Parent company		Consolidated	
	Nominal rate	September 30, 2023	December 31, 2022	September 30, 2023 (i)	December 31, 2022
Foreign currency					
Borrowings (ii)	USD+SOFR+0.681% to 0.809% p.a.	622,808	606,007	622,808	606,007
Local currency					
Loans	CDI + 1.20% to 2.00% p.a.	897,823	1,467,586	903,844	1,469,228
FCO <sup>(ii)</sup>	Fixed rate from 2.50% to 8.50% p.a.	5,231	8,369	5,231	12,422
Financing	Fixed rate from 2.50% to 8.70% p.a.	-	33	214	781
Debentures (iii)	CDI + 1.25% to 2.20% p.a.; IPCA + 6.2790% to 6.4451% p.a.	8,060,576	7,214,540	8,060,576	7,214,540
Finep	TJLP from - 1.00% to 1.00% p.a.	246,675	304,581	246,675	304,581
		9,833,113	9,601,116	9,839,348	9,607,559
Current		1,806,662	2,224,673	1,812,767	2,230,678
Non-current		8,026,451	7,376,443	8,026,581	7,376,881

(i) Contracts with covenants regarding debt levels and the coverage of interest with respect to certain financial information (EBITDA and net interest expenses), disposals, spin-offs, mergers, amalgamations or any other forms of corporate restructuring which, if they occur, require prior approval from the financial agents. If any of these events occurs without the consent of the lenders, the outstanding balances will have their maturities accelerated. At December 31, 2022, all covenants were met. The next measurement will be made at December 31, 2023.

(ii) The amount of R\$ 2,139,132 related to principal and interest on loans, financing and debentures was amortized in the six-month period.

(iii) The amount of the accounting balance of debentures considers the amounts of their swaps.

The breakdown of long-term loans and financing at September 30, 2023, by year of maturity, is as follows:

	Parent company	Consolidated
2024	517,787	517,913
2025	355,288	355,292
2026	586,405	586,405
2027	28,098	28,098
2028	28,098	28,098
2029	25,756	25,756
	<u>1,541,432</u>	<u>1,541,562</u>

### Debentures

On December 5, 2019, 80,000 non-convertible debentures of the 8<sup>th</sup> public issuance of debentures were issued, in a single series, in the amount of R\$ 800,000,000.00, with a par value of R\$ 10,000.00 and interest at 100% of the cumulative variation of the daily average rates of the Interbank Deposits (DI) plus a spread of 1.25% p.a. The nominal unit value of the debentures will be amortized in five consecutive semi-annual installments, with final maturity on November 28, 2025.

On April 3, 2020, 248,500 non-convertible debentures of the 9<sup>th</sup> public issuance of debentures were issued, in a single series, in the amount of R\$ 2,485,000,000.00, with a par value of R\$ 10,000.00, and interest at 100% of the cumulative variation of the daily average rates of the DI, plus a spread of 1.50% p.a. The nominal unit value of the debentures will be amortized in six consecutive semi-annual installments, with final maturity on April 3, 2026.

On September 1, 2020, 73,500 non-convertible debentures of the 10<sup>th</sup> public issuance of debentures were issued, in a first and second series, in the amount of R\$ 735,000,000.00, with a par value of R\$ 10,000.00 and interest at 100% of the cumulative variation of the daily average rates of the DI plus a spread of 1.75% p.a. The nominal unit value of the debentures will be amortized in three consecutive installments, with final maturity on September 1, 2026.

On September 10, 2021, 1,000,000 non-convertible debentures of the 11<sup>th</sup> public issuance of debentures were issued, in a single series, in the amount of R\$ 1,000,000,000.00, with a par value of R\$ 1,000.00 and interest at 100% of the cumulative variation of the daily average rates of the DI plus a spread of 1.45% p.a. The nominal unit value of the debentures will be amortized in a single installment, with final maturity on September 9, 2026.

On February 4, 2022, 500,000 non-convertible debentures of the 12<sup>th</sup> public issuance of debentures were issued, in a single series, in the amount of R\$ 500,000,000.00, with a par value of R\$ 1,000.00, and interest at 100% of the cumulative variation in the daily average rates of the DI plus a spread of 1.50% p.a. The nominal unit value of the debentures will be amortized in a single installment, with final maturity on February 4, 2027.

On August 10, 2022, 750,000 non-convertible debentures of the 13<sup>th</sup> issuance were issued for private placement, in three series, of the unsecured type, in the total amount of R\$ 750,000,000.00, which will back up the issuance of real estate receivables certificates of the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> series of the 59<sup>th</sup> Issue of True Securitizadora S.A., so that 750,000 debentures were issued, with a nominal unit value of R\$ 1.

- The 1<sup>st</sup> series in the amount of R\$ 200,000,000.00 and interest at 100% of the cumulative variation of the daily average rates of the DI plus a spread of 0.75% p.a.
- The 2<sup>nd</sup> series in the amount of R\$ 397,641,000.00 monetarily adjusted by the Amplified Consumer Prices Index (IPCA), released by the Brazilian Institute of Geography and Statistics (IBGE) and interest corresponding to 6.2790% p.a.
- The 3<sup>rd</sup> series in the amount of R\$ 152,359,000.00 monetarily adjusted by the IPCA and interest corresponding to 6.4451% p.a.

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

On December 23, 2022, 750,000 non-convertible debentures of the 14<sup>th</sup> public issuance of debentures were issued, first and second series, in the amount of R\$ 750,000,000.00, with a par value of R\$ 1,000.00 and interest at 100% of the cumulative variation of the daily average rates of the DI plus a spread of 1.35% p.a. The nominal unit value of the debentures will be amortized in two installments, with final maturity on December 23, 2027.

On May 5, 2023, 800,000 non-convertible debentures of the 15<sup>th</sup> public issuance of debentures were issued, in a single series, in the amount of R\$ 800,000,000.00, with a par value of R\$ 1,000.00 and interest at 100% of the cumulative variation of the daily average DI rate plus a

spread of 2.20% p.a. The nominal unit value of the debentures will be amortized in two installments, with final maturity on April 25, 2028.

### Debentures - Changes

	8 <sup>th</sup> Public Issuance	9 <sup>th</sup> Public Issuance	10 <sup>th</sup> Public Issuance 1 <sup>st</sup> and 2 <sup>nd</sup> Series	11 <sup>th</sup> Public Issuance	12 <sup>th</sup> Public Issuance	13 <sup>th</sup> Public Issuance 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> Series	14 <sup>th</sup> Public Issuance 1 <sup>st</sup> and 2 <sup>nd</sup> Series	15 <sup>th</sup> Public Issuance Single series	Total
	Single series	Single series	Series	Single series	Single series	Single series	Single series	Single series	Single series
At January 1, 2023	808,713	2,562,339	765,715	1,042,841	528,738	757,691	748,503	-	7,214,540
Total issuance amount	-	-	-	-	-	-	-	800,000	800,000
Costs to be incurred	-	-	-	-	-	-	-	(4,220)	(4,220)
Finance charges	86,923	277,976	82,916	110,003	54,896	69,309	80,985	50,462	813,470
Principal amortization	-	-	(78,333)	-	-	-	-	-	(78,333)
Interest paid	(57,690)	(182,461)	(110,027)	(146,443)	(73,721)	(63,663)	(50,876)	-	(684,881)
At September 30, 2023	837,946	2,657,854	660,271	1,006,401	509,913	763,337	778,612	846,242	8,060,576
Current	358,483	1,004,211	83,672	7,606	10,759	29,634	31,717	49,475	1,575,557
Non-current	479,463	1,653,643	576,599	998,795	499,154	733,703	746,895	796,767	6,485,019
Unrealized transaction costs	1,542	7,365	3,698	1,718	1,132	18,023	3,836	4,032	41,346
Current	1,005	4,341	1,963	513	286	1,726	731	799	11,364
Non-current	537	3,024	1,735	1,205	846	16,297	3,105	3,233	29,982

Note: accounting changes do not consider the amounts of swaps.

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

	September 30, 2023
2024	899,455
2025	1,479,522
2026	1,329,524
2027	1,840,948
2028	398,384
2029	388,737
2030	49,483
2031	49,483
2032	49,483
	6,485,019

#### a. Guarantees for loans and financing at September 30, 2023

	Parent company	Consolidated
Letters of guarantee (*)	246,675	246,675
Pledged fixed assets	5,231	5,445
	251,906	252,120

(\*) Letter of guarantee for the loan from FINEP (Contract 0799/13).

**b. Carrying amounts and estimated fair values**

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

		Consolidated		Fair value	
	Nominal rate	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Foreign currency					
Loans	USD+SOFR+0.681% to 0.809% p.a.	622,808	606,007	622,808	606,007
Local currency					
Loans	CDI + 1.26% to 3.00% p.a.	903,844	1,469,228	903,844	1,455,567
FCO	Fixed rate from 2.50% to 8.50% p.a.	5,231	12,422	5,231	12,422
Financing	Fixed rate from 2.50% to 8.70% p.a.	214	781	209	870
Debentures	CDI + 1.25% to 1.75% p.a.; IPCA + 6.2790% to 6.4451% p.a.	8,060,576	7,214,540	8,060,576	7,214,585
Finep	TLP + 1.00% to 1.00% p.a.	246,675	304,581	246,675	304,581
		9,839,348	9,607,559	9,839,343	9,594,032

The fair values of some current loans are equal to their carrying amounts, since the impact of marking-to-market is not material. The fair values are based on the discounted cash flow, using a market rate ranging from CDI + 0.53% to CDI + 2.01% p.a. (December 31, 2022 - CDI + 0.63% to CDI + 1.92% p.a.).

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

								Parent company	
					Liabilities	Derivatives (assets/liabilities) held to hedge long-term loans			
	Loans and financing	Notes payable	Taxes payable	Dividends and interest on capital payable	Other liabilities	Derivative financial instruments (assets)	Derivative financial instruments (liabilities)	Equity	Total
At January 1, 2023	9,601,116	73,410	21,766	677,773	390,290	(24,087)	41,347	10,645,760	21,427,375
Changes in cash flow from financing activities									
Hedges of loans	-	-	-	-	-	(17,112)	(48,870)	-	(65,982)
Loans taken out	1,350,000	-	-	-	-	-	-	-	1,350,000
Payments of loans - principal	(1,151,536)	-	(898)	-	(47,258)	-	-	-	(1,199,692)
Payments of loans - interest	(911,648)	-	-	-	(10,326)	-	-	-	(921,974)
Purchases of shares	-	(44,425)	-	-	-	-	-	(44,028)	(88,453)
Sales of shares	-	-	-	-	-	-	-	33,056	33,056
Intragroup loan payable	-	-	-	-	(1,908)	-	-	-	(1,908)
Dividends paid	-	-	-	(732,046)	-	-	-	-	(732,046)
Total changes in cash flow from financing activities	(713,184)	(44,425)	(898)	(732,046)	(59,492)	(17,112)	(48,870)	(10,972)	(1,626,999)
Other changes									
Additions	-	-	-	-	33,110	-	-	-	33,110
Leases	-	-	-	-	98,069	-	-	-	98,069
Taxes payable	-	-	(210)	-	-	-	-	-	(210)
Proposed dividends	-	-	-	584,307	-	-	-	-	584,307
Stock Options/Matching/Restricted	-	-	-	-	-	-	-	12,106	12,106
Accrued interest	945,181	1,216	91	-	(7,544)	4,892	42,024	-	985,860
Interest on capital	-	-	-	-	-	-	-	(584,306)	(584,306)
Net income for the period	-	-	-	-	-	-	-	1,340,904	1,340,904
Loans - acquisitions of subsidiaries	-	(382)	-	-	-	-	-	-	(382)
Equity valuation adjustments	-	-	-	-	-	-	-	(15,060)	(15,060)
Other payables	-	-	-	-	(77,000)	-	-	-	(77,000)
Total other changes related to liabilities	945,181	834	(119)	584,307	46,635	4,892	42,024	753,644	2,377,398
At September 30, 2023	9,833,113	29,819	20,749	530,034	377,433	(36,307)	34,501	11,388,432	22,177,774

	Consolidated							
					Liabilities		Derivatives (assets/liabilities) held to hedge long-term loans	
	Loans and financing	Notes payable	Taxes payable	Dividends and interest on capital payable	Other liabilities	Derivative financial instruments (assets)	Derivative financial instruments (liabilities)	Equity
At January 1, 2023	9,607,559	73,410	75,040	677,773	560,205	(34,428)	51,598	10,655,441
<b>Changes in cash flow from financing activities</b>								
Hedges of loans	-	-	-	-	-	(17,112)	(48,870)	-
Loans taken out	1,356,000	-	-	-	-	-	-	1,356,000
Payments of loans - principal	(1,149,043)	-	(979)	-	(61,525)	-	-	(1,211,547)
Payments of loans - interest	(912,656)	-	(827)	-	(14,102)	-	-	(927,585)
Purchases of shares	-	(44,425)	-	-	-	-	-	(44,028)
Sales of shares	-	-	-	-	-	-	-	33,056
Dividends paid	-	-	-	(732,046)	-	-	-	-
<b>Total changes in cash flow from financing activities</b>	<b>(705,699)</b>	<b>(44,425)</b>	<b>(1,806)</b>	<b>(732,046)</b>	<b>(75,627)</b>	<b>(17,112)</b>	<b>(48,870)</b>	<b>(10,972)</b>
<b>Other changes</b>								
Additions	-	-	-	-	25,955	-	-	25,955
Leases	-	-	-	-	149,106	-	-	149,106
Taxes payable	-	-	30,556	-	-	-	-	30,556
Proposed dividends	-	-	-	584,307	-	-	-	584,307
Stock Options/Matching/Restricted	-	-	-	-	-	-	-	12,106
Accrued interest	937,488	1,216	564	-	(6,945)	33,657	12,868	978,848
Interest on capital	-	-	-	-	-	-	-	(584,306)
Net income for the period	-	-	-	-	-	-	-	1,340,904
Loans - acquisitions of subsidiaries	-	(382)	-	-	-	-	-	(382)
MtM - Supplier hedges	-	-	-	-	-	(439)	-	(439)
Supplier hedges - interest paid	-	-	-	-	-	(20,807)	41,129	20,322
Equity valuation adjustments	-	-	-	-	-	-	-	(15,060)
Other payables	-	-	-	-	(87,933)	-	-	(87,933)
Interest attributable to non-controlling interests	-	-	-	-	-	-	-	1,933
<b>Total other changes related to liabilities</b>	<b>937,488</b>	<b>834</b>	<b>31,120</b>	<b>584,307</b>	<b>80,183</b>	<b>12,411</b>	<b>53,997</b>	<b>755,577</b>
<b>At September 30, 2023</b>	<b>9,839,348</b>	<b>29,819</b>	<b>104,354</b>	<b>530,034</b>	<b>564,761</b>	<b>(39,129)</b>	<b>56,725</b>	<b>11,400,046</b>

## 21 Deferred income and social contribution taxes

### a. Breakdown of deferred tax assets

Deferred tax assets include tax losses carried forward, negative bases of social contribution and temporary differences. These assets are recognized in proportion to the likelihood of realization of the related tax benefit against the future taxable income. This is based on a study of future realization, using projections of the generation of taxable income from 2023 onward. Tax losses carried forward and negative bases of social contribution are mainly generated by the tax deductibility of goodwill arising from acquisitions of companies (Note 17) and the distribution of interest on capital and the constitution of grant for investments.

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
<b>Deferred tax assets:</b>				
Tax losses carried forward and negative CSLL bases	2,985,610	2,467,208	3,021,181	2,484,489
Contingencies	45,616	56,886	57,147	69,410
Expected credit losses	27,532	26,472	30,701	29,640
Other temporary differences	253,051	158,563	373,870	271,211
<b>Total deferred tax assets</b>	<b>3,311,809</b>	<b>2,709,129</b>	<b>3,482,899</b>	<b>2,854,750</b>
(-) Portion of deferred tax assets recoverable through deferred liabilities of the same company to the same tax authority (also recoverable against the calculation of current tax)	(2,489,180)	(2,150,345)	(2,616,607)	(2,251,580)
<b>Remaining balance of deferred tax assets</b>	<b>822,629</b>	<b>558,784</b>	<b>866,292</b>	<b>603,170</b>



**b. Deferred tax liabilities**

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

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Goodwill	2,462,048	2,117,064	2,462,048	2,117,064
Fair value of property, plant and equipment - business combinations	5,024	15,972	30,231	45,454
Other	22,108	17,309	324,858	295,440
Total tax debt	<u>2,489,180</u>	<u>2,150,345</u>	<u>2,817,137</u>	<u>2,457,958</u>
(-) Portion of deferred tax liabilities recoverable through deferred assets of the same company to the same tax authority (also recoverable against the calculation of current tax)	(2,489,180)	(2,150,345)	(2,616,607)	(2,251,580)
<b>Remaining balance of deferred liabilities</b>	<u>-</u>	<u>-</u>	<u>200,530</u>	<u>206,378</u>

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

	Parent company		Consolidated	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
<b>Profit before income tax and social contribution</b>	1,095,909	1,058,168	1,213,016	1,160,660
Combined rate - %	<u>34%</u>	<u>34%</u>	<u>34%</u>	<u>34%</u>
Income tax and social contribution expenses at the combined rate	(372,610)	(359,776)	(412,396)	(394,234)
Equity accounting	117,626	80,535	3,610	1,926
Government grants	301,695	268,794	317,430	271,482
Interest on capital declared	198,664	198,670	198,664	198,670
Interest/indexation in the nature of an indemnity	6,185	9,217	7,048	10,171
Other permanent additions/exclusions	(6,565)	13,212	15,059	20,176
Income tax and social contribution expenses	<u>244,995</u>	<u>210,652</u>	<u>129,415</u>	<u>108,191</u>
Current	-	-	(5,883)	(8,474)
Deferred	<u>244,995</u>	<u>210,652</u>	<u>135,298</u>	<u>116,665</u>
Discontinued operations	2,215	4,259	2,338	3,739
Continuing operations	<u>242,780</u>	<u>206,393</u>	<u>127,077</u>	<u>104,452</u>
	<u>244,995</u>	<u>210,652</u>	<u>129,415</u>	<u>108,191</u>
	22%	20%	11%	9%

## 22 Taxes payable

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
ICMS (value added tax) payable	18,994	19,400	80,542	65,695
IPI/PIS/COFINS payable	350	664	19,940	5,001
Other taxes payable	1,405	1,702	3,872	4,344
	<u>20,749</u>	<u>21,766</u>	<u>104,354</u>	<u>75,040</u>
Current	20,747	21,003	101,266	70,861
Non-current	<u>2</u>	<u>763</u>	<u>3,088</u>	<u>4,179</u>

## 23 Other payables

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Freight payable	24,507	25,237	32,606	34,207
Services provided	17,527	39,470	59,617	88,444
Advertising	70,197	24,314	70,197	24,314
Revenue to elapse	35,000	36,374	35,837	37,080
Purchases of fixed assets	1,294	7,095	35,661	38,404
Lease liabilities (i)	163,842	97,791	213,394	120,905
Leniency agreement (*)	8,750	104,280	8,750	104,280
Accrued taxes on inventory losses	2,150	-	15,522	21,771
Other	54,166	53,822	93,177	90,800
	<u>377,433</u>	<u>388,383</u>	<u>564,761</u>	<u>560,205</u>
Current	256,354	295,783	383,421	431,239
Non-current	<u>121,079</u>	<u>92,600</u>	<u>181,340</u>	<u>128,966</u>

(a) On April 20, 2023, the principal amount referring to the Leniency Agreement (R\$ 100,000) was settled (Note 14).

### (i) Lease liabilities

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Current	57,109	29,333	65,165	33,399
Non-current	106,733	68,458	148,229	87,506
	<u>163,842</u>	<u>97,791</u>	<u>213,394</u>	<u>120,905</u>

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

	<b>Parent company</b>	<b>Consolidated</b>
At January 1, 2023	<u>97,791</u>	<u>120,905</u>
Payment of loans - principal	(47,258)	(61,525)
Payments of loans - interest	(10,326)	(14,102)
Additions	33,110	25,955
Remeasurement	98,069	149,106
Accrued interest	(7,544)	(6,945)
At September 30, 2023	<u>163,842</u>	<u>213,394</u>

**a. Maturity of installments**

Leases at September 30, 2023 have the following breakdown, by year of maturity:

	<b>Parent company</b>	<b>Consolidated</b>
1 to 2 years	20,788	23,019
2 to 5 years	67,317	85,731
More than 5 years	18,628	39,479
	<u>106,733</u>	<u>148,229</u>

**b. Tax rights on leases**

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

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>Nominal</b>	<b>Adjusted to present value</b>	<b>Nominal</b>	<b>Adjusted to present value</b>
Lease liability	189,344	163,842	265,303	213,394
Estimated PIS/COFINS	(6,143)	(4,353)	(11,702)	(8,159)
	<u>183,201</u>	<u>159,489</u>	<u>253,601</u>	<u>205,235</u>

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

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

	<b>Parent company</b>	<b>Consolidated</b>
<b>Terms</b>	<b>Rate % p.a.</b>	<b>Rate % p.a.</b>
Up to 2 years	12.76%	12.76%
From 2 to 5 years	11.84%	11.71%
More than 5 years	10.95%	11.16%

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

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
<b>Lease liabilities</b>				
Carrying amount - IFRS/CPC 06 (R2)	163,842	97,791	213,394	120,904
Flow with projected inflation	173,541	102,358	226,027	126,550
Variation	5.92%	4.67%	5.92%	4.67%
<b>Net right of use - closing balance</b>				
Carrying amount - IFRS/CPC 06 (R2)	155,190	93,788	211,338	124,479
Flow with projected inflation	164,377	98,168	223,849	130,292
Variation	5.92%	4.67%	5.92%	4.67%

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
<b>Financial expenses</b>				
Carrying amount - IFRS/CPC 06 (R2)	(12,484)	(9,988)	(16,344)	(12,564)
Flow with projected inflation	(13,223)	(10,454)	(17,312)	(13,151)
Variation	5.92%	4.67%	5.92%	4.67%
<b>Depreciation expenses</b>				
Carrying amount - IFRS/CPC 06 (R2)	(41,759)	(40,708)	(48,183)	(44,482)
Flow with projected inflation	(44,231)	(42,609)	(51,035)	(46,559)
Variation	5.92%	4.67%	5.92%	4.67%

## 24 Provision for contingencies

At September 30, 2023, the Company had the following provision for contingencies and corresponding deposits with courts related to contingencies:

	September 30, 2023				December 31, 2022			
	Forecast of likely loss	Contingencies assumed in business combinations	Escrow deposits	Contingencies net of deposits with courts	Forecast of likely loss	Contingencies assumed in business combinations	Escrow deposits	Contingencies net of deposits with courts
Civil	1,034	11,820	-	12,854	773	11,208	-	11,981
Labor	88,126	1	-	88,127	100,409	61	(16,296)	84,174
Tax	18,748	11,229	(17,209)	12,768	16,421	34,941	(15,943)	35,419
Administrative/other	3,206	-	-	3,206	3,277	224	(193)	3,308
Liabilities of former owners	5,165	-	-	5,165	4,505	-	-	4,505
	<u>116,279</u>	<u>23,050</u>	<u>(17,209)</u>	<u>122,120</u>	<u>125,385</u>	<u>46,434</u>	<u>(32,432)</u>	<u>139,387</u>

	September 30, 2023				December 31, 2022			
	Forecast of likely loss	Contingencies assumed in business combinations	Escrow deposits	Contingencies net of deposits with courts	Forecast of likely loss	Contingencies assumed in business combinations	Escrow deposits	Contingencies net of deposits with courts
Civil	1,791	11,820	-	13,611	834	11,208	-	12,042
Labor	91,889	1	-	91,890	105,378	61	(17,774)	87,665
Tax	43,848	11,229	(41,661)	13,416	41,597	34,941	(40,850)	35,688
Administrative/other	7,581	-	-	7,581	9,919	224	(237)	9,906
Liabilities of former owners	8,593	-	-	8,593	7,955	-	-	7,955
	<u>153,702</u>	<u>23,050</u>	<u>(41,661)</u>	<u>135,091</u>	<u>165,683</u>	<u>46,434</u>	<u>(58,861)</u>	<u>153,256</u>

## Changes in contingencies

	December 31, 2022	Indexation accruals	Additions	Reversals	Payments	Parent company September 30, 2023
Civil	11,981	743	468	(220)	(118)	12,854
Labor	100,470	7,558	18,800	(11,739)	(26,962)	88,127
Tax	51,362	1,404	1,042	(23,831)	-	29,977
Administrative/other	3,501	214	16	(295)	(230)	3,206
Liabilities of former owners	4,505	336	1,437	(718)	(395)	5,165
	<u>171,819</u>	<u>10,255</u>	<u>21,763</u>	<u>(36,803)</u>	<u>(27,705)</u>	<u>139,329</u>
Escrow deposits	(32,432)	(1,120)	(3,090)	15,214	4,219	(17,209)
	<u>139,387</u>	<u>9,135</u>	<u>18,673</u>	<u>(21,589)</u>	<u>(23,486)</u>	<u>122,120</u>

	December 31, 2022	Indexation accruals	Additions	Reversals	Payments	Consolidated September 30, 2023
Civil	12,042	850	1,073	(220)	(134)	13,611
Labor (a)	105,439	7,857	21,041	(13,640)	(28,807)	91,890
Tax	76,538	2,673	1,246	(25,380)	-	55,077
Administrative/other	10,143	390	340	(2,561)	(731)	7,581
Liabilities of former owners (b)	7,955	620	2,219	(1,712)	(489)	8,593
	212,117	12,390	25,919	(43,513)	(30,161)	176,752
Escrow deposits	(58,861)	(1,960)	(4,110)	18,236	5,034	(41,661)
	153,256	10,430	21,809	(25,277)	(25,127)	135,091

(a) The additions refer to 118 new labor lawsuits, the reversals refer to 110 labor lawsuits and the payments refer to 112 labor lawsuits.

(b) The additions refer to lawsuits that are the responsibility of the former owners. In these cases, the Company recognizes an obligation to settle lawsuits and records an asset to be reimbursed by the former owners when the contingency is paid.

### Possible contingencies

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

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
	Possible loss	Possible loss	Possible loss	Possible loss
Civil	44,240	59,780	45,628	62,330
Labor	259,068	365,620	268,319	379,142
Tax	133,506	107,823	151,180	124,563
Administrative/other	1,637	1,618	2,484	2,386
Liabilities of former owners	393,879	374,321	581,734	537,235
	832,330	909,162	1,049,345	1,105,656

## 25 Share capital

### a. Share capital

On September 30, 2023, the Company was authorized to increase its share capital up to the limit of R\$ 5,500,000.00, in accordance with a provision of its bylaws and a decision by the Board of Directors at the Special General Meeting on January 24, 2011.

The share capital at September 30, 2023 was R\$ 4,478,126 (R\$ 4,478,126 at December 31, 2022), represented by 633,420,823 common shares (633,420,823 at December 31, 2022).

**b. Treasury shares**

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

	<u>Number</u>	<u>Amount</u>
At 12/31/2022	1,523,351	87,134
Acquisition in the period	1,150,000	44,028
Sales in the period	(1,907,019)	(100,830)
At 09/30/2023	<u>766,332</u>	<u>30,332</u>

**c. Interest on capital**

On March 24, 2023, the Board of Directors approved the payment of interest on capital to the Company's shareholders, in the amount of R\$ 194,768.

On June 23, 2023, the Board of Directors approved the payment of interest on capital to the Company's shareholders, in the amount of R\$ 194,768.

On September 22, 2023, the Board of Directors approved the payment of interest on capital to the Company's shareholders, in the amount of R\$ 194,768.

**26 Revenue**

The reconciliation between gross and net revenue is as follows:

			<b>Parent company</b>	
	<u>7/1/2023 to 9/30/2023</u>	<u>1/1/2023 to 9/30/2023</u>	<u>7/1/2022 to 9/30/2022</u>	<u>1/1/2022 to 9/30/2022</u>
Gross revenue from products	2,527,396	7,086,713	2,335,966	6,273,153
Returns	(29,162)	(83,927)	(20,041)	(54,340)
Unconditional discounts	<u>(58,615)</u>	<u>(162,440)</u>	<u>(21,669)</u>	<u>(110,424)</u>
Net revenue from returns and unconditional discounts	<u>2,439,619</u>	<u>6,840,346</u>	<u>2,294,256</u>	<u>6,108,389</u>
Promotional discounts	(177,695)	(424,203)	(137,117)	(339,459)
Taxes	<u>(98,800)</u>	<u>(283,279)</u>	<u>(97,840)</u>	<u>(261,474)</u>
Net revenue	<u>2,163,124</u>	<u>6,132,864</u>	<u>2,059,299</u>	<u>5,507,456</u>

			<b>Consolidated</b>	
	<u>7/1/2023 to 9/30/2023</u>	<u>1/1/2023 to 9/30/2023</u>	<u>7/1/2022 to 9/30/2022</u>	<u>1/1/2022 to 9/30/2022</u>
Gross revenue from products	2,582,481	7,255,342	2,391,600	6,384,032
Returns	(30,566)	(86,943)	(20,491)	(55,542)
Unconditional discounts	<u>(66,265)</u>	<u>(192,934)</u>	<u>(29,680)</u>	<u>(122,974)</u>
Net revenue from returns and unconditional discounts	<u>2,485,650</u>	<u>6,975,465</u>	<u>2,341,429</u>	<u>6,205,516</u>
Promotional discounts	(177,799)	(423,282)	(137,687)	(337,617)
Taxes	<u>(169,390)</u>	<u>(484,450)</u>	<u>(167,967)</u>	<u>(442,938)</u>
Net revenue	<u>2,138,461</u>	<u>6,067,733</u>	<u>2,035,775</u>	<u>5,424,961</u>

The Company does not present its revenue disaggregated by product, since essentially: (a) the nature and the economic risk factors of the products are similar; (b) there are no significant

distinctions between consumers and customers; (c) the Company operates only in the Brazilian market; and (d) the presentations to investors mentioning different types of products only reflect different go-to-market models. Therefore, the Company optimizes synergies between these different models, leveraging a single sell-out structure.

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

## 27 Breakdown of the statement of income accounts

### a. Operating expenses and cost of sales

			Parent company	
	7/1/2023 to 9/30/2023	1/1/2023 to 9/30/2023	7/1/2022 to 9/30/2022	1/1/2022 to 9/30/2022
Cost of sales	(990,397)	(2,830,993)	(962,756)	(2,528,665)
Raw materials	-	-	-	-
Packaging materials	-	-	-	-
Labor	-	-	-	-
Depreciation and amortization expenses	-	-	-	-
Resale	(965,411)	(2,736,525)	(943,151)	(2,468,559)
Losses on inventory	(24,986)	(94,468)	(19,605)	(60,106)
Changes in inventory/others	-	-	-	-
Selling and marketing expenses	(500,111)	(1,447,809)	(478,970)	(1,308,219)
Marketing expenses	(325,759)	(939,545)	(318,398)	(869,447)
Advertising and consumer promotion	(89,199)	(253,569)	(89,194)	(247,782)
Trade deals	(79,612)	(158,175)	(48,196)	(127,624)
Market surveys and others	(2,710)	(7,323)	(2,939)	(7,621)
Medical visits, promotions, gifts and samples	(154,238)	(520,478)	(178,069)	(486,420)
Selling expenses	(174,352)	(508,264)	(160,572)	(438,772)
Sales force	(96,494)	(286,766)	(93,949)	(256,367)
Freight and logistics expenses	(41,096)	(120,146)	(39,150)	(103,172)
Research and development	(6,672)	(19,793)	(5,803)	(17,721)
Depreciation and amortization expenses	(12,474)	(34,988)	(9,068)	(26,549)
Other expenses	(17,616)	(46,571)	(12,602)	(34,963)
General and administrative expenses	(58,860)	(172,604)	(57,981)	(150,971)
Payroll and related taxes	(36,913)	(103,146)	(32,835)	(89,086)
Services, lawyers, advisors and auditors	(15,355)	(49,855)	(19,211)	(47,245)
Depreciation and amortization expenses	(6,953)	(18,029)	(4,097)	(12,055)
Other expenses	361	(1,574)	(1,838)	(2,585)
			Consolidated	
	7/1/2023 to 9/30/2023	1/1/2023 to 9/30/2023	7/1/2022 to 9/30/2022	1/1/2022 to 9/30/2022
Cost of sales	(784,650)	(2,218,611)	(743,411)	(1,985,390)
Raw materials	(267,805)	(811,773)	(273,328)	(771,409)
Packaging materials	(123,258)	(357,279)	(113,639)	(312,661)
Labor	(156,008)	(465,342)	(141,532)	(393,899)
Depreciation and amortization expenses	(23,375)	(63,921)	(17,826)	(49,163)
Resale	(189,977)	(558,436)	(193,693)	(488,431)
Losses on inventory	(18,271)	(95,144)	(25,276)	(79,286)
Changes in inventory/others	(5,956)	133,284	21,883	109,459
Selling and marketing expenses	(564,269)	(1,640,493)	(532,455)	(1,450,075)
Marketing expenses	(327,820)	(950,320)	(326,785)	(872,024)
Advertising and consumer promotion	(93,729)	(266,799)	(92,974)	(254,496)
Trade deals	(79,612)	(158,175)	(48,196)	(127,624)
Market surveys and others	(2,710)	(7,323)	(2,939)	(7,621)
Medical visits, promotions, gifts and samples	(151,769)	(518,023)	(182,676)	(482,283)
Selling expenses	(236,449)	(690,173)	(205,670)	(578,051)
Sales force	(101,137)	(299,130)	(98,213)	(266,636)
Freight and logistics expenses	(46,542)	(140,432)	(45,633)	(118,016)
Research and development	(45,086)	(128,693)	(28,877)	(105,304)
Depreciation and amortization expenses	(23,314)	(67,450)	(16,902)	(46,968)
Other expenses	(20,370)	(54,468)	(16,045)	(41,127)



General and administrative expenses	(89,168)	(259,906)	(82,527)	(218,546)
Payroll and related taxes	(55,258)	(158,085)	(49,100)	(132,707)
Services, lawyers, advisors and auditors	(18,864)	(60,062)	(23,450)	(58,688)
Depreciation and amortization expenses	(14,351)	(37,006)	(7,874)	(22,568)
Other expenses	(695)	(4,753)	(2,103)	(4,583)

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

	7/1/2023 to 9/30/2023	1/1/2023 to 9/30/2023	Parent company 7/1/2022 to 9/30/2022	1/1/2022 to 9/30/2022
Potential gains (losses)	(20,706)	(25,620)	(4,726)	(24,834)
Depreciation and amortization expenses	(338)	(1,378)	(646)	(1,499)
Civil and labor contingencies	(1,366)	(6,880)	(1,954)	8,779
	<u>(22,410)</u>	<u>(33,878)</u>	<u>(7,326)</u>	<u>(17,554)</u>

	7/1/2023 to 9/30/2023	1/1/2023 to 9/30/2023	Consolidated 7/1/2022 to 9/30/2022	1/1/2022 to 9/30/2022
Potential gains (losses)	25,308	54,720	5,790	10,577
Depreciation and amortization expenses	(264)	(1,153)	(569)	(1,267)
Civil and labor contingencies	(2,024)	(5,342)	(1,554)	9,180
	<u>23,020</u>	<u>48,225</u>	<u>3,667</u>	<u>18,490</u>

## c. Financial income

	7/1/2023 to 9/30/2023	1/1/2023 to 9/30/2023	Parent company 7/1/2022 to 9/30/2022	1/1/2022 to 9/30/2022
Interest income	9,743	40,264	16,164	46,807
Income from financial investments and others	44,399	123,568	44,055	109,596
	<u>54,142</u>	<u>163,832</u>	<u>60,219</u>	<u>156,403</u>

	7/1/2023 to 9/30/2023	1/1/2023 to 9/30/2023	Consolidated 7/1/2022 to 9/30/2022	1/1/2022 to 9/30/2022
Interest income	10,858	46,722	18,762	53,358
Income from financial investments and others	51,326	137,640	49,903	125,514
	<u>62,184</u>	<u>184,362</u>	<u>68,665</u>	<u>178,872</u>

## d. Financial expenses

	7/1/2023 to 9/30/2023	1/1/2023 to 9/30/2023	Parent company 7/1/2022 to 9/30/2022	1/1/2022 to 9/30/2022
Interest on financing	(4,666)	(15,183)	(5,802)	(19,195)
Interest on borrowings	(59,132)	(178,891)	(73,304)	(198,758)
Interest on notes payable	(391)	(1,073)	(565)	(1,625)
Indexation accruals on contingencies	(2,687)	(9,919)	(3,686)	(11,993)
REFIS (financing of tax liabilities)	(22)	(92)	(54)	(177)
Debentures	(275,952)	(794,716)	(204,871)	(538,736)
Interest and commission on letters of guarantee	(1,116)	(3,733)	(1,524)	(4,533)
Bank expenses, discounts granted and others	(10,486)	(38,970)	(24,897)	(46,522)
Cost of hedges and exchange variations on loans	(23)	(780)	145	292
Cost of hedges and exchange variations on suppliers	(28)	(21)	(15)	46
Reversals of present value adjustments	(4,544)	(12,484)	(2,479)	(6,364)
Capitalized interest	849	2,630	464	1,367
Other	(503)	(2,034)	-	(159)
	<u>(358,701)</u>	<u>(1,055,266)</u>	<u>(316,588)</u>	<u>(826,357)</u>

			<b>Consolidated</b>	
	<b>7/1/2023 to 9/30/2023</b>	<b>1/1/2023 to 9/30/2023</b>	<b>7/1/2022 to 9/30/2022</b>	<b>1/1/2022 to 9/30/2022</b>
Interest on financing	(4,679)	(15,306)	(5,947)	(19,760)
Interest on borrowings	(58,839)	(178,714)	(73,317)	(198,791)
Interest on notes payable	(391)	(1,073)	(565)	(1,625)
Indexation accruals on contingencies	(3,030)	(11,770)	(4,474)	(14,937)
REFIS (financing of tax liabilities)	(22)	(92)	(54)	(177)
Debentures	(275,952)	(794,716)	(204,871)	(538,736)
Interest and commission on letters of guarantee	(1,153)	(3,803)	(1,554)	(4,573)
Bank expenses, discounts granted and others	(10,169)	(38,445)	(24,129)	(48,621)
Cost of hedges and exchange variations on loans	420	(337)	145	292
Cost of hedges and exchange variations on suppliers	(5,617)	(26,629)	(14,207)	(38,654)
Reversals of present value adjustments	(6,048)	(16,344)	(3,228)	(8,062)
Capitalized interest	43,478	119,958	21,782	69,455
Other	(1,685)	(6,672)	(143)	(546)
	<u>(323,687)</u>	<u>(973,943)</u>	<u>(310,562)</u>	<u>(804,735)</u>

## 28 Related-party transactions

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

### *Transactions and balances*

The main asset and liability balances and the transactions between related parties that impacted the results for the year arise from transactions between the Company and its subsidiaries, which management considers to have been conducted under normal market conditions and within normal timeframes for the respective types of transactions.

Loans with related parties are indexed to the CDI, plus a spread.

In commercial relationships with related parties, prices are established based on the characteristics and nature of the transactions. In this case, both Cosmed and Brainfarma manufacture and sell almost all their production to Hypera for sale to the market.

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

- The rental agreement with Brainfarma Indústria Química Farmacêutica S.A. is indexed to the IGPM-FGV, with a maturity date of May 2, 2025, which may be extended as agreed between the parties.

**a. In assets and liabilities**

					Parent company
					September 30, 2023
Related parties	Other amounts receivable	Shareholders' indemnity	Suppliers	Accounts payable	Other amounts payable
Cosmed Indústria de Cosméticos e Medicamentos S.A.	607	-	(113,807)	-	-
My Agência Propaganda Ltda.	10	-	-	-	-
Brainfarma Ind. Quim. e Farmacêutica S.A.	8,429	-	(640,936)	(4,143)	-
Megatelecom Telecommunications S.A.	36	-	-	(88)	-
Bio Brands Franchising Gestão de Marcas Ltda	-	-	-	-	-
Solana Agropecuária Ltda.	-	-	-	-	-
João Alves de Queiroz Filho	-	8,750	-	-	-
<b>Total</b>	<b>9,082</b>	<b>8,750</b>	<b>(754,743)</b>	<b>(4,231)</b>	<b>-</b>

					Consolidated
					September 30, 2023
Related parties	Other amounts receivable	Shareholders' indemnity	Suppliers	Accounts payable	Other amounts payable
Megatelecom Telecommunications S.A.	36	-	-	(129)	-
João Alves de Queiroz Filho	-	8,750	-	-	-
<b>Total</b>	<b>36</b>	<b>8,750</b>	<b>-</b>	<b>(129)</b>	<b>-</b>

					Parent company
					December 31, 2022
Related parties	Other amounts receivable	Shareholders' indemnity	Suppliers	Accounts payable	Other amounts payable
Cosmed Indústria de Cosméticos e Medicamentos S.A.	-	-	(104,605)	-	(1,908)
My Agência Propaganda Ltda.	5	-	-	-	-
Brainfarma Ind. Quim. e Farmacêutica S.A.	5,634	-	(639,351)	-	-
Megatelecom Telecommunications S.A.	20	-	-	(74)	-
Bio Scientific Indústria de Cosméticos Ltda.	-	-	(7)	-	-
Solana Agropecuária Ltda.	-	-	-	-	-
João Alves de Queiroz Filho	-	158,258	-	-	-
<b>Total</b>	<b>5,659</b>	<b>158,258</b>	<b>(743,963)</b>	<b>(74)</b>	<b>(1,908)</b>

					Consolidated
					December 31, 2022
Related parties	Other amounts receivable	Shareholders' indemnity	Suppliers	Accounts payable	Other amounts payable
Megatelecom Telecommunications S.A.	20	-	-	(94)	-
João Alves de Queiroz Filho	-	162,829	-	-	-
<b>Total</b>	<b>20</b>	<b>162,829</b>	<b>-</b>	<b>(94)</b>	<b>-</b>

**b. In income for the period**

								Parent company
								September 30, 2023
Related parties	Transactions		Other (expenses)/income				Interest	
	Purchases of goods/products	Rental income	Advertising	Lease amortization	Services provided	Shared expenses	Financial expenses	Financial income
Cosmed Indústria de Cosméticos e Medicamentos S.A.	(527,467)	-	-	-	-	(7,934)	-	-
My - Agência Propaganda Ltda.	-	161	(3,420)	-	-	-	-	-
TV Serra Dourada Ltda.	-	-	(529)	-	-	-	-	-
Brainfarma Ind. Quim. e Farmacêutica S.A.	(2,611,844)	-	-	(1,751)	-	(56,862)	(161)	-
Megatelecom Telecommunications S.A.	-	324	-	-	(355)	-	-	-
Bio Scientific Indústria de Cosméticos Ltda.	(127)	-	-	-	-	-	-	-
João Alves de Queiroz Filho	-	-	-	-	-	-	-	9,169
	<b>(3,139,438)</b>	<b>485</b>	<b>(3,949)</b>	<b>(1,751)</b>	<b>(355)</b>	<b>(64,796)</b>	<b>(161)</b>	<b>9,169</b>

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

Parent company							
September 30, 2022							
Related parties	Transactions		Other (expenses)/income				Interest
	Purchases of goods/products	Rental income	Advertising	Lease amortization	Services provided	Shared expenses	Financial income
Cosmed Indústria de Cosméticos e Medicamentos S.A.	(473,719)	-	-	-	-	(6,659)	-
My - Agência Propaganda Ltda.	-	153	(3,429)	-	-	-	-
TV Serra Dourada Ltda.	-	-	(1,031)	-	-	-	-
Brainfarma Ind. Quim. e Farmacêutica S.A.	(2,204,297)	-	-	(1,572)	-	(45,056)	(234)
Megatelecom Telecommunications S.A.	-	272	-	-	(341)	-	-
João Alves de Queiroz Filho	-	-	-	-	-	-	5,308
	<u>(2,678,016)</u>	<u>425</u>	<u>(4,460)</u>	<u>(1,572)</u>	<u>(341)</u>	<u>(51,715)</u>	<u>(234)</u>
							<u>5,308</u>

Consolidated							
September 30, 2022							
Related parties	Transactions		Other (expenses)/income				Interest
	Purchases of goods/products	Rental income	Advertising	Lease amortization	Services provided	Shared expenses	Financial income
TV Serra Dourada Ltda.	-	-	(1,031)	-	-	-	-
Megatelecom Telecommunications S.A.	-	272	-	-	(435)	-	-
João Alves de Queiroz Filho	-	-	-	-	-	-	5,758
	<u>-</u>	<u>272</u>	<u>(1,031)</u>	<u>-</u>	<u>(435)</u>	<u>-</u>	<u>5,758</u>

### c. Compensation of key management personnel

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

	Parent company		Consolidated	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Salaries and other short-term benefits	14,376	12,477	14,376	12,477
Board members' fees	4,328	3,727	4,328	3,727
Share-based payments	9,501	7,599	9,501	7,599
	<u>28,205</u>	<u>23,803</u>	<u>28,205</u>	<u>23,803</u>

## 29 Other matters

### Accounting impacts related to climate change

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

### **30 Events after the reporting period**

On October 5, 2023, the Company's 16<sup>th</sup> issue of simple debentures, non-convertible, of the unsecured type, in a single series, for public distribution, under the rite of automatic registration of distribution, ("Debentures" and "Issuance", respectively) was approved, pursuant to CVM Resolution 160, of July 13, 2022, as amended, so that 750,000 Debentures will be issued, with a par value of R\$ 1,000.00, for a total amount of R\$ 750,000,000.00 with a maturity of five years as of its issuance date, i.e. October 10, 2023.

The Debentures are entitled to a remuneration equivalent to 100% of the cumulative variation of the daily average rates of the DI – Interbank Deposits of one day, "over extragroup", increased exponentially by spread (surcharge) of 1.35% for the base year of 252 business days. The funds obtained through the Issuance will be used to reinforce the Company's cash flow.

\*       \*       \*