

(Convenience Translation into English from the
Original Previously Issued in Portuguese)

Allied Tecnologia S.A.

Report on Review of Individual
and Consolidated Interim
Financial Information
for the Three-month Period
Ended March 31, 2024

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

To the Shareholders and Board of Directors of
Allied Tecnologia S.A.

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Allied Tecnologia S.A. and subsidiaries (“Company”), included in the Interim Financial Information Form (ITR) for the quarter ended March 31, 2024, which comprises the balance sheet as at March 31, 2024, and the related statements of income, of comprehensive income, of changes in equity and of cash flows for the three-month period then ended, including the explanatory notes.

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

Scope of review

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

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the ITR referred to above is not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34 applicable to the preparation of ITR, and presented in accordance with the standards issued by the CVM.

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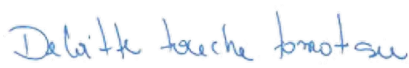
Other matters

Statements of value added

The interim financial information referred to above includes the individual and consolidated statements of value added (DVA) for the three-month period ended March 31, 2024, prepared under the responsibility of the Company's Management and disclosed as supplemental information for IAS 34 purposes. These statements were subject to the review procedures performed together with the review of the ITR to reach a conclusion on whether they are reconciled with the interim financial information and the accounting records, as applicable, and whether their form and content are consistent with the criteria set out in technical pronouncement 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 were not prepared, in all material respects, in accordance with technical pronouncement CPC 09 and consistently with the accompanying individual and consolidated interim financial information taken as a whole.

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

São Paulo, May 3, 2024


DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.


Alessandro Costa Ramos
Engagement Partner

(Convenience Translation into English from the Original Previously Issued in Portuguese)

Allied Tecnologia S.A.

Balance sheets

As at March 31, 2024 and December 31, 2023

(In thousands of Brazilian reais - R\$)

	Note	Individual		Consolidated	
		03/31/2024	12/31/2023	03/31/2024	12/31/2023
Assets					
Current assets					
Cash and cash equivalents	4	345,016	471,767	401,233	535,620
Trade receivables	5	945,976	886,346	1,055,726	959,618
Inventories	6	620,118	538,035	676,401	583,452
Recoverable taxes	7	132,164	122,307	132,352	122,471
Related parties	15	44,099	40,868	-	7,738
Other assets	-	72,809	78,563	74,728	80,848
Total current assets		2,160,182	2,137,886	2,340,440	2,289,747
Noncurrent assets					
Securities		3,660	3,454	3,660	3,454
Trade receivables	5	13,740	8,342	13,740	8,342
Inventories	6	13,860	11,127	13,860	11,127
Recoverable taxes	7	181,626	179,844	181,626	179,844
Deferred income tax and social contribution	8.a	7,073	-	7,073	-
Investments	9	38,409	30,008	-	-
Judicial deposits	16.1	104,303	102,121	104,303	102,121
Rights of use	10	87,111	93,785	87,111	93,785
Property, plant and equipment	-	14,040	15,167	14,040	15,167
Intangible assets	11	676,631	681,346	679,755	684,877
Other assets	-	23,836	7,287	23,836	7,287
Total noncurrent assets		1,164,289	1,132,481	1,129,004	1,106,004
Total assets		3,324,471	3,270,367	3,469,444	3,395,751

The accompanying notes are an integral part of this condensed interim financial information.

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Allied Tecnologia S.A.

Balance sheets

As at March 31, 2024 and December 31, 2023

(In thousands of Brazilian reais - R\$)

	Note	Individual		Consolidated	
		03/31/2024	12/31/2023	03/31/2024	12/31/2023
Liabilities					
Current liabilities					
Trade payables	12	660,736	509,582	708,070	587,414
Trade payables - agreements	13	245,959	297,778	245,959	297,778
Borrowings, financing and debentures	14	8,216	1,482	137,705	81,660
Contractual obligations with customers	5.1	16,475	24,937	16,475	24,937
Leases	10	24,315	24,375	24,315	24,375
Payroll and related taxes	-	22,341	30,071	22,341	30,071
Taxes payable	-	31,584	27,819	24,754	21,214
Advances from customers	-	16,761	7,925	33,728	21,114
Dividends and interest on capital payable	18.c	36	22,524	36	22,524
Other liabilities	17	27,719	23,971	27,719	23,971
Total current liabilities		1,054,142	970,464	1,241,102	1,135,058
Noncurrent liabilities					
Borrowings, financing and debentures	14	462,565	462,053	462,565	462,053
Allowance for investment losses	9	41,987	39,210	-	-
Contractual obligations with customers	5.1	24,938	20,085	24,938	20,085
Leases	10	77,086	83,157	77,086	83,157
Provision for lawsuits	16	76,491	74,525	76,491	74,525
Taxes payable	-	3,790	3,941	3,790	3,941
Deferred income tax and social contribution	8.a	-	17,152	-	17,152
Other liabilities	17	527	614	527	614
Total noncurrent liabilities		687,384	700,737	645,397	661,527
Equity					
Capital	18.a	1,021,575	1,021,575	1,021,575	1,021,575
Share issuance costs	-	(30,054)	(30,054)	(30,054)	(30,054)
Capital reserve	-	5,978	5,870	5,978	5,870
Earnings reserves	18.b	536,014	603,514	536,014	603,514
Valuation adjustments to equity	-	(711)	(1,739)	(711)	(1,739)
Profit for the period		50,143	-	50,143	-
Total equity		1,582,945	1,599,166	1,582,945	1,599,166
Total liabilities and equity		3,324,471	3,270,367	3,469,444	3,395,751

The accompanying notes are an integral part of this condensed interim financial information.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

Allied Tecnologia S.A.

Income statements

For the three-month periods ended March 31, 2024 and 2023

(In thousands of Brazilian reais - R\$)

	Note	Individual		Consolidated	
		03/31/2024	03/31/2023	03/31/2024	03/31/2023
Net sales revenue	19	996,398	1,052,774	1,419,117	1,361,975
Cost of sales	20	(844,801)	(891,327)	(1,251,169)	(1,186,583)
Gross profit		151,597	161,447	167,948	175,392
Operating income (expenses)					
Selling expenses	21	(82,478)	(91,347)	(91,633)	(98,275)
General and administrative expenses	22	(28,963)	(27,679)	(30,574)	(29,187)
Share of profit (loss) of subsidiaries	9	4,595	2,342	-	-
Other operating income (expenses), net	23	572	3,244	(543)	1,382
Operating income before finance income (costs)		45,323	48,007	45,198	49,312
Finance income (costs)					
Finance costs	24	(31,574)	(46,973)	(32,011)	(47,985)
Finance income	24	12,169	11,621	12,731	11,328
Profit before income tax and social contribution		25,918	12,655	25,918	12,655
Income tax and social contribution					
Current		-	(1,152)	-	(1,152)
Deferred	8.b	24,225	4,823	24,225	4,823
Profit for the period		50,143	16,326	50,143	16,326
Earnings per share					
Basic earnings per share (R\$)	27	0.5379	0.1751	0.5379	0.1751
Diluted earnings per share (R\$)	27	0.5209	0.1696	0.5209	0.1696

The accompanying notes are an integral part of this condensed interim financial information.

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Allied Tecnologia S.A.

Statements of comprehensive income

For the three-month periods ended March 31, 2024 and 2023

(In thousands of Brazilian reais - R\$)

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Profit for the period	50,143	16,326	50,143	16,326
Translation of the financial statements of foreign subsidiaries	1,028	(222)	1,028	(222)
Comprehensive income for the period	51,171	16,104	51,171	16,104

The accompanying notes are an integral part of this condensed interim financial information.

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Allied Tecnologia S.A.

Statements of changes in equity

For the three-month periods ended March 31, 2024 and 2023

(In thousands of Brazilian reais - R\$)

	Note	Earnings reserves									Total equity
		Capital	Share issuance costs	Capital reserve	Legal	Tax incentives	Retained earnings for distribution	Dividends and interest on capital paid before the AGM	Profit for the period	Other comprehensive income	
As at December 31, 2022		1,021,575	(30,054)	5,445	39,664	463,906	-	-	-	(615)	1,499,921
Profit for the period		-	-	-	-	-	-	-	16,326	-	16,326
Recognition of tax incentive reserve	18.b	-	-	-	-	16,326	-	-	(16,326)	-	-
Stock option plan		-	-	89	-	-	-	-	-	-	89
Other comprehensive income		-	-	-	-	-	-	-	-	(222)	(222)
As at March 31, 2023		1,021,575	(30,054)	5,534	39,664	480,232	-	-	-	(837)	1,516,114
As at December 31, 2023		1,021,575	(30,054)	5,870	45,786	490,228	67,500	-	-	(1,739)	1,599,166
Profit for the period		-	-	-	-	-	-	50,143	-	-	50,143
Prior-year interest on capital approved		-	-	-	-	-	(100,000)	(67,500)	-	-	(167,500)
Additional interest on capital to be distributed upon approval at the Annual Shareholders' Meeting		-	-	-	-	-	100,000	-	-	-	100,000
Stock option plan		-	-	108	-	-	-	-	-	-	108
Other comprehensive income		-	-	-	-	-	-	-	-	1,028	1,028
As at March 31, 2024		1,021,575	(30,054)	5,978	45,786	490,228	67,500	(67,500)	50,143	(711)	1,582,945

The accompanying notes are an integral part of this condensed interim financial information.

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Allied Tecnologia S.A.

Statements of cash flows

For the three-month periods ended March 31, 2024 and 2023

(In thousands of Brazilian reais - R\$)

	Note	Individual		Consolidated	
		03/31/2024	03/31/2023	03/31/2024	03/31/2023
Cash flows from operating activities					
Profit before income tax and social contribution		25,918	12,655	25,918	12,655
Adjustments to reconcile profit for the period to cash and cash equivalents					
Cash provided by operating activities:					
Depreciation and amortization		13,203	17,127	13,676	17,567
Contractual obligations with customers	5.1	(3,609)	(1,960)	(3,609)	(1,960)
Reversal of allowance for expected credit losses	5	(39)	(128)	(132)	1,049
Recognition (reversal) of allowance for inventory losses	6	782	1,330	782	1,330
Reversal of provision for lawsuits	16	1,966	1,354	1,966	1,354
Finance charges (other payables)	17	-	258	-	258
Finance charges (borrowings, financing and debentures)		14,818	26,227	17,472	29,129
Finance charges (leases)	10	2,845	3,115	2,845	3,115
Share of profit (loss) of subsidiaries	9	(4,595)	(2,342)	-	-
Inflation adjustments to taxes		(1,073)	(1,057)	(1,073)	(1,057)
Proceeds from the write-off of assets		(216)	(150)	(216)	342
Costs incurred on transactions involving debentures		741	575	961	614
Stock option plan		108	89	108	89
(Increase) decrease in assets:					
Trade receivables		(64,990)	168,449	(100,375)	159,665
Inventories		(85,597)	4,151	(94,170)	1,788
Recoverable taxes		(9,960)	(6,411)	(9,767)	(6,430)
Related parties		(3,232)	10,980	7,788	467
Other assets		(13,194)	6,211	(12,808)	6,252
Increase (decrease) in liabilities:					
Trade payables		397,114	405,951	362,466	495,165
Payroll and related taxes		(7,727)	(1,051)	(7,730)	(1,063)
Taxes payable		3,796	(593)	3,571	(257)
Advances from customers		8,836	(407)	12,148	1,253
Other liabilities		3,661	1,520	3,621	1,520
Net cash provided by operating activities		279,556	645,893	223,442	722,845
Cash flows from investing activities					
Purchases of property, plant and equipment items and intangible assets		(1,478)	(1,663)	(1,539)	(1,895)
Proceeds from the sale of property, plant and equipment items and intangible assets		-	-	-	71
Net cash (used in) investing activities		(1,478)	(1,663)	(1,539)	(1,824)

The accompanying notes are an integral part of this condensed interim financial information.

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Allied Tecnologia S.A.

Statements of cash flows

For the three-month periods ended March 31, 2024 and 2023

(In thousands of Brazilian reais - R\$)

	Note	Individual		Consolidated	
		03/31/2024	03/31/2023	03/31/2024	03/31/2023
Cash flows from financing activities					
Borrowings and financing	14	-	-	129,869	80,000
Repayment of borrowings, financing and debentures	14	-	-	(80,000)	(61,530)
Payment of interest on borrowings, financing and debentures	14	(8,083)	(19,681)	(10,792)	(20,368)
Debentures issuance costs	14	(230)	(13)	(1,114)	(898)
Payments - accredited suppliers	13	(297,779)	(529,566)	(297,779)	(529,566)
Repayment of principal from taxes payable in installments		(181)	(122)	(181)	(122)
Lease payments	10	(8,568)	(9,292)	(8,568)	(9,292)
Net cash used in financing activities		(314,841)	(558,674)	(268,565)	(541,776)
Cash flows from financing activities with shareholders					
Interest on capital paid		(89,988)	(1,652)	(89,988)	(1,652)
Net cash provided by (used in) financing activities with shareholders		(89,988)	(1,652)	(89,988)	(1,652)
Effects of exchange rate changes on cash of subsidiary					
		-	-	2,263	(4,113)
Increase (decrease) in cash and cash equivalents		(126,751)	83,904	(134,387)	173,480
Cash and cash equivalents at the beginning of the period		471,767	86,267	535,620	141,942
Cash and cash equivalents at the end of the period		345,016	170,171	401,233	315,422
Increase (decrease) in cash and cash equivalents		(126,751)	83,904	(134,387)	173,480

The accompanying notes are an integral part of this condensed interim financial information.

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Allied Tecnologia S.A.

Statements of value added

For the three-month periods ended March 31, 2024 and 2023

(In thousands of Brazilian reais - R\$)

	Note	Individual		Consolidated	
		03/31/2024	03/31/2023	03/31/2024	03/31/2023
Revenue, net of returns, discounts and rebates	19	1,202,384	1,284,109	1,626,114	1,594,278
Other income	23	574	3,244	(542)	1,382
Revenues		1,202,958	1,287,353	1,625,572	1,595,660
Costs of sales and services		(933,725)	(999,294)	(1,340,093)	(1,294,544)
Supplies, power, outside services and other inputs		(61,660)	(65,036)	(71,385)	(72,736)
Inputs acquired from third parties		(995,385)	(1,064,330)	(1,411,478)	(1,367,280)
Gross value added		207,573	223,023	214,093	228,380
Depreciation, amortization and depletion	20/21/2 2	(13,204)	(17,127)	(13,678)	(17,567)
Wealth created by the Company		194,369	205,896	200,416	210,813
Share of profit (loss) of subsidiaries	9	4,595	2,342	-	-
Finance income	24	12,169	11,621	12,731	11,328
Wealth received in transfer		16,764	13,963	12,731	11,328
Total wealth for distribution		211,133	219,859	213,147	222,141
Salaries and wages and payroll taxes	20/21/2 2	(43,201)	(44,440)	(43,769)	(44,743)
Personnel		(43,201)	(44,440)	(43,769)	(44,743)
Federal (direct and indirect taxes)	-	(60,268)	(58,845)	(61,277)	(59,640)
State	-	(49,396)	(57,103)	(49,396)	(57,103)
Municipal	-	(588)	(675)	(589)	(847)
Other	-	24,225	4,823	24,225	4,823
Taxes, fees and contributions		(86,027)	(111,800)	(87,032)	(112,767)
Finance costs	24	(31,574)	(46,973)	(32,010)	(47,985)
Rentals	21/22	(188)	(320)	(188)	(320)
Lenders and lessors		(31,762)	(47,293)	(32,198)	(48,305)
Wealth distributed		50,143	16,326	50,143	16,326
Shareholders		50,143	16,326	50,143	16,326
Dividends and interest on capital		100,000	-	100,000	-
Retained earnings		(49,857)	16,326	(49,857)	16,326

The accompanying notes are an integral part of this condensed interim financial information.

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Allied Tecnologia S.A.

Notes to the condensed interim financial information

March 31, 2024 and 2023

(In thousands of Brazilian reais - R\$, unless otherwise stated)

1. General information

Allied Tecnologia S.A. (“Company” or “Parent”), with registered head office in the city of São Paulo, State of São Paulo, and several branches operating in Brazil, is a publicly-held company listed on Novo Mercado listing segment of B3 S.A. (“B3”), under ticker symbol ALLD3, since April 2021. The Company’s controlling shareholders are FIPs Brasil Investimentos 2015 I Fundo de Investimento em Participações Multiestratégia and Brasil Investimentos 2015 II Fundo de Investimento em Participações Multiestratégia (as per the shareholding structure disclosed in note 18), and its shareholders comprise investment entities managed by Advent International Corporation.

The Company established, in the state of Florida (USA), subsidiary Allied Miami LLC, which is engaged in the purchase, sale, export and distribution of electronics for the purpose of serving Latin America. The Company also controls Soudi Pagamentos Ltda. (“Soudi”), which is primarily engaged in providing services involving the payment, contribution, transfer and/or withdrawal of funds, payment account management, issuance of payment instruments, among others.

As at March 31, 2024, the Company has 118 commercial establishments (122 as at December 31, 2023) located in several states, mostly in the Brazilian South and Southeast regions.

The completion of the individual and consolidated interim financial information was approved by the Company’s Board of Directors and authorized for issue on May 3, 2024.

2. Presentation of interim financial information

2.1. Statement of compliance

The Company’s individual and consolidated interim financial information has been prepared and is being presented in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB).

2.2. Statement of relevance

Management applied in the preparation of the individual and consolidated interim financial information technical guidance OCPC 7 and CVM Resolution 727/14, for the purpose of disclosing only material information that assists the users of the financial information in making decisions, while meeting all the existing minimum requirements. In addition, Management asserts that all relevant information is being disclosed and corresponds to that used in managing the business.

Allied Tecnologia S.A.

Notes to the condensed interim financial information

March 31, 2024 and 2023

(In thousands of Brazilian reais - R\$, unless otherwise stated)

2.3. Basis of preparation

The individual and consolidated interim financial information has been prepared based on the historical cost (except when a different criterion is required) and adjusted to reflect the valuation of assets and liabilities measured at fair value or marked to market, when such valuations are required by the accounting standards.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market players at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, Management takes into account their pricing characteristics at the measurement date.

The individual and consolidated interim financial information has been prepared on a going concern basis, assuming that the Company has the appropriate and sufficient funds to discharge its payment obligations.

2.4. Consolidated interim financial information

The Company's individual and consolidated interim financial information for March 31, 2024 and December 31, 2023 includes the operations of subsidiaries Soudi and Allied Miami LLC, as from the related acquisition and/or establishment dates. This information has been prepared according to the following criteria: (a) elimination of balances between consolidated companies; (b) elimination of the Individual's investments against the respective equity, as applicable, of the subsidiary; (c) elimination of revenues and expenses arising from business between consolidated companies; and (d) elimination of inventory profit, when applicable, related to sales between consolidated companies.

Consolidation procedures

Parent	Country	Direct interest (%)		Indirect interest (%)	
		03/31/2024	12/31/2023	03/31/2024	12/31/2023
Soudi	BR	100%	100%	-	-
Allied Miami LLC (i)	EUA	100%	99%	-	1%

(i) Up to March 2023, Soudi holds 1% equity interest in Allied Miami LLC.

3. Summary of material accounting policies

There were no significant changes in the policies and significant accounting practices adopted by the Company for the three-month period ended March 31, 2024 when compared to those applied and disclosed in note 3 to the Company's individual and consolidated financial statements for the year ended December 31, 2023, filed with the CVM on March 21, 2024.

This individual and consolidated interim financial information should be read together with the Company's financial statements for the year ended December 31, 2023.

Allied Tecnologia S.A.

Notes to the condensed interim financial information

March 31, 2024 and 2023

(In thousands of Brazilian reais - R\$, unless otherwise stated)

Therefore, the following notes are not repeated in this interim financial information, either because of redundancy or materiality with respect to the information already disclosed in the financial statements:

- General information
- Summary of material accounting policies
- Revised standards and interpretations effective and not yet effective
- Stock option plan

The same accounting policies are applicable for the three-month comparative period ended March 31, 2023.

4. Cash and cash equivalents

	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Cash	213	366	213	366
Banks	38,287	19,613	63,318	67,555
Short-term investments (a)	306,516	451,788	337,702	467,699
	345,016	471,767	401,233	535,620

- (a) The subsidiary's and subsidiary Soudi's short-term investments are substantially represented by investments in CDB-DI and repurchase transactions, subject to yield of 0.84% p.m. (0.73% p.m. in 2023), on average. As for the foreign subsidiary, they comprise investments in Time Deposit, subject to yield of 0.46% p.m. (0.46% p.m. in 2023), on average, and redeemable at any time, without any significant losses on the agreed-upon return and invested amounts.

5. Trade receivables and contractual obligations with customers

	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Trade receivables	744,502	714,575	859,419	793,108
Credit cards (a)	230,827	195,765	230,827	195,764
(-) Expected credit losses (b)	(15,613)	(15,652)	(20,780)	(20,912)
	959,716	894,688	1,069,466	967,960
Current	945,976	886,346	1,055,726	959,618
Noncurrent	13,740	8,342	13,740	8,342

- (a) The Company recorded receivables advanced by credit card acquirers, without right of reimbursement, in the amount of R\$356,994 as at March 31, 2024 (R\$367,503 as at December 31, 2023), to which an average discount equivalent to the CDI rate + 1.68% p.a. is applied (average discount equivalent to the CDI rate + 1.68% p.a. in 2023).
- (b) In January 2023, the Company became aware of a court-ordered reorganization request filed by Americanas Group. The balance payable reported by such retail company to the Judge amounts to R\$87,572. The Company has already filed a claim with the insurance company and, according to the insurance policy, became entitled to receive 90% of the outstanding balance. The abovementioned loss process was completed and the amount disclosed was paid on May 8, 2023, and there were no losses arising from this settlement in addition to the allowance for losses amounting to R\$8,757 recognized by the Company as at December 31, 2022.

Allied Tecnologia S.A.

Notas explicativas às demonstrações financeiras

31 de dezembro de 2023

(Em milhares de reais, exceto quando indicado de outra forma)

Aging list of trade receivables:

	Individual				Consolidated			
	03/31/2024	Expected losses	12/31/2023	Expected losses	03/31/2024	Expected losses	12/31/2023	Expected losses
Current	945,664	(7,644)	872,657	(7,610)	1,042,488	(7,885)	934,289	(7,872)
Past-due	29,665	(7,969)	37,683	(8,042)	47,758	(12,895)	54,583	(13,040)
1 to 30 days	9,072	(89)	17,054	(301)	13,248	(120)	21,181	(332)
31 to 60 days	2,313	(166)	1,726	(93)	5,944	(278)	4,782	(185)
61 to 90 days	1,746	(174)	2,832	(131)	5,022	(503)	5,059	(354)
91 to 180 days	3,830	(525)	6,429	(1,804)	10,706	(4,979)	13,829	(6,456)
181 to 365 days	5,914	(1,777)	3,674	(581)	6,048	(1,777)	3,766	(581)
Over 365 days past-due	6,790	(5,238)	5,968	(5,132)	6,790	(5,238)	5,966	(5,132)
Total	975,329	(15,613)	910,340	(15,652)	1,090,246	(20,780)	988,872	(20,912)

The variations in expected credit losses are broken down as follows:

Description	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Opening balance	(15,652)	(39,831)	(20,912)	(43,140)
Additions	(1,062)	(9,056)	(1,308)	(12,358)
Reversals	1,101	33,235	1,440	34,586
Closing balance	(15,613)	(15,652)	(20,780)	(20,912)

Allied Tecnologia S.A.

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March 31, 2024 and 2023

(In thousands of Brazilian reais - R\$, unless otherwise stated)

5.1. Contractual obligations with customers

As a result of some transactions involving the sale of mobile phones and other electronics, upon the sale, the Company recognizes liabilities on the probable obligation to repurchase part of these products or reversals of services arising from future cancellations or sales returns by its customers, as shown in the following table:

	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Repurchase program	38,540	38,874	38,540	38,874
Other	2,873	6,148	2,873	6,148
	41,413	45,022	41,413	45,022
Current	16,475	24,937	16,475	24,937
Noncurrent	24,938	20,085	24,938	20,085

6. Inventories

	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Goods for resale	639,468	553,870	695,751	599,287
Estimated inventory loss	(5,490)	(4,708)	(5,490)	(4,708)
	633,978	549,162	690,261	594,579
Current	620,118	538,035	676,401	583,452
Noncurrent	13,860	11,127	13,860	11,127

The variations in the allowance for inventory losses are as follows:

Description	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Opening balance	(4,708)	(3,204)	(4,708)	(3,204)
Additions	(5,011)	(17,059)	(5,011)	(17,059)
Reversals	4,229	15,555	4,229	15,555
Closing balance	(5,490)	(4,708)	(5,490)	(4,708)

7. Recoverable taxes

	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Taxes on revenue (PIS and COFINS) (a)	251,815	250,525	251,815	250,525
State VAT (ICMS)	42,708	31,264	42,708	31,264
Income tax and social contribution	4,951	6,697	4,951	6,697
Withholding income tax (IRRF)	5,268	3,762	5,268	3,762
Federal VAT (IPI)	482	1,338	482	1,338
Other taxes	8,566	8,565	8,754	8,729
	313,790	302,151	313,978	302,315
Current	132,164	122,307	132,352	122,471
Noncurrent	181,626	179,844	181,626	179,844

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- (a) The Company's operations are subject to the noncumulative PIS and COFINS taxation, pursuant to Law 10637/02 and Law 10833/03, which allows claiming PIS and COFINS credits in relation to costs and expenses (inputs), expressly listed in items I to IX, article 3, of the aforesaid laws.

ICMS deduction from PIS and COFINS tax bases

On March 14, 2017, the Company filed a lawsuit claiming the ICMS deduction from PIS and COFINS tax bases and attained a favorable lower-court decision issued in September 2017 and a higher-court decision published in March 2021. Currently, the appeal filed by the Finance Department is pending a decision before the STJ.

On May 13, 2021, the Federal Supreme Court ("STF") upheld the understanding that the ICMS deduction from PIS and COFINS tax bases has been valid since March 2017 and entities that have challenged such matter in court to date shall also be entitled to recover previously paid amounts (5 years retrospectively). In light of the STF's decision, the Company assessed the favorable outcome from such lawsuit as virtually certain of reimbursement and, therefore, contingent assets are no longer recognized. Relying on the support of specialized consultants, the Company recorded the total amount of R\$154,003 (R\$152,961 in 2023), out of which R\$126,252 refers to principal and R\$27,751 to inflation adjustments (R\$26,709 in 2023), recorded in noncurrent assets.

Reverse charge State VAT (ICMS-ST) deduction from PIS and COFINS tax bases

In connection with the same lawsuit referred to above, the Company claimed the ICMS-ST deduction from PIS and COFINS tax bases and attained a favorable decision, which allowed the Company to deduct both own ICMS and ICMS-ST amounts.

On December 13, 2023, the Superior Court of Justice ("STJ") reinforced the understanding that ICMS-ST should also be deducted from PIS and COFINS tax bases. Accordingly, in the year ended December 31, 2023, the Company calculated and recorded tax credits corresponding to the period from 2013 to 2023, in the total amount of R\$26,838 (R\$26,807 in 2023), out of which R\$25,284 corresponds to principal and R\$1,554 (R\$1,523 in 2023) to inflation adjustments, recorded in noncurrent assets.

Up to the reporting date, the Company had not yet obtained a final and unappealable decision on such lawsuits for the utilization of the credits.

8. Income tax and social contribution

a) Deferred income tax and social contribution

	Deferred assets				Deferred liabilities			
	Individual		Consolidated		Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Income tax loss carryforwards	146,791	127,429	146,791	127,429	-	-	-	-
Social contribution loss carryforwards	52,845	45,874	52,845	45,874	-	-	-	-
Litigation	26,007	25,338	26,007	25,338	-	-	-	-
Expected credit losses	5,309	5,322	5,309	5,322	-	-	-	-
Trade payables (i)	5,387	5,553	5,387	5,553	-	-	-	-
Effects of CPC (06)/IFRS 16	5,488	5,220	5,488	5,220	-	-	-	-
Amortization of the subsidiaries' assets	2,631	2,805	2,631	2,805	-	-	-	-
Effects of CPC (47)/IFRS 15	1,274	1,315	1,274	1,315	-	-	-	-
Estimated inventory loss	1,867	1,601	1,867	1,601	-	-	-	-
Income tax paid abroad	7,532	7,532	7,532	7,532	-	-	-	-
Present value adjustments	93	95	93	95	-	-	-	-
Estimated loss on ICMS credits	1,734	1,734	1,734	1,734	-	-	-	-
ICMS added to PIS/COFINS tax bases	-	-	-	-	48,317	48,317	48,317	48,317
Goodwill tax amortization (ii)	-	-	-	-	201,568	198,653	201,568	198,653
	256,958	229,818	256,958	229,818	249,885	246,970	249,885	246,970
Total assets, net	7,073	-	7,073	-	-	-	-	-
Total liabilities, net	-	-	-	-	-	17,152	-	17,152
Income (expenses) from taxes recognized in profit or loss	24,225		24,225			30,350		30,350

- (i) Payables to service providers are recognized on an accrual basis while no collection documents issued are received for recognition in line item "Trade payables".
- (ii) Deferred income tax and social contribution amounts derive from the tax benefit involving goodwill on future earnings of the absorbed companies Allied S.A., Arte Telecom and Wooza Representações.

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Deferred income tax and social contribution were substantially recognized on tax loss carryforwards, primarily due to the goodwill deductibility arising from the merger of subsidiaries Allied S.A., Arte Telecom and Wooza Representações, based on analyses carried out by Management as to the generation of future taxable income and expected realization of deductible or taxable temporary differences that allow the full realization of those amounts in the next years. The Company expects deferred tax assets to be realized within no more than nine years.

b) Reconciliation of income tax and social contribution

The reconciliation between tax expenses and income from multiplying the accounting profit by the statutory rate for the periods ended March 31, 2024 and 2023 is shown below:

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Profit before income tax and social contribution	25,918	12,655	25,918	12,655
Statutory rates (25% for income tax and 9% for social contribution)	34%	34%	34%	34%
Income tax and social contribution at statutory rate	(8,812)	(4,303)	(8,812)	(4,303)
"Compete" benefit - note 18.b	-	8,784	-	8,784
Interest on capital	34,000	-	34,000	-
Stock options	(37)	(30)	(37)	(30)
Earned profit on foreign parent (i)	(2,507)	(2,107)	-	-
Share of profit (loss) of subsidiaries	1,562	796	-	-
Income tax payable abroad	-	(1,152)	-	(1,152)
ICMS added to the tax base – Selic	365	-	365	-
Temporary differences unrecognized in the subsidiaries	-	-	(945)	(861)
Other	(346)	1,683	(346)	1,233
Income tax and social contribution expenses in the period	24,225	3,671	24,225	3,671
Current taxes	-	(1,152)	-	(1,152)
Deferred taxes	24,225	4,823	24,225	4,823
Effective rate	(93%)	(29%)	(93%)	(29%)

(i) According to the business regime of "Limited Liability Company" (LLC) under which subsidiary Allied Miami LLC falls, tax expenses are due to shareholders, with estimates being recorded for the Parent and, upon payment, the related amounts are deducted from the investments. The paid amount will be offset against the Parent's tax calculations.

9. Investments

	03/31/2024			12/31/2023		
	Equity interest - %	Equity (equity deficiency) of subsidiaries	Investments (allowance for losses) in the parent company	Equity interest - %	Equity (equity deficiency) of subsidiaries	Investments (allowance for losses) in the parent company
Soudi	100%	(41,987)	(41,987)	100%	(39,210)	(39,210)
Allied	100%	38,410	38,409			
Miami				99%	30,009	30,009
		(3,577)	(3,578)		(9,201)	(9,201)

Variations in investments

	03/31/2024	12/31/2023
Balance at the beginning of the period	(9,201)	(25,535)
Share of profit (loss) of subsidiaries	4,595	19,904
Translation adjustments to investments of the foreign subsidiary	1,028	(1,124)
Proceeds from the completed liquidation of subsidiary – Kaaru	-	(2,447)
Net balance at the end of the period	(3,578)	(9,202)
Investments - assets	38,409	30,008
Allowance for investment losses – liabilities	(41,987)	(39,210)
	(3,578)	(9,202)

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(In thousands of Brazilian reais - R\$, unless otherwise stated)

The financial information on subsidiaries is summarized as follows:

	Soudi		Allied Miami	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Current assets	78,501	70,472	153,200	121,587
Noncurrent assets	2,991	3,403	133	128
Total assets	81,492	73,875	153,333	121,715
Current liabilities	123,479	113,085	114,924	91,706
Equity (equity deficiency)	(41,987)	(39,210)	38,409	30,009
Total liabilities and equity	81,492	73,875	153,333	121,715

10. Leases and rights of use

The Company primarily holds leases of properties, such as physical stores, distribution centers and corporate offices, and the effects arising from IFRS 16/CPC 06 are disclosed in line item "Leases", in current and noncurrent liabilities, with a balancing item reported in "Rights of use", in noncurrent assets.

As for lease agreements added in 2023, the Company quoted loans from financial institutions and applied a CDI borrowing cost effective at the time, plus 3.5% p.a., composing the incremental rate, considering each contractual maturity. No lease agreements were added in the quarter ended March 31, 2024.

The fair values of lease assets and liabilities were broken down as follows:

	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Assets				
Opening balance	93,785	114,000	93,785	114,000
Additions	-	12,390	-	12,390
Remeasurement (a)	1,850	1,404	1,850	1,404
Write-offs	(2,043)	(5,784)	(2,043)	(5,784)
Depreciation	(6,481)	(28,225)	(6,481)	(28,225)
	87,111	93,785	87,111	93,785
Liabilities				
Opening balance	107,532	127,335	107,532	127,335
Additions	-	12,390	-	12,390
Remeasurement (a)	1,850	1,403	1,850	1,403
Write-offs	(2,258)	(6,789)	(2,258)	(6,789)
Payments	(8,568)	(38,683)	(8,568)	(38,683)
Interest incurred	2,845	11,876	2,845	11,876
	101,401	107,532	101,401	107,532
Current liabilities	24,315	24,375	24,315	24,375
Noncurrent liabilities	77,086	83,157	77,086	83,157

(a) Remeasurement of the lease amounts on the contractual adjustment date.

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Maturity schedule of lease liabilities recognized in noncurrent liabilities:

Year	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
2024	-	23,946	-	23,946
2025	24,078	23,860	24,078	23,860
2026	23,683	19,713	23,683	19,713
2027	17,871	9,935	17,871	9,935
2028	7,161	3,641	7,161	3,641
2029	2,883	1,647	2,883	1,647
2030	1,111	415	1,111	415
2031	299	-	299	-
	77,086	83,157	77,086	83,157

As at March 31, 2024, the Company is a party to 95 lease agreements (99 as at December 31, 2023), recognized as lease transactions.

The Company applied the practical expedient set out in CVM Resolution 859/20, whereby a lessee may elect not to assess whether a rent concession is a lease modification and, accordingly, account for changes in lease payments in profit or loss for the period, as stated in note 21.

The Company recognized expenses on variable lease payments, leases of low-value assets and short-term leases in the individual and consolidated interim financial information.

Regarding lease agreements of stores and kiosks providing for variable amounts, based on a percentage rate applied to net sales, as contractually determined, expenses amounting to R\$362 were recorded in the period ended March 31, 2024 (R\$243 as at March 31, 2023).

Pursuant to CVM Circular Letter 02/2019, the Company presents lease liability balances considering estimated future payment flows, adjusted for inflation:

Year	Individual and Consolidated		
	Remaining balance	Projected inflation	Discounted installment amounts
2024	24,315	922	25,237
2025	24,078	848	24,926
2026	23,683	829	24,512
2027	17,871	625	18,496
2028	7,161	251	7,412
Beginning 2029	4,293	150	4,443
	101,401	3,625	105,026

The sources of information for the market expectation relating to the IPCA rate used above were obtained at the website of the Central Bank of Brazil (BCB), Focus bulletin, on the closing of April 12, 2024.

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11. Intangible assets

Individual

Intangible assets	Annual amortization rate (%)	12/31/2023	Additions	Write-off	Amortization	Transfer	03/31/2024
Software	20	20,292	196	-	(2,035)	802	19,255
Commercial rights	20	8,794	-	-	(1,619)	-	7,175
Trademarks and patents	12.5	96	-	-	(5)	-	91
Goodwill on acquisition of subsidiaries	-	618,580	-	-	-	-	618,580
Customer portfolio	10	26,535	-	-	(1,658)	-	24,877
Points of sale - Physical Retail	10	7,027	-	-	(383)	-	6,644
Other	20	22	802	-	(13)	(802)	9
Total		681,346	998	-	(5,713)	-	676,631

Consolidated

Intangible assets	Annual amortization rate (%)	12/31/2023	Additions	Write-off	Amortization	Transfer	03/31/2024
Software	20	21,166	196	-	(2,169)	802	19,995
Commercial rights	20	8,794	-	-	(1,619)	-	7,175
Trademarks and patents	12.5 and 20	2,692	50	-	(328)	-	2,414
Goodwill on acquisition of subsidiaries	-	618,580	-	-	-	-	618,580
Customer portfolio	10	26,534	-	-	(1,658)	-	24,876
Points of sale - Physical Retail	10	7,028	-	-	(383)	-	6,645
Other	20	83	802	-	(13)	(802)	70
Total		684,877	1,048	-	(6,170)	-	679,755

12. Trade payables

	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Domestic suppliers	657,515	505,684	704,849	583,516
Foreign suppliers	3,221	3,898	3,221	3,898
	660,736	509,582	708,070	587,414

13. Trade payables - agreements

The Company entered into agreements with partner banks to structure the prepayment of receivables with its main suppliers. Under such transaction, suppliers extend maturity periods and transfer the right to collect receivables from installment sales of products to the Company's partner financial institutions, in exchange for receiving the related funds from the banks, without the need to contract credit facilities. These transactions are subject to an average interest rate of 0.0% p.a. (0.74% p.a. in 2023), with an average term of 12 days (22 days in 2023). The finance costs associated with those transactions are reimbursed by suppliers.

	Individual and Consolidated	
	03/31/2024	12/31/2023
Without finance costs	245,959	297,778
	245,959	297,778

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Variations in the Company's trade payables – agreements are broken down as follows:

	Individual and Consolidated	
	03/31/2024	12/31/2023
Opening balance	297,778	525,419
New commitments	245,960	1,218,880
Principal repayments	(297,779)	(1,453,368)
Interest incurred	-	6,847
	245,959	297,778

As assessed by Management, the economic substance of the underlying transactions has a financial nature, considering that the advances to suppliers are subject to maturity date changes and interest charged by the financial institution, even if such interest amounts are reimbursed by the suppliers.

14. Borrowings, financing and debentures

Category	Finance charges - weighted average - %	Individual		Consolidated	
		03/31/2024	12/31/2023	03/31/2024	12/31/2023
5 th issue of debentures (a)	CDI + 2.22%/ 2.00% p.a.	247,485	247,410	247,485	247,410
6 th issue of debentures (b)	CDI + 2.60% p.a.	223,296	216,125	223,296	216,125
Structured loan (working capital)	2023: CDI + 2.94% p.a. 2024: CDI + 2.78% p.a.	-	-	79,492	80,178
Foreign loans - US dollar	6.90% p.a.	-	-	49,997	-
Total		470,781	463,535	600,270	543,713
Current		8,216	1,482	137,705	81,660
Noncurrent		462,565	462,053	462,565	462,053

Variations in the Company's borrowings are as follows:

	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Opening balance	463,535	527,497	543,713	629,580
New borrowings	-	225,000	129,869	305,000
Payment of debentures issuance costs	(230)	(8,646)	(1,114)	(9,531)
Principal repayments	-	(279,333)	(80,000)	(381,382)
Interest payments	(8,083)	(75,570)	(10,792)	(87,470)
Amortization of debentures issuance costs	741	961	961	961
Interest incurred	14,818	74,587	17,542	88,772
Balance sheet translation effects	-	-	93	(1,256)
	470,781	463,535	600,272	543,713
Current	8,216	1,482	137,705	81,660
Noncurrent	462,565	462,053	462,565	462,053

- (a) On May 26, 2022, the fifth issue of simple, nonconvertible debentures was approved, in the amount of R\$296,000, represented by 296,000 debentures issued at the unit par value of R\$1. Interest amounts will be paid on a quarterly basis, beginning August 26, 2022. The final maturity of debentures will be within 60 months, with quarterly settlements and grace period of 24 months, according to the amortization table included in the indenture, with principal repayments beginning on May 26, 2024 and maturing on May 26, 2027.

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In order to ensure full compliance with all obligations assumed before Creditors, the Company undertook to maintain at least 30% of the outstanding balance of debentures in bank slips falling due in the restricted accounts opened at Banco do Brasil (Collaterals).

The debentures agreement requires maintaining a net debt-to-EBTIDA ratio lower than or equal to 2.5 times for each fiscal year.

On December 26, 2023, the Company carried out the optional extraordinary amortization of 15.5405% of the nominal unit balance of debentures. Moreover, it elected to postpone payment of the remaining debt balance of R\$250,000, which resulted in interest rate changes from 2.00% p.a. to 2.22% p.a. As a result of such adjustments, the final maturity of debentures was also changed to 60 months, with quarterly settlements and grace period of 18 months, according to the amortization table included in the indenture, with principal repayments beginning on June 26, 2025. The postponement does not change the other contractual clauses.

- (b) On December 6, 2023, the sixth issue of simple, nonconvertible debentures was approved, in the amount of R\$225,000, represented by 225,000 debentures issued at the unit par value of R\$1. Interest amounts will be paid on a semiannual basis, beginning June 15, 2024.

The final maturity of debentures will be within 60 months, with semiannual settlements and grace period of 24 months, according to the amortization table included in the indenture, with principal repayments beginning on December 15, 2025 and maturing on December 15, 2028.

In order to ensure full compliance with all obligations assumed before Creditors, the Company undertook to maintain at least 30% of the outstanding balance of debentures in bank slips falling due in the restricted accounts opened at Banco do Brasil (Collaterals).

The debentures agreement requires maintaining a net debt-to-EBTIDA ratio lower than or equal to 2.5 times for each fiscal year, from December 31, 2023 to the maturity date.

For debentures, the trustee is responsible for checking the calculations submitted by the Company's Management within 3 days from the disclosure of the audited annual financial statements. The calculation of covenants applicable to the financial statements for December 31, 2023 was checked in April 2024, without any qualifications, whereas the Company complied with all covenants set out in the relevant agreements.

The long-term payment schedule of borrowings and financing is as follows:

	Maturity year	Individual and Consolidated	
		03/31/2024	12/31/2023
2025		76,255	76,346
2026		128,009	128,054
2027		128,731	128,558
2028		129,570	129,095
Total noncurrent		462,565	462,053

15. Related parties

Due from related parties

	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Soudi Pagamentos Ltda. (i)	42,852	31,882	-	-
Receivables from shareholders (iv)	-	7,738	-	7,738
Miami LLC (iii)	1,247	1,248	-	-
Total current	44,099	40,868	-	7,738

Other related-party transactions recognized in profit or loss

Purchase and sale transactions with related parties are conducted under specific terms and conditions agreed upon between the parties.

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Consolidated

Entities	Other income		Administrative expenses	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Soudi Pagamentos Ltda. (i)		-	(1,115)	(1,167)
Allied Tecnologia S.A. (i) (iii)	1,115	1,167	-	-

(i) Sales transfers to the storeowner and provision of shared services.

(ii) Proceeds from acquisitions of stock options.

(iii) Provision of shared services.

(iv) Reimbursement of expenses relating to the leniency agreement (as disclosed in note 16).

In the period ended March 31, 2024, there was no need to recognize expected credit losses on due from related parties.

Compensation of key management personnel

The aggregate amount of compensation and benefits granted to officers, directors and members of statutory committees for services provided in their respective areas of expertise was R\$15,419 in the period ended March 31, 2024 (R\$2,221 as at March 31, 2023).

16. Provision for lawsuits

In the ordinary course of business, the Company is exposed to certain contingencies and risks, which include tax, labor and civil lawsuits. The Company's Management recognized a provision for risks underlying lawsuits assessed as probable losses, which is the best estimate of future cash disbursement, based on its legal counsel's opinion. The provisions for lawsuits are broken down as follows:

Law suits assessed as probable losses	03/31/2024	12/31/2023
Tax (a)	170,924	167,800
ICMS-DIFAL – 2021	67,738	66,371
ICMS-DIFAL – 2022	79,049	77,558
ICMS-DIFAL – 2023	21,193	20,927
Other	2,944	2,944
Labor	2,149	4,802
Civil	3,660	408
Leniency (b)	9,209	9,002
Total	185,942	182,012
(-) Payments through judicial deposits – ICMS DIFAL 2022	(79,049)	(77,558)
(-) Payments through judicial deposits – ICMS DIFAL 2023	(21,193)	(20,927)
(-) Payments through judicial deposits – Leniency (b)	(9,209)	(9,002)
Law suits net of judicial deposits	76,491	74,525

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a) Tax lawsuits

ICMS-DIFAL (year 2021)

On February 24, 2021, the STF issued a decision determining that the payment of certain amounts referring to interstate ICMS rate differences ("ICMS-DIFAL") would not be mandatory. In light of this decision, the Company filed writs of mandamus on February 26, 2021 and, given the likelihood of possible losses at the time, it deposited amounts in escrow and received favorable preliminary injunctions to suspend such deposits.

The Company elected not to recognize the tax expenses on ICMS-DIFAL in its financial statements beginning February 2021.

In December 2021, the STF decided that only entities that had filed lawsuits up to February 24, 2021 would be entitled to such non-mandatory payment. Considering the STF's decision, the Company recognized a provision for probable losses in the amount of R\$67,738 (R\$66,371 as at December 31, 2023).

ICMS-DIFAL (year 2022)

On February 8 and 9 and April 11, 2022, the Company filed writs of security and started to deposit in escrow the ICMS-DIFAL amounts for 2022 to all Brazilian states, based on the aforesaid STF's judgment.

The Company maintained the obligations with ICMS-DIFAL recorded in its liabilities, in the amount of R\$79,049 (R\$77,558 as at December 31, 2023), and with judicial deposit in the same amount, recorded at net amount in provision for lawsuits.

In December 2023, by majority of votes, the STF determined that the ICMS-DIFAL collection would be due beginning April 5, 2022, i.e., in conformity with the ninety-day anteriority principle. In view of the foregoing, the Company recognized amounts deposited in escrow in profit or loss for 2023, corresponding to the period from January 2022 to March 2022, in the amount of R\$16,295.

ICMS-DIFAL (year 2023)

On February 9 and 15, 2023, the Company filed writs of security for some states and started to deposit in escrow the ICMS-DIFAL amounts corresponding to the period from January to July 2023. The Company will maintain the obligations with ICMS-DIFAL recorded in its liabilities, in the amount of R\$21,193 (R\$20,927 as at December 31, 2023), and with judicial deposit in the same amount, recorded at net amount in provision for lawsuits.

b) Leniency

On May 3, 2022, the Company entered into a leniency agreement with the Federal Public Prosecutor's Office ("MPF") and a civil non-prosecution agreement with the São Paulo State Public Prosecutor's Office ("MPSP"), as described in item 4.7 of the Reference Form available on the Company's website (ri.alliedbrasil.com.br) and CVM's website (cvm.gov.br).

The Company recorded payables amounting to R\$23,847, which were fully paid to the Federal Government and São Paulo State Finance Department, out of which R\$8,678 as principal and R\$531 as inflation adjustment paid through judicial deposits.

No provision is required for lawsuits assessed as possible losses by Management and its legal counsel, involving the following estimated amounts:

<u>Lawsuits assessed as possible losses</u>	<u>03/31/2024</u>	<u>12/31/2023</u>
Tax	70,194	66,125
Labor	30,747	22,989
Civil	6,807	4,363
Total	107,748	93,477

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Tax

The main lawsuits assessed as possible losses refer to tax lawsuits: a) tax assessment notice issued by the Federal Revenue Service on account of challenges concerning the offsets made and undue deduction of trade discounts from revenues, in the amount of R\$33,198 (R\$32,625 as at December 31, 2023); and b) lawsuit involving claims to suspend the collection of social security contributions, income tax and alleged fine for lack of withholding taxes on alleged income arising from the exercise of stock options, in the amount of R\$13,807 (R\$13,453 as at December 31, 2023).

On August 31, 2023, the Company joined the Tax Debt Refinancing Program (REFIS), in the amount of R\$3,250, with payment in 180 months to settle the tax assessment notice, through a special system for installment payment of ICMS amounts to the State of Espírito Santo. These tax lawsuits were classified as possible losses and the REFIS registration was recognized in line item "Taxes payable".

Labor

These lawsuits represent labor claims of several natures (overtime payment and severance pay), which are at different procedural phases.

16.1. Judicial deposits

	<u>Individual/Consolidated</u>	
	<u>03/31/2024</u>	<u>12/31/2023</u>
Tax - DIFAL 2021 (i)	67,738	66,371
Tax - DIFAL - ninety-day anteriority principle (ii)	22,759	22,297
Labor (iii)	13,807	13,453
	104,304	102,121

The Company and its subsidiaries made the following judicial deposits:

- (i) Deposits including provisions related to the ICMS-DIFAL- 2021-related tax lawsuit.
- (ii) Deposits without the corresponding provisions: ninety-day anteriority principle referring to the period from January to March 2022 of all states where the Company filed writs of security, except for Amapá, Minas Gerais, Santa Catarina and São Paulo, where the Company has already recovered the deposited amounts.
- (iii) Deposits without the corresponding provisions: lawsuit challenging the collection of taxes levied on the exercise of stock options under the stock option plan.

17. Other liabilities

<u>Lender</u>	<u>Individual</u>		<u>Consolidated</u>	
	<u>03/31/2024</u>	<u>12/31/202</u>	<u>03/31/202</u>	<u>12/31/2023</u>
Cost of sales	6,413	8,536	6,413	8,536
Advanced sales	20,764	14,866	20,764	14,866
Other	1,068	1,183	1,068	1,183
Total other liabilities	28,245	24,585	28,245	24,585
Current	27,718	23,971	27,718	23,971
Noncurrent	527	614	527	614

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18. Equity

a) Capital

As at March 31, 2024 and December 31, 2023, fully paid-in capital amounting to R\$1,021,575 is represented by 93,220,582 common and registered shares, without par value, within the authorized capital limit set out in the Company's bylaws, held as follows:

	03/31/2024		12/31/2023	
	Shares	% equity interest	Shares	% equity interest
Brasil Investimentos 2015 I FIP Multiestratégia	44,173,806	47.4%	44,173,806	47.4%
Brasil Investimentos 2015 II FIP Multiestratégia	16,773,038	18.0%	16,773,038	18.0%
Management	6,603,881	7.1%	7,111,232	7.6%
Free Float (B3)	25,669,857	27.5%	25,162,506	27.0%
Total	93,220,582	100.0%	93,220,582	100.0%

The Company is authorized to increase capital by up to 100,000,000 new common shares, out of which 13,598,947 shares have already been issued, with a remaining number of 86,401,053 authorized shares to be issued. The total limit comprises 179,621,635 common shares, regardless of any amendment to the bylaws, pursuant to article 168 of the Brazilian Corporate Law.

b) Earnings reserve

The earnings reserve is duly supported by article 47 of the Company's Bylaws. In accordance with article 199 of Law 6404/76, the earnings reserve balance is limited to capital, whereas any excess amount should be used for capital increase or dividend distribution purposes.

The legal reserve is set up annually by allocating 5% of profit for the year, adjusted as prescribed by law, and cannot exceed 20% of the capital. The legal reserve is aimed at ensuring the integrity of capital and can only be utilized to offset losses or increase capital.

As prescribed by law, investment grants comprise the ICMS tax incentives granted by the State of Espírito Santo (Compete) for the Company's operations conducted in that State. Consequently, at the end of the year, such incentive amount is recorded under a specific reserve account, which balance can only be used to increase capital or offset losses, and cannot be distributed or transferred to any shareholders. CPC 07 (R1) - Accounting for Government Grants and Disclosure of Government Assistance outlines how to account for government grants. In the period ended March 31, 2024, the impact from the tax incentive on profit or loss is R\$22,483 (R\$25,834 as at March 31, 2023).

As at March 31, 2024, the earnings reserve totaled R\$536,014 (same amount as at December 31, 2023). The Company has a tax incentive reserve balance to be recorded, in the amount of R\$150,465 (R\$127,982 up to December 31, 2023).

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c) Dividends and interest on capital

Pursuant to the Company's bylaws, after the legal deductions and recognition of a legal reserve, profit for the year shall be allocated as resolved at a General Shareholders' Meeting, conferring upon shareholders the right to receive mandatory minimum dividends equivalent to 25% of profit for the year.

Interim dividends and interest on capital are incorporated into the mandatory minimum dividends, as set out in article 46 of the Company's Bylaws.

Variations in dividends and interest on capital are broken down as follows:

Individual

	<u>03/31/2024</u>	<u>12/31/2023</u>
Profit for the period/year	50,143	122,444
Legal reserve	-	(6,122)
Tax incentive reserve	-	(26,322)
Tax base – dividends	<u>50,143</u>	<u>90,000</u>
Interest on capital	<u>100,000</u>	<u>90,000</u>
Total dividends	<u>100,000</u>	<u>90,000</u>

On December 14, 2023, the Company's Board of Directors approved the proposed payment of dividends totaling R\$90,000, distributed as interest on capital relating to the profit for the year ended December 31, 2023.

On March 21, 2024, the Company's Board of Directors approved the proposed payment of dividends totaling R\$100,000, distributed as interest on capital. The approved amount corresponds to equity from years prior to 2024, and not yet paid, and will be incorporated into the total amount of dividends to be declared by the Company for FY2024, which is contingent upon approval at the Annual General Meeting.

c) Dividends and interest on capital--Continued

Variations in the Company's dividends and interest on capital are detailed below:

	<u>Consolidated</u>	
	<u>03/31/2024</u>	<u>12/31/2023</u>
Opening balance	90,024	33,021
Interest on capital	-	90,000
Payments	<u>(89,988)</u>	<u>(32,997)</u>
Dividends and interest on capital payable	36	90,024

19. Net sales revenue

	<u>Individual</u>		<u>Consolidated</u>	
	<u>03/31/2024</u>	<u>03/31/2023</u>	<u>03/31/2024</u>	<u>03/31/2023</u>
Sales revenue	1,225,277	1,356,314	1,644,038	1,658,365
Service revenue	8,832	11,523	17,480	19,640
Sales returns and cancellations	(13,891)	(63,242)	(16,503)	(63,242)
Discounts and rebates on sales	(17,834)	(20,485)	(18,901)	(20,485)
Taxes on sales	(205,986)	(231,336)	(206,996)	(232,303)
Net sales revenue	<u>996,398</u>	<u>1,052,774</u>	<u>1,419,118</u>	<u>1,361,975</u>

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Net revenue by operation is broken down as follows:

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Brazilian operations	996,399	1,052,774	1,004,017	1,059,923
Foreign operations	-	-	415,083	302,051
Net sales revenue	996,399	1,052,774	1,419,118	1,361,974

20. Cost of sales

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Cost of sales	(969,415)	(1,024,841)	(1,428,407)	(1,326,781)
Discounts obtained from suppliers	129,534	138,820	183,078	145,879
Personnel expenses	(1,542)	(1,211)	(1,542)	(1,211)
Depreciation and amortization	(1,908)	(2,351)	(1,908)	(2,359)
Storage	(1,054)	(1,248)	(1,974)	(1,614)
Other costs	(416)	(496)	(416)	(497)
	(884,801)	(891,327)	(1,251,169)	(1,186,583)

21. Selling expenses

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Personnel expenses	(26,394)	(27,908)	(26,924)	(28,205)
Commissions and sales representations	(24,516)	(24,913)	(24,516)	(24,913)
Losses on credits	(1,211)	(2,298)	(8,780)	(7,772)
Depreciation	(7,748)	(10,948)	(7,748)	(10,948)
Freight and hauling	(7,384)	(9,835)	(7,384)	(9,835)
Card management fees	(7,077)	(5,871)	(7,077)	(5,871)
Occupancy expenses	(4,371)	(5,042)	(4,371)	(5,042)
Rental expenses	(1,071)	(1,153)	(1,071)	(1,153)
Marketing expenses	(1,437)	(1,787)	(1,437)	(1,787)
Collection expenses	(997)	(1,526)	(1,045)	(1,595)
Allowance for doubtful debts	38	128	38	128
Rent discounts (note 10)	883	833	883	833
Other selling expenses	(1,193)	(1,027)	(2,201)	(2,115)
	(82,478)	(91,347)	(91,633)	(98,275)

22. General and administrative expenses

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Personnel expenses	(15,265)	(15,321)	(15,302)	(15,327)
Expenses on outside services	(5,301)	(6,424)	(5,633)	(6,982)
Depreciation and amortization expenses	(3,548)	(3,828)	(4,022)	(4,260)
Occupancy expenses	(269)	(468)	(269)	(468)
Expenses on asset insurance	(716)	(650)	(1,268)	(764)
Court costs and contingencies	(3,114)	(54)	(3,165)	(70)
Other general and administrative expenses	(749)	(934)	(915)	(1,316)
	(28,962)	(27,679)	(30,574)	(29,187)

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23. Other operating income (expenses)

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Untimely credit – Reverse charge State VAT (ICMS-ST) deduction from the tax base of taxes on revenue (PIS and COFINS)	-	1,671	-	1,671
Fines and assessments	(639)	(29)	(639)	(29)
Gain (loss) on insurance claims	(60)	41	(60)	41
Gain (loss) on write-off of property, plant and equipment	255	121	255	(300)
Shared services – related parties	1,115	1,167	-	-
Other operating income (expenses)	(99)	273	(99)	(1)
	572	3,244	(543)	1,382

24. Finance income (costs)

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Interest and fines	(12,431)	(22,449)	(12,466)	(23,160)
Interest on debentures	(15,617)	(20,711)	(15,617)	(20,711)
Inflation adjustments and exchange losses	-	-	-	(4)
Lease interest	(2,845)	(3,115)	(2,845)	(3,115)
Other finance costs	(681)	(698)	(1,083)	(995)
Finance costs	(31,574)	(46,973)	(32,011)	(47,985)
Income from short-term investments	6,957	4,605	7,161	4,641
Interest income	5,135	6,898	5,493	6,566
Inflation adjustments and exchange gains	10	25	10	28
Other finance income	67	93	67	93
Finance income	12,169	11,621	12,731	11,328
Finance income (costs)	(19,405)	(35,352)	(19,280)	(36,657)

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25. Financial risk management

The Company conducts transactions involving financial instruments, all of which are recorded in balance sheet accounts, for the purpose of maintaining its investment capacity and growth strategy.

a) The main financial assets and financial liabilities are classified by category as follows:

	Individual		Consolidated	
	2024	2023	2024	2023
<u>Financial assets</u>				
Financial assets measured at amortized cost:				
Cash and cash equivalents	345,016	471,767	401,233	535,620
Trade receivables	959,716	894,688	1,069,466	967,960
Related parties	44,099	40,868	-	7,738
Securities	3,660	3,454	3,660	3,454
Total	<u>1,352,491</u>	<u>1,410,777</u>	<u>1,474,359</u>	<u>1,514,772</u>
<u>Financial liabilities</u>				
Financial liabilities measured at amortized cost:				
Trade payables	660,736	509,382	708,070	587,214
Trade payables - agreements	245,959	297,778	245,959	297,778
Borrowings, financing and debentures	470,781	463,535	600,270	543,713
Total	<u>1,377,476</u>	<u>1,270,695</u>	<u>1,554,299</u>	<u>1,428,705</u>

b) Financial instruments fair value classification and methodology

Measurement methods

The individual and consolidated interim financial information has been prepared using the historical cost, except for certain financial assets and financial liabilities measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market players at the measurement date.

Based on the hierarchy set out in CPC 46, fair value can be measured based on the following criteria:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), except for quoted prices included in Level 1.

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- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

No assets or liabilities measured at fair value were reclassified among the different levels as at March 31, 2024.

b) General considerations

The Company and its subsidiaries are exposed to the following risks arising from the use of financial instruments:

- Credit risk, liquidity risk, market risk and operational risk.

25.1. Credit risk

Credit risk is the risk of the Company and its subsidiaries incurring financial losses if a customer or counterparty to a financial instrument fails to perform its contractual obligations, which arises from mainly its subsidiaries' trade receivables.

The Company's and its subsidiaries' exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company and its subsidiaries established a credit policy that requires an individual review of the credit rating of every new customer before standard payment terms and conditions are offered.

The Company has a very diversified customer portfolio with low concentration level. The Company recognizes estimated credit loss that represents its best estimate of trade receivables (see note 5). The main component is specific and related to significant individual risks.

The Company is exposed to the credit risks arising from financial institutions. In order to mitigate such exposure and the concentration risk, the Company invests its cash and cash equivalents in different investment options and financial institutions, such as banks or securities of several natures.

As at March 31, 2024, the maximum exposure relating to cash and cash equivalents, short-term investments, securities and trade receivables is as follows:

i) Cash and cash equivalents

	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Cash	213	366	213	366
Banks	38,287	19,613	63,318	67,555
Short-term investments	306,516	451,788	337,702	467,699
	345,016	471,767	401,233	535,620

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ii) Trade receivables

	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Trade receivables	959,716	894,688	1,069,466	967,960
	959,716	894,688	1,069,466	967,960

25.2. Liquidity risk

Liquidity risk is the risk that the Company and its subsidiaries may face difficulties in performing the obligations associated with their financial liabilities that are settled through payment in cash or using another financial asset. The approach of the Company and its subsidiaries in managing liquidity is to ensure, to the maximum extent possible, that they will have sufficient liquidity to perform their obligations when they are due, under normal conditions, without incurring unacceptable losses or risk of damaging the reputation of the Company and its subsidiaries.

The table below shows in detail the maturity of the contracted financial liabilities:

As at March 31, 2024	Individual				
	Up to 1 year	Up to 2 years	3 to 5 years	Over 5 years	Total
Trade payables	660,736	-	-	-	660,736
Trade payables - agreements	245,959	-	-	-	245,959
Leases	34,093	31,245	56,067	4,631	126,036
Borrowings, financing and debentures	58,534	152,016	524,555	-	735,105
Other liabilities	27,718	527	-	-	28,245
	1,027,040	183,788	580,622	4,631	1,796,081

As at March 31, 2024	Consolidated				
	Up to 1 year	Up to 2 years	3 to 5 years	Over 5 years	Total
Trade payables	708,070	-	-	-	708,070
Trade payables - agreements	245,959	-	-	-	245,959
Leases	34,093	31,245	56,067	4,631	126,036
Borrowings, financing and debentures	198,268	152,016	524,555	-	874,839
Other liabilities	27,718	527	-	-	28,245
	1,214,108	183,788	580,622	4,631	1,983,149

Typically, the Company and its subsidiaries make sure that they have cash in sufficient amount to cover expected operating expenses, including the performance of financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably foreseen, such as natural disasters.

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25.3. Market risk

i) Interest rate risk

This risk arises from the possibility of the Company incurring losses due to fluctuation in interest rates that increase finance costs on borrowings and financing, or reduce income from short-term investments. The Company continuously monitors the volatility of market interest rates. In order to mitigate the possible impacts arising from fluctuations in interest rates, the Company and its subsidiaries adopt the policy of maintaining their funds invested in instruments indexed to the CDI. Historically, the Company has been obtaining satisfactory results in relation to such risk mitigation goals.

ii) Exchange rate risk

The Company's functional currency is the Brazilian real (R\$), the same currency of preparation and presentation of the individual and consolidated interim financial information.

The Company is exposed to the risk of exchange rate fluctuation of foreign currencies (mostly USD) against the Brazilian Real (BRL). Such exposure is related to the direct import of goods from its foreign suppliers. Such exposure is related to the direct import of goods from its foreign suppliers for which the balance of trade payables is immaterial as at March 31, 2024. Monetary assets and liabilities denominated in foreign currency are translated into the presentation currency (BRL) at the exchange rate prevailing at the balance sheet date. Gains and losses arising on the adjustment of these assets and liabilities verified between the prevailing exchange rate on the transaction date and the balance sheet dates are recognized as income or expenses.

iii) Sensitivity analysis

The table below shows the sensitivity analysis for financial instruments, describing the risks that may result in material losses for the Company using the most probable scenario, according to an assessment made by Management for a twelve-month period. Additionally, two other scenarios are provided showing a 25% and 50% stress at the probable scenario variable considered, respectively (possible and remote scenarios).

Based on projections disclosed by financial institutions, CDI projections were obtained for assessing the monetary impacts in the probable scenario. Based on this scenario, 25% and 50% stresses were calculated for the exposure to the financial assets and financial liabilities indexed to the exchange rate fluctuation of the US dollar and CDI, as follows:

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Interest rate risk

Transaction	Index	Risk	Individual			
			Balance as at 03/31/2024	Probable scenario	Possible scenario	Remote scenario
Financial assets						
Short-term investments	100% of CDI	CDI decrease	306,516	332,569	326,056	319,543
Securities	100% of CDI	CDI decrease	3,660	3,971	3,893	3,816
Total			310,176	336,540	329,949	323,358
Gain				26,364	19,773	13,182
Financial liabilities						
Borrowings, financing and debentures	100% of CDI	CDI increase	470,781	510,797	520,801	530,806
Total			470,781	510,797	520,801	530,806
(Loss)				(40,016)	(50,020)	(60,025)
Consolidated						
Transaction	Index	Risk	Balance as at 03/31/2024	Probable scenario	Possible scenario	Remote scenario
Financial assets						
Short-term investments	100% of CDI	CDI decrease	337,702	366,406	359,230	352,054
Securities	100% of CDI	CDI decrease	3,660	3,971	3,893	3,816
Total			341,362	370,377	363,123	355,869
Gain				29,015	21,761	14,508
Financial liabilities						
Borrowings, financing and debentures	100% of CDI	CDI increase	550,273	597,046	608,739	620,433
Total			553,494	600,287	612,790	625,294
(Loss)				(46,773)	(58,467)	(70,160)

Exchange rate risk

Transaction	Index	Risk	Individual and Consolidated			
			Balance as at 03/31/2024	Probable scenario	Possible scenario	Remote scenario
Financial liabilities						
Foreign trade payables	USD	USD appreciation	3,221	3,241	4,051	4,861
Total			3,221	3,241	4,051	4,861
(Loss)				(20)	(830)	(1,640)

The sources of information for the rates used above were obtained at the website of the Central Bank of Brazil (BCB), Focus bulletin, on the closing of April 12, 2024.

25.4. Operational risk

Operational risk is the risk of direct or indirect losses arising from different causes related to the processes, personnel, technology and infrastructure of the Company and its subsidiaries and external factors, except credit, market and liquidity risks, such as those arising from legal and regulatory requirements and from generally accepted corporate behavior standards. The Company's and its subsidiaries' objective is to manage the operational risk and service quality risk to avoid any financial losses and damages to the Company's and its subsidiaries' reputation.

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26. Insurance

The Company and its subsidiaries have the policy of insuring the assets exposed to risks in amounts considered sufficient to cover potential losses, taking into consideration the nature of their activities. The insurance against operational risks is as follows:

	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Directors and Officers (D&O) liability	40,000	40,000	40,000	40,000
Civil liability for professionals	2,000	5,202	2,000	5,202
Operational risks	43,103	44,310	43,103	44,310
Credit insurance (a)	321,300	403,300	350,348	432,348
Property insurance	473,074	470,500	582,003	579,429
Performance bond	26,352	26,352	26,352	26,352
Cyber insurance	30,000	30,000	30,000	30,000
	935,829	1,019,664	1,073,806	1,157,641

- a) The insurance deductible amount for selected customers is 10%, i.e., customers whose credit ratings were previously determined by the insurance company. The insurance deductible amount for other customers is 20%, limited to a maximum credit of R\$500.

27. Earnings per share

a) Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of common shares, as shown below:

	Individual and Consolidated	
	03/31/2024	03/31/2023
Profit for the period	50,143	16,326
Total weighted number of shares	93,220,582	93,220,582
Basic earnings per share (in R\$)	0.5379	0.1751

b) Diluted earnings per share

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares to assume the conversion of all potentially dilutive common shares. The Company has a stock option plan with potential grant of 3,458,992 stock options and its potential total dilution is represented by 96,259,574 stock options, already including the initial grant.

	Individual and Consolidated	
	03/31/2024	03/31/2023
Profit for the period	50,143	16,326
Total weighted number of shares and options exercisable	96,259,574	96,259,574
Diluted earnings per share (in R\$)	0.5209	0.1696

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28. Non-cash transactions

Transactions without cash disbursement that were disclosed in the statements of cash flows, as shown below:

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Trade payables – agreements (new commitments)	245,960	384,831	245,960	384,831
New lease agreements	-	539	-	539
Remeasurement of leases	1,850	1,574	1,850	1,574
Write-off of right-of-use assets	2,043	439	2,043	439
Write-off of leases	2,258	515	2,258	515

29. Events after the reporting period

On April 1, 2024, the Board of Directors approved a capital increase of R\$1,654, through the issue of 258,060 new common, registered and book-entry shares, with no par value, fully subscribed and paid in, in light of the exercise of stock options.

As a result of the capital increase, the Company's capital, currently amounting to R\$1,021,575, represented by 93,220,582 book-entry registered common shares, without par value, will be increased to R\$1,023,229, represented by 93,478,642 book-entry registered common shares, without par value.

The Company is authorized to increase capital by up to 100,000,000 new common shares, out of which 13,857,007 shares have already been issued, with a remaining number of 86,142,993 authorized shares to be issued. The total limit comprises 179,621,635 common shares, regardless of any amendment to the bylaws, pursuant to article 168 of the Brazilian Corporate Law.

After said capital increase, the Company's shareholding structure is broken down as follows:

	04/01/2024	
	Shares	% equity interest
Brasil Investimentos 2015 I FIP Multiestratégia	44,173,806	47.3%
Brasil Investimentos 2015 II FIP Multiestratégia	16,773,038	17.9%
Management	5,077,120	5.4%
Free Float (B3)	27,454,678	29.4%
Total	93,478,642	100%