Portobello Grupo

Quarterly Result 3Q I 2024

Report on the review of quarterly information - ITR
To the Directors and Shareholders of
PBG S.A.
Tijucas – Santa Catarina

Introduction

We have reviewed the interim, individual and consolidated financial information of PBG S.A. ("Company"), contained in the Quarterly Information - (ITR) Form for the three-month period ended September 30, 2024, which comprise the balance sheet on September 30, 2024 and related statements of income and comprehensive income for the three and nine-month periods ended on that date, of changes in shareholders' equity and of cash flows for the nine-month period then ended, including explanatory notes.

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

Scope of review

We conducted our review in accordance with the Brazilian and international review standards for interim 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 in asking questions, chiefly to the persons in charge of financial and accounting affairs, and in applying analytical procedures 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 individual interim information

Based on our review, we are not aware of any facts that would lead us to believe that the individual interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21(R1) applicable to the preparation of Quarterly Information (ITR), and presented in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission.

Conclusion on the consolidated interim information

Based on our review, we are not aware of any facts that would lead us to believe that the consolidated interim financial information included in the quarterly information referred to

above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of Quarterly Information (ITR), and presented in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission.

Other matters - Statements of added value

The aforementioned quarterly information includes the individual and consolidated statements of added value for the nine-month period ended September 30, 2024, prepared under responsibility of Company's Management, and presented as supplementary information for IAS 34 purposes. These statements have been subject to review procedures performed in conjunction with the review of the quarterly information, in order to determine whether they are reconciled with the interim financial information and book records, as applicable, and whether their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 – Statement of Added Value. Based on our review, we are not aware of any facts that may lead us to believe that these statements of added value have not been prepared, in all material respects, in accordance with the criteria set forth in this Standard and consistently with respect to the individual and consolidated interim financial information taken as a whole.

Corresponding amounts

Corresponding amounts related to individual and consolidated balance sheets as of December 31, 2023 were previously audited by other independent auditors who issued an unchanged report on March 13, 2024 and individual and consolidated statements of income and of comprehensive income for the three and nine-month periods, of changes in shareholders' equity and of cash flows for the nine-month period ended September 30, 2023 were previously reviewed by other independent auditors, who issued an unchanged report on October 31, 2023. The corresponding amounts for the individual and consolidated statements of added value for the nine-month period ended September 30, 2023, were subject to the same review procedures by those independent auditors and, based on its review, those auditors issued an opinion reporting that were not aware of any facts that would lead them to believe that the statement of added value was not prepared, in all material respects, consistently with the individual and consolidated interim financial information taken as a whole.

Joinville, November 6, 2024

KPMG Auditores Independentes Ltda.
CRC SC-000071/F-8

Yukie de Andrade Kato
Accountant CRC PR-052608/O-4 T-CE

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Company Information / Breakdown of Capital

Quantity of shares (Thousand)	Current Period 09/30/2024
Paid-in capital	
Common	140,987
Preferred	0
Total	140,987
Treasury	
Common	0
Preferred	0
Total	0

Individual financial statements / Balance sheet - Assets (Thousand)

Account Code	Account Description	Current Period 09/30/2024	Previous Period 12/31/2023
1	Total Assets	2,384,502	2,525,874
1.01	Curent Assets	720,454	1,068,861
1.01.01	Cash and Cash Equivalents	126,835	376,366
1.01.03	Accounts Receivable	182,620	219,186
1.01.03.01	Trade Receivables	182,620	219,186
1.01.04	Inventory	310,169	374,170
1.01.06	Taxes to recover	24,833	24,758
1.01.06.01	Current taxes recoverable	24,833	24,758
1.01.06.01.01	Recoverable Income Tax and CS	8,704	2,347
1.01.06.01.02	Other taxes recoverable	16,129	22,411
1.01.07	Prepaid Expenses	16,803	4,334
1.01.08	Others Current Assets	59,194	70,047
1.01.08.03	Other	59,194	70,047
1.01.08.03.01	Advance to Suppliers	3,089	4,779
1.01.08.03.02	Dividends Receivable	41,799	39,693
1.01.08.03.03	Derivative financial instruments	1,819	14,620
1.01.08.03.04	Other Accounts Receivable	12,487	10,955
1.02	Non-Current Assets	1,664,048	1,457,013
1.02.01	Long-Term Assets	384,593	335,118
1.02.01.07	Deferred Taxes	58,104	39,815
1.02.01.07.01	Deferred Income and Social Contribution Taxes	58,104	39,815
1.02.01.09	Receivables from related parties	95,626	89,002
1.02.01.09.02	Subsidiaries Credits	95,626	89,002
1.02.01.10	Other Non-Current Assets	230,863	206,301
1.02.01.10.03	Judicial Deposits	7,198	7,090
1.02.01.10.04	Escrow deposit	15,662	19,887
1.02.01.10.06	Taxes to recover	16,831	16,131
1.02.01.10.07	Legal assets	117,626	115,141
1.02.01.10.08	Restricted investments	23,828	21,575
1.02.01.10.09	Lease Assets	11,036	10,297
1.02.01.10.11	Other Accounts Receivable	16,182	16,180
1.02.01.10.12	Securities	22,500	-
1.02.02	Investments	668,518	483,683
1.02.02.01	Ownership Interest	668,518	483,683
1.02.02.01.02	Interest in Subsidiaries	668,518	483,683
1.02.03	Property, Plant and Equipment	573,319	597,167
1.02.03.01	Property, Plant and Equipment	515,208	522,145
1.02.03.02	Right-of-use assets	35,930	37,296
1.02.03.03	Construction in Progress	22,181	37,726
1.02.04	Intangibles Assets	37,618	41,045
1.02.04.01	Intangibles Assets	37,618	41,045

Individual financial statements / Balance sheet Liabilities (Thousand)

Account Code	Account Description	Current Period 09/30/2024	Previous Period 12/31/2023
2	Total Liabilities	2,384,502	2,525,874
2.01	Current Liabilities	1,012,532	1,050,383
2.01.01	Social and labor obligations	72,060	55,992
2.01.02	Suppliers	382,887	414,017
2.01.02.01	Domestic Suppliers	370,016	413,343
2.01.02.01.01	Suppliers	245,453	265,361
2.01.02.01.02	Credit granting from suppliers	116,495	132,859
2.01.02.01.03	Asset Accounts Payable	8,068	15,123
2.01.02.02	Foreign suppliers	12,871	674
2.01.03	Tax Obligations	29,661	24,013
2.01.03.01	Federal tax obligations	4,606	9,634
2.01.03.01.02	PIS and COFINS	-	2,905
2.01.03.01.03	IRRF	4,606	6,291
2.01.03.01.04	Other Taxes	-	438
2.01.03.02	State Taxes	25,055	14,379
2.01.03.02.01	ICMS	25,055	14,379
2.01.04	Loans and Financing	411,811	456,037
2.01.04.01	Loans and Financing	241,503	331,208
2.01.04.01.01	In National Currency	151,235	251,945
2.01.04.01.02	Foreign Currency	90,268	79,263
2.01.04.02	Debentures	170,308	124,829
2.01.05	Other Obligations	116,113	100,324
2.01.05.01	Liabilities Related Party	17,072	14,100
2.01.05.01.02	Debts with Subsidiaries	17,072	14,005
2.01.05.01.04	Other Payables to Related Parties	-	95
2.01.05.02	Other	99,041	86,224
2.01.05.02.01	Dividends and interest on equity	638	640
2.01.05.02.04	Lease Obligations	26,168	21,112
2.01.05.02.05	Derivative financial instruments	2,787	1,894
2.01.05.02.06	Other bills to pay	29,909	22,233
2.01.05.02.07	Taxes payable in installments	11,948	18,323
2.01.05.02.08	Advances from clients	27,591	22,022
2.02	Non-current Liabilities	977,144	1,089,557
2.02.01	Loans and Financing	779,203	884,904
2.02.01.01	Loans and Financing	421,565	412,483
2.02.01.01.01	In National Currency	311,273	311,331
2.02.01.01.02	Foreign Currency	110,292	101,152
2.02.01.02	Debentures	357,638	472,421
2.02.02	Other Obligations	158,788	161,425
2.02.02.01	Liabilities Related Party	104,455	103,204
2.02.02.01.02	Debts with Subsidiaries	48,103	46,874
2.02.02.01.04	Other Payables to Related Parties	56,352	56,330
2.02.02.02	Other	54,333	58,221
2.02.02.02.04	Asset Accounts Payable	-	2,814
2.02.02.02.05	Taxes payable in installments	37,336	30,694
2.02.02.02.06	Lease Obligations	12,850	19,188
2.02.02.02.07	Other bills to pay	4,147	5,525
2.02.04	Provisions	39,153	43,228
2.02.04.01	Civil, labor, social security and tax provision	39,153	43,228
2.02.04.01.01	Tax provisions	19,054	20,045
2.02.04.01.02	Social Security and Labor Provisions	8,161	9,298
2.02.04.01.04	Civil provisions	11,938	13,885
2.03	Shareholders’ Equity	394,826	385,934
2.03.01	Capital	250,000	250,000
2.03.04	Profit Reserves	225,696	225,696
2.03.04.01	Revenue reserves	50,000	50,000
2.03.04.05	Retained Earnings to be distributed	16,164	16,164
2.03.04.06	Special Reserve for Undistributed Dividends	35,633	35,633
2.03.04.07	Tax Incentive Reserve	123,899	123,899
2.03.05	Profits / Losses	-62,635	-33,911
2.03.06	Equity valuation adjustments	29,134	30,049
2.03.07	Cumulative translation adjustments	-34,454	-84,036
2.03.08	Other Comprehensive Income	-12,915	-1,864
2.03.08.02	Other Comprehensive Income	-12,915	-1,864

Individual financial statements / Statement of income (Thousand)

Account Code	Account Description	Quarter ended 09/30/2024	Semester ended on 09/30/2024	Quarter ended on 09/30/2023	Semester ended on 09/30/2023
3.01	Sales revenue of Goods and / or Services	433,751	1,292,422	470,634	1,282,145
3.02	Cost of Goods and / or Services	-329,136	-955,285	-329,001	-907,739
3.03	Gross Profit	104,615	337,137	141,633	374,406
3.04	Operating Income / Expenses	-70,898	-249,914	-102,072	-337,410
3.04.01	Selling Expenses	-66,452	-212,073	-77,774	-238,972
3.04.02	General and Administrative Expenses	-17,588	-50,512	-15,157	-65,368
3.04.04	Other Operating Income	5,288	34,644	1,684	12,560
3.04.06	Equity income	7,854	-21,973	-10,825	-45,630
3.05	Income before financial result and taxes	33,717	87,223	39,561	36,996
3.06	Financial result	-38,878	-130,605	-36,604	-102,343
3.06.01	Financial income	4,354	12,401	8,647	24,549
3.06.02	Financial expenses	-43,232	-143,006	-45,251	-126,892
3.06.02.01	Financial expenses	-45,238	-126,082	-43,570	-121,252
3.06.02.02	Foreign exchange variations, net	2,006	-16,924	-1,681	-5,640
3.07	Income before Income Taxes	-5,161	-43,382	2,957	-65,347
3.08	Income Tax and Social Contribution	7,779	13,743	1,010	15,932
3.08.01	Current	1,229	1,147	'380	12,352
3.08.02	Deferred	6,550	12,596	'630	3,580
3.09	Net Income from Continuing Operations	2,618	-29,639	3,967	-49,415
3.11	Profit / Loss for the Period	2,618	-29,639	3,967	-49,415

Individual financial statements / Statement of comprehensive income (Thousand)

Account Code	Account Description	Quarter ended 09/30/2024	Semester ended on 09/30/2024	Quarter ended on 09/30/2023	Semester ended on 09/30/2023
4.01	Net income for the period	2,618	-29,639	3,967	-49,415
4.02	Other Comprehensive Income	3,279	38,531	4,358	-5,965
4.02.01	Exchange variation of subsidiaries located abroad	-10,433	49,582	10,828	-4,381
4.02.02	Hedge Accounting Operations	20,775	-16,745	-9,803	-2,400
4.02.03	Deferred income tax and social contribution on hedge accounting	-7,063	5,694	3,333	816
4.03	Comprehensive income for the Period	5,897	8,892	8,325	-55,380

Individual financial statements / Statement of cash flows - Indirect method (Thousand)

Account Code	Account Description	09/30/2024	09/30/2023
6.01	Net cash from operating activities	57,486	-14,988
6.01.01	Cash provided by operating activities	171,546	140,182
6.01.01.01	Income (loss) before income tax	-43,382	-65,347
6.01.01.02	Depreciation and amortization	61,387	58,815
6.01.01.03	Equity income or loss	21,973	45,630
6.01.01.04	Unrealized exchange variation	26,400	-938
6.01.01.05	Provision for valuation of inventories at market value	-195	2,581
6.01.01.06	Provision for impairment of trade receivables	2,576	60
6.01.01.07	Civil, Labor, Social Security and Tax Provisions	-1,682	-18,297
6.01.01.08	Provision for PPR	-	-1,820
6.01.01.09	Provision for Profit Sharing and Long Term Incentive	-1,378	2,771
6.01.01.10	Other provisions	235	2,520
6.01.01.11	Restatement of Judicial Assets	-2,795	-3,745
6.01.01.14	Provision for interest on loans and debentures	103,959	111,524
6.01.01.15	Lease Rescission	-	39
6.01.01.16	Interest and adjustment to present value on lease	4,898	3,954
6.01.01.18	Prodec Present Value Adjustment	-230	-391
6.01.01.19	Disposals and exchange rate variations property, plant and equipment and intangible assets	28	55
6.01.01.20	Derivative financial instruments	-248	2,771
6.01.02	Changes in assets and liabilities	8,230	-64,555
6.01.02.01	Accounts Receivable	33,990	20,281
6.01.02.02	Inventory	64,196	-9,425
6.01.02.03	Judicial Deposits	202	-662
6.01.02.04	Recoverable Taxes	-776	-12,568
6.01.02.05	Restricted investments	-739	-815
6.01.02.06	Other assets	-16,254	838
6.01.02.07	Accounts Payable	-24,075	31,291
6.01.02.08	Advance to Suppliers	1,690	1,884
6.01.02.09	Civil, Labor, Social Security and Tax Provisions	-2,393	-2,517
6.01.02.10	Advances to Clients	5,569	14,660
6.01.02.11	Installments	497	-8,643
6.01.02.12	Tax and labor obligations	16,068	13,295
6.01.02.13	Judicial assets	4,225	1,100
6.01.02.14	Receivables from Eletrobrás	-	12,821
6.01.02.15	Payables to related parties	-85,401	-122,729
6.01.02.16	Other trade payables	8,586	-13,829
6.01.02.17	Taxes, fees and contributions	5,648	10,463
6.01.02.18	Derivative financial instruments	-2,803	-
6.01.03	Other	-122,290	-90,615
6.01.03.01	Interest paid	-122,290	-90,615
6.02	Net cash used in investing activities	-112,777	-258,673
6.02.01	Acquisition of property, plant and equipment	-15,708	-41,283
6.02.02	Acquisition of intangible assets	-4,200	-15,676
6.02.03	Dividends received	121,767	-
6.02.04	Acquisition of other investments	-22,500	-3,000
6.02.05	Payables of Fixed Assets	-9,869	-14,840
6.02.06	Advance for future capital increase (AFAC)	-182,267	-183,874
6.03	Net cash provided by (used in) financing activities	-194,240	276,202
6.03.01	Loans and financing and debentures	234,350	414,194
6.03.02	Payment of Loans and Financing	-408,178	-120,341
6.03.04	Lease Payment	-20,412	-17,651
6.05	Increase/(decrease) in cash and cash equivalents	-249,531	2,541
6.05.01	Opening balance of cash and cash equivalents	376,366	176,995
6.05.02	Closing balance of cash and cash equivalents	126,835	179,536

Individual financial statements / Statement of changes in shareholders’ equity / DMPL - 01/01/2024– 09/30/2024 (Thousand)

Account Code	Account Description	Paid-in share capital	Profit Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Individual Shareholders’ Equity
5.01	Opening Balances	250,000	225,696	-33,911	-55,851	385,934
5.03	Adjusted Opening Balances	250,000	225,696	-33,911	-55,851	385,934
5.06	Internal changes in shareholders' equity	-	-	-28,724	37,616	8,892
5.06.02	Realization of the Revaluation Reserve	-	-	915	-915	-
5.06.04	Hedge accounting operations	-	-	-	-16,745	-16,745
5.06.05	Deferred income tax on hedge accounting	-	-	-	5,694	5,694
5.06.06	Exchange variation of subsidiary located abroad	-	-	-	49,582	49,582
5.06.07	Loss for the period	-	-	-29,639	-	-29,639
5.07	Closing Balances	250,000	225,696	-62,635	-18,235	394,826

Individual financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2023– 09/30/2023 (Thousand)

Account Code	Account Description	Paid-in share capital	Profit Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Individual Shareholders' Equity
5.01	Opening Balances	250,000	255,311	-	-38,095	467,216
5.03	Adjusted Opening Balances	250,000	255,311	-	-38,095	467,216
5.04	Capital Transactions with Partners	-	-29,615	-	-	-29,615
5.04.06	Dividends	-	-29,615	-	-	-29,615
5.06	Internal changes in shareholders' equity	-	14,158	-62,659	-6,879	-55,380
5.06.02	Realization of the Revaluation Reserve	-	-	914	-914	-
5.06.04	Hedge accounting operations	-	-	-	-2,400	-2,400
5.06.05	Deferred income tax on hedge accounting	-	-	-	816	816
5.06.06	Exchange variation of subsidiary located abroad	-	-	-	-4,381	-4,381
5.06.07	Loss for the period	-	-	-49,415	-	-49,415
5.06.08	Tax incentive reserve	-	14,158	-14,158	-	-
5.07	Closing Balances	250,000	239,854	-62,659	-44,974	382,221

Individual financial statements / Statement of added value (Thousand)

Account Code	Account Description	09/30/2024	09/30/2023
7.01	Revenues	1,654,960	1,607,649
7.01.01	Sales of goods, products and services	1,612,772	1,599,516
7.01.02	Other revenues	43,055	8,011
7.01.03	Revenue Refs. to the Construction of Own Assets	-867	-
7.01.04	Reversal/Allowance for doubtful accounts	-	122
7.02	Inputs acquired from third-parties	-816,159	-821,869
7.02.01	Cost of products, goods and services sold	-695,208	-660,756
7.02.02	Materials, energy, third party services and other	-135,652	-176,032
7.02.03	Loss/Recovery of assets	14,701	14,919
7.03	Gross value added	838,801	785,780
7.04	Retentions	-61,387	-58,815
7.04.01	Depreciation and amortization	-61,387	-58,815
7.05	Net value added produced	777,414	726,965
7.06	Value added received in transfer	-2,573	-11,921
7.06.01	Equity income	-21,974	-45,630
7.06.02	Financial income	19,401	33,709
7.07	Total value added to be distributed	774,841	715,044
7.08	Distribution of value added	774,841	715,044
7.08.01	Personnel	272,625	254,298
7.08.01.01	Direct remuneration	227,569	208,430
7.08.01.02	Benefits	28,738	30,084
7.08.01.03	Government Severance Indemnity Fund for Employee	16,318	15,784
7.08.02	Taxes, fees and contributions	356,706	348,729
7.08.02.01	Federal	141,872	134,812
7.08.02.02	State	213,691	213,373
7.08.02.03	Municipal	1,143	544
7.08.03	Remuneration of third party capital	175,148	161,463
7.08.03.01	Interest	150,005	135,928
7.08.03.02	Rentals	25,143	25,535
7.08.04	Remuneration of own capital	-29,638	-49,446
7.08.04.03	Retained earnings	-29,638	-49,446

Consolidated financial statements / Balance sheet - Assets (Thousand)

Account Code	Account Description	Current Period 09/30/2024	Previous Period 12/31/2023
1	Total Assets	3,245,858	3,296,008
1.01	Curent Assets	1,112,935	1,331,755
1.01.01	Cash and Cash Equivalents	180,983	486,472
1.01.03	Accounts Receivable	287,709	269,041
1.01.03.01	Trade Receivables	287,709	269,041
1.01.04	Inventory	536,114	489,041
1.01.06	Taxes to recover	46,525	31,798
1.01.06.01	Current taxes recoverable	46,525	31,798
1.01.06.01.01	Recoverable Income Tax and CS	15,596	8,603
1.01.06.01.02	Other Recoverable Taxes	30,929	23,195
1.01.07	Prepaid Expenses	34,571	17,488
1.01.08	Others Current Assets	27,033	37,915
1.01.08.03	Other	27,033	37,915
1.01.08.03.01	Advance to Suppliers	5,103	11,118
1.01.08.03.02	Derivative financial instruments	1,819	14,620
1.01.08.03.03	Other Accounts Receivable	20,111	12,177
1.02	Non-Current Assets	2,132,923	1,964,253
1.02.01	Long-Term Assets	308,214	259,927
1.02.01.07	Deferred Taxes	76,842	53,458
1.02.01.07.01	Deferred Income and Social Contribution Taxes	76,842	53,458
1.02.01.10	Other Non-Current Assets	231,372	206,469
1.02.01.10.03	Judicial Deposits	7,572	7,098
1.02.01.10.04	Escrow deposit	15,662	19,887
1.02.01.10.06	Taxes to recover	16,893	16,190
1.02.01.10.07	Legal assets	117,626	115,141
1.02.01.10.08	Restricted investments	23,828	21,575
1.02.01.10.09	Lease Assets	11,036	10,297
1.02.01.10.11	Derivative financial instruments	22,500	-
1.02.01.10.12	Other Accounts Receivable	16,255	16,281
1.02.03	Property, Plant and Equipment	1,726,230	1,620,557
1.02.03.01	Property, Plant and Equipment	854,235	824,865
1.02.03.02	Right-of-use assets	638,967	562,675
1.02.03.03	Construction in Progress	233,028	233,017
1.02.04	Intangibles Assets	98,479	83,769
1.02.04.01	Intangibles Assets	98,479	83,769

Consolidated financial statements / Balance sheet - Liabilities (Thousand)

Account Code	Account Description	Current Period 09/30/2024	Previous Period 12/31/2023
2	Total Liabilities	3,245,858	3,296,008
2.01	Current Liabilities	1,340,962	1,321,165
2.01.01	Social and labor obligations	102,198	76,578
2.01.02	Suppliers	517,992	549,082
2.01.02.01	Domestic Suppliers	465,995	510,930
2.01.02.01.01	Suppliers	307,776	288,699
2.01.02.01.02	Credit granting from suppliers	125,232	132,859
2.01.02.01.03	Asset Accounts Payable	32,987	89,372
2.01.02.02	Foreign suppliers	51,997	38,152
2.01.03	Tax Obligations	52,229	30,508
2.01.03.01	Federal tax obligations	16,041	15,438
2.01.03.01.01	Income and social contribution tax payable	4,659	202
2.01.03.01.02	PIS and COFINS	4,127	5,387
2.01.03.01.03	IRRF	7,255	8,797
2.01.03.01.04	Other Taxes	-	1,052
2.01.03.02	State Taxes	36,188	15,070
2.01.03.02.01	ICMS	36,188	15,070
2.01.04	Loans and Financing	411,811	456,037
2.01.04.01	Loans and Financing	241,503	331,208
2.01.04.01.01	In National Currency	151,235	251,945
2.01.04.01.02	Foreign Currency	90,268	79,263
2.01.04.02	Debentures	170,308	124,829
2.01.05	Other Obligations	256,732	208,960
2.01.05.02	Other	256,732	208,960
2.01.05.02.01	Dividends and interest on equity	694	640
2.01.05.02.04	Lease Obligations	78,034	40,276
2.01.05.02.05	Derivative financial instruments	2,787	1,894
2.01.05.02.06	Other bills to pay	34,465	31,131
2.01.05.02.07	Taxes payable in installments	11,948	18,323
2.01.05.02.08	Advances from customers	128,804	116,696
2.02	Non-current Liabilities	1,510,052	1,588,854
2.02.01	Loans and Financing	779,203	884,904
2.02.01.01	Loans and Financing	421,565	412,483
2.02.01.01.01	In National Currency	311,273	311,331
2.02.01.01.02	Foreign Currency	110,292	101,152
2.02.01.02	Debentures	357,638	472,421
2.02.02	Other Obligations	667,216	617,592
2.02.02.01	Liabilities Related Party	56,330	56,330
2.02.02.01.04	Other Payables to Related Parties	56,330	56,330
2.02.02.02	Other	610,886	561,262
2.02.02.02.04	Asset Accounts Payable	146,381	107,002
2.02.02.02.05	Taxes payable in installments	37,336	30,694
2.02.02.02.07	Lease Obligations	410,075	404,279
2.02.02.02.08	Other	17,094	19,287
2.02.03	Deferred taxes	6,387	6,387
2.02.04	Provisions	57,246	79,971
2.02.04.01	Civil, labor, social security and tax provision	57,246	79,971
2.02.04.01.01	Tax provisions	19,478	20,110
2.02.04.01.02	Social Security and Labor Provisions	8,513	9,682
2.02.04.01.04	Civil provisions	29,255	50,179
2.03	Consolidated Shareholders' Equity	394,844	385,989
2.03.01	Capital	250,000	250,000
2.03.04	Profit Reserves	225,696	225,696
2.03.04.01	Revenue reserves	50,000	50,000
2.03.04.05	Retained Earnings to be distributed	16,164	16,164
2.03.04.06	Special Reserve for Undistributed Dividends	35,633	35,633
2.03.04.07	Tax Incentive Reserve	123,899	123,899
2.03.05	Profits / Losses	-62,635	-33,911
2.03.06	Equity valuation adjustments	29,134	30,049
2.03.07	Cumulative translation adjustments	-34,454	-84,036
2.03.08	Other Comprehensive Income	-12,915	-1,864
2.03.09	Participation of Non-Controlling Shareholders	18	55

Consolidated financial statements / Statement of income (Thousand)

Account Code	Account Description	Quarter ended 09/30/2024	Semester ended on 09/30/2024	Quarter ended on 09/30/2023	Semester ended on 09/30/2023
3.01	Sales revenue of Goods and / or Services	661,598	1,776,130	598,023	1,634,599
3.02	Cost of Goods and / or Services	-408,094	-1,111,705	-357,103	-986,897
3.03	Gross Profit	253,504	664,425	240,920	647,702
3.04	Operating Income / Expenses	-197,491	-522,841	-182,868	-540,820
3.04.01	Selling Expenses	-167,592	-479,794	-156,883	-464,599
3.04.02	General and Administrative Expenses	-35,340	-101,312	-27,627	-84,611
3.04.05	Other Operating Expenses	5,441	58,265	1,642	8,390
3.05	Income before financial result and taxes	56,013	141,584	58,052	106,882
3.06	Financial result	-52,384	-165,909	-48,147	-146,958
3.06.01	Financial income	4,995	16,383	11,364	29,850
3.06.01.01	Financial income	4,995	16,383	11,364	29,850
3.06.02	Financial expenses	-57,379	-182,292	-59,511	-176,808
3.06.02.01	Financial expenses	-59,380	-165,336	-57,827	-171,165
3.06.02.02	Foreign exchange variations, net	2,001	-16,956	-1,684	-5,643
3.07	Income before Income Taxes	3,629	-24,325	9,905	-40,076
3.08	Income Tax and Social Contribution	-1,004	-5,296	-5,937	-9,314
3.08.01	Current	-11,851	-22,986	-5,087	-11,579
3.08.02	Deferred	10,847	17,690	'-850	2,265
3.09	Net Income from Continuing Operations	2,625	-29,621	3,968	-49,390
3.11	Consolidated Profit/Loss for the Period	2,625	-29,621	3,968	-49,390
3.11.01	Attributed to Controlling Partners	2,625	-29,621	3,967	-49,415
3.11.02	Attributed to Non-Controlling Partners	7	18	1	25

Consolidated financial statements / Statement of comprehensive income (Thousand)

Account Code	Account Description	Quarter ended 09/30/2024	Semester ended on 09/30/2024	Quarter ended on 09/30/2023	Semester ended on 09/30/2023
4.01	Net income for the period	2,625	-29,621	3,968	-49,390
4.02	Other Comprehensive Income	3,279	38,531	4,358	-5,965
4.02.01	Exchange variation of subsidiaries located abroad	-10,433	49,582	10,828	-4,381
4.02.02	Hedge Accounting Operations	20,775	-16,745	-9,803	-2,400
4.02.03	Deferred income tax and social contribution on hedge accounting	-7,063	5,694	3,333	816
4.03	Results Comprehensive Period	5,904	8,910	8,326	-55,355
4.03.01	Attributed to Partners of the Parent Company	5,897	8,892	8,325	-55,380
4.03.02	Attributed to Minority Partners	7	18	1	25

Consolidated financial statements / Statement of cash flows - Indirect method (Thousand)

Account Code	Account Description	09/30/2024	09/30/2023
6.01	Net cash from operating activities	71,567	97,047
6.01.01	Cash provided by operating activities	251,784	207,959
6.01.01.01	Income (loss) before income tax	-24,325	-40,076
6.01.01.02	Depreciation and amortization	134,507	101,490
6.01.01.04	Unrealized exchange variation	26,400	-5,319
6.01.01.05	Provision for valuation of inventories at market value	1,703	-4,110
6.01.01.06	Provision for impairment of trade receivables	5,507	883
6.01.01.07	Civil, Labor, Social Security and Tax Provisions	-20,273	3,775
6.01.01.08	Provision for PPR	-	-512
6.01.01.09	Provision for Profit Sharing and Long Term Incentive	-1,378	2,771
6.01.01.10	Other provisions	171	2,520
6.01.01.11	Tax Assets	-2,795	-3,745
6.01.01.14	Provision for interest on loans and debentures	103,959	111,524
6.01.01.16	Interest and adjustment to present value on lease	28,905	16,651
6.01.01.17	Lease amortization	-	1,891
6.01.01.18	Disposals and exchange rate variations property, plant and equipment and intangible assets	193	17,836
6.01.01.19	Prodec Present Value Adjustment	-230	-391
6.01.01.20	Derivative financial instruments	-560	2,771
6.01.02	Changes in assets and liabilities	-39,398	4,101
6.01.02.01	Accounts Receivable	-24,175	839
6.01.02.02	Inventory	-48,776	-8,780
6.01.02.03	Judicial Deposits	-164	-521
6.01.02.04	Recoverable Taxes	-15,430	-14,947
6.01.02.05	Linked Financial Investment	-739	-815
6.01.02.06	Other assets	-38,542	228
6.01.02.07	Accounts Payable	25,295	42,490
6.01.02.08	Advance to Suppliers	6,015	-6,523
6.01.02.09	Civil, Labor, Social Security and Tax Provisions	-2,452	-2,550
6.01.02.10	Installments	12,108	17,718
6.01.02.11	Installments	497	-8,643
6.01.02.12	Tax and labor obligations	25,620	24,942
6.01.02.13	Judicial assets	4,225	1,100
6.01.02.14	Eletrobras receivables	-	12,821
6.01.02.15	Payables to related parties	-	-49,683
6.01.02.16	Taxes, fees and contributions	17,264	11,529
6.01.02.18	Derivatives	-2,491	-
6.01.02.19	Other trade payables	2,347	-15,104
6.01.03	Other	-140,819	-115,013
6.01.03.01	Interest paid	-122,290	-90,615
6.01.03.02	Income Tax and Social Contribution Paid	-18,529	-24,398
6.02	Net cash used in investing activities	-143,857	-272,721
6.02.01	Acquisition of property, plant and equipment	-55,603	-300,605
6.02.02	Acquisition of intangible assets	-31,658	-41,200
6.02.04	Acquisition of other investments	-39,590	-3,000
6.02.06	Payables of Fixed Assets	-17,006	72,084
6.03	Net cash provided by (used in) financing activities	-233,199	245,317
6.03.01	Borrowings, Financing and Debentures	234,350	414,194
6.03.02	Payment of Loans and Financing	-408,178	-120,341
6.03.06	Lease Payment	-59,371	-48,536
6.05	Increase/(decrease) in cash and cash equivalents	-305,489	69,643
6.05.01	Opening balance of cash and cash equivalents	486,472	256,088
6.05.02	Closing balance of cash and cash equivalents	180,983	325,731

Consolidated financial statements / Statement of changes in shareholders’ equity / DMPL - 01/01/2024–09/30/2024 (Thousand)

Account Code	Account Description	Paid-in share capital	Profit Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Shareholders’ Equity	Minority Interests	Consolidated Shareholders’ Equity
5.01	Opening Balances	250,000	225,696	-33,911	-55,851	385,934	55	385,989
5.03	Adjusted Opening Balances	250,000	225,696	-33,911	-55,851	385,934	55	385,989
5.04	Capital Transactions with Partners	-	-	-	-	-	-55	-55
5.04.06	Dividends	-	-	-	-	-	-55	-55
5.06	Internal changes in shareholders' equity	-	-	-28,724	37,616	8,892	18	8,910
5.06.02	Realization of the Revaluation Reserve	-	-	915	-915	-	-	-
5.06.04	Hedge accounting operations	-	-	-	-16,745	-16,745	-	-16,745
5.06.05	Deferred income tax on hedge accounting	-	-	-	5,694	5,694	-	5,694
5.06.06	Exchange variation of subsidiary located abroad	-	-	-	49,582	49,582	-	49,582
5.06.07	Loss for the period	-	-	-29,639	-	-29,639	18	-29,621
5.06.08	Tax incentive reserve	-	-	-	-	-	-	-
5.07	Closing Balances	250,000	225,696	-62,635	-18,235	394,826	18	394,844

Consolidated financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2023 – 09/30/2023 (Thousand)

Account Code	Account Description	Paid-in share capital	Profit Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Shareholders' Equity	Minority Interests	Consolidated Shareholders' Equity
5.01	Opening Balances	250,000	255,311	-	-38,095	467,216	28	467,244
5.03	Adjusted Opening Balances	250,000	255,311	-	-38,095	467,216	28	467,244
5.04	Capital Transactions with Partners	-	-29,615	-	-	-29,615	-5	-29,620
5.04.06	Dividends	-	-29,615	-	-	-29,615	-5	-29,620
5.06	Internal changes in shareholders' equity	-	14,158	-62,659	-6,879	-55,380	25	-55,355
5.06.02	Realization of the Revaluation Reserve	-	-	914	-914	-	-	-
5.06.04	Hedge accounting operations	-	-	-	-2,400	-2,400	-	-2,400
5.06.05	Deferred income tax on hedge accounting	-	-	-	816	816	-	816
5.06.06	Exchange variation of subsidiary located abroad	-	-	-	-4,381	-4,381	-	-4,381
5.06.07	Loss for the period	-	-	-49,415	-	-49,415	25	-49,390
5.06.08	Tax incentive reserve	-	14,158	-14,158	-	-	-	-
5.07	Closing Balances	250,000	239,854	-62,659	-44,974	382,221	48	382,269

Consolidated financial statements / Statement of added value (Thousand)

Account Code	Account Description	09/30/2024	09/30/2023
7.01	Revenues	2,249,333	2,016,789
7.01.01	Sales of goods, products and services	2,215,744	2,019,142
7.01.02	Other revenues	36,668	10,094
7.01.03	Revenue Refs. to the Construction of Own Assets	-3,079	-
7.01.04	Reversal/Allowance for doubtful accounts	-	-12,447
7.02	Inputs acquired from third-parties	-1,050,686	-986,667
7.02.01	Cost of products, goods and services sold	-800,611	-715,718
7.02.02	Materials, energy, third party services and other	-265,904	-284,582
7.02.03	Loss/Recovery of assets	15,829	13,633
7.03	Gross value added	1,198,647	1,030,122
7.04	Retentions	-134,507	-101,490
7.04.01	Depreciation and amortization	-134,507	-101,490
7.05	Net value added produced	1,064,140	928,632
7.06	Value added received in transfer	24,636	42,477
7.06.02	Financial income	23,798	42,477
7.06.03	Others	838	-
7.07	Total value added to be distributed	1,088,776	971,109
7.08	Distribution of value added	1,088,776	971,109
7.08.01	Personnel	403,726	378,838
7.08.01.01	Direct remuneration	343,719	320,623
7.08.01.02	Benefits	37,902	37,372
7.08.01.03	Government Severance Indemnity Fund for Employee (FGTS)	22,105	20,843
7.08.02	Taxes, fees and contributions	499,392	445,551
7.08.02.01	Federal	271,978	219,599
7.08.02.02	State	226,178	225,316
7.08.02.03	Municipal	1,236	636
7.08.03	Remuneration of third party capital	215,278	196,148
7.08.03.01	Interest	189,032	167,966
7.08.03.02	Rentals	26,246	28,182
7.08.04	Remuneration of own capital	-29,620	-49,428
7.08.04.03	Retained earnings	-29,638	-49,447
7.08.04.04	Minority interests in retained earnings	18	19


Earnings Release
3Q24

Tijucas, November 6, 2024. PBG S.A. (B3: PTBL3), “PBG” or “Company”, the ceramic tile company in Brazil, announces its results for the third quarter of 2024. The data reported herein is derived from PBG S.A.’s consolidated Quarterly Financial Information, prepared in accordance with the standards issued by the Accounting Pronouncement Committee (CPC) and the International Financial Reporting Standards (IFRS), whose comparisons are based on the same periods of 2023 and/or prior years, as indicated.

Main Highlights 3Q24

- **Net Revenue** totaled R$ 662 million in the consolidated Group, **10.6% higher** than 3Q23, with a market share gain and **growth in all business units**.
- **Gross Profit** of R$ 253 million in 3Q24, 5.2% higher than 3Q23 and gross margin of 38.3%.
- **Operating Expenses** totaled R$ 197 million in 3Q24, accounting for 29.9% of Net Revenue versus R$ 183 million, which accounted for 30.6% of Net Revenue in 3Q23.
- **EBITDA in 3Q24** reached R$ 103 million, **up 8.9%** compared to the same period of the previous year, with an **EBITDA margin of 15.6%** versus EBITDA margin of 15.8% in 3Q23.
- The **Net Result** in 3Q24 was a profit of R$ 2.6 million vs. profit of R$ 4.0 million in 3Q23.
- **Working Capital** decreased 21.9% in 3Q24, totaling R$ 215 million, with emphasis on the improvement in the Cash Conversion Cycle, which dropped 12 days, driven by the reduction in Accounts Receivable, FIDC operations and suppliers.
- CapEx **investments** in 3Q24 totaled R$ 26.6 million, vs. R$ 65.9 million in 3Q23, accounting for a decrease of 59.7%.
- **Net Debt,** closing 3Q24 at R$ 978 million. Net leverage, the Net Debt/EBITDA ratio, was 2.9x versus 3.1x in 3Q23, thus maintaining the commitment to continuous and consistent deleveraging.
- PTBL3 shares ended 3Q24 traded at R$ 4.60. Market cap: R$ 648.5 million. Number of shares: 140,986,886, without treasury shares. Free Float: 35.2%.

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Message from Management

We closed the third quarter of 2024 with strong and consistent operational evolution, reaffirming our leadership in the ceramic tile sector. **Portobello Group** recorded solid results in both the Brazilian and international markets, driven by a strategy focused on innovation, production efficiency and market share expansion, even in a challenging scenario.

This quarter was marked by the Portobello Group's strategic participation in Cersaie 2024, one of the largest international ceramic tile fairs. The event not only provided us with opportunities for innovation, but also strengthened our global presence by bringing our products and designs to key markets. During the fair, we launched the "Bossa On The Road" collection, which couples Brazilian influences with international design, reflecting the American lifestyle with a global touch. This collection is a milestone in our expansion strategy, reaching over 60 countries.

The Group's EBITDA reached R$ 103 million in 3Q24, up 8.9% compared to 3Q23. This performance is the result of the increase in business volume and the continuous optimization of costs and expenses, reflected in a solid EBITDA margin of 15.6%. Our net leverage reduced to 2.9x, consolidating our commitment to financial discipline and deleveraging, which are fundamental to sustaining future growth.

The **Portobello** unit reported Net Revenue of R$ 269 million, accounting for a growth of 5.2% compared to 3Q23, with a robust gross margin of 40.9%. This result was driven by the improvement in unit cost and operational efficiency of our plants in Tijucas. In the Brazilian market, the Engineering channel grew 5.8%, and exports increased 11.7%, expanding our operations in strategic markets such as Central America, Europe and the Middle East.

Our retail unit, **Portobello Shop**, maintained a strong pace of growth and innovation, with Net Revenue of R$ 278 million, accounting for a growth of 12.7% vs. 3Q23 and with gross margin of 48.1%. Furthermore, the Portobello Shop Jardim Social store in Curitiba achieved LEED O+M V5 Platinum certification, a milestone in our commitment to sustainability, being the store with the highest score in LEED ID+C Retail Platinum in 2023.

Portobello America continues to deliver consistent results in the United States. Net Revenue reached R$ 86.7 million, accounting for an increase of 17.3% vs. 3Q23 with a positive gross margin of 2.9%. Result of plant stabilization and reduction of production costs, despite still making sales with products from inventories with higher production costs, due to the plant's ramp-up phase. The unit was awarded "Best New Plant" at TECNA 2024 and had an important role in its participation in Cersaie 2024. With 85% plant utilization, Portobello America strengthens its central role in our internationalization strategy.

Pointer recorded Net Revenue of R$ 70.5 million, accounting for a growth of 38.8% vs. 3Q23, with a gross margin of 12.8%, as a result of growth in sales volume and higher plant occupancy. The unit also reaffirmed its social commitment, promoting the "*Lilac August*" campaign in partnership with Engie and Instituto Carlos Roberto Hansen, in addition to launching the "Fita" product, part of the "*Sururu Conchas que Transformam*" Project, during *Revestir* 2024. Pointer was also recognized with the ABVB/SC Citizen Company Award in the social category for the *Lidera+* Program, focused on diversity and inclusion.

Regarding sustainability, the inclusion of Portobello Group in B3's IDIVERSA index highlights our commitment to a diverse and inclusive work environment.

These results demonstrate the Portobello Group's ability to grow sustainably, innovate and continuously improve its operational efficiency, creating value for our stakeholders and advancing the mission of transforming environments and thrill people.

Economic and Financial Performance - Consolidated

R$ Million	3Q24	3Q23	▲ %	▲ Abs	9M24	9M23	▲ %	▲ Abs
Net Revenue	**661.6**	**598.0**	**10.6%**	**63.6**	**1,776.1**	**1,634.6**	**8.7%**	**141.5**
Gross Profit	**253.5**	**240.9**	**5.2%**	**12.6**	**664.42**	**647.7**	**2.6%**	**16.7**
Gross Margin	38.3%	40.3%	-2 p.p.		37.4%	39.6%	-2.2 p.p.	
Adjusted and Recurring Gross Profit	**253.5**	**240.9**	**5.2%**	**12.6**	**664.4**	**647.7**	**2.6%**	**16.7**
Adjusted and Recurring Gross Margin	38.3%	40.3%	-2 p.p.		37.4%	39.6%	-2.2 p.p.	
EBIT	**56.0**	**58.0**	**-3.5%**	**(2.0)**	**141.6**	**106.9**	**32.5%**	**35**
Ebit Margin	8.5%	9.7%	-1.2 p.p.		8.0%	6.5%	1.4 p.p.	
Net income (loss)	**2.6**	**4.0**	**-34.0%**	**(1.3)**	**(29.6)**	**(49.4)**	**-40.0%**	**20**
Net Margin	0.4%	0.7%	-0.3 p.p.		-1.7%	-3.0%	1.4 p.p.	
Adjusted and Recurring Net Income	**2.8**	**3.7**	**-23.6%**	**(0.9)**	**(36.7)**	**(34.7)**	**6.0%**	**(2)**
Adjusted and Recurring Net Margin	0.4%	0.6%	-0.2 p.p.		-2.1%	-2.1%	0.1 p.p.	
EBITDA	**103.1**	**94.7**	**8.9%**	**8.4**	**276.1**	**208.3**	**32.5%**	**68**
EBITDA Margin	15.6%	15.8%	-0.3 p.p.		15.5%	12.7%	2.8 p.p.	
Adjusted and Recurring EBITDA	**103.4**	**94.4**	**9.5%**	**9.0**	**254.7**	**205.9**	**23.7%**	**49**
Adjusted and Recurring EBITDA Margin	15.6%	15.8%	-0.2 p.p.		14.3%	12.6%	1.7 p.p.	
Working Capital (R$)	**215.1**	**275.5**	**-21.9%**	**(60.4)**				
Cash Conversion Cycle (days)	**29**	**41**	**-28.3%**	**(12)**				
Net Debt	**978.1**	**869.4**	**12.5%**	**108.7**				
Net debt/EBITDA	2.9	3.1	(0.1)	(0.3)				
Share Price	4.6	5.8	-21.0%	(1.2)				
Market Value	648.5	820.5	-21.0%	(172.0)				
Average Trading Volume (12 Months)	81.6	195.3	-58.2%	(113.7)				
Average daily trading volume (ADTV)	2.4	9.4	-74.2%	(7.0)				

Business Unit Operating Performance

Portobello

R$ million	3Q24	3Q23	▲%	▲Abs	9M24	9M23	▲%	▲Abs
Net Revenue	**268.9**	**255.7**	**5.2%**	**13.2**	**753.4**	**716.8**	**5.1%**	**36.5**
(-) COGS	158.8	158.2	0.4%	0.6	464.1	450.2	3.1%	13.9
Gross Profit	**110.1**	**97.5**	**12.9%**	**12.6**	**289.3**	**266.7**	**8.5%**	**22.7**
Gross Margin	40.9%	38.1%	2.8 p.p.		38.4%	37.2%	1.2 p.p.	

The Portobello Unit's Net Revenue reached R$ 269 million in 3Q24, accounting for a growth of 5.2% compared to 3Q23. This performance was driven by a 4.0% increase in sales volume in Brazil and a 6.0% increase in export volume, reflecting a significant gain in the share of Brazilian exports.

The unit's gross margin was 40.9% in the quarter, accounting for an increase of 2.8 p.p. compared to 3Q23. This growth was driven by both the Brazilian and foreign markets, with emphasis on the 4.2% reduction in unit cost compared to 3Q23, a direct consequence of the efficiency projects implemented at the Tijucas plants.

In the Brazilian market, the Engineering channel was one of the highlights, accounting for a growth of 5.8% in revenue and 4.4% in Gross Profit compared to 3Q23. In the Resale channel, gross profit grew 10.9%, driven by the strong performance of launch sales, which accounted for 34% of revenue in the quarter.

In the foreign market, export revenue grew 11.7% compared to the same period of the previous year, mainly driven by the increase in sales volumes to Argentina, a market that historically consumes higher value-added products.

The use of production capacity at the Portobello Unit in the quarter was 92.9%, 19.9 p.p. above the market average, which was 73.0% according to data from Anfacer.

Portobello shop

R$ million	3Q24	3Q23	▲%	▲Abs	9M24	9M23	▲%	▲Abs
Net Revenue	**278.1**	**246.8**	**12.7%**	**31.3**	**738.1**	**690.4**	**6.9%**	**47.7**
(-) COGS	144.4	126.8	13.9%	17.6	383.8	363.9	5.5%	19.9
Gross Profit	**133.7**	**120.0**	**11.4%**	**13.7**	**354.3**	**326.4**	**8.5%**	**27.8**
Gross Margin	48.1%	48.6%	-0.5 p.p.		48.0%	47.3%	0.7 p.p.	

In 3Q24, Portobello Shop recorded net revenue of R$ 278 million, accounting for a growth of 12.7% compared to 3Q23. Gross margin totaled 48.1%, a slight decrease of 0.5 p.p. compared to the same period of the previous year. However, the unit achieved its highest quarterly revenue and gross profit in its history.

Own stores contributed R$ 137 million in net revenue, accounting for 49.2% of the unit's total revenue, compared to 47.2% in 3Q23. This growth was driven by the absorption of synergies from the integrated chain. Organic sales growth, measured by the SSS (Same Store Sales) indicator, recorded an increase of 7.6%.

Portobello Shop franchises recorded net revenue of R$ 116 million, accounting for a growth of 4.0% compared to 3Q23. The B2B channel stood out, with net revenue of R$ 24.1 million, accounting for a significant growth of 73.4% compared to 3Q23. The unit remains focused on excellence in customer service, evidenced by the NPS index, which reached 84.7 in the quarter.

Moreover, Portobello Shop was recognized by Jardim Social Store in Curitiba, which received the LEED O+M V5 Platinum seal, achieving another important milestone in our commitment to ESG. Portobello Shop was included once again in the ranking of the "300 Largest Companies in Brazilian Retail."

POINTER

R$ million	3Q24	3Q23	▲%	▲Abs	9M24	9M23	▲%	▲Abs
Net Revenue	**70.5**	**50.8**	**38.8%**	**19.7**	**174.9**	**136.8**	**27.9%**	**38.1**
(-) COGS	61.4	43.3	41.9%	18.1	153.1	119.3	28.3%	33.8
Gross Profit	**9.0**	**7.5**	**20.6%**	**1.5**	**21.8**	**17.5**	**25.0%**	**4.4**
Gross Margin	12.8%	14.8%	-1.9 p.p.		12.5%	12.8%	-0.3 p.p.	

In 3Q24, the Pointer unit recorded significant growth in sales volume in 3Q24, accounting for an increase of 52.6% compared to 3Q23, which boosted plant occupancy by +12.7 p.p., thus projecting a more favorable scenario for cost dilution and greater operational efficiency. Pointer's net revenue reached R$ 70.5 million, accounting for a growth of 38.8% compared to 3Q23, driven by higher volumes in the Brazilian market. With this performance, the unit achieved a significant market share gain in the North and Northeast regions.

The unit's gross margin ended the quarter at 12.8%, -1.9 p.p. lower than in 3Q23. The unit reported an expansion in absolute gross profit of 20.6% for the quarter, due to actions to increase price competitiveness in the Brazilian market, capturing volume opportunities and improving plant occupancy.

In the Brazilian market, Resale and Engineering were both benefited from the market recovery and Pointer's sales campaigns, which focus on fostering the growth of small and medium-sized projects.

The utilization of the Pointer plant's production capacity reached 95.9% in the quarter, a performance above the market average of 73.0%, according to data from Anfacer.

Pointer has been in business for 9 years, located in the state of Alagoas. It is modern and the most sustainable ceramic tile plant in Brazil and its focus is to offer quality products, combining good design with an affordable price.

Portobello America

R$ million	3Q24	3Q23	▲%	▲Abs	9M24	9M23	▲%	▲Abs
Net Revenue	**86.7**	**73.9**	**17.3%**	**12.8**	**215.0**	**171.8**	**25.2%**	**43.2**
(-) COGS	84.2	58.5	44.0%	25.7	217.9	132.0	65.1%	85.9
Gross Profit	**2.5**	**15.4**	**-83.6%**	**(12.9)**	**(2.9)**	**39.8**	**-107.3%**	**(42.7)**
Gross Margin	2.9%	20.9%	-18.0 p.p.		-1.3%	23.2%	-24.5 p.p.	

Portobello America recorded net revenue growth of 17.3% in 3Q24 compared to the same period of last year. This increase reflects the continued ramp-up of the operation and efforts to consolidate its presence in the North American market.

The unit's gross margin recorded recovery throughout 2024, reflecting the continued progress of the ramp-up, increased quality and reduced average cost, as a result of the adjustments underway to improve productivity at the American unit. The plant is already operating at 85% of its capacity, showing greater stability in the production process.

In September, Portobello America was present at Cersaie 2024, with the highlight being the award received at TECNA 2024, where the company was recognized as the "Best New Plant" (ceramic tiles sector), for its excellence in design and innovation in the ceramic materials category. The recognition reflects the innovation the company has brought to the American market, with new lines of sustainable coatings and advanced architectural solutions. This award demonstrates the unit's commitment to quality and sustainable design, aligned with growing trends in the construction and design sector, thus expanding its international presence with impactful and innovative products.

Consolidated Performance

Net Revenue

R$ Million	3Q23	3Q23	▲ %	▲ Abs	9M24	9M23	▲ %	▲ Abs
Net Revenue	**661.6**	**598.0**	**10.6%**	**63.6**	**1,776.1**	**1,634.6**	**8.7%**	**141.5**
Domestic Market (BR)	510.2	464.9	9.7%	45.2	1,386.4	1,290.6	7.4%	95.7
International Market	151.4	133.1	13.8%	18.3	389.7	344.0	13.3%	45.8
US$ million	**3T24**	**3T23**	**▲ %**	**▲ Abs**	**9M24**	**9M23**	**▲ %**	**▲ Abs**
International Market	29.0	26.2	10.6%	2.8	75.6	65.3	15.8%	10.3

Portobello Group reported net revenue of R$ 662 million in 3Q24, up 10.6% vs. 3Q23, of which R$ 510 million came from the Brazilian market, up 9.7% vs. the same period of last year, and R$ 151 million came from international markets, up 13.8% vs. 3Q23.

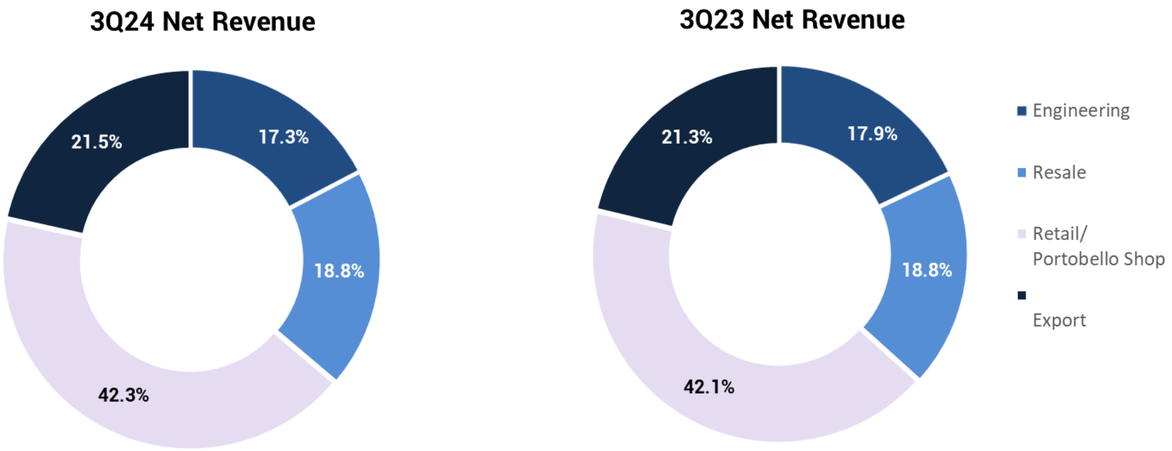
In the first nine months of 2024, net revenue totaled R$ 1,776 million, accounting for a growth of 8.7% compared to the same period in 2023. Net revenue from the Brazilian market reached R$ 1,386 million, accounting for an increase of 7.4%, while net revenue from international markets totaled R$ 390 million, accounting for an increase of 13.3%.

The 9.7% growth in 3Q24 vs. 3Q23 in the Brazilian market is also reflected in the events of 2024, according to ABRAMAT data, the deflated construction materials sector recorded average growth of 11.1% in 3Q24 (-4.5% in 3Q23). According to ANFACER data, the ceramic tile sector recorded growth of 5.0% in the Brazilian market in 3Q24 vs. 3Q23, while Portobello Group grew 23.5% in sales volume in the Brazilian market, with a market share gain in all business units.

Net revenue from international markets was driven by the evolution of Portobello America's results of 17.3% vs. 3Q23 and the growth in exports, mainly due to the increase in volumes exported by the Portobello Unit (+6.0% vs. 3Q23). Operations in international markets accounted for 22.8% of the Group's total revenue. While according to ANFACER data Brazilian sales to the international market dropped 5.9% in 3Q24 vs. 3Q23, Portobello Group's exports recorded a higher result of 9.4% vs. 3Q23.

The distribution of total revenues of the Portobello Group among its channels occurred as follows in 3Q24:

i) Retail/Portobello Shop: 42.3% (+0.2 p.p. vs. 3Q23); ii) Export: 21.5% (+0.2 p.p. vs. 3Q23); iii) Resale: 18.8% (same level as 3Q23); iv) Engineering: 17.9% (-0.6 p.p. vs. 3Q23). The year 2024 continues to show stable results in several channels, with emphasis on the evolution in the share of the Retail/Portobello Shop and Exports channel, while the Engineering and Resale channel remained in line with normal market changes.



Gross Profit and Margin

R$ Million	3Q24	3Q23	▲ %	▲ Abs	9M24	9M23	▲ %	▲ Abs
Net Operating Revenue	661.6	598.0	**10.6%**	63.6	1,776.1	1,634.6	**8.7%**	141.5
Cost of Goods Sold (COGS)	(408.1)	(354.8)	-15.0%	(53.3)	(1,109.7)	(978.8)	-13.4%	(130.9)
Idleness Costs	-	(2.3)	100.0%	2.3	(2.1)	(8.1)	-100.0%	6.1
Gross Operating Profit	**253.5**	**240.9**	**5.2%**	**12.6**	**664.4**	**647.7**	**2.6%**	**16.7**
Gross Margin	38.3%	40.3%	**-2 p.p.**		37.4%	39.6%	**-2.2 p.p.**	
Non-Recurring Events:	**-**	**-**	0.0%	**0.0**	**-**	-	0.0%	**0.0**
Adjusted and Recurring Gross Profit	**253.5**	**240.9**	**5.2%**	**12.6**	**664.4**	**647.7**	**2.6%**	**16.7**
Adjusted and Recurring Gross Margin	38.3%	40.3%	**-2 p.p.**		37.4%	39.6%	**-2.2 p.p.**	

Portobello Group's Gross Profit in 3Q24 totaled R$ 253.5 million, accounting for an increase of 5.2% compared to 3Q23, with a gross margin of 38.3%, representing a reduction of 2.0 p.p. compared to the same period of the previous year. The fall in margin was mainly due to the impact of the ramp-up phase of production at the Portobello America plant, which was partially offset by the better results of operations in Brazil.

Managerial Operating Expenses

R$ Million	3Q24	%NR	3Q23	%NR	▲ %	▲ Abs	9M24	%NR	9M23	%NR	▲ %	▲ Abs
Operating Expenses												
Selling	(154.4)	23.3%	(152.4)	25.5%	1.3%	(2.0)	(455.8)	25.7%	(445.2)	27.2%	2.4%	(10.6)
General and Administrative	(24.3)	3.7%	(20.2)	3.4%	20.4%	(4.1)	(62.3)	3.5%	(61.5)	3.8%	1.4%	(0.9)
Other Revenues (Expenses)	(18.7)	2.8%	(10.2)	1.7%	82.9%	(8.5)	(4.7)	0.3%	(34.2)	2.1%	-86.2%	29.5
Operating Expenses	**(197.5)**	**29.9%**	**(182.9)**	**30.6%**	**8.0%**	**(14.6)**	**(522.8)**	**29.4%**	**(540.8)**	**33.1%**	**-3.3%**	**18.0**
Non-Recurring Revenues	0.2	0.0%	(0.4)	0.1%	-162.1%	0.6	(21.3)	1.2%	(2.5)	0%	761.8%	(18.9)
Adjusted Operating Expenses	**(197.3)**	**29.8%**	**(183.2)**	**30.6%**	**7.7%**	**(14.0)**	**(544.2)**	**30.6%**	**(543.3)**	**33.2%**	**0.2%**	**(0.9)**

Operating Expenses totaled R$ 197 million in 3Q24, accounting for an increase of 8.0% compared to R$ 183 million in 3Q23, with a percentage of net revenue of 29.9%. A breakdown of expense captions in the management view is presented below.[1]

Sales expenses: totaled R$ 154 million in 3Q24, accounting for an increase of 1.3% compared to R$ 152 million in 3Q23, representing 23.3% of the group's net revenue.

[1] Management view includes only the sales expenses of the business units. Other corporate expenses are grouped under other revenues and expenses.

General and administrative expenses: totaled R$ 24.3 million in 3Q24, accounting for an increase of 20.4% compared to R$ 20.2 million in 3Q23, representing 3.7% of net revenue.

Other revenues and expenses: totaled R$ 18.7 million in expenses in 3Q24, a difference of R$ 8.5 million compared to the R$ 10.2 million in expenses in 3Q23.

Non-Recurring Expenses and Revenues: totaled revenue of R$ 0.2 thousand related to tax optimization.

EBITDA and Adjusted EBITDA

R$ Million	3Q24	3Q23	▲ %	▲ Abs	9M24	9M23	▲ %	▲ Abs
Net Income	**2.6**	**4.0**	**-34.0%**	**(1.3)**	**(29.6)**	**(49.4)**	**40.0%**	**19.8**
(+) Financial Expenses	52.4	48.1	8.8%	4.2	165.9	147.0	12.9%	19.0
(+) Depreciation and Amortization	47.1	36.7	28.5%	10.4	134.5	101.5	32.5%	33.0
(+) Income Taxes	1.0	5.9	-83.1%	(4.9)	5.3	9.3	-43.1%	(4.0)
EBITDA	**103.1**	**94.7**	**8.9%**	**8.4**	**276.1**	**208.3**	**32.5%**	**67.7**
EBITDA Margin	**15.6%**	**15.8%**	**-0.3 p.p.**	0%	**15.5%**	**12.7%**	**2.8 p.p.**	3%
Non-Recurring Events:	**0.2**	**(0.4)**			**(21.3)**	**(2.1)**		
2) Other Favorable Outcomes in Lawsuits	-	(0.4)			-	-		
4)COFINS - Tax optimization	0.2	-			(7.1)	(1.4)		
5) Recognition and Restatements of Lawsuits	-	-			(14.2)	(1.5)		
6) Commissions	-	-			-	0.8		
Adjusted and Recurring EBITDA	**103.4**	**94.4**	**9.5%**	**-9.0**	**254.7**	**206.2**	**23.5%**	**-48.5**
Adjusted and Recurring EBITDA Margin	**15.6%**	**15.8%**	**-0.2 p.p.**		**14.3%**	**12.6%**	**1.7 p.p.**	

Adjusted and Recurring EBITDA in 3Q24 was R$ 103 million, accounting for an increase of 9.5% vs. 3Q23, resulting in an Adjusted and Recurring EBITDA Margin of 15.6%, -0.2 p.p. lower than 3Q23. In the year to date of 2024, Adjusted and Recurring EBITDA totaled R$ 254.7 million, with a margin of 14.3% (+1.7 p.p. vs. 2023). To calculate the adjusted result, non-recurring events were disregarded, including favorable court decisions and tax optimization. Despite the reduction in non-recurring effects in the EBITDA reported in the year to date, the results continue to stress the company's recovery.

The result reflects the Company's resilience in a scenario of rising costs and inflation, sustaining growth, with stable demand and evolution of the maturity of investments in strategic projects. In line with the strategy, the year 2024 continues with the prospect of good profitability levels, aligned with growth and the search for maturity in plant operations at Portobello America. Optimization between volume, price flexibility and the best product mix continues to be a priority, along with discipline in managing costs, expenses and investments.

Net Income

R$ Million	3Q24	3Q23	▲ %	▲ Abs	9M24	9M23	▲ %	▲ Abs
EBITDA	**103.1**	**94.7**	**8.9%**	**8.4**	**276.1**	**208.3**	**32.5%**	**67.7**
(-) Financial Expenses	(52.4)	(48.1)	-8.8%	-4.2	(165.9)	(147.0)	-12.9%	-19.0
(-) Depreciation and Amortization	(47.1)	(36.7)	-28.5%	-10.4	(134.5)	(101.5)	-32.5%	-33.0
(-) Income Taxes	(1.0)	(5.9)	83.1%	4.9	(5.3)	(9.3)	43.1%	4.0
Net Income	**2.6**	**4.0**	**-34.0%**	**-1.3**	**(29.6)**	**(49.4)**	**40.0%**	**19.8**
Net Margin	**0.4%**	**0.7%**	**-0.3 p.p.**		**-1.7%**	**-3.0%**	**1.4 p.p.**	
Non-Recurring Events:	**0.2**	**(0.2)**			**(7.3)**	**15.0**		
(3) Recognition and Restatements of Lawsuits	-	-			-	16.8		
(4) Others¹	0.2	(0.2)			-	0.2		
(6) COFINS - Tax optimization	-	-			(7.3)	(2.1)		
Adjusted and Recurring Net Income	**2.8**	**3.7**	**-23.6%**	**-0.9**	**(37.0)**	**(34.4)**	**-7.4%**	**-2.5**
Adjusted and Recurring Net Margin	**0.4%**	**0.6%**	**-0.2 p.p.**		**-2.1%**	**-2.1%**	**0 p.p.**	

The Company's Net Income was R$ 2.6 million vs. an income of R$ 4.0 million in 3Q23. The high interest rates that still impact the Portobello Group's market continue having an influence on the Company's financial income (loss). Even with the gross debt reduction, high interest rates and exchange rate changes in the period caused an increase of R$ 4.9 million in financial expenses in 3Q24 compared to 3Q23.

The recovery in operating results in 3Q24 was negatively impacted in part by the increase in financial expenses and higher depreciation expenses related to the depreciation of the Portobello America plant inaugurated in October 2023, resulting in an Adjusted and Recurring Net Profit of R$ 2.8 million.

Managerial Cash Flow

R$ Million	3Q24	3Q23	▲ %	▲ Abs	9M24	9M23	▲ %	▲ Abs
Activities								
Operating	113.6	148.2	-23.3%	(34.5)	151.0	228.4	-33.9%	(77.4)
Investment	(26.6)	(67.3)	60.5%	40.7	(117.3)	(274.6)	57.3%	157.2
Financing	(139.6)	(164.2)	15.0%	24.6	(339.1)	115.8	-392.8%	(454.9)
Changes in Cash	(52.6)	(83.3)	36.9%	30.7	(305.4)	69.6	-538.6%	(375.1)
Opening Balance	**233.5**	**409.0**	**-42.9%**	**(175.5)**	**486.4**	**256.1**	**89.9%**	**230.3**
Closing Balance	**181.0**	**325.7**	**-44.4%**	**(144.7)**	**181.0**	**325.7**	**-44.4%**	**(144.7)**

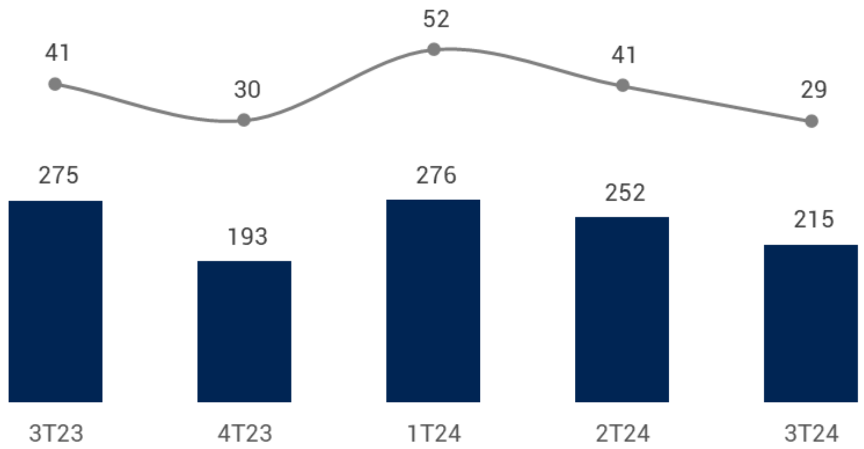
The balances and changes presented in the table above include the managerial view of the cash flow and the main lines are described below:

Operating Activities: include the cash generated from operations, plus changes in working capital balances, leases, taxes such as income tax and social contribution, as well as other non-cash effects generated in the operation. This item generated cash of R$ 114 million in 3Q24.

Working Capital

		3Q24	3Q23	▲ %	▲ Abs	2Q24	▲ %	▲ Abs
R$ million	Accounts Receivable	158.9	210.6	-24.5%	(51.7)	166.6	-4.6%	(7.7)
	Inventories	536.1	467.9	14.6%	68.2	525.9	1.9%	10.2
	Suppliers	(479.9)	(403.0)	19.1%	(76.9)	(416.2)	15.3%	(63.7)
	Working Capital	**215.1**	**275.5**	**-21.9%**	**(60.4)**	**276.3**	**-22.1%**	**(61.1)**
Days	Accounts Receivable	17	25	-32.1%	(8)	20	-16.3%	(3)
	Inventories	118	118	0.3%	0	135	-12.5%	(17)
	Suppliers	(106)	(102)	4.1%	(4)	(107)	-1.1%	1
	Cash Convertion Cycle (CCC)	**29**	**41**	**-28.8%**	**(12)**	**48**	**-39.4%**	**(19)**

The Company's working capital decreased -21.9% in 3Q24 vs. 3Q23, totaling R$ 215 million. The Cash Conversion Cycle (CCC) in 3Q24 was 29 days, accounting for a reduction of 12 days compared to 3Q23. The Company updated the way the cash conversion cycle is calculated, and updated previous periods, considering that the calculation is currently the sum of revenue and the closing balance position. Therefore, the CCC reported for 3Q23 differs from the 41 days presented in this period.



The main highlights were:

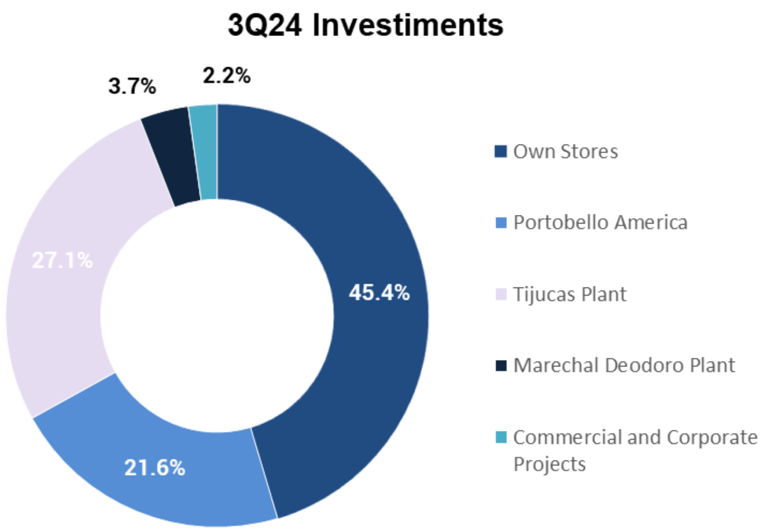
- **Accounts receivable:** decrease of 24.5%, totaling R$ 159 million in 3Q24, accounting for a reduction of 17 days in the average term.
- **Inventories:** increase of 14.6%, reaching R$ 536 million, due to the growth in sales volumes and service level, inventories were in line with 3Q23 in days.
- **Suppliers**: increase of 19.1%, with a balance of R$ 480 million, positively impacting working capital, with an increase of 4 days in the average payment term due to actions to extend terms in accordance with accounts payable policy.

This evolution demonstrates more efficient management of working capital during the period, with advances in receivables and improvements in supplier payments, supporting the increase in inventories and customer service levels.

Investment Activities - CapEx: In 3Q24, CAPEX investments totaled R$ 26.6 million, accounting for a 60% decrease compared to 3Q23. These investments were concentrated in the following areas:

- **Portobello Shop** (45.4% of the total), focusing on new stores, including the Gabriel Flagship project, and structure modernization.
- **Portobello Unit** (27.1%), with emphasis on the maintenance and technological updating of the manufacturing plant in Tijucas-SC.
- **Portobello America** (21.6%), payment of phase 1 suppliers and part of the investments directed to the first wave of the plant to produce small pieces.

Even with a decrease in investments, the Group continues to advance in strategic projects for growth in integrated retail and internationalization.



Financing Activities: include the borrowings, payments of principal, payment of financial expenses, and distribution of dividends, if any. In 3Q24, financing activities totaled R$ 140 million in cash occurred due to higher levels of financial operation settlements, in line with the liability management plan, aiming at debt extension, cost reduction and deleveraging.

Indebtedness and Capital Structure

Net debt totaled R$ 978 million at the end of 3Q24, accounting for a decrease in the Company's leverage level, reaching 2.9x (Net Debt/EBITDA). The average cost of debt recorded a reduction of 1.8 p.p. in the quarter, with an extension of 1.6 years in the average debt term compared to the same period of the previous year.

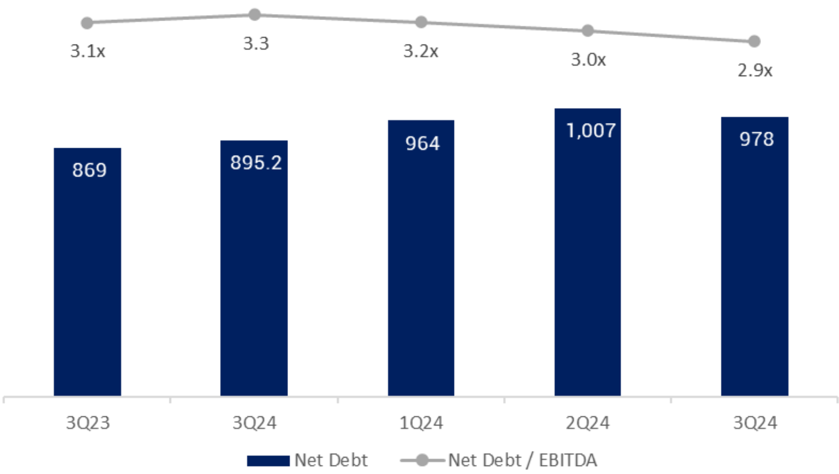
R$ million	3Q24	2Q24	1Q24	4Q23	3Q23
Gross Bank Debt[1]	**1,192.6**	**1,274.1**	**1,299.4**	**1,381.6**	**1,195.1**
Cash and Cash Equivalents	(214.5)	(266.8)	(335.6)	(486.5)	(325.7)
Net Indebtedness	**978.1**	**1,007.2**	**963.8**	**895.2**	**869.4**
EBITDA (LTM)	341.4	333.0	304.9	273.7	276.0
Net Debt-to-EBITDA ratio	**2.9x**	**3.0x**	**3.2x**	**3.3x**	**3.1x**

Gross Bank Debt totaled R$ 1,193 million, with cash of R$ 214.5 million, resulting in net debt of R$ 978 million. EBITDA in the last 12 months was R$ 341 million.

As a result, leverage measured by Net Debt/EBITDA was 2.9x, representing an improvement compared to the previous quarter.

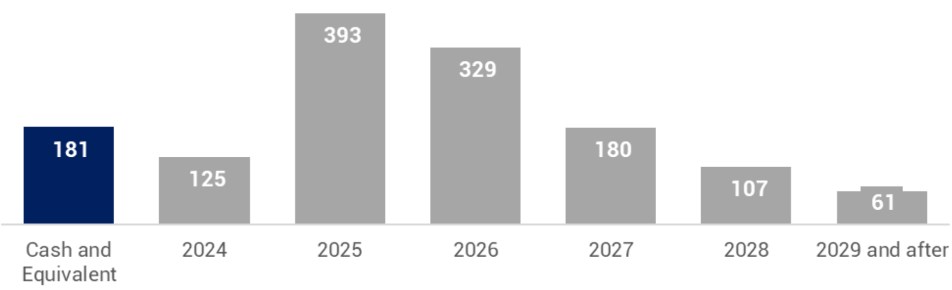
This result reflects the positive impact of debt reprofiling and extension actions, allowing the Company to significantly reduce its financial costs and improve its maturity profile, aligned with the cash preservation and leverage reduction strategy.

This important result, coupled with the renegotiation and debt extension actions with lower costs, made it possible to start the cycle of financial leverage reduction to the level of 2.9x. Total cash and cash equivalents totaled R$ 214.5 million in 3Q24, which includes R$ 181.0 million in cash and cash equivalents, R$ 11.0 million in restricted interest earning bank deposits and R$ 22.5 million invested in the FIDC PBG.

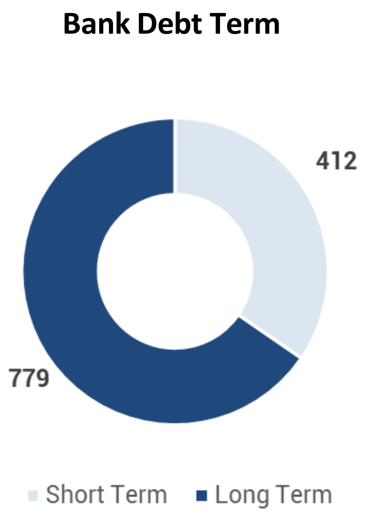


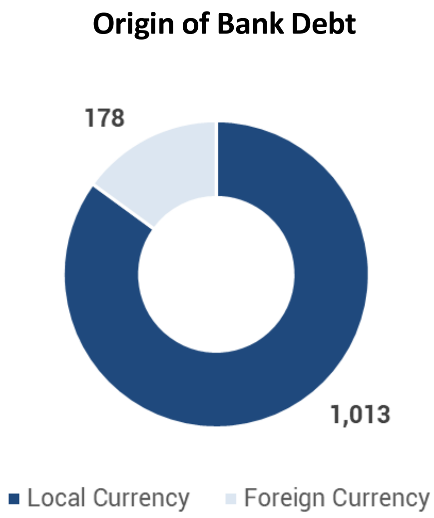
A total of R$ 150 million was amortized in principal payments in 3Q24, of which R$ 75.0 million was amortized in the 4th Debenture Issue installment, R$ 43.7 million in export prepayment (PPE) settlement and R$ 31.1 million in other amortizations. The Company met the contractual requirements of the covenants related to the leverage ratio at the end of 3Q24, avoiding the early maturity of financing contracts and debentures.

Amortization Schedule (Gross Debt)



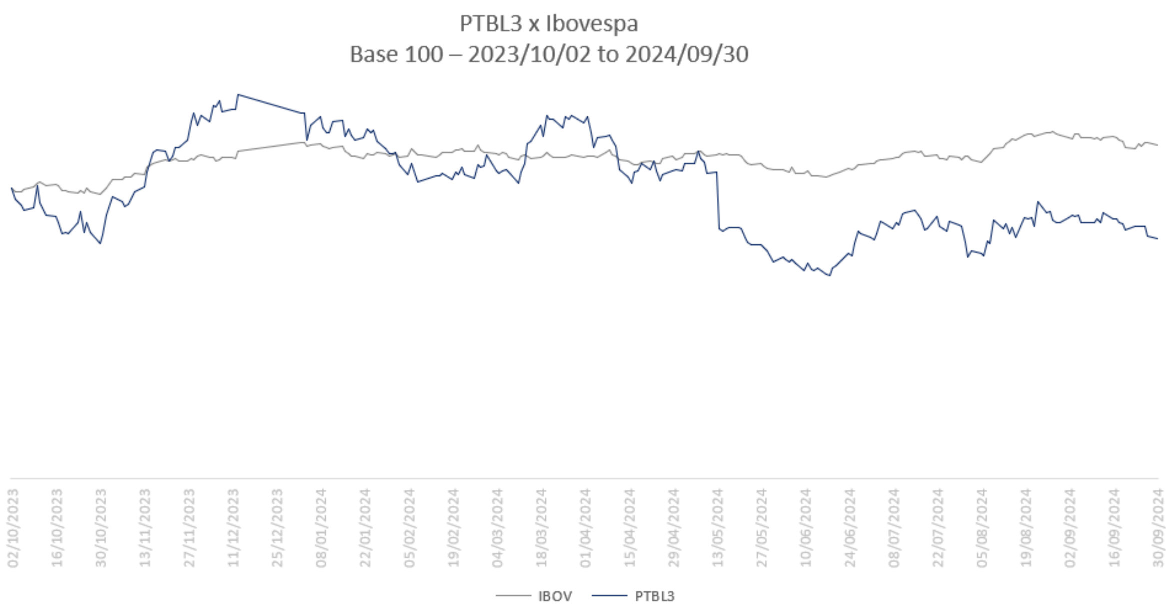
Gross debt maturing in the short term represents 34.6% of the total and the remainder debt matures in the long term, as shown in the amortization schedule above. The Gross Debt is mostly in Brazilian currency (85.0%).





PTBL3 Stock Performance

In 3Q24, PTBL3 shares closed at R$ 4.60. The average daily financial volume traded (ADTV) in 3Q24 was R$ 2.4 million. At the end of the quarter, the Company had a market value equivalent to R$ 648.5 million.



Independent Audit

The policy of the Company in relation to its independent auditors, with regard to the provision of services not related to the external audit of financial statements, is based on the principles that preserve professional independence. These principles assume that the auditor should not audit their own work, perform managerial functions, or act as a lawyer for their client.

Financial Statements

Balance Sheet

Assets	3Q24	AV %	3Q23	AV %	Var%
Current assets	**1,112.9**	**34.3%**	**1,331.8**	**40.4%**	**-16.4%**
Cash and cash equivalents	181.0	5.6%	486.5	14.8%	-62.8%
Trade Receivables	287.7	8.9%	269.0	8.2%	6.9%
Inventories	536.1	16.5%	489.0	14.8%	9.6%
Advances to suppliers	5.1	0.2%	11.1	0.3%	-54.1%
Other	103.0	3.2%	76.1	2.3%	35.4%
Non-current assets	**2,132.9**	**65.7%**	**1,964.3**	**59.6%**	**8.6%**
Long-term assets	**308.2**	**9.5%**	**259.9**	**7.9%**	18.6%
Judicial deposits	7.6	0.2%	7.1	0.2%	6.7%
Judicial assets	117.6	3.6%	115.1	3.5%	2.2%
Guarantee deposit	15.7	0.5%	19.9	0.6%	-21.2%
Related party credits	11.0	0.3%	10.3	0.3%	7.2%
Receivables - Eletrobrás	93.7	2.9%	69.6	2.1%	34.6%
FIDC - Mezzanine Quotas	22.5	0.7%	-	0.0%	0.0%
Restricted financial investments	40.1	1.2%	37.9	1.1%	5.9%
Fixed assets	**1,824.7**	**56.2%**	**1,704.3**	**51.7%**	**7.1%**
Intangible Assets, Fixed Assets and Investiments	1,185.7	36.5%	1141.7	34.6%	3.9%
Lease assets	639.0	19.7%	562.7	17.1%	13.6%
Total assets	**3,245.8**	**100.0%**	**3,296.0**	**100.0%**	**-1.5%**

Passive	3T24	AV %	3T23	AV %	Var%
Current	**1,341.0**	**41.3%**	**1,321.2**	**40.1%**	**1.5%**
Loans and Debentures	411.8	12.7%	456.0	13.8%	-9.7%
Suppliers and credit assignment	485.0	14.9%	459.7	13.9%	5.5%
Fixed asset accounts payable	33.0	1.0%	89.4	2.7%	-63.1%
Lease obligations	78.0	2.4%	40.3	1.2%	93.7%
Tax obligations	64.2	2.0%	48.8	1.5%	31.4%
Social and labor obligations	102.2	3.1%	76.6	2.3%	33.5%
Customer advance	128.8	4.0%	116.7	3.5%	10.4%
Others	37.9	1.2%	33.7	1.0%	12.7%
Non-current	**1,510.1**	**46.5%**	**1,588.9**	**48.2%**	**-5.0%**
Loans and Debentures	779.2	24.0%	884.9	26.8%	-11.9%
Fixed asset accounts payable	146.4	4.5%	107.0	3.2%	36.8%
Debts with related people	56.3	1.7%	56.3	1.7%	0.0%
Provisions	57.2	1.8%	80.0	2.4%	-28.4%
Deferred income tax and social contribution	6.4	0.2%	6.4	0.2%	0.0%
Lease obligations	410.1	12.6%	404.3	12.3%	1.4%
Others	54.4	1.7%	50.0	1.5%	8.9%
Net worth	**394.8**	**12.2%**	**385.9**	**11.7%**	**2.3%**
Share capital	250.0	7.7%	250.0	7.6%	0.0%
Profit reserves	163.1	5.0%	191.8	5.8%	-15.0%
Asset valuation adjustment	(18.2)	-0.6%	(55.9)	-1.7%	-67.3%
Total liabilities	**3,245.8**	**100.0%**	**3,296.0**	**100.0%**	**-1.5%**

Statement of Income

R$ Million	3Q24	3Q23	9M24	9M23
Net Sales Revenue	661.6	598.0	1,776.1	1,634.6
Cost of goods sold	(408.1)	(357.1)	(1,111.7)	(986.9)
Gross Operating Profit	**253.5**	**240.9**	**664.4**	**647.7**
Operating Income (Expenses), Net	**(197.5)**	**(182.9)**	**(522.8)**	**(540.8)**
Selling	(167.6)	(156.9)	(479.8)	(464.6)
General and Administrative	(35.3)	(27.6)	(101.3)	(84.6)
Other Operating Income (Expenses), Net	5.4	1.6	58.3	8.4
Operating Profit before Financial Income	**56.0**	**58.0**	**141.6**	**106.9**
Financial Result	**(52.4)**	**(48.1)**	**(165.9)**	**(147.0)**
Financial Revenues	5.0	11.4	16.4	29.9
Financial Expenses	(59.4)	(57.8)	(165.3)	(171.2)
Net exchange rate change	2.0	(1.7)	(17.0)	(5.6)
Income (loss) before income taxes	**3.6**	**9.9**	**(24.3)**	**(40.1)**
Income Tax and Social Contribution	(1.0)	(5.9)	(5.3)	(9.3)
Net income (loss) for the Period	**2.6**	**4.0**	**(29.6)**	**(49.4)**

Cash Flows

R$ Million	3Q24	3Q23	9M24	9M23
Net cash from operating activities	**103.1**	**88.1**	**71.4**	**97.0**
Cash generated from operations	97.4	72.1	250.8	208.0
Changes in assets and liabilities	44.2	62.0	(38.5)	4.1
Interest and taxes on profit paid	(38.5)	(46.0)	(140.8)	(115.0)
Net cash used in investment activities	**(46.6)**	**(91.5)**	**(143.7)**	**(272.7)**
Acquisition of fixed assets (net of accounts payable)	(40.0)	(66.2)	(72.4)	(228.5)
Acquisition of intangible assets	(6.6)	(22.3)	(31.7)	(41.2)
Acquisition of lease asset - goodwill	(0.0)	-	(17.1)	-
Acquisition of other investments	-	(3.0)	-	(3.0)
FIDC mezzanine quotas	0.0	-	(22.5)	-
Net cash provided by (used in) financing activities	**(109.1)**	**(102.9)**	**(233.2)**	**245.3**
Obtaining loans and financing	61.6	1.5	234.4	414.2
Payment of loans and financing and debentures	(149.8)	(85.8)	(408.2)	(120.3)
Rental amortization	(20.9)	(18.6)	(59.4)	(48.5)
Increase/ (Decrease) in Cash for the period/ year	**(52.6)**	**(106.3)**	**(305.5)**	**69.6**
Opening Balance	**233.5**	**409.0**	**486.5**	**256.1**
Closing Balance	**181.0**	**325.7**	**181.0**	**325.7**

**Indirect Cash Flow considers opening according to a corporate view.*

Expenses (accounting view)

R$ Million	3Q23	%NR	3Q23	%NR	▲ %	▲ Abs	9M24	%NR	9M23	%NR	▲ %	▲ Abs
Operating Expenses												
Selling	(167.6)	25.3%	(156.9)	26.2%	4.4%	(6.4)	(479.8)	27.0%	(464.6)	28.4%	3.3%	(15.2)
General and Administrative	(35.3)	5.3%	(27.6)	4.6%	29.7%	(7.1)	(101.3)	5.7%	(84.6)	5.2%	19.7%	(16.7)
Other Revenues (Expenses)	5.4	-0.8%	1.6	-0.3%	-587.6%	27.6	58.3	-3.3%	8.4	-0.5%	-594.5%	49.9
Operating Expenses	**(197.5)**	**29.9%**	**(182.9)**	**30.6%**	**-8.3%**	**14.3**	**(522.8)**	**29.4%**	**(540.8)**	**33.1%**	**-3.3%**	**18.0**
Non-Recurring Revenues	0.2	0.0%	(0.4)	0.1%	-119.3%	1.0	(21.3)	1.2%	(2.5)	0%	761.8%	(18.9)
Adjusted Operating Expenses	**(197.3)**	**29.8%**	**(183.3)**	**30.6%**	**-8.9%**	**15.3**	**(544.2)**	**30.6%**	**(543.3)**	**33.2%**	**0.2%**	**(0.9)**

The breakdown of accounting operating expenses provides a different view from the managerial view. The administrative expenses of the CBC and PBtech entities are considered in sales expenses from a management perspective. Furthermore, administrative expenses in Mining and non-minority shareholders' interest are considered in other revenues (expenses) in the management view.

1. Operations

PBG S.A., herein also referred to as “Company” or “Parent Company”, is a publicly-held corporation whose shares are traded on the segment Novo Mercado of Bolsa de Valores Brasil, Bolsa, Balcão (B3), under code “PTBL3”. The Company is controlled by a group of shareholders, formalized by agreement entered into on April 15, 2011, and amended on August 05, 2021, which holds on September 30, 2024 and December 31, 2023, 61.18% of Company’s shares. The remaining balance of shares is broken down by 38.82% outstanding shares (free float).

The Company, with head office in Tijucas, Santa Catarina, and its direct and indirect subsidiaries, individually or jointly, are engaged in the manufacture and sale of ceramic and porcelain products in general, such as floor tiles, technical porcelain and enameled tiles, decorated and special pieces, mosaic tiles, products for indoor walls, outdoor façades, as well as the provision of supplementary services in the sector of civil construction materials in Brazil and abroad. In Brazil, the Company has a factory in the city of Tijucas - SC, and another in Marechal Deodoro - AL, as well as two distribution centers in the northeast region. In the USA, the subsidiary Portobello America Manufacturing LLC has a factory in Baxter, Tennessee.

The Company holds ownership interest in subsidiaries (jointly referred to as “Portobello Group” or “Group”): (i) Portobello Shop, the franchisor that manages the network of one hundred and twenty-nine (129) Portobello Shop franchise stores, specializing in porcelain and ceramic tiles; (ii) PBTech, which is responsible for managing twenty-nine (29) of Portobello Shop’s stores; (iii) Mineração Portobello, which is responsible for providing part of raw material used for ceramic coating production; (iv) Companhia Brasileira de Cerâmica, which since the second quarter of 2018 has been operating the special cuts factory, producing products under the Officina Portobello brand and operates 5 (five) distribution centers, which were previously part of its controlling company, and (v) Portobello America, which has 2 distribution centers in which it distributes Portobello products in the North American market. Through its subsidiary Portobello America Manuifacturing LLC, after completing the construction of the factory in the USA and since October 2023 has been producing its marketing portfolio. This is a step forward in the Company’s internationalization and consolidation strategy in the North American market. The new production plant has an annual production capacity of 3.6 million m^2 in this first stage. It has a built-up area of 90,000 m^2, developed using high technology, cutting-edge processes, and machinery, in the region that is now considered the North American hub for manufacturing ceramic tiles.

1.1 Net working capital

As of September 30, 2024, the financial statements had negative net working capital in the amounts of R$292,079 and R$228,029 in the Parent and Consolidated, respectively, arising mainly from the maturity of short-term loan agreements and investments made. The Company constantly monitors net working capital and cash flow projections to support the feasibility of its business plan.

The Company is negotiating and refiling transactions with financial institutions. Moreover, with the expected cash generation, the Company understands that shares are sufficient to equalize net working capital.

1.2 Tax reform on consumption

On December 20, 2023, Constitutional Amendment (“EC”) 132 was enacted, which establishes the Tax Reform (“Reform”) on consumption. The regulation of this new taxation system has begun, and the first Bill of Complementary Law 68/2024 was presented on April 25, 2024. According to an announcement on the official Tax Reform website, the Bill establishes the Tax on Goods and Services - IBS, under shared responsibility between states, municipalities, and the Federal District, and the Social Contribution on Goods and Services - CBS, under the responsibility of the Federal Government.

These two taxes make up the so-called Dual Value Added Tax - VAT, the core of the Tax Reform. In addition, the Bill also establishes the Selective Tax - IS, under the responsibility of the Federal Government, with a regulatory nature, to discourage the consumption of goods that are harmful to health and the environment. It, therefore, brings together most of the matters delegated by the Constitutional Amendment to complementary legislation.

On July 10, 2024, the basic text of tax reform regulation (Supplementary Bill 68/24) was approved in the House of Representatives, with changes in the original project. The text continues for analysis by the Senate.

There will be a transition period between 2027 and 2033, in which the two tax systems - old and new - will coexist. The impacts of the Reform on the calculation of the aforementioned taxes, from the beginning of the transition period, will only be fully known when the process of regulating pending issues through a Complementary Law is finalized. Consequently, there is no effect of the Reform on the interim financial information as of September 30, 2024.

1.3 Pillar two

On September 3, 2024, were published the Executive Act 1262/2024 and the Regulatory Instruction 2228/2024 which determine the national variant of Pillar 2, according to OECD guidelines, which establish a minimum effective taxation of fifteen percent (15%) for adapting Brazilian law to the Global Rules against Erosion of Tax Bases.

The Group is evaluating the standards issued, but in its first analysis no impacts were found.

2. Presentation of interim financial information

a) Statement of conformity

The interim financial information was prepared in accordance with Technical Pronouncement CPC 21 (R1) - “Interim Financial Reporting” and with IAS 34 – “Interim Financial Reporting”, issued by the International Accounting Standards Board (“IASB”), as well as for the presentation of this information in a consistent manner with the standards approved and issued by the Securities Commission (CVM), applicable to the preparation of the Quarterly Information - ITR.

The individual interim financial information follows accounting practices adopted in Brazil, including the pronouncements, interpretations, and guidelines issued by the Accounting Pronouncement Committee (CPC). It is not considered to follow international financial reporting standards since it considers the capitalization of interest on the qualifying assets of the investees in the parent company’s financial information (Note 16).

This interim financial information contains selected notes with relevant and material corporate information that allow an understanding of the changes that have occurred in the Company’s financial position and performance since its last annual individual and consolidated financial statements.

Therefore, this interim financial information should be read together with the individual and consolidated financial statements for the year ended December 31, 2023, issued on March 13, 2024, which were prepared and presented in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board - IASB for the Consolidated, and also in accordance with accounting practices adopted in Brazil for the Parent Company, comprising those included in the Brazilian Corporation Law and pronouncements, guidelines and Interpretations issued by the Accounting Pronouncement Committee - CPC, and approved by the Brazilian Securities and Exchange Commission - CVM. All own relevant information in the interim financial information, and only said information, is being highlighted, and corresponds to the one used by Management in its management. The issue of this interim financial information was approved and authorized by the Board of Directors on November 06, 2024.

In thousands of reais, unless otherwise indicated.

The presentation of the Individual and Consolidated Statement of Added Value is required by Brazilian Corporation Law and the accounting practices adopted in Brazil applicable to publicly-held companies. The Statement of Added Value was prepared in accordance with the criteria defined in Technical Pronouncement CPC 09 - “Statement of Added Value”. The IFRS do not require the presentation of this statement. Consequently, according to IFRS, this statement is presented as supplementary information, without prejudice to the set of interim financial information.

3. Material accounting policies

The material accounting policies applied in the preparation of this individual and consolidated Interim Financial Information are defined below. These policies have been consistently applied to all the years and periods presented, unless otherwise stated. The accounting practices adopted by the Company and its subsidiaries in the preparation of this interim financial information for the nine-month period ended September 30, 2024 are consistent with those applied in the preparation of the last Annual Financial Statements as of December 31, 2023 and as disclosed in Note 3.

3.1 Consolidations

3.1.1 Consolidated financial information

a) Subsidiaries

Subsidiaries are all entities over which the Company has the power to establish the financial and operating policies, usually accompanied of an interest of more than half of voting rights (voting capital). The existence and effect of potential voting rights, currently exercised or convertible, are taken into account when assessing whether the Company controls other entity. The subsidiaries are fully consolidated as of the date control is transferred to the Company, and stop being consolidated as of the date when control no longer exists.

Percentage of the Company’s interest in subsidiaries as of September 30, 2024 and December 31, 2023, is as follows:

	Organization Country	Direct interest	Indirect interest
Portobello America Inc.	United States	100.00%	0.00%
Portobello America Manufacturing	United States	0.00%	100.00%
PBTech Ltda.	Brazil	99.94%	0.06%
Portobello Shop S/A	Brazil	99.90%	0.00%
Mineração Portobello Ltda.	Brazil	99.99%	0.00%
Companhia Brasileira de Cerâmica S/A	Brazil	98.85%	1.15%

The transactions among the Company and its subsidiaries, as well as the balances and unrealized gains and losses in those transactions, were eliminated for preparation purposes of the consolidated financial statements.

The accounting policies of the subsidiaries are changed when required in order to assure the consistency with the policies adopted by the Company.

b) Non-controlling transactions and interests

The Company and its subsidiaries treat transactions with non-controlling interest likewise the transactions with holders of assets classified as related parties. For purchases of non-controlling interests, the difference between any considerations paid and the acquired portion of the book value of subsidiary's net assets is recorded in shareholders' equity. Gains or losses on disposals of non-controlling interest are also recorded in shareholders' equity.

3.1.2 Individual interim financial statements

In the individual interim financial statements, subsidiaries are accounted for under the equity method. According to this method, the investment is initially recognized at cost and then adjusted by the recognition of interest attributed to the Company in changes in net assets of the investee. Adjustments to the book value of investment are also required by the recognition of proportional interest of the Company in changes in balances of the components of adjustments of the investee's equity valuation adjustment, directly recognized in its shareholders' equity. These changes are recognized on a reflexive basis, that is, in equity valuation adjustment directly in shareholders' equity.

Upon adoption of the equity method, the portion of the result of subsidiaries destined to dividends is recognized as dividends receivable in current assets. Thus, the value of investment is shown net of the dividend proposed by the subsidiary. Accordingly, there is no recognition of revenue from dividends.

3.2 Presentation of information per business segment

The information by business segment is presented in a manner consistent with the internal report provided by the Executive Board, which is responsible for assessing the performance of the business segments and making strategic decisions for the Company and its subsidiaries.

3.3 Functional currency and translation of foreign currency

a) Transactions and balances

Transactions with foreign currencies are converted into reais by using exchange rates prevailing on the transaction or valuation dates, when the items are measured. Exchange gains and losses resulting from the settlement of those transactions and from the conversion at the end of the period referring to monetary assets and liabilities in foreign currencies, are recognized in the statement of income as financial income (loss), as presented in Note 31, except when deferred in shareholders' equity as qualified cash flow hedge operations.

b) Foreign subsidiaries

Assets and liabilities in foreign currency (US Dollar and Euro) recorded by the subsidiary located abroad were translated into reais at the foreign exchange rate in effect at the balance sheet date and the income (loss) was translated into the monthly average foreign exchange rates. The exchange-rate change on investment abroad was recorded as accumulated translation adjustment in shareholders' equity under the caption "Equity valuation adjustment". The functional currency of foreign subsidiaries is the U.S. dollar.

3.4 Revenue recognition

The revenue comprises the fair value of the consideration received or receivable for the sale of products and services in the normal course of activities of the Company and its subsidiaries, the revenue is presented net of taxes, goods returned, rebates and discounts, and elimination of intergroup sales of the Companies and its subsidiaries.

Sales revenue is recognized when control is transferred, i.e. at the time of physical delivery of the goods or services and transfer of ownership. After delivery, clients assume the significant risks and rewards of ownership of the goods (they have the power to decide on the method of distribution and the selling price, responsibility for resale and assume the risks of obsolescence and loss in relation to the goods). At this point, a receivable is recognized, as this is when the right to the consideration becomes unconditional.

a) Sale of goods - Wholesale

The Group produces and sells a variety of ceramic tiles in the wholesale market. Sales of products are recognized whenever the Company transfers the control, that is, delivers the products to the wholesale dealer, which then has total liberty over the channel and the price of resale of products, and there is no obligation not satisfied that could affect the acceptance of the products by the wholesale dealer. The delivery does not occur until: (i) the products have been shipped to the specified location; (ii) the risks of obsolescence and loss have been transferred to the wholesale dealer; (iii) the wholesale dealer has accepted the products according to the sales agreement; and (iv) the acceptance provisions have been agreed upon, or the Company has objective evidences that all the acceptance criteria have been met.

Ceramic tiles are eventually sold at discounts per volume. Clients have the right to return products with defects in the wholesale market. Sales are recorded based on the price specified in the sales agreements. Sales are made with different payment terms according to the type of client (Home Centers, Construction Companies, Franchised Stores), without nature of financing, and are consistent with the market practice; therefore, these sales are not discounted to present value.

b) Revenue from franchises

Revenue from franchise (royalties) is recognized on accrual basis in conformity with the essence of applicable agreements in the subsidiary Portobello Shop.

c) Revenue from products and services – Companhia Brasileira de Cerâmica S/A

Revenues from sales of products and services that include ceramic tiles with vitreous china, metals, and solutions in the art of porcelain tiling (Officina Portobello), for which transfers of control take place when delivered directly to the end consumer at the points of sale, it can be concluded that this is a single performance obligation and, therefore, there is no complexity in defining performance obligations and transferring control of goods and services to clients.

d) Financial revenue

Financial revenue is recognized in accordance with the elapsed time using the effective interest rate method and it is recognized upon an expectation to realize.

4. Estimates and critical accounting judgments

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

The main judgments and uncertainties in the estimates used in the application of accounting practices remain the same as detailed in the financial statements for the year ended December 31, 2023, and, therefore, should be read together.

5. Financial risk management

5.1. Financial risk factors

The activities of the Company and its subsidiaries expose it to various financial risks: market risk, credit risk and liquidity risk. The global risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the consolidated financial performance.

The management of risk is conducted by the management in charge, under the policies approved by the Board of Directors. The Treasury Department and the Finance vice-presidency identify, evaluate and protect the Company and its subsidiaries against possible financial risks, in cooperation with the operating units. The Board of Directors establishes principles, for global risk management and for specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and cash surplus investment.

Risk	Exposure	Methodology used to measure impact	Management
Market risk – currency risk	Future commercial operations	Cash flow projections	Hedge policy
	Financial assets and liabilities in foreign currency	Sensitivity analysis	Foreign exchange swaps
Market risk - interest rate	Short and long-term loans with floating rates	Sensitivity analysis	Monitoring of credit market with rounds of strategic renegotiations
Credit risk	Cash and cash equivalents, trade accounts receivable.	Maturity analysis Credit Assessment	Diversification of financial institutions and internal credit analysis
Liquidity risk	Loans and other liabilities	Cash flow projections	Follow-up of the company liquidity and monitoring of available credit ratings/limits

a) Market risk

i) Foreign exchange risk

The Group operates globally and is exposed to foreign exchange risk resulting from exposures to some currencies, mainly US dollar, Euro and Yuan. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities and net investments in transactions abroad. The Group shows below the asset and liability balances exposed to change in exchange rate:

	In thousands of reais			
	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Accounts receivable	79,743	81,462	129,292	112,431
Current account	18	6	7,714	8,665
Receivables from subsidiaries	27,548	80,433	-	-
Exposed assets	107,309	161,901	137,006	121,096
Suppliers	(12,871)	(674)	(51,997)	(38,152)
Suppliers of property, plant and equipment and intangible assets	(3,563)	(10,918)	(172,439)	(186,417)
Loans and financing	(178,413)	(180,415)	(178,413)	(180,415)

(-) Loans with swap	66,678	97,591	66,678	97,591
Exposed liabilities	(128,169)	(94,416)	(336,171)	(307,393)
Net exposure	(20,860)	67,485	(199,165)	(186,297)

This currency exposure is divided into:

1. Euro:

	In thousands of Euros			
	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Accounts receivable	645	605	645	605
Suppliers	(1,343)	(511)	(1,343)	(511)
Suppliers of property, plant and equipment and intangible assets	(587)	(2,040)	(3,850)	(8,433)
	(1,285)	(1,946)	(4,548)	(8,339)

2. Dollar:

	In thousands of dollars			
	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Accounts receivable	13,917	15,756	23,012	22,153
Current account	3	1	1,416	1,790
Receivables from subsidiaries	5,056	16,614	-	-
Suppliers	(866)	456	(8,047)	(7,286)
Suppliers of property, plant and equipment and intangible assets	-	-	(27,360)	(29,184)
Loans and financing	(32,748)	(37,266)	(32,748)	(37,266)
(-) Loans with swap	12,239	20,158	12,239	20,158
	(2,399)	15,719	(31,488)	(29,634)

3. Yuan:

	In thousands of Yuans			
	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Accounts receivable	8	2,851	8	2,851
Suppliers	-	(214)	-	(214)
	8	2,637	8	2,637

The Company maintains a policy of retaining the foreign exchange rate exposure liabilities in an amount equivalent to one year of its exports.

Cash flow or fair value risk associated to the interest rate
The interest rate risk arises from long-term loans and financing and is associated to floating-rate loans that expose the Company and its subsidiaries to interest rate and cash flow risks, as Note 21. While loans acquired at fixed rates expose the entities to fair value risk associated to interest rate.

In thousands of reais, unless otherwise indicated.

The Company and its subsidiaries continuously monitor market interest rates in order to assess the possible need to contract new operations to protect against the risk of volatility in these rates.

The interest earning bank deposits are held in bank CDBs, as per Note 6.

b) Credit risk
The Company and its subsidiaries maintain strict controls over credit granting to their clients and adjust the credit limits whenever any material change in risk is detected.

c) Liquidity risk

It is the risk of the Company and its subsidiaries not having sufficient net funds to honor its financial commitments due to a time or volume mismatch between foreseen receipts and payments.

To manage cash liquidity in domestic and foreign currency, future disbursements and cash inflows assumptions are established and daily monitored by the Treasury Department and Finance Vice-Presidency. The Company has been diligent in its cash management under its investment and financing policies.

The table below shows the non-derivative financial liabilities of the Parent Company and Consolidated, by maturity brackets, corresponding to the remaining period in the balance sheet up to the contractual date of maturity. Amounts disclosed in the table are contractual discounted cash flows.

	Parent Company				
	09/30/2024				
	Loans and debentures	Lease liabilities	Supplier, credit granting and accounts payable from property, plant and equipment	Installment payment of tax liabilities	Total
≤01 year	411,811	6,306	382,887	11,948	812,918
01−02 years	431,440	22,986	-	11,904	466,330
02−05 years	311,378	9,726	-	25,432	346,536
>05 years	36,385	-	-		36,385
	1,191,014	39,018	382,887	49,284	1,662,203

	Parent Company				
	12/31/2023				
	Loans and debentures	Lease liabilities	Supplier, credit granting and accounts payable from property, plant and equipment	Installment payment of tax liabilities	Total
≤01 year	456,038	18,842	406,810	18,322	900,012
01−02 years	574,965	16,849	10,021	15,473	617,308
02−05 years	309,938	4,609	-	15,222	329,769
	1,340,941	40,300	416,831	49,017	1,847,089

	Consolidated				
	09/30/2024				
	Loans and debentures	Lease liabilities	Supplier, credit granting and accounts payable from property,	Installment payment of tax liabilities	Total

			plant and equipment		
≤01 year	411,811	26,046	517,992	11,948	967,797
01−02 years	431,440	52,987	68,864	11,904	565,195
02−05 years	311,378	82,569	77,517	25,432	496,896
>05 years	36,385	326,507	-	-	362,892
	1,191,014	488,109	664,373	49,284	2,392,780

	Consolidated				
	12/31/2023				
	Loans and debentures	Lease liabilities	Supplier, credit granting and accounts payable from property, plant and equipment	Installment payment of tax liabilities	Total
≤01 year	456,038	40,276	543,726	18,322	1,058,362
01−02 years	574,965	35,261	44,345	15,473	670,044
02−05 years	309,938	47,593	68,013	15,222	440,766
>05 years	-	321,425	-	-	321,425
	1,340,941	444,555	656,084	49,017	2,490,597

d) Sensitivity analysis

i) Sensitivity analysis of changes in the interest rates

The Group’s Management has studied the potential impact of changes in interest rates on the amounts of financial expenses and financial revenues from loans and financing, debentures, and tax installments, which are affected by changes in interest rates, such as CDI and Selic.

This study is based on the probable scenario of low CDI rate (Central Bank overnight rate) to 11.20%, Selic 10.75%, TJLP (long-term interest rate) of 7.43% and IPCA of 4.42% p.a. The probable rate was then increased by 25% and 50%, being used as a parameter for possible and remote scenarios, respectively. The scenarios below were developed for a one-year period:

	Consolidated in reais							
	09/30/2024	Risk	Probable rate		Possible (25%)*		Remote (50%)*	
			%	R$	%	R$	%	R$
Financial applications	111,921	CDI inc.	11.20%	12,535	14.00%	15,669	16.80%	18,803
Loans and financing - CDI	(439,910)	CDI incr.	11.20%	(49,270)	14.00%	(61,587)	16.80%	(73,905)
Loans and financing - Selic	(3,130)	SELIC incr.	10.75%	(336)	13.44%	(421)	16.13%	(505)
Loans and financing - TJLP	(170,472)	TJLP incr.	7.43%	(12,666)	9.26%	(15,833)	11.15%	(18,999)
Loans and financing - IPCA	(24,912)	IPCA incr.	4.42%	(1,101)	5.53%	(1,376)	6.63%	(1,652)
Debentures	(527,946)	CDI incr.	11.20%	(59,130)	14.00%	(73,912)	16.80%	(88,695)
Tax obligations – Law 11.941/09	(908)	SELIC incr.	11.20%	(102)	14.00%	(127)	16.80%	(153)
						(137,587)		(165,106)
	(1,055,357)			(110,070)		15,669		18,803

* Selic and CDI ratio taken from the B3 (Brasil, Bolsa e Balcão) website on October 11, 2024.

ii) Sensitivity analysis of changes in the exchange rates

The Group has assets and liabilities linked to foreign currency in the balance sheet as of September 30, 2024 for which has adopted, for sensitivity analysis purposes, the future market rate in effect during the preparation of these financial statements as the probable scenario, the probable rate in US$ is R$ 5.69 and Euro is R$ 6.25. The probable rate was then adjusted at 25%, 50%, -25%, -50%, as parameter for possible and remote scenarios, respectively.

Thus, the table below simulates the exchange-rate change effect on the deferred income (loss) for the dollar and euro amounts, which are the most representative:

In thousands of reais, unless otherwise indicated.

	Consolidated						
	09/30/2024		Probable scenario	Currency appreciation		Currency devaluation	
	(Payable) receivable			Possible +25%	Remote +50%	Possible -25%	Remote -50%
	Dollar *	Reais	5.6869	7.1086	8.5304	4.2652	2.8435
Accounts receivable	23,012	125,372	5,495	38,212	70,928	(27,222)	(59,939)
Current account	1,416	7,714	339	2,352	4,365	(1,675)	(3,688)
Suppliers	(8,047)	(43,842)	(1,920)	(13,361)	(24,802)	9,520	20,961
Loans and financing	(32,748)	(178,413)	(7,822)	(54,380)	(100,939)	38,737	85,296
(-) Loans with swap	12,239	66,678	2,924	20,324	37,725	(14,477)	(31,877)
Suppliers of property, plant and equipment and intangible assets	(27,360)	(149,061)	(6,533)	(45,431)	(84,329)	32,366	71,264
Net exposure	(31,488)	(171,552)	(7,517)	(52,284)	(97,052)	37,249	82,017
	Euro*	Reais	6.2494	7.8118	9.3741	4.6871	3.1247
Accounts receivable	645	3,914	117	1,125	2,132	(892)	(1,899)
Suppliers	(1,343)	(8,155)	(238)	(2,336)	(4,434)	1,860	3,959
Suppliers of property, plant and equipment and intangible assets	(3,850)	(23.378)	(682)	(6,697)	(12,712)	5,333	11,348
Net exposure	(4,548)	(27,619)	(803)	(7,908)	(15,014)	6,302	13,408

*Possible and remote scenarios calculated based on the likely future rate of the euro and dollar for 90 days, obtained from the B3 (Brasil, Bolsa e Balcão) website on October 11, 2024.

In addition, the Group has financial instruments to hedge export revenues and loans, as per Note 7.

5.2 Capital management

The Management's objectives in managing its capital are to safeguard the business continuity capacity of the Company and its subsidiaries to offer return to shareholders and benefits to the other stakeholders besides providing the best cash management, in order to obtain the lower funding cost in the combination of own capital or third-party’s capital.

The Group’s capital is monitored based on the ratio of financial leverage. Net debt, in turn, corresponds to the total of loans, financing, and debentures, lease liabilities with purchase options less the amount of cash and cash equivalents and pledged financial investments.

The indexes as of September 30, 2024 can be summarized as follows:

	Consolidated
	09/30/2024
Gross bank debt	1,192,602
Cash and cash equivalents *	(214,519)
Net indebtedness	978,083
Net debt / EBITDA**	2.87
Leverage ratio (%)	71

* Includes values of linked financial investments and securities.
** The Covenants for the Debentures are calculated according to the net debt ratio divided by the twelve-month Consolidated EBITDA, see Note 21.

5.3 Financial instruments by category

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Assets at fair value through profit or loss and other comprehensive income				
Derivatives – hedge accounting	-	14,620	-	14,620
Derivatives – swap	1,819	-	1,819	-
Securities and financial instruments - FIDC	22,500	-	22,500	-
Amortized cost				

Cash and cash equivalents	126,835	376,366	180,983	486,472
Trade accounts receivable	182,620	219,186	287,709	269,041
Receivables from subsidiaries	95,626	89,002	-	-
Pledged financial investments	11,036	10,297	11,036	10,297
	440,436	709,471	504,047	780,430
Liabilities valued at fair value through profit or loss				
Derivatives – hedge accounting	2,125	-	2,125	-
Derivatives - swap	662	1,894	662	1,894
Amortized cost				
Suppliers, assignment of credit and accounts payable for property, plant and equipment	382,887	416,831	664,373	656,084
Loans, financing and debentures	1,191,014	1,379,234	1,191,014	1,379,234
Dividends payable	638	640	694	640
Lease obligations	39,018	40,300	488,109	444,555
Related party debts	121,527	117,304	56,330	56,330
	1,737,871	1,917,910	2,403,307	2,538,737

The Company has a financial investment linked to a long-term investment fund and linked to a reciprocity clause in the loan agreement with Banco do Nordeste of R$ 11,036 on September 30, 2024 (R$ 10,297 on December 31, 2023), and is therefore classified as a non-current asset.

6. Cash and cash equivalents

Interest earning bank deposits designated as cash equivalents are mainly held in bank CDBs, remunerated based on the CDI (Interbank Deposit Certificate) change. They also have immediate liquidity and can be redeemed at any time without penalty.

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Current accounts	40,127	8,189	63,486	21,906
Local currency	40,109	8,183	61,348	18,034
Foreign currency	18	6	2,138	3,872
Interest earning bank deposits	86,708	368,177	117,497	464,566
Local currency	86,708	368,177	111,921	459,773
Foreign currency	-	-	5,576	4,793
	126,835	376,366	180,983	486,472

7. Derivative financial instruments

The derivatives are classified as current and non-current assets or liabilities. The total fair value of a derivative is classified as a non-current asset or long-term liability if the remaining time for maturity of the hedged item exceeds 12 months, or as a current asset or current liability if the remaining time for maturity of the hedged item is less than 12 months.

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Assets measured at fair value through profit or loss and other comprehensive income				
Derivatives - hedge accounting	-	14,620	-	14,620
Derivatives - swap	1,819	-	1,819	-
	1,819	14,620	1,819	14,620

In thousands of reais, unless otherwise indicated.

Liabilities measured at fair value through profit or loss				
Derivatives - hedge accounting	2,125	-	2,125	-
Derivatives - swap	662	1,894	662	1,894
	2,787	1,894	2,787	1,894

7.1 Non deliverable forward (NDF)

The Company has outstanding NDF agreements with a total notional value of US$ 87,465 (US$ 83,243 as of September 30, 2023), under the following conditions:

a) Transactions to be settled/realized after September 30, 2024 and December 31, 2023, with effect on current assets and shareholders' equity:

	Mark-to-market as of September 30, 2024		
Maturity	Fixed exchange rate (weighted average of agreements) R$/US$	Reference value (notional - US$)	Fair value - MTM
10/31/2024	5.1817	9,462	(2,545)
11/30/2024	5.1977	9,621	(2,581)
12/31/2024	5.2234	8,634	(2,247)
01/31/2025	5.6239	5,762	588
02/28/2025	5.6404	5,678	518
03/31/2025	5.6537	5,911	448
04/30/2025	5.7515	4,736	667
05/31/2025	5.7708	4,854	607
06/30/2025	5.7925	4,727	534
07/31/2025	5.8172	4,680	461
08/31/2025	5.8473	4,680	419
09/30/2025	5.8727	4,680	359
10/31/2025	5.8940	4,680	278
11/30/2025	5.9280	4,680	216
12/31/2025	5.9348	4,680	153
Total		87,465	(2,125)

	Mark-to-market as of December 31, 2023		
Maturity	Fixed exchange rate (weighted average of agreements) R$/US$	Reference value (notional - US$)	Fair value – MTM*
01/31/2024	5.1331	4,286	1,126
02/29/2024	5.1486	4,751	1,250
03/31/2024	5.1583	5,242	1,338
04/30/2024	5.1710	4,895	1,217
05/31/2024	5.1773	5,307	1,272
06/30/2024	5.1871	5,801	1,349
07/31/2024	5.1993	5,705	1,283
08/31/2024	5.2073	6,181	1,336
09/30/2024	5.2201	6,797	1,449
10/31/2024	5.2230	4,687	933
11/30/2024	5.2375	4,985	998
12/31/2024	5.2512	5,333	1,069
Total		63,970	14,620

b) Transactions settled/realized up to September 30, 2024, with an effect on the income:

Maturity	Fixed exchange rate (weighted	Reference value (notional - in US$)	Operating income (Note 28)			
			Quarter ending 09.30.2024	Quarter ending 09.30.2023	Quarter ending 09.30.2024	Quarter ending 09.30.2023

In thousands of reais, unless otherwise indicated.

	average of agreements) R$/US$					
2023	5.5229	34,628	-	6,000	-	22,272
2024	5.1728	61,231	(9,849)	-	(10,125)	-

These agreements were classified as cash flow hedges and were signed to protect the operating margin on sales in dollars, and are recorded under the hedge accounting methodology, under the Company's hedge policy.

In September 30, 2024, the unrealized loss (fair value - marked-to-market using the B3 dollar curve) is R$ (2,125) (R$ 14,620 on December 31, 2023) without considering the effect of income tax and social contribution, recorded in other comprehensive income (shareholders' equity) and current assets, for the agreements maturing on that date, which amount is shown in the statement of changes in shareholders' equity and the statement of comprehensive income.

The loss realized in the first nine months of 2024, of R$ (10,125) (gain of R$ 22,272 in the first nine months of 2023), was recorded under "Operating revenue" (see Note 28) under the hedge accounting methodology contained in the Policy adopted by the Company.

7.2 Swaps

The Company has entered into U.S. dollar transactions in the form of Export Prepayment (PPE), Export Credit Bill (NCE), and working capital, with partial hedging of swap transactions aimed at protecting the Group from future exposure to exchange-rate changes. The maturities of the contracted operations are equivalent to those of the dollar loans whose contracted amounts in the closing position on September 30, 2024 was R$ 200,560 (R$ 180,415 on December 31, 2023), with indexation of 94.5% and 99% of the CDI (see Note 21), marked-to-market on the same date of R$ 1,819 on assets and R$ (662) on liabilities (R$ (1,894) on liabilities on December 31, 2023).

8. Trade accounts receivable

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Accounts receivable				
Domestic market	106,862	140,842	165,355	162,602
Foreign market	79,743	81,462	129,292	112,431
Total accounts receivable (Current assets)	186,605	222,304	294,647	275,033
Impairment of trade accounts receivable				
PCLD (Current assets)	(3,985)	(3,118)	(6,938)	(5,992)
Total accounts receivable net of Provision for Doubtful Accounts	182,620	219,186	287,709	269,041

a) Breakdown of accounts receivable by maturity age:

	Parent Company					
	09/30/2024	Estimated losses	Coverage %	12/31/2023	Estimated losses	Coverage %

In thousands of reais, unless otherwise indicated.

Falling due	169,675	(248)	0.1%	212,131	(709)	0.3%
Overdue (in days)						
≤30	8,247	(73)	0.9%	5,174	(114)	2.2%
31−60	2,548	(152)	6.0%	1,131	(64)	5.7%
61−90	1,149	(119)	10.4%	1,001	(109)	10.9%
91−120	1,204	(266)	22.1%	579	(153)	26.4%
121−180	1,310	(655)	50.0%	709	(390)	55.0%
181−360	2,472	(2,472)	100.0%	1,579	(1,579)	100.0%
	186,605	(3,985)		222,304	(3,118)	

	Consolidated					
	09/30/2024	Estimated losses	Coverage %	12/31/2023	Estimated losses	Coverage %
Falling due	253,785	(298)	0.1%	248,816	(1,596)	0.6%
Overdue (in days)						
≤30	19,752	(132)	0.7%	11,257	(156)	1.4%
31−60	6,384	(195)	3.1%	4,182	(172)	4.1%
61−90	3,213	(233)	7.3%	2,582	(222)	8.6%
91−120	3,441	(576)	16.7%	2,995	(678)	22.6%
121−180	2,880	(982)	34.1%	2,041	(758)	37.1%
181−360	5,192	(4,522)	87.1%	3,160	(2,410)	76.3%
	294,647	(6,938)		275,033	(5,992)	

Management understands that allowance for doubtful accounts (PCLD) is sufficient to cover probable losses in the settlement of accounts receivable considering the situation of each client and respective guarantees offered. Its amount represents the estimate of risk of non-realization of overdue receivables and to become overdue under the analysis of the manager in charge.

The Provision for Doubtful Accounts estimated by the Group is calculated using a policy of staggering the realization of the portfolio, considering the credit analysis, the history of the recovery of receivables up to 360 days after maturity and market information. There is also a monthly analysis of outstanding balances based on the client portfolio, as well as an analysis of the portfolio of customers due for loss experience and some one-off customers. This methodology has underpinned the estimates of losses in this portfolio, in line with the concepts of IFRS 9/CPC 48.

The formation and write-off of the allowance to accounts receivable are recorded in income (loss) as business expenses.

Regarding the climate event that occurred in the State of Rio Grande do Sul in the 2nd quarter of 2024, no relevant impacts were identified on the Group's operations that affected the financial projections.

b) Changes in provision for estimated doubtful accounts:

	Parent Company	Consolidated
December 31, 2022	(3,024)	(4,864)
Net Provision (Reversal)	(2,411)	(4,385)
Write-off by effective losses	2,317	3,257

In thousands of reais, unless otherwise indicated.

December 31, 2023	(3,118)	(5,992)
Net Provision (Reversal)	(2,576)	(5,507)
Write-off by effective losses	1,709	4,561
September 30, 2024	(3,985)	(6,938)

The Company's receivables constitute a guarantee of some of the loans and financing obtained, as described in Note 21.

On September 30, 2024, there are securities receivable pledged as collateral for loans, financing, and debentures of R$ 84,784 (R$ 126,046 on December 31, 2023), and there are no amounts to secure third-party operations with franchisees.

9. Inventories

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Finished goods	256,735	317,836	458,086	422,648
Work in process	11,458	11,116	20,393	17,197
Raw materials and consumption materials	54,263	56,744	78,471	67,373
Imports in transit	715	1,671	715	1,671
Provision for inventory appraisal at realizable value	(13,002)	(13,197)	(21,551)	(19,848)
	310,169	374,170	536,114	489,041

The Company records a provision for inventory losses taking into account the net value of cost and the recoverable value, whichever is lower. Whenever it is not expected to be recovered, the amounts credited in this caption are realized against the definite write-off of the inventory.

During the period, the provision for adjusting inventories to realizable value changed as follows:

	Parent Company	Consolidated
December 31, 2022	(13,301)	(20,684)
Formation of provision	(6,165)	(18,513)
Reversal of provision for sale or write-off	6,269	19,349
December 31, 2023	(13,197)	(19,848)
Formation of provision	(11,120)	(18,537)
Reversal of provision for sale or write-off	11,315	16,834
September 30, 2024	(13,002)	(21,551)

10. Recoverable taxes

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023

In thousands of reais, unless otherwise indicated.

Current assets				
IRPJ/CSLL (income tax and social contribution) (a)	8,704	2,347	15,596	8,603
ICMS (b)	1,770	6,768	11,165	7,097
PIS/COFINS (c)	7,569	7,388	12,567	7,641
IRRF	1,864	4,296	1,956	4,306
IPI	2,918	2,338	3,159	2,479
Reintegra	1,846	1,610	1,846	1,610
Other taxes recoverable	162	10	236	62
	24,833	24,757	46,525	31,798
Non-current assets				
ICMS-ST (d)	9,982	9,982	9,982	10,041
ICMS - DIFAL (e)	4,187	4,186	4,187	4,186
ICMS	-	1,963	3	1,963
	2,662	16,131	2,721	16,190

a) IRPJ and CSLL

The balance is substantially due to the negative balance of IRPJ and CSLL for 2020, 2021, 2023 and 2024.

b) ICMS

The balance is substantially composed of ICMS DIFAL credit and ICMS credit for property, plant and equipment.

c) PIS and COFINS

The balance of this caption is comprised of PIS and COFINS on property, plant and equipment and PIS and COFINS credits arising from the Company's normal operations and will be fully offset in the following calculations.

d) ICMS-ST

This item records the ICMS-ST levied on the transfer of products between the Company's establishments in the amount of R$9,982 (Parent Company), whose amount is being handled at the State of Pernambuco Finance Department to fully recover the goods and was reclassified to non-current assets in 2021 according to Management's assessment of the timing of recovery.

e) ICMS-DIFAL

The Company filed for a writ of injunction against the collection of DIFAL in the States of Rio Grande do Sul (writ of writ of injunction No. 5015551-38.2021.8.21.0001), Minas Gerais (writ of warrant No. 5012757-94.2021.8.13.0024) and Paraná (writ of warrant No. 0001091-63.2021.8.16.0004), before supplementary law was enacted. The Company was successful at granting a refund of the amounts paid when a final decision was rendered in September 2022. The amounts are R$1,980 (Minas Gerais), R$1,820 (R$ and R$386 (paraná). These amounts are being refunded through offsets against the amounts calculated by the Company.

11. Judicial deposits

The Company and its subsidiaries are parties involved in tax, civil, labor and social security lawsuits (see Notes 25 and 25.1) and are discussing these issues in both the administrative and judicial scopes and, when applicable, said lawsuits are backed by judicial deposits. These are recorded at the original value restated by the indices relating to the basic remuneration of the savings account.

In thousands of reais, unless otherwise indicated.

The judicial deposits are presented according to the nature of the corresponding actions:

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Civil	92	92	458	92
Labor	1,229	1,578	1,237	1,586
Tax - Security deposit - DIFAL PB, PR, AL, RS and MG (a)	2,646	2,553	2,646	2,553
Tax - Other deposits	3,231	2,867	3,231	2,867
	7,198	7,090	7,572	7,098

(a) The Company filed writs of mandamus against the collection of DIFAL and obtained an injunction so that the amounts for the years 2021 and 2022 would be deposited in court.

12. Judicial deposits

In September 2020, the Company signed a “Term of Understanding and Settlement of Obligations” with Refinadora Catarinense S.A., regarding the settlement of a debt between Refinadora and the Company, of R$ 101,990. In this agreement, the parties have agreed that Refinadora granted the transferred funds, of R$ 89,517, for the tax enforcement proceedings filed against PBG S.A. This amount was recorded in October 2020 in a guarantee deposit account, classified as non-current assets, a balance that has been updated over the years.

In 2022, the Company, in compliance with the court order granting the withdrawal, presented insurance collateral in tax enforcement proceedings 0001185-67.2007.8.24.0072 0002437-66.2011.8.24.0072.

In January 2023, R$ 1,100 was withdrawn in favor of the Company, resulting in a deposited balance of R$ 19,887 on December 31, 2023.

In the first semester of 2024, the Company withdrew R$ (5,136), as well as a financial update of R$ 911 (R$ 1,622 in 2023), resulting in a balance of R$ 15,662 on September 30, 2024.

13. Income tax and social contribution

a) Recoverable and payable income tax and social contribution

Recoverable and payable deferred income tax and social contribution is broken down as follows:

	Current assets			
	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Income tax	8,698	2,345	14,192	7,329
Social contribution	6	2	1,404	1,274
	8,704	2,347	15,596	8,603

	Current liabilities			
	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Income tax	-	-	3,369	41
Social contribution	-	-	1,290	161

In thousands of reais, unless otherwise indicated.

	-	-	4,659	202

b) Deferred income tax and social contribution

The amounts of deferred income tax and social contribution for the Parent Company and Consolidated are as follows:

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Tax losses	79,482	76,204	93,733	87,634
Temporary credit differences	42,803	30,338	47,225	32,550
Civil, labor, social security and tax provision	7,007	8,066	7,322	8,362
Provision for success fees	6,305	6,632	6,473	6,655
Provision for expenses	4,583	1,906	6,518	1,929
Difal provision	2,936	3,208	2,936	3,208
	924	-	1,787	-
Provision for commissions	5,040	4,101	4,975	4,101
Provision for adjustment to market value	2,472	1,957	2,659	1,957
Allowance for doubtful accounts	2,508	2,213	3,294	2,374
Provision for profit sharing and long-term incentive	1,410	1,879	1,410	1,879
Exchange rate change at cash basis	3,732	(4,406)	3,732	(4,406)
Other temporary difference - assets	5,886	4,782	6,119	6,491
Temporary liability differences	(64,181)	(66,727)	(64,116)	(66,726)
Adjustment of depreciation (for the useful life of assets)	(31,159)	(29,184)	(31,158)	(29,183)
Realization of revaluation reserve	(15,009)	(15,480)	(15,009)	(15,480)
Judicial assets - IPI premium credit - Phase II	(10,743)	(10,093)	(10,743)	(10,093)
Portobello Private Pension	(4,247)	(3,481)	(4,247)	(3,481)
Hedge accounting operations	723	(4,971)	723	(4,971)
Judicial assets - IPI premium credit - Phase I	(3,714)	(3,518)	(3,714)	(3,518)
Adjustment to present value	(32)	-	32	-
Deferred income tax and social contribution - Assets (net)	58,104	39,815	76,842	53,458
Temporary liability differences				
Judicial assets - Restatement of rural credit bills - PBTech	-	-	6,387	6,387
Deferred income tax and social contribution – Liabilities (net)	-	-	6,387	6,387

In thousands of reais, unless otherwise indicated.

Assets and liabilities, net	58,104	39,815	70,455	47,071

The net changes as of September 30, 2024 and December 31, 2023 in income tax and social contribution accounts are as follows:

	Parent Company	Consolidated
December 31, 2022	16,109	25,523
Tax losses	52,557	52,556
Temporary credit differences	(33,916)	(36,073)
Temporary liability differences	7,228	7,228
Hedge accounting operations	(2,791)	(2,791)
Revaluation reserve	628	628
December 31, 2023	39,815	47,071
Tax losses	3,278	6,099
Temporary credit differences	12,465	14,675
Temporary liability differences	(3,619)	(3,555)
Hedge accounting operations	5,694	5,694
Revaluation reserve	471	471
September 30, 2024	58,104	70,455

c) Income tax and social contribution (income/loss)

Income and social contribution tax expenses are as follow:

	Parent Company		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Income (loss) before taxes	(43,382)	(65,347)	(24,325)	(40,076)
Tax calculated based on nominal rate - 34%	14,750	22,218	8,271	13,626
Income (loss) from subsidiaries by the equity method	(7,471)	(15,514)	-	-
Tax incentives	-	4,901	-	4,901
Interest on equity	-	3,278	-	3,278
Lei do Bem	-	-	4,604	-
Income tax/social contribution on tax overpayments	3,374	692	3,374	692
Depreciation of revalued assets	471	471	471	471
Deferred income tax/social contribution not recorded - Portobello America	-	-	(33,824)	(27,089)
Deferred income tax/social contribution not recorded - CBC (a)	-	-	3,440	(2,534)
Interest capitalization	581	-	581	-
Other	2,039	(114)	7,787	(2,659)

In thousands of reais, unless otherwise indicated.

	13,743	15,932	(5,296)	(9,314)
Current tax on income for the year	1,147	12,352	(22,986)	(11,579)
Formation of deferred income tax and social contribution	12,596	3,580	17,690	2,265
Income tax and social contribution expense (recognized in income [loss] - current and deferred	13,743	15,932	(5,296)	(9,314)
Effective rate	31.7%	24.4%	-21.8%	-23.2%

(a) The subsidiary Companhia Brasileira de Cerâmica has been showing profit since April of current year and, considering that it has a projection of future profits, additional deferred IRPJ and CSLL were recorded in September 2024.

d) Tax losses

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Tax loss	233,770	224,129	275,686	257,746
Deferred IRPJ and CSLL	79,482	76,204	93,733	87,634

Based on studies and projections of results for the following periods, an analysis was made of the recoverability of deferred tax assets arising from tax losses and social contribution negative bases recorded on September 30, 2024, in the Parent Company and in its Subsidiary Companhia Brasileira de Cerâmica, in which the following schedule was estimated for the recovery of these assets:

Period	Parent Company	Consolidated
2024	-	4,106
2025	8,494	13,147
2026	5,401	6,569
2027	6,324	7,827
2028	16,752	16,752
2029	17,077	17,077
2030	17,948	17,948
2031	7,486	10,307
	79,482	93,733

14. Judicial assets

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Credit-IPI premium (a)				
Proceeding 1987.0000.645-9 (phase II)	31.597	29,686	31.597	29,686
Proceeding 1984.00.020114-0 (phase I)	10.922	10,348	10.922	10,348
IPI Premium Credit - “Plaintiff” - Complementary Portion (b)	75.107	75,107	75.107	75,107
	117.626	115,141	117.626	115,141

a) Credit-IPI premium

The Company is a plaintiff in a lawsuit seeking recognition of tax benefits entitled “IPI premium credit”, in different calculation periods. Proceeding 1987.0000.645-9 referring to the period from April 01, 1981 to April 30, 1985, already having a decision in favor of the Company, is in the award calculation stage with the amounts already determined by the accounting unit of the Federal Courts, the amount recognized in November 2009 and restated up to September 30, 2024 is R$ 31,597 (R$ 29,686 as of December 31, 2023).

As regards proceeding 1984.00.020114-0, referring to the period from December 07, 1979 to March 31, 1981, after final decision issued more than 10 years ago, stage for award calculation and execution of judgment started, and an expert report prepared by a court expert was presented. Parties were notified of the amount calculated to respond about report acceptance or impugnation. The Company agreed with presented calculations.

The Federal Government, represented by the Brazilian Treasury General Attorney's Office, did not respond, which resulted in a tacit agreement and, consequently, estoppel. The lawsuit is concluded for sentencing and no challenge is allowed. In 2015, the Company recognized amount determined by judicial expert, R$ 4,983, and, as the Company understands that success of said suit is practically certain, it recorded tax assets in June 2015, and the balance of R$ 10,922 (R$ 10,348 as of December 31, 2023) is maintained on September 30, 2024. The Company will ensure that the payment request is issued by April 2025 so that the payment is made by June 2026.

b) IPI Premium Credit - "Plaintiff"

The process began in 1984. During the course of the proceedings, the case was taken to the Federal Supreme Court (STF), after which it was returned to the 6th Federal Court of the Judiciary Section of the Federal District (the original court) so that the sentence could be enforced.

The Company, given the statement provided by the Judicial Accounting Office - attached to the case in March 2020 - in which it informs that it does not have the technical knowledge to present a statement on the challenges presented by the Federal Government and, considering that the amounts presented by the Company were duly ratified, recognized the portion considered complementary of R$ 66,056 (base date of August 2015).

In the first quarter of 2020, R$ 75,107 was recognized in assets. At the same time, the following amounts were recorded under liabilities: i) R$ 56,330 referring to the amounts to be paid to Refinadora Catarinense, ii) R$ 1,737 referring to PIS/COFINS, iii) R$ 3,380 referring to deferred IRPJ/CSLL. In addition, provision was made for success fees, and the net value due to the Company is R$ 4,823.

In a decision on the merits, handed down in July 2022, regarding the Brazilian Treasury's challenge to compliance with the judgment, the judge rejected the arguments presented and also approved the calculations presented by the Judicial Accounting Office. In response to this decision, the Brazilian Treasury filed a Motion for Clarification, which was rejected, remaining unaffected by the embargoed decision.

In 2023, given the decisions that approved the calculation, the Brazilian Treasury filed an appeal with the TRF of the 1st Region, which was received without a stay of proceedings and is awaiting judgment.

15. Securities

In September 2024, the operations of PBG Fundo De Investimento em Direitos Creditórios de Responsabilidade Limitada ("Fund" or "FIDC PBG") started to be carried out, whose subject matter of regulation is the investment in receivables created as a special condominium with indefinite term, ruled as per its Regulations, National Monetary Council Resolution No. 2,907 of November 29, 2001, as amended from CVM Resolution 175 and Appendix II of CVM Resolution No. 175.

In thousands of reais, unless otherwise indicated.

As of September 30, 2024 the equity structure of FIDC PBG is as follows:

Holders of shares	Number of shares		Kind
Intermediate institutions that participate in the distribution consortium	124,500	83%	Senior shares
Legal entities related to the issuer (PBG)	22,500	15%	Mezanine shares
Investment funds	3,000	2%	Junior shares
	150,000		

The Company's Management concluded that there is no significant influence resulting from the Fund's interest in Mezzanine shares, which account for 15% of the total.

Receivables will be assigned without any recourse by the Company and its subsidiaries and without recourse against them, so that they will not be jointly liable with the debtors for the obligations arising from receivables acquired by the assignee. Therefore, receivables acquired by the assignee are derecognized at the time of the transaction, given that the Company substantially transfers the risks and rewards of the securities.

As of September 30, 2024, the fair value of the shares belonging to the Company is R$ 22,500, presented in non-current assets.

16. Investments

b) Equity in income of subsidiaries

The Company is the parent company of six businesses and the investments are recorded in non-current assets under “Interest in subsidiaries”.

The subsidiaries are privately held companies, whose changes on September 30, 2024, and December 31, 2023, are shown below:

	Organization Country	Direct interest	Indirect interest	Assets	Liabilities	Shareholders' equity	Revenue	Income (loss)
September 30, 2024								
Portobello America Inc.	United States	100.00%	0.00%	1,193,744	667,815	525,929	221,136	(99,483)
Portobello America Manufacturing (a)	United States	0.00%	100.00%	702,998	767,782	(64,784)	107,390	(41,685)
PBTech Ltda.	Brazil	99.94%	0.06%	282,909	270,014	12,895	356,401	33,287
Portobello Shop S/A	Brazil	99.90%	0.00%	86,204	69,919	16,285	76,356	15,805
Mineração Portobello Ltda.	Brazil	99.99%	0.00%	55,405	23,103	32,302	12,234	19,734
Companhia Brasileira de Cerâmica S/A	Brazil	98.85%	1.15%	167,284	127,462	39,822	258,506	10,126
December 31, 2023								
Portobello America Inc.	United States	100.00%	0.00%	937,477	623,146	314,331	211,927	(111,901)
Portobello America Manufacturing (a)	United States	0.00%	100.00%	501,470	522,084	(20,614)	36,174	(19,288)
PBTech Ltda.	Brazil	99.94%	0.06%	253,039	191,357	61,682	424,003	51,487
Portobello Shop S/A	Brazil	99.90%	0.00%	83,794	41,459	42,335	106,960	27,899
Mineração Portobello Ltda.	Brazil	99.76%	0.00%	54,718	42,149	12,569	15,970	(22,326)
Companhia Brasileira de Cerâmica S/A	Brazil	98.85%	1.15%	33,234	7,308	25,926	15,822	(11,292)

(a) The Company has an indirect interest in Portobello America Manufacturing, which is consolidated in Portobello America Inc., for this reason, the changes in Portobello America Manufacturing are not presented below.

	Ownership interest	12/31/2023	Exchange-rate	Interest capitalization	Advances for future	Equity in net income	Dividends	09/30/2024

			changes		capital increase	of subsidiaries		
Investments								
Portobello America Inc. (b)	100.00%	313,682	49,582	-	261,496	(99,480)	-	525,280
PBTech Ltda.	99.94%	61,630	-	-	-	33,267	(82,074)	12,823
Portobello Shop S.A.	99.90%	42,279	-	-	-	15,789	(41,799)	16,269
Mineração Portobello Ltda.	99.99%	12,569	-	-	-	19,733	-	32,302
Companhia Brasileira de Cerâmica S/A (b)	98.85%	25,999	-	-	3,771	10,009	-	39,779
Portobello S/A	100.00%	10	-	-	-	-	-	10
Interest capitalization (a)		27,514	-	15,832	-	(1,291)	-	42,055
Net total of investment in subsidiaries		483,683	49,582	15,832	265,267	(21,973)	(123,873)	668,518
Equity in income of subsidiaries		483,683						668,518

	Ownership interest	12/31/2022	Exchange-rate changes	Capital increase	Interest capitalization	Advances for future capital increase	Equity in net income of subsidiaries	Dividends	12/31/2023
Investments									
Portobello America Inc. (b)	100.00%	30,247	(14,475)	-	-	409,875	(111,965)	-	313,682
PBTech Ltda.	99.94%	35,918	-	-	-	-	51,456	(25,744)	61,630
Portobello Shop S.A.	99.90%	28,357	-	-	-	-	27,871	(13,949)	42,279
Mineração Portobello Ltda.	99.99%	45	-	34,849	-	-	(22,325)	-	12,569
Companhia Brasileira de Cerâmica S/A	98.85%	22,013	-	-	-	15,147	(11,161)	-	25,999
Portobello S/A	100.00%	10	-	-	-	-	-	-	10
Interest capitalization (a)		-	-	-	27,815	-	(301)	-	27,514
Net total of investment in subsidiaries		116,590	(14,475)	34,849	27,815	425,022	(66,425)	(39,693)	483,683
Equity in income of subsidiaries		116,590							483,683

(a) The Parent Company’s investments show the capitalization of interest on loans, financing, and debentures, which are related to the acquisition, construction, or production of property, plant and equipment of its investees in the United States. In the consolidated accounts, these amounts are capitalized in property, plant and equipment, as per Note 17.

(b) In the first nine months of 2024, Companhia Brasileira de Cerâmica S/A received an advance for future capital increase from PBG S.A totaling R$ 3,771 (R$ 15,147 in 2023) and Portobello America received advance for future capital increase of R$ 261,496, of which R$ 178,496 through a cash disbursement by the Parent Company in the quarter and R$ 83,000 referring to the transfer of a loan balance made in previous periods, with no cash effect (R$ 409,875 in 2023, of which R$ 170,580 refers to accounts receivable balances, not affecting cash, and R$ 239,295 refers to a loan, with a cash effect, as shown in the Statement of Cash Flows, in investment activities).

i) Portobello Shop

Portobello Shop S.A. was founded in October 2002 and began operations in September 2003. Portobello Shop is the administrator of the PORTOBELLO SHOP Franchise System, the largest chain of stores specializing in ceramic tiles in Brazil.

The franchises are only present in the Brazilian territory and operate in consultative sales, with customizations, innovations, and technological resources to serve their clients. Portobello Shop currently manages one hundred and twenty-nine (129) franchises throughout Brazil.

ii) PBTech

PBTech Comércio e Serviços de Revestimentos Cerâmicos Ltda. was founded in August 2003 and its activity is the retail trade of ceramic tiles, as well as products for civil construction and the provision of services related to the ceramic tiles area. On September 30, 2024, PBTECH had a network of twenty-nine (29) company-owned stores in Brazil.

iii) Mineração Portobello

Mineração Portobello Ltda., founded on November 14, 1978, has as its main operating activity the extraction of clay and associated processing and sale of the extraction production to PBG S.A, its parent company.

In thousands of reais, unless otherwise indicated.

The extraction mines are divided regionally into the South, with headquarters in Tijucas and branches in the states of Santa Catarina and Paraná, and the Northeast, in the states of Sergipe and Alagoas, which supply raw materials for the production of Portobello and Pointer brand products.

iv) Companhia Brasileira de Cerâmica

Companhia Brasileira de Cerâmica S.A. ("CBC") is a closed corporation founded in Marechal Deodoro/Alagoas in April 2014, which began operations in May 2014. CBC, through Officina Portobello, manufactures products made from porcelain tiles, specializing in the Portobello Shop Franchise System, the largest chain of stores specializing in ceramic tiles in Brazil, operating in the cities of Jundiaí/SP and Tijucas/SC.

CBC underwent restructuring in the first half of 2024, and has incorporated the operations of five distribution centers that used to be part of its parent company, PBG S.A. This retail distribution transaction requires that CBC start to report profit and that accumulated losses will be offset over the next years.

v) Portobello America

Portobello América LLC Inc. ("PBA") is a subsidiary of PBG S.A. located in the state of Tennessee - USA, where it has two distribution centers, where it distributes Portobello products in the U.S. market. The testing phase of the subsidiary Portobello América Manufacturing LLC began in July 2023, and the production of its marketing portfolio began in October 2023.

The new production plant has an annual production capacity of 3.6 million m^2 in this first stage. It has a built-up area of 90,000 m^2, developed using high technology, cutting-edge processes, and machinery, in the region that is now considered the North American hub for manufacturing ceramic tiles.

With the start of production at the new factory, the main focus is on expanding the distribution model, which has more attractive profitability.

17. Property, plant and equipment

a) Breakdown of property, plant and equipment

		Parent Company			
		09/30/2024			12/31/2023
	Annual average depreciation rate	Cost	Accumulated depreciation	Net value	Net value
Land	-	12,603	-	12,603	12,603
Buildings, civil works and improvements	3%	295,049	(109,952)	185,097	192,940
Machinery and equipment	15%	821,558	(509,518)	312,040	310,712
Furniture and fixtures	10%	10,736	(9,817)	919	1,018
Computers	20%	36,388	(32,006)	4,382	4,668
Other property, plant and equipment	20%	1,148	(981)	167	204
Construction in process	-	22,181	-	22,181	37,726
		1,199,663	(662,274)	537,389	559,871

Consolidated

In thousands of reais, unless otherwise indicated.

		09/30/2024			12/31/2023
	Annual average depreciation rate	Cost	Accumulated depreciation	Net value	Net value
Land	-	13,486	-	13,486	13,486
Buildings, civil works and improvements	3%	345,343	(143,410)	201,933	213,181
Machinery and equipment	15%	1,105,642	(527,729)	577,913	552,549
Furniture and fixtures	10%	22,669	(14,744)	7,925	8,498
Computers	20%	45,792	(35,287)	10,505	8,985
Other property, plant and equipment	20%	3,188	(2,770)	418	652
Compound interest	5%	42,055	-	42,055	27,514
Construction in process	-	233,028	-	233,028	233,017
		1,811,203	(723,940)	1,087,263	1,057,882

b) Changes in property, plant and equipment

	Parent Company					
	12/31/2023	Addition	Transfer	Depreciation	Write-off	09/30/2024
Land	12,603	-	-	-	-	12,603
Buildings and improvements	192,941	879	567	(9,290)	-	185,097
Machinery and equipment	310,713	635	27,853	(27,161)	-	312,040
Furniture and fixtures	1,018	-	77	(176)	-	919
Computers	4,667	498	744	(1,521)	(6)	4,382
Other property, plant and equipment	203	-	-	(36)	-	167
Construction in process	37,726	13,696	(29,241)	-	-	22,181
	559,871	15,708	-	(38,184)	(6)	537,389

	Parent Company					
	12/31/2022	Addition	Transfer	Depreciation	Write-off	12/31/2023
Land	12,603	-	-	-	-	12,603
Buildings and improvements	202,167	2,179	1,703	(13,108)	-	192,941
Machinery and equipment	303,346	27,705	14,054	(34,391)	(1)	310,713
Furniture and fixtures	2,345	76	(1,043)	(360)	-	1,018
Computers	4,998	1,163	795	(2,289)	-	4,667
Other property, plant and equipment	62	15	162	(36)	-	203
Construction in process	36,570	16,827	(15,671)	-	-	37,726
	562,091	47,965	-	(50,184)	(1)	559,871

	Consolidated						
	12/31/2023	Addition	Transfer	Depreciation	Write-off/ Reclassification	Exchange-rate change	09/30/2024
Land	13,486	-	-	-	-	-	13,486
Buildings and improvements	213,181	1,127	1,150	(13,427)	(98)	-	201,933
Machinery and equipment	552,549	7,032	27,853	(37,931)	-	28,410	577,913
Furniture and fixtures	8,498	559	79	(1,754)	(68)	611	7,925
Computers	8,985	3,328	769	(3,188)	(5)	616	10,505
Other property, plant and equipment	652	-	-	(234)	-	-	418
Capitalized interest (a)	27,514	15,832	-	(1,291)			42,055
Construction in progress (b)	233,017	43,557	(29,851)	-	(35,928)	22,233	233,028
	1,057,882	71,435	-	(57,825)	(36,099)	51,870	1,087,263

	Consolidated						
	12/31/2022	Addition	Transfer	Depreciation	Write-off	Exchange-rate change	12/31/2023
Land	13,486	-	-	-	-	-	13,486
Buildings and improvements	217,406	11,562	4,656	(20,322)	(121)	-	213,181
Machinery and equipment	315,946	281,215	14,054	(40,699)	(1)	(17,966)	552,549
Furniture and fixtures	7,435	4,401	(1,043)	(1,916)	(3)	(376)	8,498
Computers	7,395	3,350	1,478	(2,966)	-	(272)	8,985
Other property, plant and equipment	1,088	16	162	(614)	-	-	652

In thousands of reais, unless otherwise indicated.

Capitalized interest (a)	-	27,815	-	(301)	-	-	27,514
Construction in progress (b)	208,474	58,864	(19,307)	-	-	(15,014)	233,017
	771,230	387,223	-	(66,818)	(125)	(33,628)	1,057,882

(a) Loan costs were capitalized at R$ 15,832 in the nine months of 2024 and R$ 27,815 in 2023, considering an average rate for the loan portfolio of 12.18% p.a. and 13.60% p.a., respectively.
(b) Reclassification of leasehold improvements as Lease and right-of-use assets of R$ 35,928, see Note 19.

In the nine months of 2024, additions to property, plant and equipment in Consolidated amounted to R$ 72,323, of which approximately 45% was for the acquisition of machinery and equipment for the factory in the USA (PBA Unit), 22% for the Tijucas factory (PBG) and Marechal Deodoro plant (Pointer Unit), 22% related to capitalized interest and 11% for other acquisitions.
The amounts of depreciation were recorded as cost of products sold, commercial and administrative expenses as follows:

	Parent Company		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Cost of products sold	(32,946)	(27,315)	(44,947)	(29,555)
Commercial expenses	(3,312)	(5,424)	(8,770)	(12,126)
Administrative expenses	(1,926)	(5,409)	(4,108)	(7,044)
	(38,184)	(38,148)	(57,825)	(48,725)

c) Recoverable value of property, plant and equipment

Property, plant and equipment have their recoverable value analyzed at least annually, and for the year ended December 31, 2023, Management reviewed the cash flow projections of assets and found no need for provision for the recoverable value of assets.

18. Intangible assets

a) Breakdown of intangible assets

		Parent Company			
		09/30/2024			12/31/2023
	Annual average rate of amortization	Cost	Accumulated amortization	Net value	Net value
Trademarks and patents	-	150	-	150	150
Software	20%	81,561	(56,006)	25,555	31,118
Right to exploration of outcrops	9%	1,000	(1,000)	-	-
Product development expenditure	20%	2,044	(306)	1,738	2,037
Software under development	-	10,175	-	10,175	7,740
		94,930	(57,312)	37,618	41,045

		Consolidated			
		09/30/2024			12/31/2023
	Annual average rate of amortization	Cost	Accumulated amortization	Net value	Net value
Trademarks and patents	-	398	-	398	370
Software	20%	147,605	(77,631)	69,974	61,532
Right to exploration of outcrops	9%	4,074	(3,852)	222	235
Product development expenditure	20%	4,439	(306)	4,133	4,243
Software under development	-	23,752	-	23,752	17,389
		180,268	(81,789)	98,479	83,769

In thousands of reais, unless otherwise indicated.

b) Changes in intangible assets

	Parent Company					
	12/31/2023	Addition	Transfer	Amortization	Write-off	09/30/2024
Trademarks and patents	150	-	-	-	-	150
Software	31,118	504	1,232	(7,299)	-	25,555
Product development expenditure	2,037	7	-	(306)	-	1,738
Software under development	7,740	3,689	(1,232)	-	(22)	10,175
	41,045	4,200	-	(7,605)	(22)	37,618

	Parent Company					
	12/31/2022	Addition	Transfer	Amortization	Write-off	12/31/2023
Trademarks and patents	150	-	-	-	-	150
Software	26,158	9,665	4,673	(9,148)	(230)	31,118
Product development expenditure	-	2,037	-	-	-	2,037
Software under development	4,739	7,674	(4,673)	-	-	7,740
	31,047	19,376	-	(9,148)	(230)	41,045

	Consolidated						
	12/31/2023	Addition	Transfer	Amortization	Write-off	Exchange-rate change	09/30/2024
Trademarks and patents	370	-	-	-	-	28	398
Software	61,532	18,302	6,964	(18,884)	-	2,060	69,974
Right to exploration of outcrops	235	-	-	(13)	-	-	222
Product development costs (a)	4,243	7	-	(857)	-	740	4,133
Software under development	17,389	13,349	(6,964)	-	(22)	-	23,752
	83,769	31,658	-	(19,754)	(22)	2,828	98,479

	Consolidated						
	12/31/2022	Addition	Transfer	Amortization	Write-off	Exchange-rate change	12/31/2023
Trademarks and patents	150	233	-	-	-	(13)	370
Software	35,062	35,317	6,380	(14,128)	(248)	(851)	61,532
Right to exploration of outcrops	284	-	-	(49)	-	-	235
Product development costs (a)	-	4,243	-	-	-	-	4,243
Software under development	6,881	16,888	(6,380)	-	-	-	17,389
	42,377	56,681	-	(14,177)	(248)	(864)	83,769

(a) In 2023, the Group recorded R$ 4,243 in consolidated relating to expenses with new product development projects.

In the nine months of 2024, additions to intangible assets in Consolidated amounted to R$ 31,658, mainly for digital improvement projects in the commercial area and the implementation of the Oracle system in subsidiaries.

The amounts of amortization were recorded as cost of products sold, commercial and administrative expenses as follows:

	Parent Company		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Cost of products sold	(60)	(82)	(4,276)	(1,101)
Commercial expenses	(1,778)	(2,274)	(2,196)	(4,093)
Administrative expenses	(5,767)	(6,792)	(13,282)	(8,983)
	(7,605)	(9,148)	(19,754)	(14,177)

In thousands of reais, unless otherwise indicated.

c) Recoverable value of intangible assets

Intangible assets have their recoverable value analyzed at least annually, and on December 31, 2023, Management reviewed the cash flow projections of assets and found no need for provision for recoverable value of assets.

19. Right-of-use assets and lease obligations

Agreements characterized as leases, under IFRS 16/CPC 06 (R2), are recorded as right-of-use assets (lease assets, non-current assets) against lease obligations (current and non-current liabilities).

On September 30, 2024, the Company and its subsidiaries had a total of 77 agreements (64 on December 31, 2023), 52 of which are classified as leases without a purchase option for its industrial, commercial, and logistics units and 25 leases with a purchase option for vehicles for the Company's administrators and machinery and equipment for PBA, which refer to leases for which there is a purchase option at the end, similar to a financing operation.

Leases without a purchase option at the end of the agreement are made up of the rentals of the spaces used by the company's stores, distribution centers, and the land for storing, stockpiling, and homogenizing the ores extracted from the mines and equipment, as well as machinery such as forklifts and wheel loaders and the BtS operation signed by Portobello America.

The lease liability represents the present value of future lease payments discounted at the average financing interest rate in the Company. The Company determines the lease term and physical location for logistical purposes and strategic commercial points. Lease assets are detailed below and represent the initial measurement value of the lease liability, plus any payments made up to the start date, less incentives, plus dismantling and removal costs, and their residual value at the end of the agreement, when applicable. The terms of the right-of-use agreements vary from 2 years (vehicles and machinery) to 7 years (stores), and there is one agreement with a term of 20 years (a shed occupied by the U.S. factory). The amortization period for goodwill is on average 10 years.

As mentioned above, the agreements are readjusted annually in line with the change in the main inflation indexes, and most of them have terms of between five and seven years with the option to renew after that date. The Company adopts the weighted-average cost of financing operations for the month in which the new lease agreements are adopted as the discount rate.

In the second quarter of 2023, the Company recorded lease assets and liabilities of R$ 390,680 (US$ 75,888 at present value) respectively, with the lessor being the subsidiary Portobello América Manufacturing LLC and the lessee OAK Street. The lease consists of the land and building where the new ceramic and porcelain products factory was set up in the city of Baxter, Tennessee (USA). The agreement, in the form of a BtS, was signed on January 26, 2022, but according to the interpretation of IFRS 16 and CPC 06-R2, its validity is considered when the asset is made available for use, with the effective delivery date being June 2023. The agreement has an initial term of 20 years with a lease renewal action every 5 years, with no purchase option and a financial cost of 6.35% per annum plus an annual update index of 2% from the second year onwards.

a) Breakdown and changes in right-of-use assets

	Parent Company					
	Distribution Center	Vehicles	Machinery	Buildings	Intangible	Total
December 31, 2022	10,335	2,474	22,636	-	-	35,445

In thousands of reais, unless otherwise indicated.

Remeasurement	1,940	-	-	-	-	1,940
Addition (a)	-	1,493	15,194	2,673	-	19,360
Contract termination	-	(39)	-	-	-	(39)
Depreciation	(5,474)	(1,660)	(11,979)	(297)	-	(19,410)
December 31, 2023	6,801	2,268	25,851	2,376	-	37,296
Without call option	6,801	-	25,851	2,376	-	35,028
With call option	-	2,268	-	-	-	2,268
Remeasurement	7,477	-	-	-	-	7,477
Addition	-	372	2,858	-	3,525	6,755
Depreciation	(4,126)	(1,059)	(9,967)	(446)	-	(15,598)
September 30, 2024	10,152	1,581	18,742	1,930	3,525	35,930
Without call option	10,152	-	18,742	1,930	3,525	34,349
With call option	-	1,581	-	-	-	1,581

	Consolidated								
	Distribution Center	Stores	Buildings	Goodwill	Vehicles	Machinery	Intangible	Land	Total
December 31, 2022	10,335	27,691	8,868	114,746	2,474	22,636	-	977	187,727
Remeasurement	1,940	185	-	-	-	-	-	-	2,125
Exchange-rate change	-	-	(25,930)	-	-	-	-	-	(25,930)
Addition (a)	-	16,020	431,794	-	1,493	15,194	-	-	464,501
Contract termination	-	(5,661)	-	(2,922)	(40)	-	-	-	(8,623)
Depreciation	(5,474)	(9,976)	(17,417)	(10,517)	(1,660)	(11,979)	-	(102)	(57,125)
December 31, 2023	6,801	28,259	397,315	101,307	2,267	25,851	-	875	562,675
Without call option	6,801	28,259	397,315	101,307	-	25,851	-	875	560,408
With call option	-	-	-	-	2,267	-	-	-	2,267
Remeasurement	7,477	755	-	-	-	-	-	49	8,258
Exchange-rate change	-	-	52,644	-	-	(130)	-	-	59,976
Addition	-	8,907	-	17,036	372	6,603	3,525	-	27,624
Improvements in progress (b)	-	-	35,982	-	-	-	-	-	32,240
Depreciation	(4,125)	(8,410)	(23,270)	(9,718)	(1,060)	(10,269)	-	(76)	(38,018)
September 30, 2024	10,153	29,511	462,671	112,043	1,579	22,055	3,525	848	652,755
Without call option	10,153	29,511	462,671	112,043	-	22,055	3,525	848	650,963
With call option	-	-	-	-	1,579	-	-	-	1,792

(a) The significant addition of buildings in 2023 refers to the Built to Suit (BTS) operation of the new U.S. factory.

(b) Reclassification of leasehold improvements as Lease and right-of-use assets initially recorded in property, plant and equipment, of R$ 35,982.

In thousands of reais, unless otherwise indicated.

b) Breakdown and changes in lease liabilities

	Parent Company					
	Distribution Center	Vehicles	Machinery	Buildings	Intangible	Total
December 31, 2022	12,092	2,999	22,800	-	-	37,891
Remeasurement	1,940	-	-	-	-	1,940
Addition	-	1,493	15,194	2,673	-	19,360
Payment	(6,544)	(3,512)	(14,379)	(394)	-	(24,829)
Interest earned in the period	568	1,421	3,781	168	-	5,938
December 31, 2023	8,056	2,401	27,396	2,447	-	40,300
Without call option	8,056	-	27,396	2,447	-	37,899
With call option	-	2,401	-	-	-	2,401
Remeasurement	7,477	-	-	-	-	7,477
Addition	-	372	2,858	-	3,525	6,755
Payment	(5,023)	(2,674)	(11,939)	(591)	(185)	(20,412)
Interest earned in the period	812	1,489	2,271	223	103	4,898
September 30, 2024	11,322	1,588	20,586	2,079	3,443	39,018
Without call option	11,322	-	20,586	2,079	3,443	37,430
With call option	-	1,588	-	-	-	1,588
Current liabilities						26,168
Non-current liabilities						12,850

	Consolidated							
	Distribution Center	Stores	Buildings	Vehicles	Machinery	Intangible	Land	Total
December 31, 2022	12,091	29,621	9,129	2,999	22,800	-	1,076	77,716
Remeasurement	1,940	185	-	-	-	-	-	2,125
Exchange-rate change	-	-	(24,345)	-	-	-	-	(24,345)
Addition	-	16,020	431,794	1,493	15,193	-	-	464,500
Termination and reclassification	-	(6,319)	-	-	-	-	-	(6,319)
Payment	(6,544)	(12,195)	(52,653)	(3,512)	(14,379)	-	(152)	(89,435)
Interest earned in the period	568	2,665	11,806	1,421	3,781	-	72	20,313
December 31, 2023	8,055	29,977	375,731	2,401	27,395		996	444,555
Without call option	8,055	29,977	375,731	-	27,395		996	442,154
With call option	-	-	-	2,401	-		-	2,401
Remeasurement	7,477	755	-	-	-	-	49	8,281
Exchange-rate change	-	-	46,467	-	(135)	-	-	46,332
Addition	-	8,907	-	372	6,603	3,525	-	19,407
Payment	(5,023)	(10,518)	(28,682)	(2,674)	(12,172)	(185)	(117)	(59,371)
Interest earned in the period	813	2,534	21,593	1,489	2,321	103	52	28,905
September 30, 2024	11,322	31,655	415,109	1,588	24,012	3,443	980	488,109
Without call option	11,322	31,655	415,109	-	24,012	3,443	980	488,521
With call option	-	-	-	1,588	-	-	-	1,588
Current liabilities								78,034
Non-current liabilities								410,075

In thousands of reais, unless otherwise indicated.

c) Payment schedule:

	Parent Company	Consolidated
	09/30/2024	09/30/2024
2024	6,306	26,048
2025	22,986	52,987
2026	6,934	36,191
2027	2,045	25,795
2028	747	20,583
2029–2043	-	326,507
	39,018	488,109

20. Suppliers, assignment of credit and accounts payable for property, plant and equipment

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Suppliers				
Domestic market	245,453	265,361	307,776	288,699
Foreign market	12,871	674	51,997	38,152
Current liabilities	258,324	266,035	359,773	326,851
Assignment of credit with suppliers (drawee risk) (a)				
Domestic market	116,495	132,859	125,232	132,859
Current liabilities	116,495	132,859	125,232	132,859
Accounts payable of property, plant and equipment (b)				
Domestic market	4,505	7,019	6,929	9,957
Foreign market	3,563	10,918	172,439	186,417
	8,068	17,937	179,368	196,374
Current liabilities	8,068	15,123	32,987	89,372
Non-current liabilities	-	2,814	146,381	107,002

a) Assignment of credit with suppliers – drawee risk

The Company carried out suppliers' credit granting transactions with financial institutions totals R$ 125,232 as of September 30, 2024 (R$ R$ 132,859 as of December 31, 2023), for the purpose of providing its partner suppliers with more attractive credit facilities aiming at maintaining commercial relations. In this transaction, suppliers transfer the right to receive from securities to the financial institution, which becomes the operation's creditor, without changing the maturity.

b) Accounts payable from property, plant and equipment

On September 30, 2024, the Company presents, in current liabilities, the amount of R$ 8,068 in the Parent Company (R$ 15,123 on December 31, 2023) and R$ 32,987 in Consolidated (R$ 89,372 on December 31, 2023) referring to suppliers of property, plant and equipment and intangible assets. In non-current liabilities, the balances are R$ 0 in the Parent Company (R$ 2,814 on December 31, 2023) and R$ 146,381 in Consolidated (R$ 107,002 on December 31, 2023).

In the Parent Company, the balances refer substantially to the acquisition of industrial ovens for the

In thousands of reais, unless otherwise indicated.

Tijucas factory. In the Consolidated, most of it refers to the new factory in the USA.

21. Loans, financing and debentures

a) Breakdown

	Currency	Maturities	Charges		Parent Company and Consolidated 09/30/2024	Parent Company and Consolidated 12/31/2023
Current						
Banco do Nordeste S.A (a)	R$ R$	June 2025 June 2027	2.79%	p.a.¹ + IPCA	15,589	19,180
NCE (b)	R$	Dec 2027	2.73%	p.a.¹ + CDI	102,861	194,719
NCE (b)	US$	Mar 2027	99.00%	CDI	18,017	13,159
FINEP (c)	R$	Nov 2030	1.75%	p.a.¹ + TJLP	26,725	26,202
Debentures – 4th Issue (d)	R$	Sep 2026	3.03%	p.a.¹ + CDI	75,699	83,749
Debentures – 5th issue (e)	R$	Dec 2028	3.68%	p.a.¹ + CDI	94,609	41,080
BNDES (f)	R$	June 2026	1.80%	p.a.¹ + SELIC	2,121	2,068
Working capital (g)	R$	Mar 2026	2.75%	p.a.¹ + CDI	3,939	9,776
Working capital – with swap (g)	US$	Mar 2026	3.00%	p.a.¹ + CDI	13,828	23,625
Export prepayment – swap (b)	US$	Nov 2027	97.00%	CDI	14,103	6,030
Export prepayment (b)	US$	Set 2027	5.75%	p.a.¹	4	5,973
Export prepayment (b)	US$	Mar 2026	1.78%	p.a.¹ +CDI	44,293	5,973
Total current			**12.54%**	p.a.¹	**411,811**	**456,037**
Total local currency		R$			321,543	376,774
Total foreign currency		US$			90,268	79,263
Non-current						
Banco do Nordeste S.A (a)	R$	June 2025 June 2027	2.79%	p.a.¹ + IPCA	9,323	19,832
NCE (b)	R$	Dec 2027	2.73%	p.a.¹ + CDI	155,244	164,964
NCE (b)	US$	Mar 2027	99.00%	CDI	24,781	33,980
FINEP (c)	R$	Nov 2030	1.75%	p.a.¹ + TJLP	143,747	124,517
Debentures – 4th Issue (d)	R$	Sep 2026	3.03%	p.a.¹ + CDI	74,317	148,880
Debentures – 5th issue (g)	R$	Dec 2028	3.68%	p.a.¹ + CDI	283,321	323,541
BNDES (e)	R$	June 2026	1.80%	p.a.¹ + SELIC	1,009	2,018
Working capital (f)	R$	Mar 2026	2.75%	p.a.¹ + CDI	1,950	-
Working capital – with swap (f)	US$	Mar 2026	3.00%	p.a.¹ + CDI	6,881	-
Export prepayment – swap (b)	US$	Nov 2027	97.00%	CDI	31,843	33,216
Export prepayment (b)	US$	Sep 2027	5.75%	p.a.¹	26,640	33,956
Export prepayment (b)	US$	Mar 2026	1.78%	p.a.¹ + CDI	22,147	-
Total non-current			**12.00%**	**p.a.¹**	**779,203**	**884,904**
Total local currency		R$			691,058	783,752
Total foreign currency		US$			88,145	101,152
Overall total			**12.18%**	**p.a.¹**	**1,191,203**	**1,340,941**
Total local currency		R$			1,012,601	1,198,819
Total foreign currency		US$			178,413	180,415

¹ Weighted average rate (p.a. = per annum)
IPCA - National Amplified Consumer Price Index
CDI - Interbank Deposit Certificate

In thousands of reais, unless otherwise indicated.

b) Contract details

Note	Institution/Type	Date of the agreement	Matures in	Term (months)	Grace period (months)	Amortization	Value captured	Releases (in R$ thousand) Date Value		Collateral/Note
a)	Banco do Nordeste	June 2013	June 2025	144	24	Monthly	R$ 147,784	R$ 29,221	August 2014	Mortgage on property and machinery and equipment. Renegotiated in April 2020.
								R$ 45,766	Jan/2015	
								R$ 14,700	Sept/2015	
								R$ 4,714	March 2016	
								R$ 2,418	December 2016	
								R$ 8,827	Feb/2019	
		jul/19	Jun/27	95	24	Monthly	R$ 31,147	R$ 7,246	jul/19	Second mortgage on property and machinery. Renegotiated in April 2020.
								R$ 4,681	Feb/2020	
								R$ 4,261	set/20	
								R$ 7,000	Jun/22	
b)	Export credit (NCE)	Jun/21	Jun/26	60	24	Semiannual	R$ 30,000	R$ 30,000	Jun/21	Receivables of Portobello S.A. of 20% of the debt balance)
		ago/21	ago/27	72	24	Semiannual	R$ 100,000	R$ 100,000	August 2021	Receivables of Portobello S.A. of 30% of the debt balance agreement)
		December 2022	December 2027	60	24	*Semiannual*	R$ 48,000	R$ 48,000	December 2022	Receivables of Portobello S.A. of 10% of the debt balance)
		December 2022	December 2027	60	24	*Semiannual*	R$ 40,000	R$ 40,000	December 2022	Unsecured
		Feb/23	mar/27	48	12	*Monthly*	R$ 50,000	R$ 50,000	Feb/23	Unsecured
		Feb/24	Feb/26	24	14	*Semiannual*	R$ 70,000	R$ 70,000	Feb/24	Aval Portobello Shop
	PPE	mar/24	mar/26	24	6	*Quarterly*	R$ 70,000	R$ 70,000	mar/24	*Standby Letter of Credit*
		Set/24	Set/27	36	18	*Semiannual*	R$ 24,797	R$ 24,797	Set/24	*Standby Letter of Credit*
		nov/22	nov/27	60	24	*Semiannual*	R$ 43,000	R$ 43,000	nov/22	Unsecured
c)	Finep (Finep)	December 2019	set/29	117	32	Monthly	R$ 66,771	R$ 25,008	December 2019	Surety bond/surety bond
								R$ 33,000	mar/20	
								R$ 8,763	ago/21	
		Jul/24	Jul/36	144	23	Monthly	R$ 37,835	R$ 37,835	Jul/24	
		nov/20	nov/30	120	36	Monthly	R$ 98,487	R$ 34,214 R$ 64,274	December 2021 November 2020	
d)	Debentures (4th issue/1st series)	set/21	set/26	60	24	Semiannual	R$ 300,000	R$ 300,000	set/21	Issue approved on September 16, 2021 by the Board of Directors. Funds allocated for redemption of the third issue. Security deposit and additional accessory guarantee. It has *covenants* that were complied with.
e)	Debentures (5th issue/1st series)	December 2023	December 2028	60	12	Semiannual	R$ 367,000	R$ 367,000	December 2023	Issue approved on December 8, 2023 by the Board of Directors. Funds earmarked for the redemption of the first issue of commercial notes. Security deposit and additional accessory guarantee. It has *covenants* that were complied with.
f)	BNDES (National Bank for	Jun/22	Jun/26	48	12	*Quarterly*	R$ 10,000	R$ 3,923	Jun/22	BNDES Production Chain Program. 100% appeal passed on to Portobello Shop franchisees.
g)	Working capital	mar/24	mar/26	24	3	*Quarterly*	R$ 25,000	R$ 25,000	mar/23	Promissory note
		mar/24	mar/26	24	3	*Quarterly*	R$ 7,800	R$ 7,800	mar/23	Aval Portobello Shop

In thousands of reais, unless otherwise indicated.

b.1) Debentures

i) Fourth issue

At an EGM held on September 16, 2021, the Company approved, as proposed by the Board of Directors, its fourth (4th) issue of simple debentures, not convertible into shares, with collateral security and an additional personal guarantee, in two series, which will be the object of a public offering with restricted distribution efforts.

Issue	4th
Fiduciary agent	PENTÁGONO S.A.
ISIN code	BRPTBLDBS000
Settlement bank	Banco Itaú BBA S/A
Coordinating leader	Banco Itaú BBA S/A
Issuing date	09/17/2021
Maturity	09/17/2026
Issue rating	No
Remuneration	CDI + 3.00% p.a. (252 business days)
Trading	CETIP
Series number	1
Issuance volume R$	300,000,000.00
Total number of debentures	300,000
Unit par value – R$	1,000.00
Covenants	Net debt divided by EBITDA <3.50 times
Remuneration payment	Twice-yearly, with first remuneration on 03/17/2022

ii) Fifth issue

At an EGM held on December 08, 2023, the Company approved, as proposed by the Board of Directors, its fifth (5th) issue of simple debentures, not convertible into shares, with a collateral security and an additional personal guarantee, in two series, which will be the object of a public offering with restricted distribution efforts.

Issue	5th
Fiduciary agent	PENTÁGONO S.A.
ISIN code	BRPTBLDBS075
Settlement bank	Banco Bradesco S/A
Coordinating leader	Banco Itaú BBA S/A
Issuing date	12/20/2023
Maturity	12/20/2028
Issue rating	Yes
Remuneration	CDI + 3.65% p.a. (252 business days)
Trading	CETIP
Series number	1
Issuance volume R$	367,000,000.00
Total number of debentures	367,000
Unit par value – R$	1,000.00
Covenants	Net debt divided by EBITDA <3.50 times
Remuneration Payment	Twice-yearly, with first remuneration on 06/20/2024

c) Covenants and guarantees

The other loans were guaranteed by linked financial investments, mortgages on real estate, equipment, and receivables from the Parent Company and Subsidiary Portobello Shop (Note 8).

In thousands of reais, unless otherwise indicated.

For the debentures (fourth (4th) and fifth (5th) issue), the Company has financial covenants, one of which is the ratio obtained by dividing Net Debt by consolidated EBITDA (see Note 5), which cannot exceed 3.50x, with quarterly measurements. All the covenants of these operations were complied with for the quarter ended September 30, 2024.

For the PPE agreement with Banco Itaú, the Company now has financial covenants through an addendum to the agreement in December 2023. Among the clauses is the ratio obtained by dividing Net Debt (see Note 5, plus drawee risk, accounts payable for property, plant and equipment, and liabilities and assets of financial instruments) by consolidated EBITDA, the indicator of which may not exceed 5.0 x for 2023, 4.0 x for 2024 and 3.75 x for 2025, with quarterly measurements. Such loan was settled in the third quarter of 2024.

d) Payment schedule

	Parent Company and Consolidated	
	09/30/2024	12/31/2023
2024	124,746	456,038
2025	392,626	293,979
2026	325,879	280,986
2027	179,863	173,313
2028	107,391	103,811
2029	24,124	32,814
2030	36,385	-
	1,191,014	1,340,941

Current loans' fair values do not present significant differences in relation to their book values, as book values are recorded at amortized cost and adjusted on a pro rata basis.

e) Changes

	Parent Company and Consolidated
December 31, 2022	860,115
Changes that affected cash flow	
Funding of loans and debentures	629,600
Payment of principal	(148,130)
Interest payment	(118,812)
Changes that did not affect cash flow	
Exchange-rate changes	(12,886)
Recognized interest	133,777
Appropriations of debenture costs	(2,723)
December 31, 2023	1,340,941
Changes that affected cash flow	
Funding of loans and debentures	234,350
Payment of principal	(408,178)
Interest payment	(122,290)
Changes that did not affect cash flow	
Exchange-rate changes	26,400
Recognized interest	118,769
Appropriations of debenture costs	1,022
September 30, 2024	1,191,014

22. Installment payment of tax liabilities

On September 30, 2024, and December 31, 2023, the installments of tax obligations consist of:

In thousands of reais, unless otherwise indicated.

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Current liabilities				
Prodec (a)	11,040	7,599	11,040	7,599
Payment Scheduling Law No. 11.941/09	908	10,724	908	10,724
	11,948	18,323	11,948	18,323
Non-current liabilities				
Prodec (a)	37,336	30,694	37,336	30,694

(a) The Santa Catarina Company Development Program (Prodec) consists of a special regime obtained in June 2019, with a deferred amount of 70% of the tax generated in the month. Updating is done at a rate of 0−3% p.a. + UFIR. The current agreements were signed between 2020 and 2024, with maturities between 2024 and 2028.

23. Taxes, duties and contributions

On September 30, 2024, the taxes, fees, and contributions recorded in current liabilities were classified as follows:

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
ICMS	25,055	14,379	36,188	15,070
IRRF	4,606	6,291	7,255	8,797
PIS/COFINS	-	2,905	4,127	5,387
Other	-	438	-	1,052
	29,661	24,013	33,063	30,306

24. Other accounts payable

On September 30, 2024, other accounts payable are as follows:

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Current				
Commissions	15,432	11,736	15,241	11,736
Consigned suppliers	2,699	2,838	2,699	2,838
Provision for expenses	981	4,327	12,695	7,445
Provision for guarantees	2,005	1,770	1,941	1,770
Provision for freight	237	522	237	522
Provision for demobilization of assets	-	-	-	176
Advertising fund	-	-	-	381
Trade accounts payable to related parties	7,764	-	-	-
Other accounts payable	792	1,040	1,653	6,263
	29,910	22,233	34,466	31,131
Non-current				
Long-term incentives	4,147	5,525	4,147	5,525
Government grant (a)	-	-	11,811	12,671
Provision for demobilization of assets	-	-	1,136	1,091
	4,147	5,525	17,094	19,287

(a) Government grant - PBA

On July 26, 2019, the Subsidiary Portobello America ("PBA") entered into an agreement with the Tennessee Department of Economic and Community Development and the Industrial Development

In thousands of reais, unless otherwise indicated.

Board of the City of Cookeville, Tennessee, to receive a grant based on the State's incentive program to promote long-term job growth by providing financial assistance to eligible applicants to induce and assist companies to relocate, expand or construct projects in Tennessee. As part of the project, PBA will create, fill, and maintain two hundred and twenty (220) new jobs between July 2019 and July 2028 (end). The PBA will be considered to comply with the performance requirement if the performance percentage on the end date is equal to or greater than 80%. Failure to meet the performance requirements by the end date will result in the State being reimbursed all or part of the amount granted.
PBA recorded the transaction as deferred revenue since the performance requirements were not met in the years ended December 31, 2019 to 2022, of R$ 15,480 (US$ 2,967). As of September 30, 2024, the balance recorded as deferred revenue is R$ 11,811 (R$ 12,671 as of December 31, 2023), having started to be used after the factory began operating.

25. Civil, labor, social security and tax provision

The Company and its subsidiaries are parties in civil, labor and social security lawsuits and in tax administrative proceedings. Supported by the opinion of its legal advisors, the Management believes that the balance of provision is sufficient to cover the expenditure required to settle the obligations.

The provision for contingencies is measured at the estimate of the expenditures that shall be necessary to settle the obligation. The civil and labor lawsuits are assessed individually by the Group's legal advisors, who classify them according to the expectations of success of the claims.

The opening balance of the reserves can be presented as follows:

Sum provisioned	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Civil	11,938	13,885	29,255	50,179
Labor	3,611	4,748	3,963	5,132
Social Security	4,550	4,550	4,550	4,550
Tax	19,054	20,045	19,478	20,110
	39,153	43,228	57,246	79,971

The changes in the balance of provisions for contingencies can be presented as follows:

	Parent Company				
	Civil	Labor	Social Security	Tax	Total
December 31, 2022	31,930	10,074	4,550	28,519	75,073
Debited (credited) to the statement of income:	(14,553)	(3,856)	-	(2,676)	(21,085)
Additional provision	4,160	2,122	-	965	7,247
Reversals for non-use (a)	(13,669)	(4,754)	-	(3,711)	(22,134)
Inflation adjustment (reversal)	(5,044)	(1,224)	-	70	(6,198)
Reversals by realization	(3,492)	(1,470)	-	(8)	(4,970)
Provision (reversals) due to realization - no cash effect	-	-	-	(5,790)	(5,790)
December 31, 2023	13,885	4,748	4,550	20,045	43,228
Debited (credited) to the statement of income:	(1,414)	31	-	(299)	(1,639)
Additional provision	935	634	-	1,423	2,992
Reversals for non-use	(2,731)	(663)	-	(1,789)	(5,183)
Inflation adjustment (reversal)	382	60	-	67	509
Reversals by realization	(533)	(1,168)	-	(692)	(2,393)
September 30, 2024	11,938	3,611	4,550	19,054	39,153

Consolidated				
Civil	Labor	Social Security	Tax	Total

December 31, 2022	44,848	10,321	4,550	28,650	88,369
Debited (credited) to the statement of income:	8,916	(3,714)	-	(2,695)	2,507
Additional provision	10,845	2,446	-	1,032	14,323
Reversals for non-use (a)	(17,439)	(4,938)	-	(3,797)	(26,174)
Inflation adjustment (reversal)	15,510	(1,222)	-	70	14,358
Reversals by realization	(3,585)	(1,475)	-	(8)	(5,068)
Provision (reversals) due to realization - no cash effect	-	-	-	(5,837)	(5,837)
December 31, 2023	50,179	5,132	4,550	20,110	79,971
Debited (credited) to the statement of income:	(20,332)	(1)	-	60	(20,273)
Additional provision	1,199	756	-	1,781	3,736
Reversals for non-use	(8,684)	(845)	-	(1,789)	(11,318)
Inflation adjustment (reversal)	(12,847)	88	-	68	(12,691)
Reversals by realization	(592)	(1,168)	-	(692)	(2,452)
September 30, 2024	29,255	3,963	4,550	19,478	57,246

(a) In the 2023 changes, the reversal line for non-use refers to the review of the probability of loss of some civil lawsuits filed by construction companies, which alleged a problem with product detachment after laying. In cases of this nature, the Company has been successful in technically demonstrating that the defect arises from the installation (laying) done in disagreement with the express recommendation, and not from the product, as evidenced by expert reports and favorable rulings. Because of this and the fact that, in these lawsuits, the main and necessary evidence to be produced is expert evidence, after this alignment between technical and legal advice, the possibility of loss was considered remote, which resulted in a reversal of provision.

Civil

The Company and its subsidiaries are defendants in 311 lawsuits (424 lawsuits on December 31, 2023), in the scope of the Common Courts and Special Civil Courts.

The balance of the provisioned amounts is made up of indemnity lawsuits filed by end consumers and construction companies that are clients of the Group, in which they complain about products purchased, as well as public civil lawsuits filed by the Federal Attorney General's Office (AGU) against Mineração Portobello (a subsidiary) seeking compensation for the alleged illegal extraction of ores, and lawsuits related to the Portobello Shop franchise network. Judicial deposits were made when applicable (Note 11).

a) Public civil action 5003588-47.2012.4.04.7214

The Federal Government filed a Public Civil Action against Mineração Portobello, seeking payment of compensation for material damage resulting from the alleged illegal extraction of materials between 2002 and 2010. In the judgment, the claims were partially granted to condemn Mineração to pay compensation, to be determined in the award calculation, following the five-year statute of limitations. The parties filed appeals, with Mineração Portobello's appeal being dismissed and the Federal Government's appeal being partially upheld to increase the value of the ore extracted. The Parties' special appeals were dismissed. Extraordinary appeals were also dismissed. The Federal Government filed an Interlocutory Appeal, which was upheld by a unanimous decision of the Supreme Federal Court to recognize the indefiniteness of the indemnity. Against this decision, the Company filed a Motion for Divergence, which, due to a single judge decision, was rejected. The Company filed a Special Appeal against this decision.

Considering the procedural outcomes, the Company entered into an agreement with the Federal Attorney General's Office in the amount of R$ 15,313 and reversed the difference in the accrued amount, totaling R$ 15,543 as of September 30, 2024 (R$ 35,372 as of December 31, 2023).

In thousands of reais, unless otherwise indicated.

Labor

The Company and its subsidiaries are defendants in 334 labor claims (454 claims on December 31, 2023), filed by former employees and third parties. The claims refer to the payment of severance pay, additional pay, overtime, salary equalization and compensation for moral and material damages arising from occupational accidents/diseases. Provision is reviewed by the Management in accordance with its legal advisors. Some lawsuits are supported by judicial deposits.

Social Security

Based on the low expectation of success in the administrative and judicial lawsuits concerning corporate reward cards, the Company recognized a provision for these debts in the total amount of R$ 4,550, which still depends on a court decision, in the Tax Enforcement phase, or in some cases, on an administrative decision with the Brazilian Federal Revenue Service.

Tax

On March 15, 2021, the Company was notified about the issuance of the Infraction Notice for the assessment of the tax credit of R$ 6,421, which originated administrative proceedings 10340.720236/2021-00, regarding the period of 2017-2018, due to the non-payment of social security contributions on a) Profit Sharing (PLR) payments made to insured individual taxpayers; b) payments made to insured employees for the company's "Attendance Bonus"; and, c) contribution to the Brazilian Institute for Colonization and Agrarian Reform (INCRA) not declared in the FGTS and Social Security Information Payment Slip (GFIP), levied on payments made to insured employees. The Company filed an objection to the entries and awaits judgment by the Brazilian Federal Revenue Service.

For the mentioned tax assessment notice, the Company established a provision of R$ 620, with the remaining amount considered as a probable remote loss. The updated balance of the provision on September 30, 2024 is R$ 1,141.

Under "Tax provision", the consolidated balance is R$ 19,478 on September 30, 2024 (R$ 19,540 on December 31, 2023).

25.1 Lawsuits with possible loss

Lawsuits that constitute present obligations, whose appeal is not probable or for which it is not possible to make an estimate sufficiently reliable of the amount of the obligation, as well as those that do not constitute present obligations, are not recognized, but are disclosed, unless the outflow of funds will be remote.

The Company and its subsidiaries, based on their legal advisors, estimate the other possible contingencies at the amounts presented below:

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023

In thousands of reais, unless otherwise indicated.

Civil	17,357	5,426	24,374	12,453
Labor	5,347	5,477	5,443	5,585
Social Security	10,985	10,985	10,985	10,985
Tax	43,207	21,380	43,407	21,380
	76,896	43,268	84,209	50,403

Civil

In the Parent Company, R$ 17,357 is divided into 27 lawsuits, among which the main opposing parties are construction companies claiming problems with Portobello products.

In the consolidated accounts, the amount of R$ 7,017 is added to the Parent Company's amount, referring to 3 lawsuits by Mineração Portobello against the Federal Attorney General's Office, which are awaiting judgment on appeal, and two other lawsuits from Mineração Portobello and Portobello Shop S/A with amount below of R$ 50,000.

Labor

In the consolidated accounts, the amount of R$ 5,443 refers to 76 labor lawsuits, with dispersed amounts.

Social Security

This is case 11516.721.813/2019.61 concerning the employer's contribution to the special retirement due to hazardous conditions, whose opposing party is the Brazilian Federal Revenue Service, which summoned the Company in 2019 for R$ 10,433.

The Company challenged the Company's claim that the assessment of tax deficiency was groundless. The Company filed an appeal against the decision, and has been waiting for its decision to be judged by CARF (Board of Tax Appeals) since December 2020.

Tax

The amount in the consolidated financial statements consists of six lawsuits whose main proceedings are the enforcement of tax liabilities due to administrative case 10340.720921/2022-17, in the amount of R$16,173, consisting of social contribution tax execution consisting of the non-approval of the offset declared (case No. 072.11.005264-3), in the amount of R$ 3,689, and of the enforcement of the tax filed to collect CSLL debts. in the amount of R$ 21,827.

26. Shareholders' equity

26.1 Capital

In the period ended September 30, 2024, and during the year ended December 31, 2023, there were no changes in the value of the capital or the number of shares. In these periods, the Company has a paid-up capital totaling R$ 250,000, represented by 140,986,886 registered, book-entry common shares and with no par value.

As of September 30, 2024 and December 31, 2023, there were 54,696,247 outstanding shares, equivalent to 38.82% of total shares issued. The balance of outstanding shares is comprised of all securities available for trading on the market, excluding those held by Controlling Shareholders, members of the Board of Directors, members of the Tax Council, Administrators and treasury shares.

At a meeting held on July 5, 2024, the Company's Board of Directors unanimously approved the creation of a new program for repurchase of the Company's shares, pursuance to CVM Instruction No. 77, of March 29, 2022 ("New Share Buy-back Program").

In thousands of reais, unless otherwise indicated.

The purpose of the Share Repurchase Program is to add value for shareholders, allowing the Company to hold treasury shares for future cancellation or use in incentive plans for executives. Currently, the Company has 140,986,886 shares issued, of which 54,527,137 are outstanding, and does not have shares in treasury.

Acquisitions will be made at the stock exchange at market prices. Top Management will decide to take the moment and the quantity, in compliance with regulations. Up to 1,196,504 shares may be acquired, accounting for 0.8% of the total and 2.2% of outstanding shares, with a term of 18 months to be acquired as from July 4, 2024. The funds for this transaction will come from the appropriated retained earnings account, in accordance with CVM Resolution No. 77.

26.2 Profit reserve

On September 30, 2024, and December 31, 2023, the balance of the legal reserve totaled R$ 50,000, amounting to 20% of the paid-in capital, as provided for in Article 193 of the Brazilian Corporation Law (Law 6404/76).

On September 30, 2024, the retained earnings reserve amounted to R$ 16,164 (R$ 16,164 on December 31, 2023), and, in 2024, the Company did not set up tax incentive reserves (R$ 20,705 set up in 2023). They are government grants of ICMS tax incentives related to Prodesin (Integrated Development Program of the State of Alagoas), the Differentiated Tax Treatment of Santa Catarina (TTD), and Simples Nacional.

As of September 30, 2024, and December 31, 2023, the balance of unrealized profits reserve is R$ 35,633 and is intended to show the portion of profits whose allocation will be decided at the Annual General Meeting.

On September 30, 2024, and December 31, 2023, the balance of the Tax Incentives reserve amounted to R$ 123,899.

26.3 Equity valuation adjustments

	Equity valuation adjustments			
Parent Company and Consolidated	Deemed cost (a)	Accumulated translation adjustments (b)	Other comprehensive income (c)	Total
December 31, 2022	31,268	(69,561)	198	(38,095)
Realization of revaluation reserve	(1,219)	-	-	(1,219)
Exchange rate change in foreign subsidiary	-	(14,475)	-	(14,475)
Actuarial (Gain)/loss	-	-	(11,337)	(11,337)
Deferred income tax/social contribution on actuarial gain (loss)	-	-	3,854	3,854
Hedge accounting operations	-	-	8,212	8,212

In thousands of reais, unless otherwise indicated.

Deferred IR/CS on hedge accounting	-	-	(2,791)	(2,791)
December 31, 2023	30,049	(84,036)	(1,864)	(55,851)
Realization of revaluation reserve	(915)	-	-	(915)
Exchange rate change in foreign subsidiary	-	49,582	-	49,582
Hedge accounting operations	-	-	(16,746)	(16,746)
Deferred IR/CS on hedge accounting	-	-	5,694	5,694
September 30, 2024	29,134	(34,454)	(12,916)	(18,236)

a) Deemed cost

In 2010, upon the initial adoption of IFRS 1/CPC 37 standards, as well as the adoption of CPC 43 and ICPC 10, the Company adopted the option to use the property, plant and equipment revaluation made in 2006 as deemed cost, understanding that the same represented substantially the fair value at the date of transition. Such revaluation included land, buildings, and improvements, supported by a revaluation report prepared by an independent appraisal company, which has been carried out under the depreciation of the buildings and improvements revalued and recorded against retained earnings. The same effect of realization of the equity valuation adjustment is reflected in income (loss) for the year, by the depreciation of the revaluated assets.

b) Accumulated translation adjustments

The change in assets and liabilities in foreign currency (US dollar) arising from the exchange rate fluctuation, and the changes between the daily rates and the closing rate of the changes of the subsidiary's income headquartered abroad are recognized in accumulated translation adjustments. On September 30, 2024, the amount of conversion adjustments was R$ 49,582 (R$ (14,475) on December 31, 2023), as per Note 16.

c) Other comprehensive income

As of September 30, 2024, the balance of R$ (12,916) (R$ 1,864 as of December 31, 2023) derives from:

i) Fair value of (actuarial) pension plans, in the net amounts of R$ (7,439) for 2023 and R$ (4.074), referring to previous periods;

ii) Fair value of *hedge accounting* of R$ (2,125) (R$ 14,620 as of December 31, 2023), due to the mark to market of derivative financial instruments classified as *hedge accounting* not yet realized until September 2024, with the effect of R$ 723 (R$ (4,971) as of December 31, 2023) of deferred income and social contribution taxes, there remains a net balance of fair value hedge *accounting* of R$ (1,403) (R$ 9,649 as of December 31, 2023). These amounts are written off from equity to profit or loss as NDF contracts mature and US dollar sales are shipped in the respective month when contracts mature.

27. Employee benefits

Since 1997, the Company and its subsidiaries have sponsored a pension benefit plan referred to as Portobello Prev, administered by Bradesco, which has 3,549 (3,602 on December 31, 2023) active participants and 41 (28 on December 31, 2023) retirees and pensioners. The plan has the characteristic of defined contribution in the phase of accumulation of funds. In the benefits granting phase, the plan has a defined benefit characteristic, guaranteeing retirement and pension benefits for life to its participants. It also offers a minimum retirement benefit for length of service or age, funded exclusively by the sponsors.

In thousands of reais, unless otherwise indicated.

During the nine-month period ended September 30, 2024, there were no changes to the conditions and benefits of the plan, nor the assumptions used for its valuation and accounting record.

28. Net revenue from sales of products and rendering of services

The reconciliation of gross revenue to net revenue is as shown as follows:

	Parent Company				Consolidated			
	Quarter ended September 30, 2024	Quarter ended September 30, 2023	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023	Quarter ended September 30, 2024	Quarter ended September 30, 2023	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Gross sales revenue	565,999	598,001	1,689,803	1,634,757	851,279	751,375	2,301,001	2,059,309
Gain (loss) on *hedge accounting transactions*	(9,849)	6,000	(10,125)	22,272	(9,849)	6,000	(10,125)	22,272
Gross revenue deductions	(122,399)	(133,367)	(387,256)	(374,884)	(179,832)	(159,352)	(514,746)	(446,982)
Taxes on sales	(99,981)	(112,444)	(320,456)	(316,976)	(149,568)	(132,804)	(424,640)	(372,859)
Returns and discounts	(22,418)	(20,923)	(66,800)	(57,908)	(30,264)	(26,548)	(90,106)	(74,123)
Net sales revenue	433,751	470,634	1,292,422	1,282,145	661,598	598,023	1,776,130	1,634,599

Operating nature and net revenue are shown as follows:

	Parent Company				Consolidated			
	Quarter ended September 30, 2024	Quarter ended September 30, 2023	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023	Quarter ended September 30, 2024	Quarter ended September 30, 2023	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Sale of own products	404,858	434,623	1,194,774	1,185,687	605,701	510,624	1,601,983	1,389,776
Resale of third-party products	28,893	36,011	97,648	96,458	28,893	58,996	97,648	163,152
Royalties	-	-	-	-	27,004	28,403	76,499	81,671
Net revenue	433,751	470,634	1,292,422	1,282,145	661,598	598,023	1,776,130	1,634,599

29. Expenses per type

The costs of goods sold, and selling and administrative expenses are shown as follows:

	Parent Company				Consolidated			
	Quarter ended September 30, 2024	Quarter ended September 30, 2023	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023	Quarter ended September 30, 2024	Quarter ended September 30, 2023	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Cost and expenses								
Cost of Goods and/or Services Sold	(329,136)	(329,001)	(955,285)	(907,739)	(408,094)	(357,103)	(1,111,705)	(986,897)
Selling expenses	(66,452)	(77,774)	(212,073)	(238,972)	(167,592)	(156,883)	(479,794)	(464,599)
General and Administrative Expenses	(17,588)	(15,157)	(50,512)	(65,368)	(35,340)	(27,627)	(101,312)	(84,611)
	(413,176)	(421,932)	(1,217,870)	(1,212,079)	(611,026)	(541,613)	(1,692,811)	(1,536,107)
Breakdown of expenses by nature								
Direct production costs (raw materials and input)	(189,492)	(193,970)	(545,430)	(582,476)	(212,901)	(202,383)	(602,794)	(592,434)
Salaries, charges and employee benefits	(91,894)	(76,267)	(281,254)	(267,321)	(151,835)	(127,302)	(442,109)	(380,293)
Labor and third-party services	(19,819)	(26,918)	(54,788)	(51,250)	(35,579)	(37,507)	(105,149)	(88,775)
General production expenses (including maintenance)	(14,009)	(11,978)	(39,592)	(38,018)	(10,921)	(14,362)	(43,552)	(42,507)
Cost of resold merchandise	(22,184)	(29,449)	(80,946)	(78,776)	(111,383)	(47,100)	(252,755)	(128,051)
Depreciation and amortization	(20,288)	(19,682)	(61,387)	(58,815)	(47,128)	(36,688)	(134,507)	(101,490)
Sales commissions	(14,768)	(11,972)	(38,669)	(31,805)	(24,639)	(24,216)	(74,514)	(65,984)
Marketing and advertising expenses	(7,367)	(8,930)	(20,391)	(28,258)	(12,675)	(16,757)	(33,754)	(46,161)
Expense on the transportation of merchandise sold	(2,194)	(16,197)	(23,438)	(42,665)	(20,838)	(24,682)	(59,349)	(53,024)
Rent expenses - not applicable to IFRS 16	(2,211)	(3,408)	(7,418)	(10,207)	(623)	(4,263)	(5,491)	(13,301)
Idle costs	-	(2,313)	(2,053)	(12,682)	-	(2,313)	(2,053)	(12,682)
Other revenues (expenses), net	440	235	3,990	(23,263)	(5,789)	(5,309)	(38,129)	(46,614)
Changes in inventories (a)	(29,390)	(21,083)	(66,494)	13,457	23,285	1,269	101,345	35,209
Total	(413,176)	(421,932)	(1,217,870)	(1,212,079)	(611,026)	(541,613)	(1,692,811)	(1,536,107)

(a) The changes in inventories of finished goods and work in progress are the difference between the cost of goods produced and the cost of goods sold, representing the realization of sales of items produced in previous years.

30. Other operating revenues (expenses), net

The amounts of other net operating revenues and expenses are presented as follows:

In thousands of reais, unless otherwise indicated.

	Parent Company				Consolidated			
	Quarter ended September 30, 2024	Quarter ended September 30, 2023	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023	Quarter ended September 30, 2024	Quarter ended September 30, 2023	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Tax credits (a)	3,018	1,310	20,700	4,658	3,018	1,310	22,900	4,658
Assignment of rights to payroll	-	-	8,000	-	-	-	8,000	-
Net yield on the actuarial plan	751	-	2,253	-	751	-	2,253	-
Service revenue	26	71	89	255	26	71	89	255
Reversal/provision for contingencies, net	(106)	1,367	774	11,257	(72)	1,376	20,499	11,270
Sale of property, plant and equipment (a)	-	-	-	-	-	-	-	1,571
Reversal of DIFAL unconstitutionality	-	-	-	567	-	-	-	567
Taxes on other revenues	(611)	(199)	(2,293)	(559)	(778)	(393)	(2,725)	(753)
Long-term incentive (ILP)	(297)	(873)	696	(2,771)	(297)	(873)	696	(2,771)
Provision/reversal of profit sharing	-	(13)	-	1,820	-	(13)	-	512
Provision for guarantees	-	-	-	(2,389)	-	-	-	(2,389)
Write-off of property, plant and equipment	28	-	-	-	28	-	-	-
Other income/expenses	2,479	21	4,425	(278)	2,765	164	6,553	(4,530)
Other operating revenues (expenses) net	5,288	1,684	34,644	12,560	5,441	1,642	58,265	8,390

a) In the first half of 2024 the Company recovered PIS, COFINS, ICMS, IPI and other contributions from the statute of limitations period due to a project to review its bookkeeping records.

31. Financial income (loss)

The financial results are shown as follows:

	Parent Company				Consolidated			
	Quarter ended September 30, 2024	Quarter ended September 30, 2023	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023	Quarter ended September 30, 2024	Quarter ended September 30, 2023	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Finance income								
Interest	3,159	5,929	8,267	17,631	3,722	8,591	12,090	22,855
Adjustment for inflation of assets	928	2,639	3,756	6,834	927	2,639	3,756	6,834
Other	267	79	378	84	346	134	537	161
Total	4,354	8,647	12,401	24,549	4,995	11,364	16,383	29,850
Finance costs								
Interest on loans and debentures and others	(35,165)	(45,005)	(108,358)	(114,574)	(42,280)	(52,614)	(133,063)	(131,231)
Finance charges on taxes	(933)	(669)	(3,206)	(2,456)	(2,097)	(1,788)	(5,436)	(5,740)
Inflation-adjusted provisions for contingencies	272	2,257	(509)	5,944	(491)	780	(1,516)	(14,830)
Commissions and service fees	(3,467)	(2,840)	(9,535)	(7,370)	(7,192)	(6,313)	(17,969)	(15,885)
Loss on *swap transactions*	(1,223)	2,690	248	(2,771)	(1,223)	2,690	248	(2,771)
Other	(4,722)	(3)	(4,722)	(25)	(5,897)	(582)	(7,600)	(708)
Total	(45,238)	(43,570)	(126,082)	(121,252)	(59,380)	(57,827)	(165,336)	(171,165)
Net foreign exchange gain (loss)								
Trade payables	(1,125)	(2,949)	3,560	(6,925)	(1,129)	(2,949)	3,528	(6,926)
Loans and financing	3,131	1,268	(20,484)	1,285	3,130	1,265	(20,484)	1,283
Total	2,006	(1,681)	(16,924)	(5,640)	2,001	(1,684)	(16,956)	(5,643)
Total liquid	(38,878)	(36,604)	(130,605)	(102,343)	(52,384)	(48,147)	(165,909)	(146,958)

32. Earnings per share

a) Basic

In accordance with the CPC 41 (Earnings per share), the basic earnings (losses) per share are calculated by dividing the income attributable to the shareholders by the weighted average number of common shares issued in the year, excluding common shares purchased by the Company and maintained as treasury shares.

The following table sets out the calculation of net profit (loss) per share as of September 30, 2024 and 2023:

	Parent Company and Consolidated			
	Quarter ended September 30, 2024	Quarter ended September 30, 2023	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023

In thousands of reais, unless otherwise indicated.

Loss attributable to Company's shareholders	2,618	3,967	(29,639)	(49,415)
Weighted average number of common shares	140,987	140,987	140,987	140,987
Basic loss per share	0.01857	0.02814	(0.21023)	(0.35049)

b) Diluted

Diluted earnings per share is equal to basic, as the Company's common shares have no diluting factors.

33. Dividends

On March 27, 2023, the Board of Directors approved the distribution of additional dividends for 2022, of 29,615, paid on July 06, 2023, of which R$ 18,337 as dividends and R$ 11,278 (R$ 9,635 net of income tax) as interest on equity, generating a total net disbursement of R$ 27,792 on this date.

Regarding the 2023 financial results, there was no decision regarding the distribution of dividends, considering the loss for the period.

34. Segment information

The Management has defined the reportable segments, under CPC 22/IFRS 8, in two operating segments, which are represented by the Domestic Market (Brazil) and the Foreign Market. This segregation is made based on the reports used to make strategic decisions, reviewed by the Statutory Executive Board, and presented to the Board of Directors, where an analysis of the business is carried out, segmenting it from the perspective of the markets in which it operates.

The operating segments comprise the marketing operations of all the channels in which it operates and are subdivided according to their nature.

As defined by the Management, the Group is currently structured into four Business Units, referred to as Portobello, Portobello Shop (PBShop), Pointer, and Portobello America (PBA).

Portobello owns the industrial operation of Portobello brand products in Tijucas and serves the "B2B" (business-to-business service) markets, multi-brand retailers, construction companies, large projects, exports, and other businesses of the group. Portobello Shop (PBShop) acts as the Group's franchisor, developing the brand's retail through a chain of company-owned stores and franchises. Pointer owns the industrial operation of Pointer brand products in Alagoas, with regional operations in the northeast, north, and export markets. Portobello America (PBA) represents the brand in the United States, the main market in the Company's internationalization strategy. The revenues generated by the business units come exclusively from the manufacture and sale of ceramic tiles used in the construction sector in Brazil and the international market.

The Statutory Executive Board evaluates the performance of the reportable operating segments, Domestic Market and Foreign Market, based on the measurement of EBITDA results and evaluates the Business Units according to the profitability of the gross margin. To continuously improve its disclosures, the Company decided to include some additional information in the disclosure. Information per business segment, reviewed by the Executive Board:

a) Reportable segment information between domestic and foreign markets for the periods ended September 30, 2024 and 2023:

The gross profit and the profit (loss) before financial income (EBIT) for each of the reportable segments are presented below:

In thousands of reais, unless otherwise indicated.

	Nine-month period ended September 30, 2024		
Continued operations	Consolidated	Domestic market	Foreign market
Net revenue	1,776,130	1,386,395	389,735
Cost of products sold	(1,111,705)	(781,912)	(329,793)
Gross operating income	664,425	604,483	59,942
% gross margin	37.4%	43.6%	15.4%
(-) Expenses	(522,841)	(384,881)	(137,960)
LAJI	141,584	219,600	(78,016)
EBITDA	276,091	302,093	(26,002)

	Nine-month period ended September 30, 2023		
Continued operations	Consolidated	Domestic market	Foreign market
Net revenue	1,634,599	1,290,647	343,952
Cost of products sold	(986,897)	(746,912)	(239,985)
Gross operating income	647,702	543,735	103,967
% gross margin	39.6%	42.1%	30.2%
(-) Expenses	(540,820)	(395,130)	(145,690)
LAJI	106,882	148,592	(41,734)
EBITDA	208,372	225,842	(17,310)

	Quarter ended September 30, 2024		
Continued operations	Consolidated	Domestic Market	Foreign Market
Net revenue	661,598	510,155	151,443
Cost of products sold	(408,094)	(285,350)	(122,744)
Gross operating income	253,504	224,805	28,699
% of gross margin	38.3%	44.1%	19.0%
(-) Expenses	(197,491)	(150,120)	(47,371)
LAJI	56,013	74,688	(18,675)
EBITDA	103,141	103,000	141

	Quarter ended September 30, 2023		
Continued operations	Consolidated	Domestic Market	Foreign Market
Net revenue	598,023	464,928	133,095
Cost of products sold	(357,103)	(260,588)	(96,515)
Gross operating income	240,920	204,340	36,580
% of gross margin	40.3%	44.0%	27.5%
(-) Expenses	(182,868)	(133,935)	(48,933)
LAJI	58,052	70,406	(12,354)
EBITDA	94,740	96,312	(1,572)

b) Information per business units for the periods ended September 30, 2024 and 2023:

Gross operating profit and gross margins by business unit are shown below:

	Nine-month period ended September 30, 2024				
Continued operations	Total	Portobello	Pointer	Portobello Shop	PBA
Net revenue	1,776,130	648,119	174,881	738,083	215,047
Cost of products sold	(1,111,705)	(355,487)	(153,062)	(383,820)	(219,336)
Gross operating income	664,425	292,632	21,819	354,263	(4,289)
Gross Margin	37%	45%	12%	48%	-2%

	Nine-month period ended September 30, 2023				
Continued operations	Total	Portobello	Pointer	Portobello	PBA

				Shop	
Net revenue	1,634,599	635,754	136,754	690,353	171,738
Cost of products sold	(986,897)	(371,506)	(119,301)	(363,856)	(132,234)
Gross operating income	647,702	264,248	17,453	326,497	39,504
Gross Margin	40%	42%	13%	47%	23%

	Quarter ended September 30, 2024				
Continued operations	Total	Portobello	Pointer	Portobello Shop	PBA
Net revenue	661,598	226,251	70,454	278,147	86,746
Cost of products sold	(408,094)	(118,043)	(61,413)	(144,430)	(84,208)
Gross operating income	253,504	108,208	9,041	133,717	2,538
Gross Margin	38%	48%	13%	48%	3%

	Quarter ended September 30, 2023				
Continued operations	Total	Portobello	Pointer	Portobello Shop	PBA
Net revenue	598,023	226,569	50,766	246,838	73,850
Cost of products sold	(357,103)	(128,165)	(43,267)	(126,842)	(58,829)
Gross operating income	240,920	98,404	7,499	119,996	15,021
Gross Margin	40%	43%	15%	49%	20%

Information on assets and liabilities by segment is not presented, as it is not part of the set of information analyzed by Management, which in turn makes decisions on investments and allocation of funds based on information on consolidated assets and liabilities.

35. Commitments for the acquisition of assets

As of September 30, 2024, the contracted expenses related to property, plant and equipment, but not yet incurred, amount to R$ 1,492 (R$ 3,012 as of December 31, 2023). Such expenses correspond to the modernization of the equipment at the Tijucas/SC factory, according to the Company’s investment plan.

36. Items not affecting cash

During the year of 2024, the Company made an advance for future capital increase with the investee Portobello America as disclosed in Note 16, of which R$ 83,000 refers to the balance of a loan made in previous periods, not affecting the cash flow from investments in this quarter.

In the first nine months of 2024, interest was capitalized on loans, financing, and debentures of R$ 15,832 (R$ 27,815 on December 31, 2023, according to Notes 17 and 18), which are related to the acquisition, construction, or production of property, plant and equipment of its investees in the United States, the amount of which was not included in the lines of accrued interest (statement of cash flow in the Parent Company) and acquisition of property, plant and equipment (statement of cash flow in the Consolidated).

37. Related companies and parties

The operations between the companies of the Portobello Group involve the Parent Company and its Subsidiaries, as well as people linked to the Group’s controlling shareholders and administrators. Operations refer to commercial transactions for the purchase and sale of finished goods, semi-finished goods and raw materials, dividends, tax processes, rental of real estate and logistics operations, software, infrastructure and marketplace service contracting. The book values for the operations discussed above are as follows:

		Parent Company	
Nature – Equity balances	Company	09/30/2024	12/31/2023

In thousands of reais, unless otherwise indicated.

Subsidiaries			
Commercial transactions			
Accounts receivable	Portobello Shop S.A.	1,196	587
Accounts receivable	Portobello America, Inc.	35,312	80,433
Accounts receivable	Cia Brasileira de Cerâmica	55,859	574
Accounts receivable	PBTech Com. Sern. Cer. Ltda.	3,259	7,408
Credit with related parties	Cia Brasileira de Cerâmica	(3,937)	(2,950)
Credit with related parties	Mineração Portobello Ltda.	(4,950)	(5,697)
Credit with related parties	PBTech Com. Sern. Cer. Ltda.	(655)	-
Credit with related parties	Portobello America, Inc.	(7,530)	(4,850)
Other accounts payable	Portobello America, Inc.	(7,764)	-
Net assets from liabilities with subsidiaries		70,790	75,505

Nature – Equity balances	Company	09/30/2024	12/31/2023
Related persons and parties			
Debt with related persons	Refinadora Catarinense S.A.	(56,330)	(56,330)
Debts with related parties	Mineração Portobello Ltda.	(47,941)	(46,792)
Debts with related parties	PBTech Com. Sern. Cer. Ltda.	(16)	(618)
Debts with related parties	Cia Brasileira de Cerâmica	(44)	-
Debts with related parties	Portobello Shop S.A.	(124)	(66)
Accounts receivable	Flooring Revest. Cer. Ltda.	-	1
Accounts payable	Gomes Part Societárias Ltda.	(87)	(87)
Accounts payable	AB Parking	(7)	(8)
Net assets from liabilities with other related parties		(104,549)	(103,900)

		Parent Company	
Nature – Result	Company	09/30/2024	09/30/2023
Revenues			
Subsidiaries			
Sale of products	PBTech Com. Sern. Cer. Ltda.	54,183	85,950
Sale of products	Cia Brasileira de Cerâmica	194,735	652
Sale of products	Portobello America, Inc.	63,385	34,523
Related persons and parties			
Sale of products	Solução Cerâmica Com. Ltda.	-	1
Sale of products	Riveste Comercio Ltda.	-	158
Sale of products	Flooring Revest. Cer. Ltda.	-	562
Sale of products	Gomes Part Societárias Ltda.	-	3
Subsidiaries			
Purchase of inputs	Mineração Portobello Ltda.	(12,234)	(7,334)
Cutting service	Cia Brasileira de Cerâmica	(4,024)	(3,895)
Related persons and parties			
Rent	Gomes Part Societárias Ltda.	(590)	(517)
Freight services	Multilog Sul Armazéns S/A	(2)	-
Parking lot services	AB Parking	(92)	(43)
Outsourced services	Radio Clube Tijucas Ltda.	(91)	(58)
		295,270	110,002

The subsidiary Portobello Shop is the Company’s guarantor on some financing.

Related party transactions

Portobello Shop, Companhia Brasileira de Cerâmica, and PBTech present accounts receivable, accounts payable arising from the acquisition of stores, and service revenue relating to royalties from related parties. Transactions:

Subsidiaries

Transactions with subsidiaries and associated companies	Nature – Equity	09/30/2024	12/31/2023
Cia Brasileira de Cerâmica	Accounts receivable, net of advances	40,098	1,816
Portobello Shop S.A.	Accounts receivable, net of advances	320	-
Riveste Comercio Ltda.	Accounts receivable, net of advances	-	(1)
PBTech Com. Sern. Cer. Ltda.	Accounts payable	(40,418)	(1,816)
		-	(1)

		Subsidiaries	
Transactions with subsidiaries and associated companies	Nature – Result	09/30/2024	09/30/2023
Riveste Comercio Ltda.	Revenue - royalties	-	54
Flooring Revest. Cer. Ltda.	Revenue - royalties	-	178
Cia Brasileira de Cerâmica	Revenue - sale of products	119,455	2,748
AB Parking	Parking lot services	(355)	(192)
Gomes Part Societárias Ltda.	Expense - Rent	(1,355)	(517)
Solução Cerâmica Com. Ltda.	Interest – store acquisition	-	(950)
Riveste Comercio Ltda.	Interest – store acquisition	-	(388)
Flooring Revest. Cer. Ltda.	Interest – acquisition of store and workshop	-	(908)
		117,765	25

Remuneration of key management personnel

The remuneration expenses paid to the key Management personnel, comprising members of the Executive Board, Board of Directors, Tax Council and management, recorded on September, 2024 and 2023 are:

	Parent Company		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Fixed remuneration				
Salaries	3,541	5,490	6,309	7,304
Fees	4,453	6,775	4,453	6,775
Variable remuneration	878	1,300	1,324	1,384
Pension plan	375	591	601	658
Termination benefits	798	1,298	798	1,298
Other	802	1,665	1,195	1,955
	10,847	17,119	14,680	19,374

PortobelloGrupo

OPINION OF THE FISCAL COUNCIL

The Fiscal Council of PBG SA, in compliance with legal and statutory provisions, examined the Financial Statements for the period ended September 30, 2024, comprising: balance sheet, statements of income for the quarter, statements of changes in equity, statements comprehensive income, cash flow statements, value added statements, explanatory notes, as well as the Management Report and the Independent Auditors' Opinion. The consolidated statements were also examined. After the Management's examinations and clarifications, the Fiscal Council, also taking into account the opinion of the auditors KPMG Auditores Independentes, issued in November, 6, 2024 without reservations, and of the opinion that, in its main aspects, the referred financial statements adequately reflect the PBG SA's equity and financial situation and the results of its operations, being in conditions to be submitted to the appreciation and deliberation of the Shareholders.

Florianópolis, November 6, 2024.

Jorge Muller

Mario Augusto de Freitas Baptista

Carlos Eduardo Zoppello Brennand

PortobelloGrupo

OPINION OF THE AUDIT COMMITTEE

The members of the Audit Committee recommend the approval of the information contained in the Financial Statements of the 3nd. Quarter of 2024 of the Company, as well as, agree with the opinion of the Company's independent auditors, KPMG Auditores, referenced in the Independent Auditors' Report presented.

Florianópolis, November 6, 2024.

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Cláudio Ávila da Silva

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Geraldo L. M. Filho

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Shanalie de Mello Sasano

Directors' Statement on Financial Statements and Review Report Special of Independent Auditors

Pursuant to CVM Instruction 480/09, item I of article 28, in compliance with the provisions of items V and VI of article 25 of said instruction, the board of directors of PBG S.A., declares that:

(i) reviewed, discussed and agreed with the Company's Quarterly Information for the quarter ended September 30, 2024; and

(ii) reviewed, discussed and agreed with the opinions expressed in the special review report of KPMG AUDITORES INDEPENDENTES, regarding the Company's Quarterly Information for the quarter ended on September 30, 2024.

Board Composition
John Suzuki- Chief Executive Officer
Rosangela Sutil – VP of Finance and Investor Relations
Cristiane Alves Ferreira – VP of Inovation and Branding

Florianópolis November 6, 2024.

John Suzuki

Rosangela Sutil

Cristiane Alves Ferreira