PBG S.A. and subsidiaries

Financial statements as of
December 31, 2024 and 2023

KPMG Auditores Independentes Ltda.
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Independent auditors' report on the individual and consolidated financial statements

To the Management and Shareholders of PBG S.A.

Tijucas – Santa Catarina

Opinion

We have audited the individual and consolidated financial statements of PBG S.A. ("Company"), identifying as individual and consolidated financial statements, respectively, which comprise the balance sheet as of December 31, 2024, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

Opinion on the individual financial statements

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Brazilian accounting policies.

Opinion on the consolidated financial statements

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries as of December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with accounting policies adopted in Brazil and the international accounting standards (IFRS Accounting Standards) issued by the Company. International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International and Brazilian Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of Individual and Consolidated Financial Statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements that are relevant to our audit of the financial statements and are set forth on the Professional Code of Ethics for Accountants and on the professional standards issued by the Regional Association of Accountants, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Measurement of lease liabilities

See Notes 3.15 and 19 to the individual and consolidated financial statements

Key audit matters	How the audit addressed this matter
As mentioned in note 19, subsidiary Portobello America, located in the United States, has a lease agreement under the *Built to Suit* (BtS) model. Therefore, it must calculate the lease liability at present value, discounted to present value, at the rate implicit in the contract, when readily determinable or, when not readily determinable, at the incremental borrowing rate pursuant to Technical Pronouncement CPC 06 (R2) / IFRS 16 – Rentals. The measurement of the discount rate, when not readily determinable, requires management to exercise judgment considering, among other factors, information about similar transactions available in the market, sources of financing and credit risk for the entity. This matter was considered as a key audit matter due to judgments related to the measurement of the incremental discount rate used to calculate the lease liability to the present value, which poses a risk of resulting in a material adjustment in the balances of the Company's consolidated financial statements.	Our audit procedures in this area included, among others: • Reading the underlying contracts and evaluating the application of accounting requirements for the sales and *leaseback transactions*. • With the help of our corporate finance experts, we compared the discount rate used by the subsidiary with available market information. To that end, we evaluated the data obtained from external sources, the Company's credit risk on the lease commencement date, and the future interest curve considering the lease term. • Recalculating the initial recognition of the lease liability and the right-of-use asset. Based on the evidence obtained by applying the procedures summarized above, we considered that the measurement of the lease liability and the right-of-use asset related to the lease agreement entered into by subsidiary Portobello America in the consolidated financial statements taken as a whole is acceptable. During our audit we identified adjustments that affected the measurement and disclosure of the right to use the lease asset and liability, which were recognized and complied with by management.

Other matters

Statements of value added

The individual and consolidated statements of value added for the year ended December 31, 2024, prepared under the responsibility of the Company's management, and presented as supplementary information for IFRS Accounting Standards, were submitted to the same audit procedures followed together with the audit of the Company's financial statements. In order to form our opinion, we evaluated whether these statements are reconciled to the Company's financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of value added have been adequately prepared, in all material respects, according to the criteria set on this Technical Pronouncement and are consistent with the individual and consolidated financial statements taken as a whole.

Audit of prior year's financial statements

The individual and consolidated balance sheets as of December 31, 2023 and the individual and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows and related notes for the year then ended, presented as related amounts in the individual and consolidated financial statements of the current year, were previously audited by other independent auditors, who issued an unchanged report dated March 13, 2024. The related amounts for the individual and consolidated statements of value added for the year ended December 31, 2023 were submitted to the same audit procedures by those independent auditors and, based on their audit, they issued their report with no changes.

Other information that accompanies the individual and consolidated financial statements and the independent auditors' report

Management is responsible for the other information. The other information comprises the Management Report.

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

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

Responsibilities of Management and Those Charged with Governance for the Individual and Consolidated Financial Statements

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

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and international standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and international standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the collusion, misrepresentation of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the corresponding transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit, and therefore for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical and independence requirements, and communicate with them all relationships or issues that could substantially affect our independence, including, when applicable, the actions taken to eliminate the threats or safeguards applied by the Company.

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

Joinville, march 13, 2025

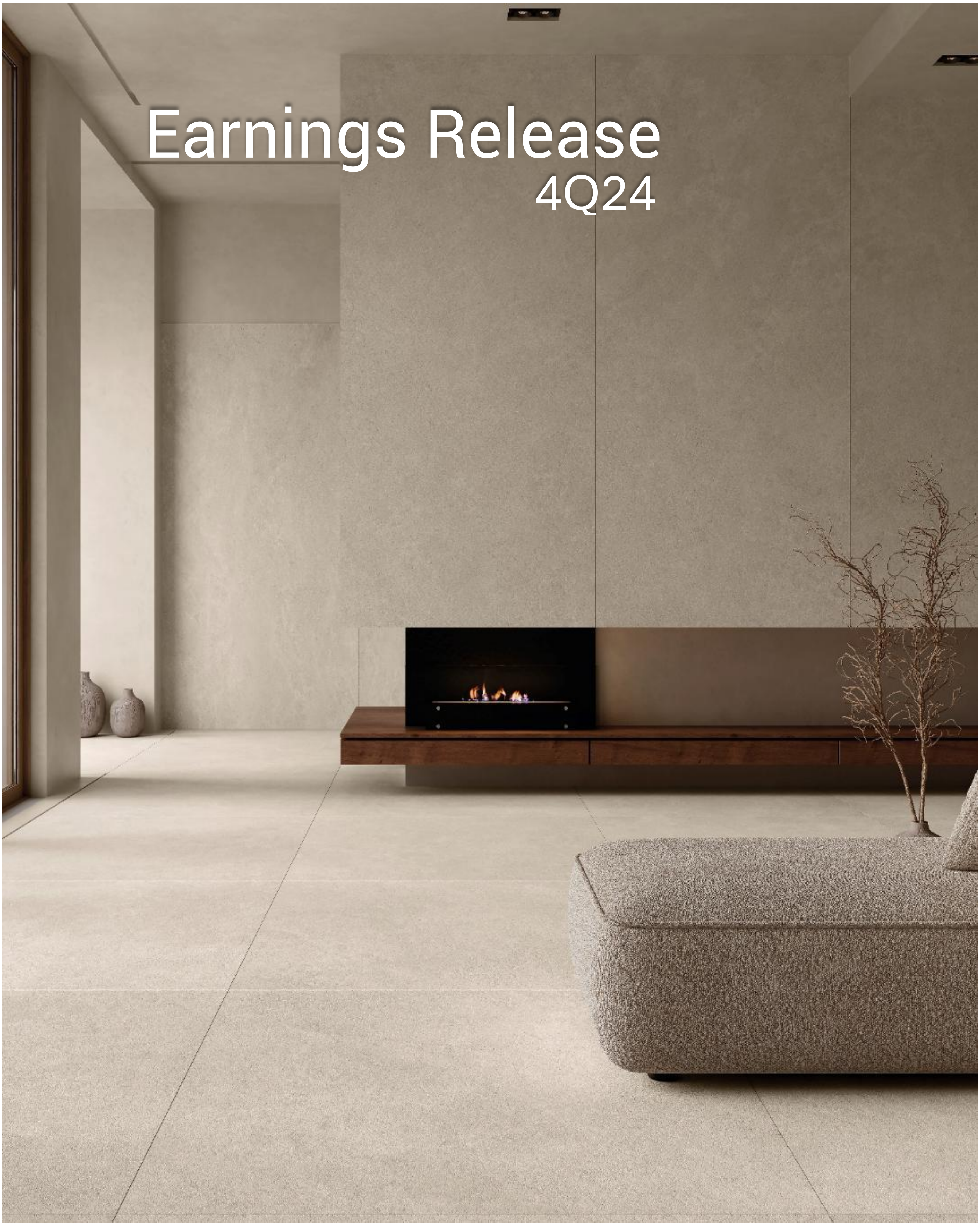
KPMG Auditores Independentes Ltda.

CRC SC No. 000071/F-8

Yukie de Andrade Kato

Accountant CRC PR-052608/O-4 T-CE

Portobello



Portobello | Portobello shop | POINTER | Portobello America

Tijucas, March 13, 2025. PBG S.A. (B3: PTBL3), "PBG" or "Company", the ceramic tile company in Brazil, announces its results for the fourth 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 of 4Q24 and 2024

Net Revenue:
R$ 631.7 million in 4Q24
(+13.6% *vs.* 4Q23) and R$ 2.4 billion in the year (+9.9% *vs.* 2023).

Pro Forma Gross Profit:
R$ 229.2 million in 4Q24
(+10.3% *vs.* 4Q24) and R$ 893.6 million in the year (+4.5% *vs.* 2023).

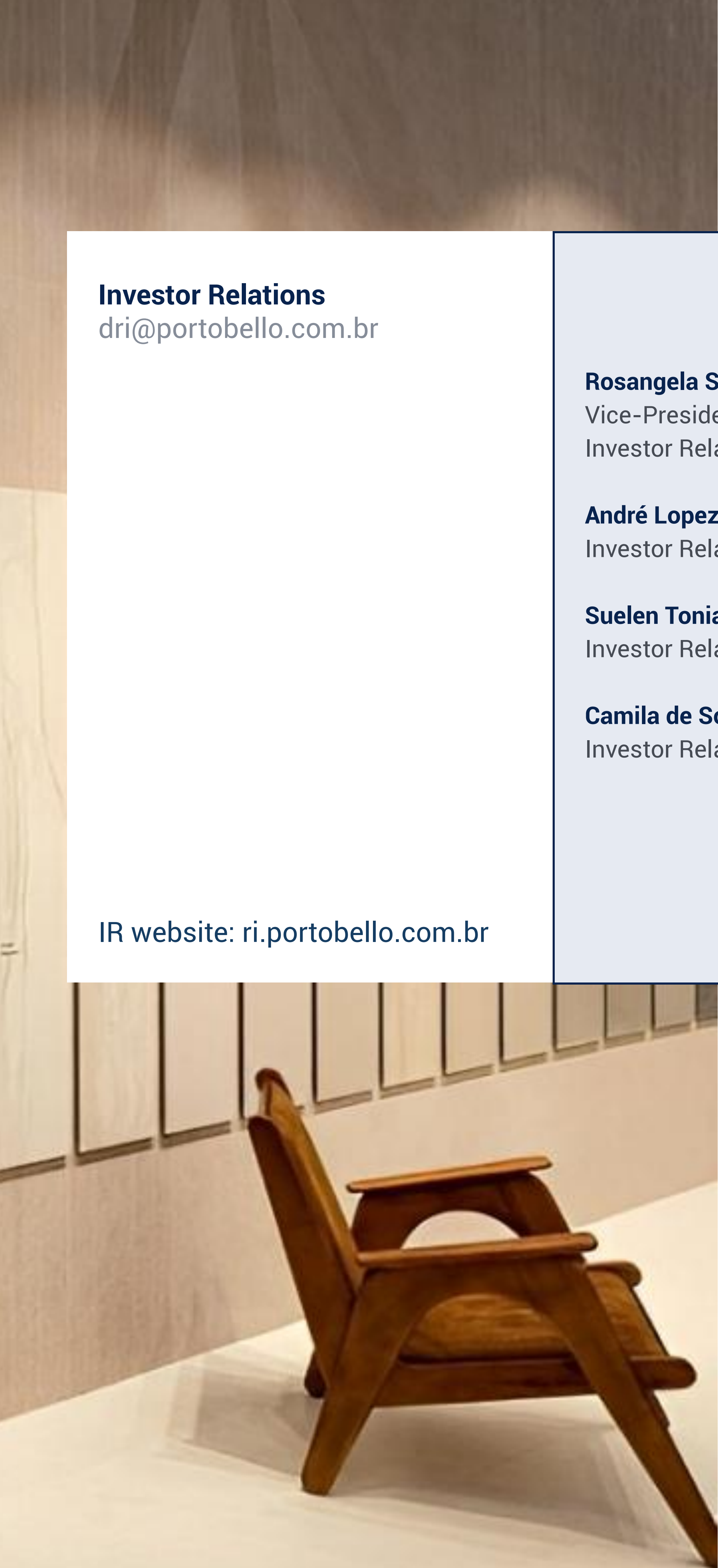
Pro Forma EBITDA:
R$ 82.6 million in 4Q24
(+26.2% *vs.* 4Q23), and R$ 358.6 million in 2024 (+31.0% *vs.* 2023).

Pro Forma Net Result:
R$ (27.3) million in 4Q24
and R$ (64.1) million in the year to date.

Cash Conversion Cycle:
Reduction to 29 days in 4Q24
(-40.4% *vs.* 4Q23)

Pro Forma Net Debt and Leverage:
R$ 1.0 billion in net debt
Pro forma leverage of 2.8x.

PTBL3 Shares:
Closed 2024 at R$ 3.66
(-50.9% *vs.* 2023), with ADTV of R$ 1.7 million (-69.6%).



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Message from Management

In 2024, Portobello Group reaffirmed its commitment to growth, consolidating its **leadership in the Brazilian** ceramic tiles **market** and making consistent progress in the United States through Portobello America. This move strengthened the brand and positioned the Company as a truly international business.

Portobello Group has shown resilience by following its strategy of consistent growth, resulting in it outperforming the industry. The Company faced challenges in 2024, mainly impacted by high interest rates and macroeconomic volatility, according to ANFACER data, the Brazilian ceramic tile market grew 0.6% in 4Q24 and 3.9% year-to-date. In turn, Portobello Group recorded volume growth of 12.5% in 4Q24 and 18.1% in 2024, significantly expanding its market share in Brazil.

The Group achieved net revenue of R$ 2.4 billion in 2024, accounting for a growth of 9.9% over the previous year, with progress in all business units. In 4Q24, revenue reached R$ 631.7 million, accounting for a growth of 13.6% compared to 4Q23. This performance reinforces the brand strategic positioning, the generation of value for stakeholders and the continuity of the Group's sustainable growth.

In the United States, the market also faced a period of restricted demand due to the increase in interest rates by the Federal Reserve (Fed), directly impacting the real estate industry and slowing down the construction of new residential properties. However, Portobello America maintained its international positioning strategy, expanding its market share and consolidating its presence in Tennessee. The unit continues evolving with advances in the business model and bringing costs closer to those projected in the business case. The unit's net revenue grew 37.1% in 2024 and 57.2% in 4Q24 in US dollar terms compared to the same period of last year.

The Company has maintained its commitment to disciplined capital allocation and financial efficiency. Throughout 2024, there was a sequential reduction in Net Debt/EBITDA, resulting in a pro forma leverage of 2.8x.

For 2025, we continue moving forward with a clear strategy of growth and strengthening our operations. Portobello America continues its growth journey, focusing on improving its product mix and consolidating its market share in the North American market. Portobello Shop continues its evolution with the expansion of own stores and franchises, as well as strengthening the B2B channel. Portobello's operation is advancing on all channels, driven by the internationalization and growth of the brand. At Pointer, the priority is to increase sales volumes, expand penetration in the dry process and strengthen industrial competitiveness. This strategic agenda reflects the Company's commitment to generating sustainable value, even in a challenging scenario.

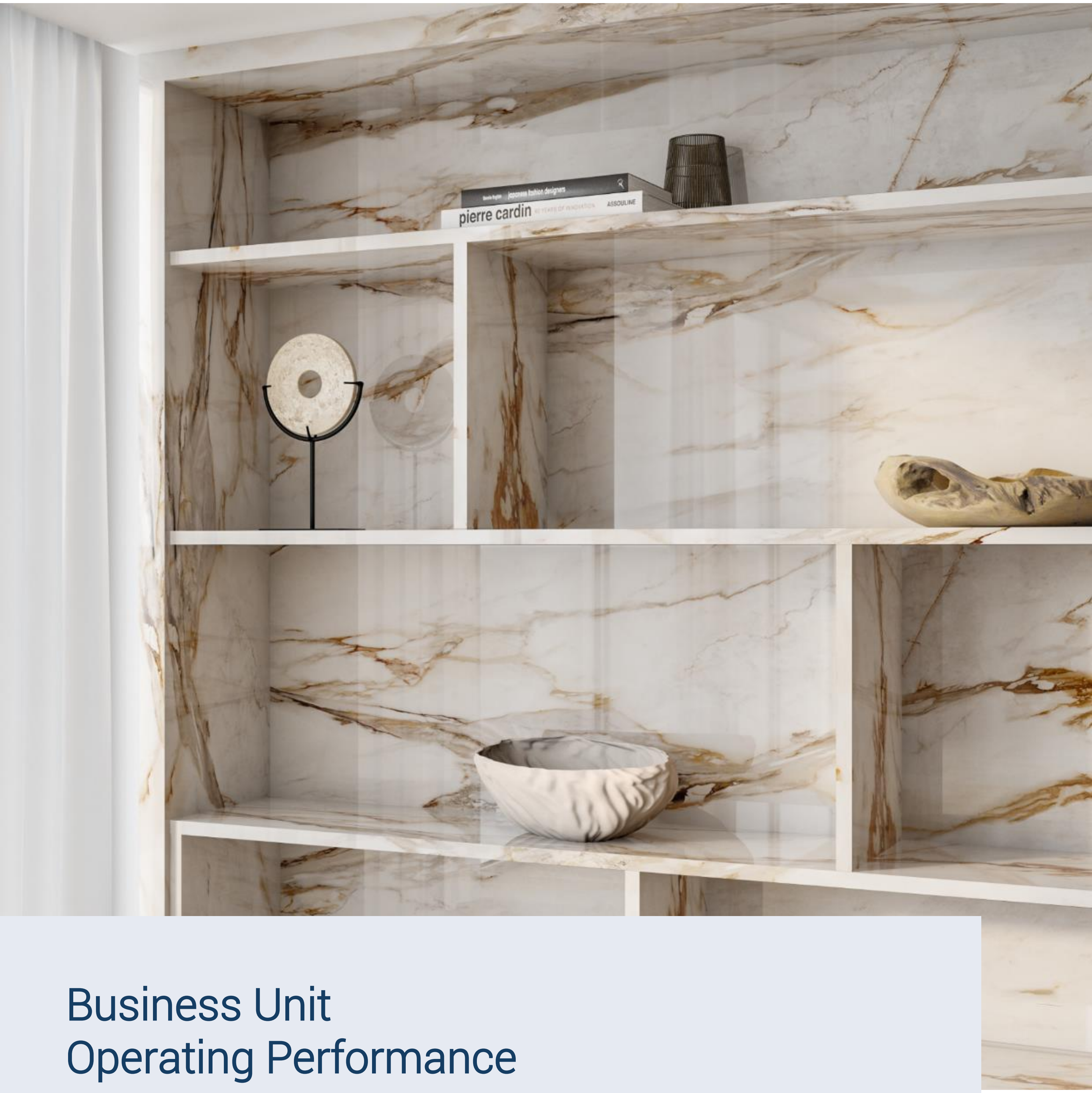
On the economic and financial front, discipline in managing costs and expenses has been a fundamental pillar in boosting EBITDA and strengthening our structure. Our strategy for 2025 remains focused on generating free cash flow, supported by operational acceleration, efficient working capital management and CapEx aimed at sustaining operations. Furthermore, we remain steadfast in our commitment to reducing leverage, with initiatives aimed at lengthening and optimizing the cost of debt. We believe that these initiatives put us in a solid position to capture growth opportunities and increase our competitiveness in the long term.

Portobello Group continues to lead the market, combining agility, innovation and operational efficiency. Our ability to adapt and execute sets us apart from the competition, ensuring a more solid and sustainable business model.

We remain committed to transforming environments and moving people with design, quality and innovation.

Economic and Financial Performance - Consolidated

R$ Million	4Q24	4Q23	▲ %	▲ Abs	2024	2023	▲ %	▲ Abs
Net Revenue	**631.7**	**556.2**	**13.6%**	**75.4**	**2,407.8**	**2,190.8**	**9.9%**	**217.0**
Gross Profit	**200.9**	**207.7**	**-3.3%**	**(6.8)**	**865.37**	**855.4**	**1.2%**	**10.0**
Gross Margin	31.8%	37.3%	-5.5 p.p.		35.9%	39.0%	-3.1 p.p.	
EBIT	**(11.5)**	**28.7**	**-100.0%**	**(40.3)**	**130.0**	**135.6**	**-4.1%**	**(6)**
Ebit Margin	-1.8%	5.2%	-7 p.p.		5.4%	6.2%	-0.8 p.p.	
Net income (loss)	**(72.4)**	**14.3**	**-100.0%**	**(86.7)**	**(102.0)**	**(35.1)**	**190.5%**	**(67)**
Net Margin	-11.5%	2.6%	-14 p.p.		-4.2%	-1.6%	-2.6 p.p.	
Adjusted Net Income	**(27.3)**	**27.4**	**-100.0%**	**(54.7)**	**(64.1)**	**(7.3)**	**777.7%**	**(57)**
Adjusted Net Margin	-4.3%	4.9%	-9.2 p.p.		-2.7%	-0.3%	-2.3 p.p.	
EBITDA	**37.4**	**65.4**	**-42.8%**	**(28.0)**	**313.5**	**273.7**	**14.5%**	**40**
EBITDA Margin	5.9%	11.7%	-5.8 p.p.		13.0%	12.5%	0.5 p.p.	
Adjusted EBITDA	**82.5**	**78.5**	**5.2%**	**4.0**	**337.2**	**284.3**	**18.6%**	**53**
Adjusted EBITDA Margin	13.1%	14.1%	-1 p.p.		14.0%	13.0%	1 p.p.	
Working Capital (R$)	**199.0**	**192.8**	**3.2%**	**6.2**				
Cash Conversion Cycle (days)	**29**	**48**	**-40.4%**	**(19)**				
Net Debt	**1,028.1**	**895.2**	**14.9%**	**132.9**				
Net debt/EBITDA	3.3	3.3	0.3%	0.0				
Adjusted Net Debt/EBITDA	2.8		**0.0%**	**2.8**				
Share Price	3.66	7.46	-50.9%	(3.8)				
Market Value	516.0	1,051.8	-50.9%	(535.8)				
Average Trading Volume (12 Months)	62.3	144.7	-57.0%	(82.4)				
Average daily trading volume (ADTV)	1.7	5.6	-69.6%	(3.9)				



Business Unit Operating Performance

Portobello

R$ million	4Q24	4Q23	▲%	▲Abs	2024	2023	▲%	▲Abs
Net Revenue	**248.9**	**239.9**	**3.8%**	**9.0**	**1,002.3**	**956.8**	**4.8%**	**45.6**
(-) COGS	147.1	148.1	-0.7%	(1.0)	611.2	598.3	2.2%	12.9
Gross Profit	**101.8**	**91.8**	**10.9%**	**10.0**	**391.2**	**358.5**	**9.1%**	**32.7**
Gross Margin	40.9%	38.3%	2.6 p.p.		39.0%	37.5%	1.6 p.p.	

The **Portobello** Unit's Net Revenue reached **R$ 248.9 million in 4Q24**, accounting for a growth of 3.8% compared to 4Q23 and increased 4.8% in 2024 YTD, compared to 2023. In 2024, the Engineering channel stood out regarding revenue growth, with an increase of 9.4% *vs.* 2023. Exports grew 22.9% in 4Q24 *vs.* 4Q23 and the increase was 4.8% in the year to date, changing the export scenario that started out falling in 2024.

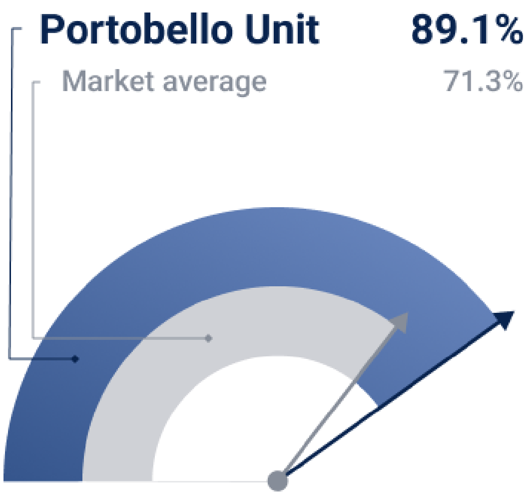
Net Revenue:
Spotlight on Engineering and Exports

	Engineering	Exports
2024	+9.4%	+4.8%
4Q24		+22.9% vs 4Q23

The unit's Gross Margin was 40.9% in the quarter, accounting for an increase of 2.6 p.p. compared to 4Q23 and 39% in the year, with a growth of 1.6 p.p. This growth was driven by both the domestic and foreign markets, with emphasis on the 11.3% reduction in unit cost compared to 4Q23, a direct consequence of the efficiency projects implemented at the Tijucas plant.

The use of production capacity at the Portobello Unit in the quarter was 89.1%, 17.8 p.p. above the market average, which was 71.3% according to data from ANFACER.

Production capacity - Portobello Unit



The year 2024 was crucial for Portobello Unit. In the domestic market, the engineering channel drove significant growth over the quarters. Regarding exports, we expanded our operations in markets in Central America, Europe, the Middle East and Africa, moving forward in the Company's internationalization strategy and the gradual evolution of the sales mix.

Portobello Shop

R$ million	4Q24	4Q23	▲%	▲Abs	2024	2023	▲%	▲Abs
Net Revenue	**258.1**	**226.8**	**13.8%**	**31.3**	**996.2**	**917.2**	**8.6%**	**79.0**
(-) COGS	130.4	116.7	11.8%	13.7	514.3	480.6	7.0%	33.6
Gross Profit	**127.7**	**110.1**	**16.0%**	**17.6**	**481.9**	**436.5**	**10.4%**	**45.4**
Gross Margin	49.5%	48.5%	0.9 p.p.		48.4%	47.6%	0.8 p.p.	

In 4Q24, **Portobello Shop** recorded net revenue of R$ 258.1 million, accounting for a growth of 13.8% compared to 4Q23. In 2024, the unit achieved its **highest revenue in history, totaling R$ 996.2 million**, accounting for an increase of 8.6% compared to 2023. The multichannel strategy, coupled with the strengthening of consumer experience, ensured a solid performance in the segment, reinforcing the Company's positioning**.**

Own stores contributed R$ 130.4 million in net revenue in 4Q24, accounting for 48.7% of the unit's total revenue, compared to 45.4% in 4Q23. Such growth was driven by the chain integration and organic sales growth, measured by the SSS (Same Store Sales) indicator, which recorded an increase of 8.5%.

Portobello Shop franchises recorded net revenue of R$ 110.8 million, accounting for a growth of 12.3% compared to 4Q23. The unit remains focused on excellence in customer service, reflected in the NPS index, which reached 83.4 in the quarter.

Portobello Shop has had a year of great achievements. **The Company opened six new stores in 4Q24**, totaling 163 stores at the end of 2024, of which **134 are franchises and 29 are own stores.** With said expansion, Portobello Shop has consolidated its position as the **sixth largest building materials retailer in Brazil**[1].

	Own stores	Franchised stores
Number of stores	29 stores	134 stores
% of Total Revenue	48.7%	51.3%
Net Revenue	R$ 130.4 Mi	R$ 110.8 Mi
		+12.3% vs 4Q23

[1] Source: Ranking of the 300 Lagest Cmpanies in Brazilian Retail 2023 – Sociedade Brasileira de Varejo e Consumo (SBVC).

Pointer

R$ million	4Q24	4Q23	▲%	▲Abs	2024	2023	▲%	▲Abs
Net Revenue	**73.8**	**56.8**	**29.9%**	**17.0**	**248.7**	**193.6**	**28.5%**	**55.1**
(-) COGS	65.5	50.2	30.6%	15.4	218.6	169.5	29.0%	49.1
Gross Profit	**8.3**	**6.7**	**24.3%**	**1.6**	**30.1**	**24.1**	**24.9%**	**6.0**
Gross Margin	11.2%	11.7%	-0.5 p.p.		12.1%	12.5%	-0.3 p.p.	

In 4Q24, the Pointer unit recorded a 35.0% increase in sales volume compared to 4Q23. The net revenue in the quarter totaled R$ 73.8 million, accounting for an increase of 29.9% compared to the same period of previous year. In 2024, revenues grew 28.5% compared to 2023, driven by a positive performance in both the domestic and foreign markets. With these results, the unit achieved a significant market share gain in the North and Northeast regions throughout the year.

Sales volume
+35.0%
vs 4Q23

Net Revenue

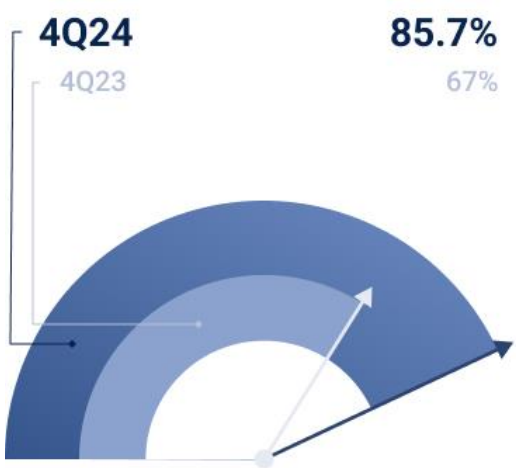
2024	**+28.5% vs 2023**
4Q24	+29.9% **vs 4Q23**

The gross profit in the fourth quarter closed at R$ 8,3 million, accounting for an increase of 24.3% compared to the same period of previous year and in the accumulated, R$ 30.1 million, with an increase of 24.9%. The unit's gross margin ended the quarter at 11.2% in 4Q24, down 0.5 p.p. compared to 4Q23, and it was 12.1% in the year to date, in line with the previous year.

In the domestic market, the Resale and Engineering channels benefited from the recovery of the dry market and the gain in market share, reinforcing the brand's regional positioning and its greater proximity to the consumer public. The expansion of Pointer's presence in the North and Northeast regions has strengthened the brand's recognition and consolidated its performance in these growing markets.

Capacity utilization at the Pointer plant reached 85.7% in the quarter, accounting for a significant increase of +18.7 p.p. compared to the 67% recorded in 4Q23. This progress reflects the growth in sales volume, the better plant occupancy and the strengthening of the brand in the market, consolidating Pointer as one of the most progressive units within the Group.

Production Capacity - Pointer Plant



Portobello America

R$ million	4Q24	4Q23	▲%	▲Abs	2024	2023	▲%	▲Abs
Net Revenue	**83.0**	**56.0**	**48.3%**	**27.0**	**298.1**	**227.8**	**30.8%**	**70.3**
(-) COGS	82.3	43.5	89.2%	38.8	300.2	175.5	71.1%	124.7
Gross Profit	**0.7**	**12.5**	**-94.1%**	**(11.8)**	**(2.2)**	**52.3**	**-104.1%**	**(54.5)**
Gross Margin	0.9%	22.3%	-21.4 p.p.		-0.7%	23.0%	-23.7 p.p.	

In 4Q24, Portobello America recorded a 48.3% increase in net revenue compared to 4Q23, totaling R$ 83.0 million in the quarter. In the year to date, the unit showed a significant increase of 30.8%, reaching R$ 298.1 million, compared to R$ 227.8 million in 2023. This growth reflects the progress of the operation in the United States, consolidating the Company's presence in the North American market.

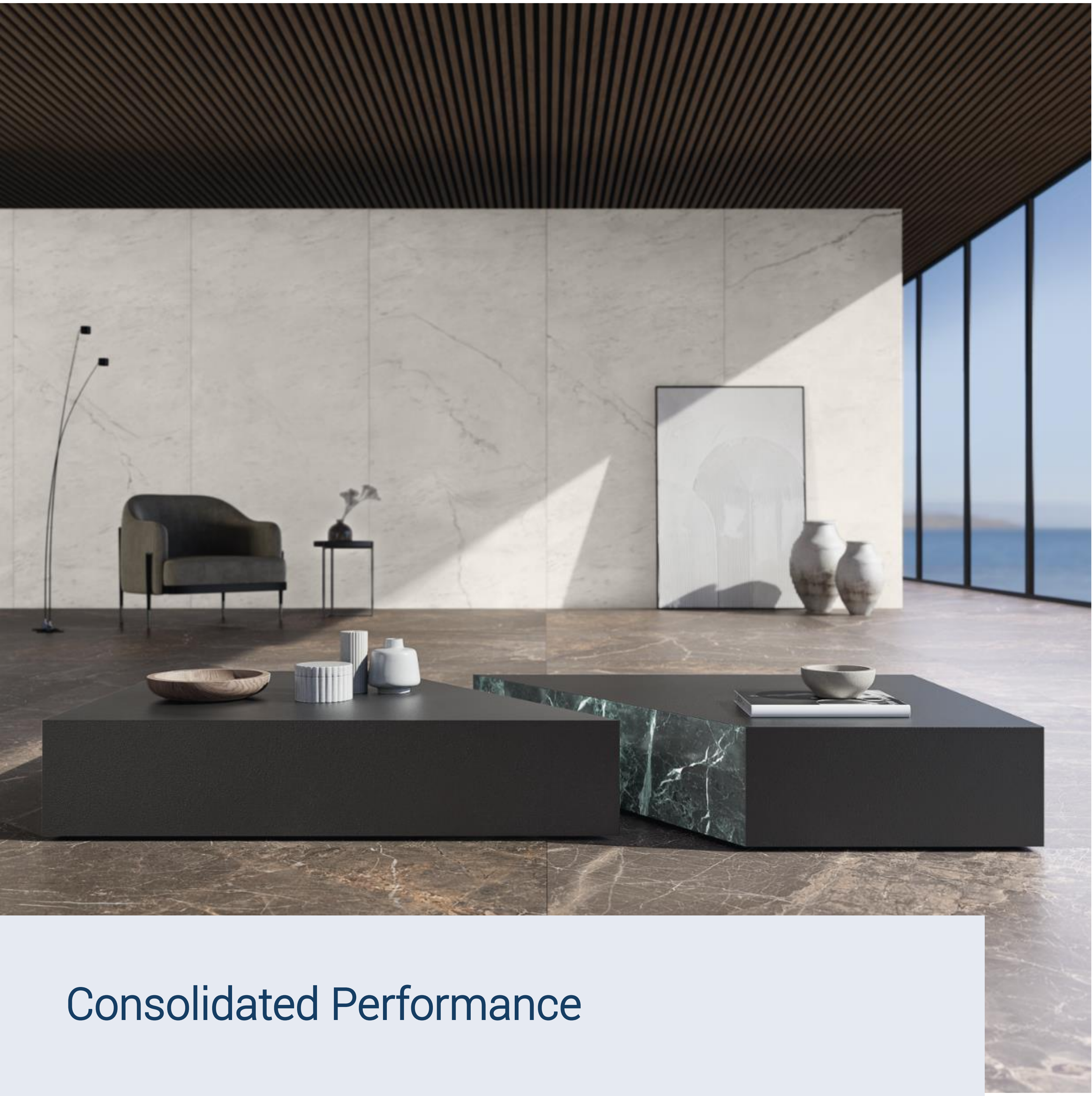
Net Revenue

2024	**+30.8% vs 2023**
4Q24	+48.3% **vs 4Q23**

In US Dollars, the Net Revenue growth in 4Q24 was 57.2% over 4Q23. In the year to date, the unit's growth in 2024 was 37.1% compared to the previous year.

The unit presented greater production stability, with capacity utilization reaching 88.4% in 4Q24, a significant increase compared to 4Q23, when the plant was still operating in a ramp-up phase. This progress was driven by efficiency gains and operational adjustments, bringing the unit's costs closer to those planned in the business case. The unit's gross margin recorded a monthly increase over the quarter, reflecting the process of stabilizing costs.

In 2023, Portobello America's operation was still characterized as pre-operational, with a greater weight of fixed expenses and production ramp-up. By 2024, the unit had demonstrated significant advances in its commercial structure, logistics efficiency and the capture of operational synergies with operations in Brazil, fostering a more balanced and scalable business model.



Consolidated Performance

Net Revenue

R$ Million	4Q23	4Q23	▲ %	▲ Abs	2024	2023	▲ %	▲ Abs
Net Revenue	**631.7**	**556.2**	**13.6%**	**75.4**	**2,407.8**	**2,190.8**	**9.9%**	**217.0**
Domestic Market (BR)	485.4	449.5	8.0%	35.9	1,871.8	1,740.2	7.6%	131.6
International Market	146.3	106.7	37.1%	39.6	536.0	450.7	18.9%	85.3
US$ million	**4T24**	**4T23**	**▲ %**	**▲ Abs**	**2024**	**2023**	**▲ %**	**▲ Abs**
International Market	28.3	20.2	40.3%	8.1	103.9	85.4	21.6%	18.4

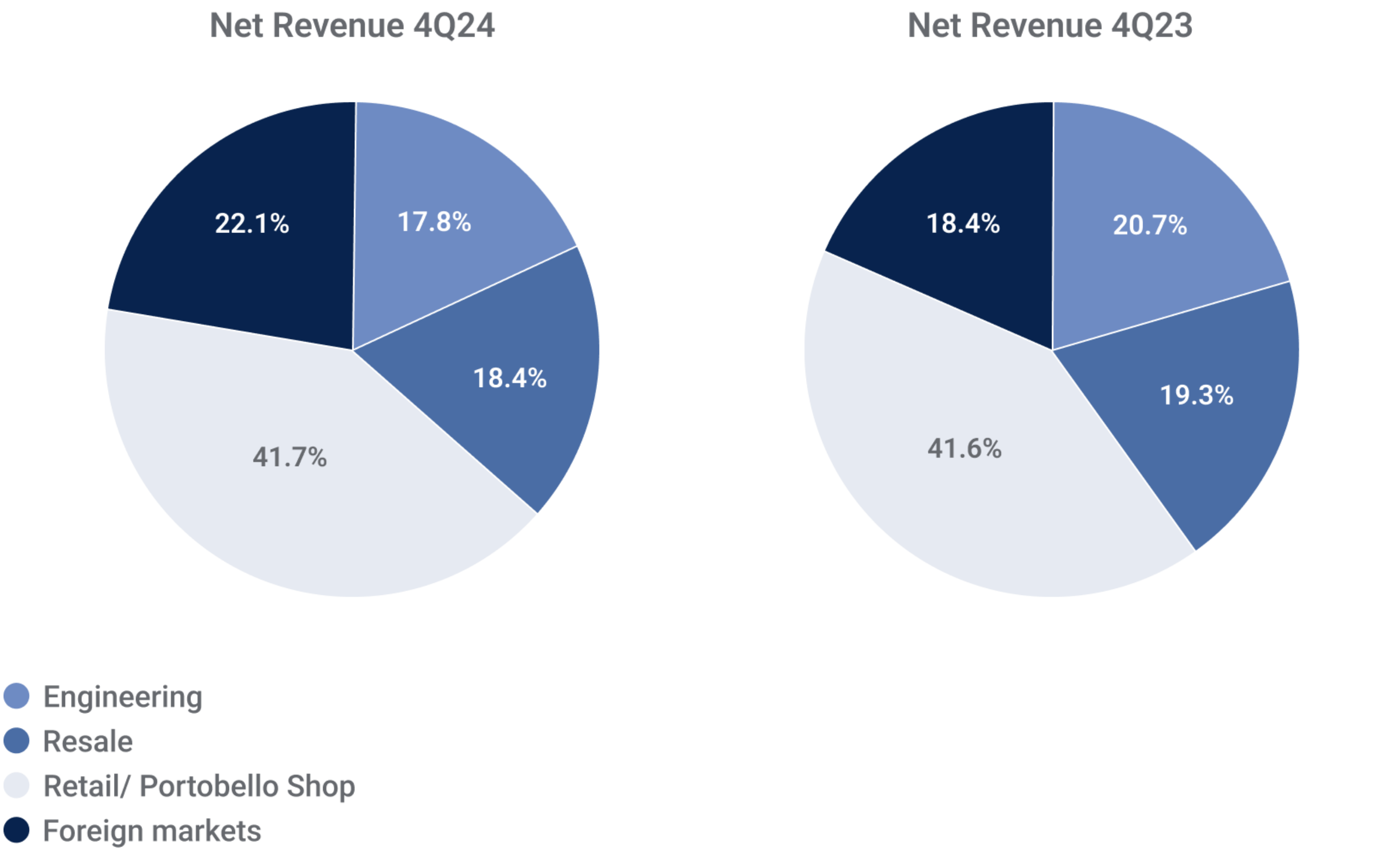
Portobello Group presented R$ 631.7 million in net sales in 4Q24, a 13.6% growth in relation to 4Q23. The domestic market totaled R$ 485.4 million, accounting for an increase of 8.0%, while the international market reached R$ 146.3 million, recording a significant growth of 37.1% compared to 4Q23.

In the 2024 YTD, net revenue totaled R$ 2,4 billion, accounting for a growth of 9.9% compared to 2023. Net revenue from the domestic market reached R$ 1,8 billion, accounting for an increase of 7.6%, while the revenue from international markets totaled R$ 536.0 million, accounting for an increase of 18.9%.

Net revenue from international markets was driven by Portobello America, which grew 48.3% in 4Q24 versus 4Q23, reflecting the increase in the volume exported by the Portobello (+22.9%) and Pointer units, which doubled their exports in the period. As a result, exports accounted for 23.2% of the Group's net revenue in 4Q24. According to ANFACER, Brazilian exports grew 9.0% in 4Q24 versus 4Q23, while Portobello Group's exports grew 8.5%, reinforcing its presence in the foreign market.

The **distribution of total revenues** of the Group among channels occurred as follows in **4Q24**:

Retail (Portobello Shop): 41.7% (0.1 p.p. vs. 4Q23).
Foreign Market (Portobello America and Exports): 22.1% (3.6 p.p. vs. 4Q23).
Resale: 18.4% (-0.8 p.p. vs. 4Q23).
Engineering: 17.8% (-2.9 p.p. vs. 4Q23).


Net Revenue 4Q24
22.1%
17.8%
18.4%
41.7%
Net Revenue 4Q23
18.4%
20.7%
19.3%
41.6%
Engineering
Resale
Retail/ Portobello Shop
Foreign markets

Gross Profi and Gross Margin

R$ Million	4Q24	4Q23	▲ %	▲ Abs	2024	2023	▲ %	▲ Abs
Net Operating Revenue	631.7	556.2	**13.6%**	75.4	2,407.8	2,190.8	**9.9%**	217.0
Cost of Goods Sold (COGS)	(430.7)	(340.7)	-26.4%	(90.0)	(1,540.4)	(1,319.5)	-16.7%	(220.9)
	(402.5)	(335.0)	-20.2%	(67.5)	(1,514.2)	(1,321.9)	-14.6%	(192.4)
Idleness Costs	-	(7.8)	100.0%	7.8	(2.1)	(16.0)	87.1%	13.9
Gross Operating Profit	**200.9**	**207.7**	**-3.3%**	**(6.8)**	**865.4**	**855.4**	**1.2%**	**10.0**
Gross Margin	31.8%	37.3%	**-5.5 p.p.**		35.9%	39.0%	**-3.1 p.p.**	
Non-Recurring Events:	**28.2**	**13.5**	108.3%	**14.7**	**28.2**	**13.5**	0.0%	**14.7**
2) Inventory Adjustment	-	13.5	-100.0%	(13.5)	-	13.5	-100.0%	(13.5)
3) Operational Optimization	28.2	-	0.0%	28.2	28.2	-		
Adjusted and Recurring Gross Profit	**229.2**	**221.3**	**3.6%**	**7.9**	**893.6**	**868.9**	**2.8%**	**24.7**
Adjusted and Recurring Gross Margin	36.3%	39.8%	**-3.5 p.p.**		37.1%	39.7%	**-2.5 p.p.**	
Gross Operating Profit	**200.9**	**207.7**	**-3.3%**	**(6.8)**	**865.4**	**855.4**	**1.2%**	**10.0**
Operational Optimization	28.2	-			28.22	-		
Pro forma Gross Operating Profit	**229.2**	**207.7**	**10.3%**	**21.4**	**893.6**	**855.4**	**4.5%**	**38.2**
Pro forma Gross Margin	**36.3%**	**37.3%**	**-1.1 p.p.**		**37.1%**	**39.0%**	**-1.9 p.p.**	

In 4Q24, the Company carried out operational optimization focused on operational efficiency and the consolidation of the Group's production structure and units, guaranteeing a more solid base for future growth.

The operational optimization generated impacts on gross profit, operating expenses, EBITDA, net result, debt and leverage and will be further detailed in each section of the results. The main values identified are as follows:

Gross Profit:
Impact of R$ 28.2 million, due to the inventory adjustment generated by the production costs of the plant's ramp up phase at the Portobello America Unit;

Operating Expenses:
Impact of R$ 16.9 million, mainly due to severance costs for people within the Group;

EBTIDA and Net profit:
Impact amounting to R$ 45.1 million.

With optimization, the Company continues in a good position to capture efficiency and profitability, maintaining its prominent position in the market and advancing its long-term strategy.

Portobello Group's Pro forma Gross Profit in 4Q24 totaled R$ 229.2 million, accounting for an increase of 3.6% *vs.* 4Q23. Pro forma gross margin reached 36.3%, demonstrating the Company's operational resilience despite the challenging scenario. In 2024, Pro forma Gross Profit totaled R$ 893.6 million, accounting for an increase of 2.8% compared to 2023, with a Pro forma Gross Margin of 37.1%.

Managerial Operating Expenses

R$ Million	4Q24	%RL	4Q23	%RL	▲ %	▲ Abs	2024	%RL	2023	%RL	▲ %	▲ Abs
Operating Expenses												
Selling	(160.5)	25.4%	(158.7)	28.5%	1.1%	(1.8)	(616.3)	25.6%	(603.9)	27.6%	2.1%	(12.4)
General and Administrative	(26.0)	4.1%	(17.2)	3.1%	50.9%	(8.8)	(88.4)	3.7%	(78.7)	3.6%	12.3%	(9.6)
Other Revenues (Expenses)	(26.0)	4.1%	(3.0)	0.5%	100.0%	(23.0)	(30.7)	1.3%	(37.2)	1.7%	-17.5%	6.5
Operating Expenses	**(212.5)**	**33.6%**	**(179.0)**	**32.2%**	**18.7%**	**(33.5)**	**(735.3)**	**30.5%**	**(719.8)**	**32.9%**	**2.2%**	**(15.5)**
Non-Recurring Revenues	16.9	-2.7%	(0.5)	0.1%	100.0%	17.3	(4.5)	0.2%	(2.9)	0%	52.2%	(1.5)
Adjusted Operating Expenses	**(195.6)**	**31.0%**	**(179.4)**	**32.3%**	**9.0%**	**(16.2)**	**(739.8)**	**30.7%**	**(722.8)**	**33.0%**	**2.4%**	**(17.0)**
Operating Expenses	**(212.5)**	**33.6%**	**(179.0)**	**32.2%**	**18.7%**	**(33.5)**	**(735.3)**	**30.5%**	**(719.8)**	**32.9%**	**2.2%**	**(15.5)**
Operational Optimization	16.9	-2.7%	-	0.0%			16.88	-2.7%	-	0.0%		
Pro forma Operating Expenses	**(195.6)**	**31.0%**	**(179.0)**	**32.2%**	**9.3%**	**(16.6)**	**(718.5)**	**29.8%**	**(719.8)**	**32.9%**	**-0.2%**	**1.4**

Portobello Group's Pro forma Operating Expenses totaled R$ 195.6 million in 4Q24, corresponding to 31.0% of net revenue, accounting for an improvement of 1.2 p.p. compared to 4Q23, reflecting advances in operating efficiency and expense control. In 2024, pro forma operating expenses accounted for 29.8% of net revenue, down 3.1 p.p. compared to the previous year, demonstrating the Company's commitment to disciplined expense management.

Reported, Recurring and Pro Forma EBITDA

R$ Million	4Q24	4Q23	▲ %	▲ Abs	2024	2023	▲ %	▲ Abs
Net Income	**(72.4)**	**14.3**	**100.0%**	**(86.7)**	**(102.0)**	**(35.1)**	**-190.5%**	**(66.9)**
(+) Financial Expenses	73.7	12.2	100.0%	61.5	239.6	159.2	50.5%	80.4
(+) Depreciation and Amortization	48.9	36.6	33.6%	12.3	183.5	138.1	32.8%	45.3
(+) Income Taxes	(12.9)	2.2	100.0%	(15.1)	(7.6)	11.5	100.0%	(19.1)
EBITDA	**37.4**	**65.4**	**-42.8%**	**(28.0)**	**313.5**	**273.7**	**14.5%**	**39.8**
EBITDA Margin	**5.9%**	**11.7%**	**-5.8 p.p.**		**13.0%**	**12.5%**	**0.5 p.p.**	
Non-Recurring Events:	**45.1**	**13.1**			**23.7**	**11.0**		
Other Favorable Outcomes in Lawsuits	-	-			-	(0.4)		
COFINS - Tax optimization	-	-			(7.1)	(1.4)		
Recognition and Restatements of Lawsuits	-	-			(14.2)	(1.5)		
Commissions	-	-			-	0.8		
Operational Optimization	45.1	-			45.1	-		
Inventory provision adjustment	-	13.1			-	13.1		
Adjusted and Recurring EBITDA	**82.5**	**78.5**	**5.2%**	**4.0**	**337.2**	**284.7**	**18.5%**	**-52.5**
Adjusted and Recurring EBITDA Margin	**13.1%**	**14.1%**	**-1 p.p.**		**14.0%**	**13.0%**	**1 p.p.**	
EBITDA	**37.4**	**65.4**	**-42.8%**	**(28.0)**	**313.5**	**273.7**	**14.5%**	**39.8**
Operational Optimization	45.1	-		**45.1**	45.1	-		**45.1**
Pro forma EBITDA	**82.5**	**65.4**	**26.2%**	**17.1**	**358.6**	**273.7**	**31.0%**	**84.9**
Pro forma EBITDA margin	**13.1%**	**11.7%**	**1.3 p.p.**		**14.9%**	**12.5%**	**2.4 p.p.**	

Non-recurring events that impacted EBITDA include:
4Q24 | Impact of operational optimization of R$ 45.1 million, including strategic adjustments to inventories and organizational structure.
4Q23 | Portobello America unit inventory adjustment.
2024 | Non-recurring adjustments totaled R$ 21.7 million, related to tax optimization, legal provisions and other operational adjustments, reflecting long-term strategic actions for greater structural efficiency.
2023 | Tax optimization related to the recognition of Mining lawsuits, in the amount of R$ 5.8 million.

Portobello Group's Pro Forma EBITDA in 4Q24 totaled R$ 82.5 million, up 26.2% over 4Q23. Pro Forma EBITDA Margin stood at 13.1%, up 1.3 p.p. *vs.* 4Q23. In the year to date, Pro forma EBITDA totaled R$ 358.6 million, accounting for an increase of 31.0% compared to 2023, with a margin of 14.9%, representing an increase of 2.4 p.p. for the period.

Operational optimization generated non-recurring effects totaling R$ 45.1 million in the quarter. These actions are part of a medium and long-term strategic move to adjust inventories and optimize the Company's organizational structure.

Pro Forma EBITDA growth in 2024 reflects the Group's operational resilience, even against a backdrop of inflation and rising costs, underpinned by continued revenue growth and the maturing of strategic investments. The process optimization and search for greater efficiency in Portobello America's operations contributed to the improvement in results.

With these advances, the Company remains focused on expanding profitability, with an increasingly solid and flexible business model to capture new growth opportunities.

Net Result

R$ Million	4Q23	4Q23	▲ %	▲ Abs	2024	2023	▲ %	▲ Abs
EBITDA	**37.4**	**65.4**	**-42.8%**	**-28.0**	**313.5**	**273.7**	**14.5%**	**39.8**
(-) Financial Expenses	(73.7)	(12.2)	100.0%	-61.5	(239.6)	(159.2)	-50.5%	-80.4
(-) Depreciation and Amortization	(48.9)	(36.6)	-33.6%	-12.3	(183.5)	(138.1)	-32.8%	-45.3
(-) Income Taxes	12.9	(2.2)	100.0%	15.1	7.6	(11.5)	100.0%	19.1
Net Income	**(72.4)**	**14.3**	**100.0%**	**-86.7**	**(102.0)**	**(35.1)**	**100.0%**	**-66.9**
Net Margin	**-11.5%**	**2.6%**	**-14 p.p.**		**-4.2%**	**-1.6%**	**-2.6 p.p.**	
Non-Recurring Events:	**45.1**	**13.1**			**38.0**	**27.8**		
Recognition and Restatements of Lawsuits	-	-			-	16.8		
Other Judicial Gains	-	-			0.2	(2.9)		
Tax optimization	-	-			(7.3)	-		
Commissions	-	-			-	0.8		
Operational Optimization	45.1	-			45.1	-		
Inventory provision adjustment	-	13.1			-	13.1		
Adjusted and Recurring Net Income	**(27.3)**	**27.4**	**100.0%**	**-54.7**	**(64.1)**	**(7.3)**	**100.0%**	**-56.8**
Adjusted and Recurring Net Margin	**-4.3%**	**4.9%**	**-9.2 p.p.**		**-2.7%**	**-0.3%**	**-2.3 p.p.**	
Net Income	**(72.4)**	**14.3**	**100.0%**	**-86.7**	**(102.0)**	**(35.1)**	**100.0%**	**-66.9**
Operational Optimization	45.1	-			45.1	-		
Pro forma Net Income	**(27.3)**	**14.3**	**100.0%**	**-41.6**	**(56.9)**	**(35.1)**	**100.0%**	**-21.8**
Pro forma Net Margin	**-4.3%**	**2.6%**	**-6.9 p.p.**		**-2.4%**	**-1.6%**	**-0.8 p.p.**	

Portobello Group's Pro Forma Net Loss in 4Q24 was R$ 27.3 million, impacted mainly by the increase in financial expenses in the period. In the year to date, the Pro forma Net Result totaled a loss of R$ 56.9 million, reflecting the scenario of high interest rates and exchange-rate changes, which put pressure on the financial result.

The Selic rate ended 2024 at 12.25% p.a., accounting for an increase of 0.5 p.p. compared to 2023, reflecting the macroeconomic conditions and inflationary challenges of the period. This scenario had an impact on the cost of debt, increasing financial expenses by R$ 61.5 million in 4Q24 compared to 4Q23.

Moreover, the result for the year was influenced by higher depreciation expenses, linked to recent strategic investments, resulting in a reported net loss of R$ 102.3 million for 2024 YTD.

The Company continues to focus on expanding its operating profitability, reinforcing the efficiency of its capital structure and its resilience in the face of the economic scenario.

Managerial Cash Flow

R$ Million	4Q23	4Q23	▲ %	▲ Abs	2024	2023	▲ %	▲ Abs
Activities								
Operating	32.3	59.8	-46.0%	(27.5)	183.8	297.2	-38.2%	(113.4)
Investment	(20.5)	(60.2)	66.0%	39.7	(138.3)	(361.2)	61.7%	222.9
Financing	(113.4)	161.2	100.0%	(274.6)	(452.5)	294.4	100.0%	(746.9)
Changes in Cash	(101.5)	160.8	100.0%	(262.3)	(407.0)	230.4	100.0%	(637.4)
Opening Balance	**181.0**	**325.7**	**-44.4%**	**(144.7)**	**486.5**	**256.1**	**90.0%**	**230.4**
Closing Balance	**79.4**	**486.5**	**-83.7%**	**(407.0)**	**79.4**	**486.5**	**-83.7%**	**(407.1)**
Free Cash Flow	**11.8**	**(0.4)**	100.0%	12.2	**45.5**	**(64.0)**	100.0%	109.5

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

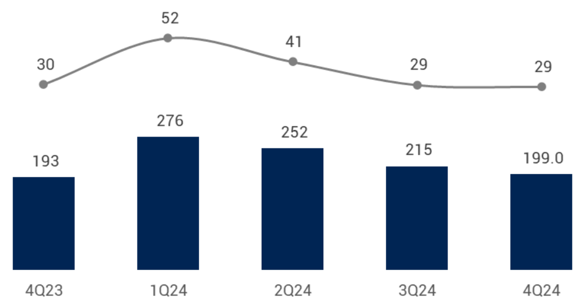
Operating Activities: Operating Cash Flow in 4Q24 totaled R$ 32.3 million, reflecting cash generation from operations, considering changes in working capital balances, taxes and other non-cash effects.

In 2024, the operating flow totaled R$ 183.8 million, down from R$ 297.4 million in 2023, impacted by the macroeconomic environment and changes in the working capital structure.

Working Capital

		4Q24	4Q23	▲ %	▲ Abs	3Q24	▲ %	▲ Abs
R$ million	Accounts Receivable	135.7	152.3	-10.9%	(16.7)	158.9	-14.6%	(23.2)
	Inventories	553.9	489.0	13.3%	64.9	536.1	3.3%	17.8
	Suppliers	(490.6)	(448.6)	9.4%	(42.0)	(479.9)	2.2%	(10.7)
	Working Capital	**199.0**	**192.8**	**3.2%**	**6.2**	**215.1**	**-7.5%**	**(16.2)**
Days	Accounts Receivable	15	19	-20.6%	(4)	17	-9.9%	(2)
	Inventories	116	126	-8.4%	(11)	118	-2.1%	(2)
	Suppliers	(103)	(116)	-11.5%	13	(106)	-3.1%	3
	Cash Convertion Cycle (CCC)	**29**	**30**	**-4.2%**	**(1)**	**29**	**-2.9%**	**(1)**

The Company's working capital totaled R$ 199.0 million in 4Q24, accounting for an increase of 3.2% compared to 4Q23. The Cash Conversion Cycle (CCC) dropped to 29 days, accounting for an improvement of 1 day compared to 4Q23. The Company updated its methodology for calculating the cash conversion cycle, also reviewing previous periods. The new calculation is the sum of revenue and the closing balance position. Thus, the CCC released in 4Q23 differs from the 30 days presented in this period.



The main highlights were:

Accounts Receivable: Decrease of 10.9%, totaling R$ 135.7 million, accounting for a decrease of 14 days in the average term.

Inventories Growth of 13.3%, to R$ 553.9 million, driven by the increase in sales volume and adjustments in inventory management, with a 10-day reduction in turnover.

Suppliers: Increase of 9.4%, totaling R$ 490.6 million, contributing to longer payment terms and greater efficiency in working capital management.

This evolution demonstrates greater efficiency in working capital management, reflecting **advances in the recovery of receivables**, **optimization of inventories** and **improvements in payment deadlines** to suppliers, ensuring greater flexibility and financial balance.

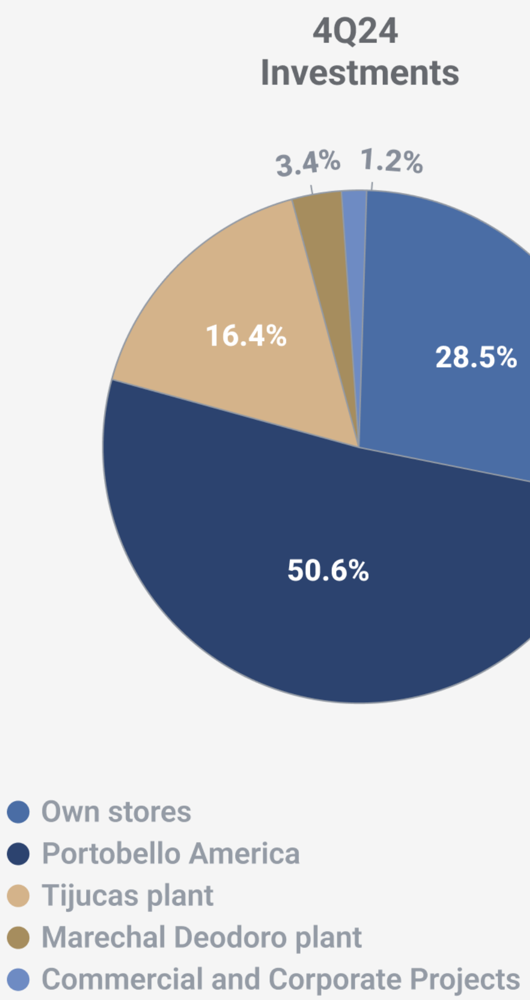
Investment Activities - CapEx:

In 4Q24, CAPEX investments totaled R$ 20.5 million, accounting for a 66.0% decrease compared to 4Q23. **Investments in the period** were directed towards:

- **Portobello America** (50.6%), payment of phase 1 suppliers and additional investments in the plant, including the first wave of production of special parts.
- **Portobello Shop** (32.2%), focusing on new stores.
- **Portobello Unit** (18.6%), with emphasis on the maintenance and technological updating of the manufacturing plant in Tijucas-SC.

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 4Q24, financing activities totaled R$ 113.4, 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

R$ million	4Q24	3Q24	2Q24	1Q24	4Q23
Gross Bank Debt[1]	**1,165.5**	**1,192.6**	**1,274.1**	**1,298.9**	**1,379.2**
Cash and Cash Equivalents	(137.4)	(214.5)	(266.8)	(335.6)	(486.5)
Net Indebtedness	**1,028.1**	**978.1**	**1,007.2**	**963.3**	**892.8**
EBITDA (LTM)	313.5	341.4	333.0	304.9	273.7
Net Debt-to-EBITDA	**3.3x**	**2.9x**	**3.0x**	**3.2x**	**3.3x**
Pro forma Net Debt	**1,020.7**	**-**	**-**	**-**	**-**
Net Debt / Proforma EBITDA	2.8x	2.9x	3.0x	3.2x	3.3x

Gross Bank Debt totaled R$ 1,165 million, while cash and cash equivalents ended the period at R$ 137.4 million, including R$ 79.4 million in cash and cash equivalents, R$ 34.9 million in restricted interest earning bank deposits and R$ 23.1 million allocated to FIDC PBG. See Interim Financial Information - Note 5.2 and Note 5.3.

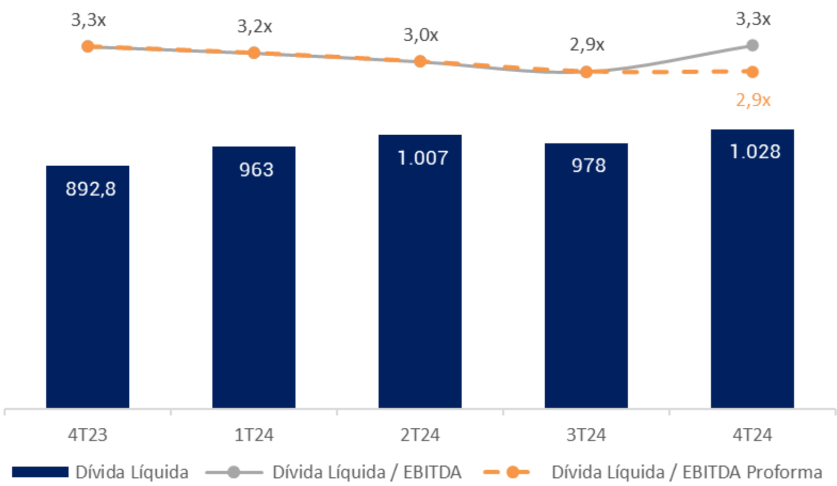
Pro forma Net Debt totaled R$ 1.0 billion at the end of 4Q24, with Pro forma Net Debt/EBITDA leverage of 2.8x.

The average cost of debt recorded a reduction of 0.3 p.p. in the quarter, while the average term had an extension of 0.1 year in relation to the same period of 2023, reinforcing the Company's strategy in managing the indebtedness efficiently.

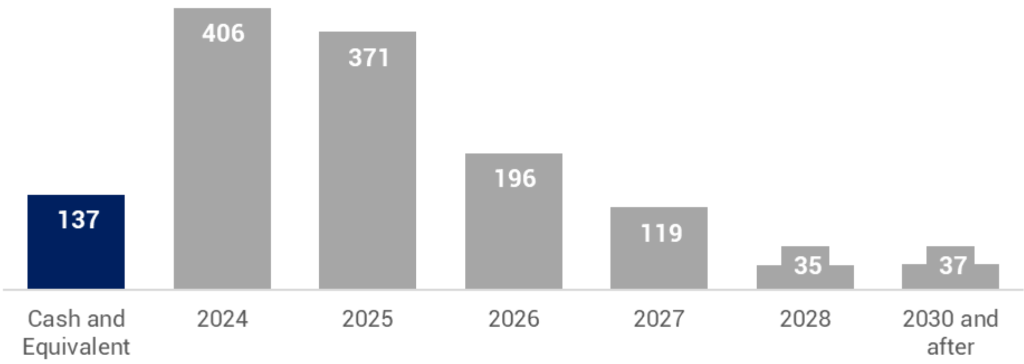
In 4Q24, the amount of R$ 150 million was amortized, including R$ 75.0 million in principal payments, R$ 43.7 million in partial amortization of the 4th issue of debentures and R$ 31.1 million in other amortizations.

The Company ended the quarter in full compliance with its contractual requirements, keeping the leverage ratio within the financial covenants, guaranteeing the continuity of financing agreements and debentures without bringing forward maturities.

[5] The management view only includes vehicle leases.



Amortization schedule (Gross Banking Debt)

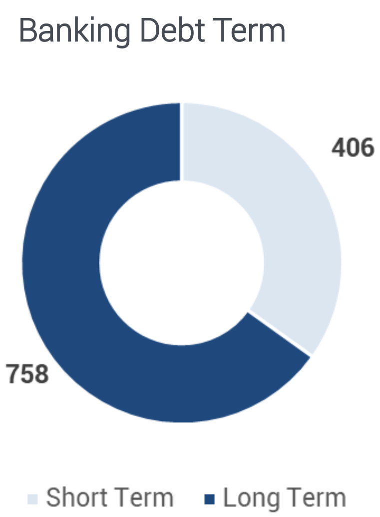


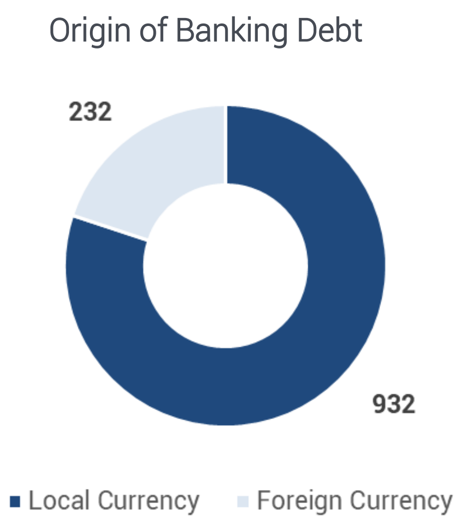
Gross Banking Debt maturing in the short term represents 34.9% of the total, while 65.1% of debt matures in the short term, as shown in the amortization schedule above.

The Company continues reviewing its capital structure to optimize its debt profile and guarantee financial sustainability in the face of scheduled maturities.

With a strategic plan focused on extending deadlines and financial discipline, Portobello Group is reinforcing its confidence in its payment ability and in the balance of its capital structure.

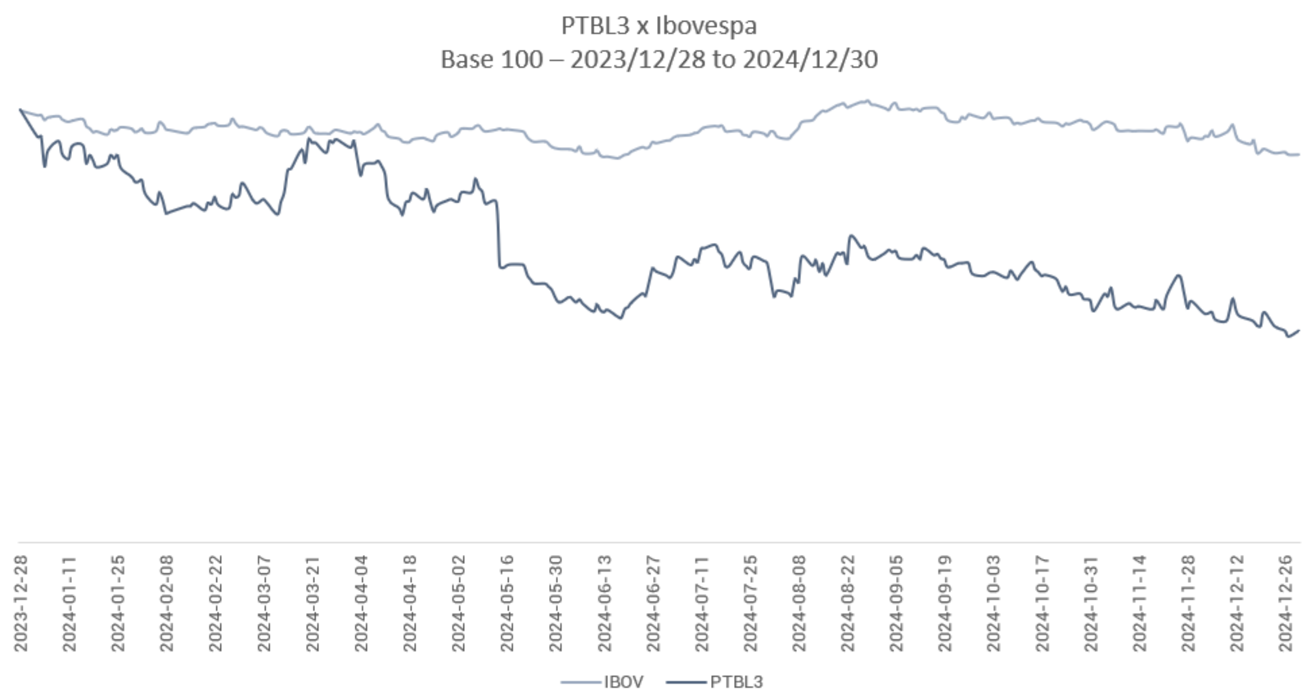
Most of the Gross Bank Debt (80.1%) is denominated in local currency.





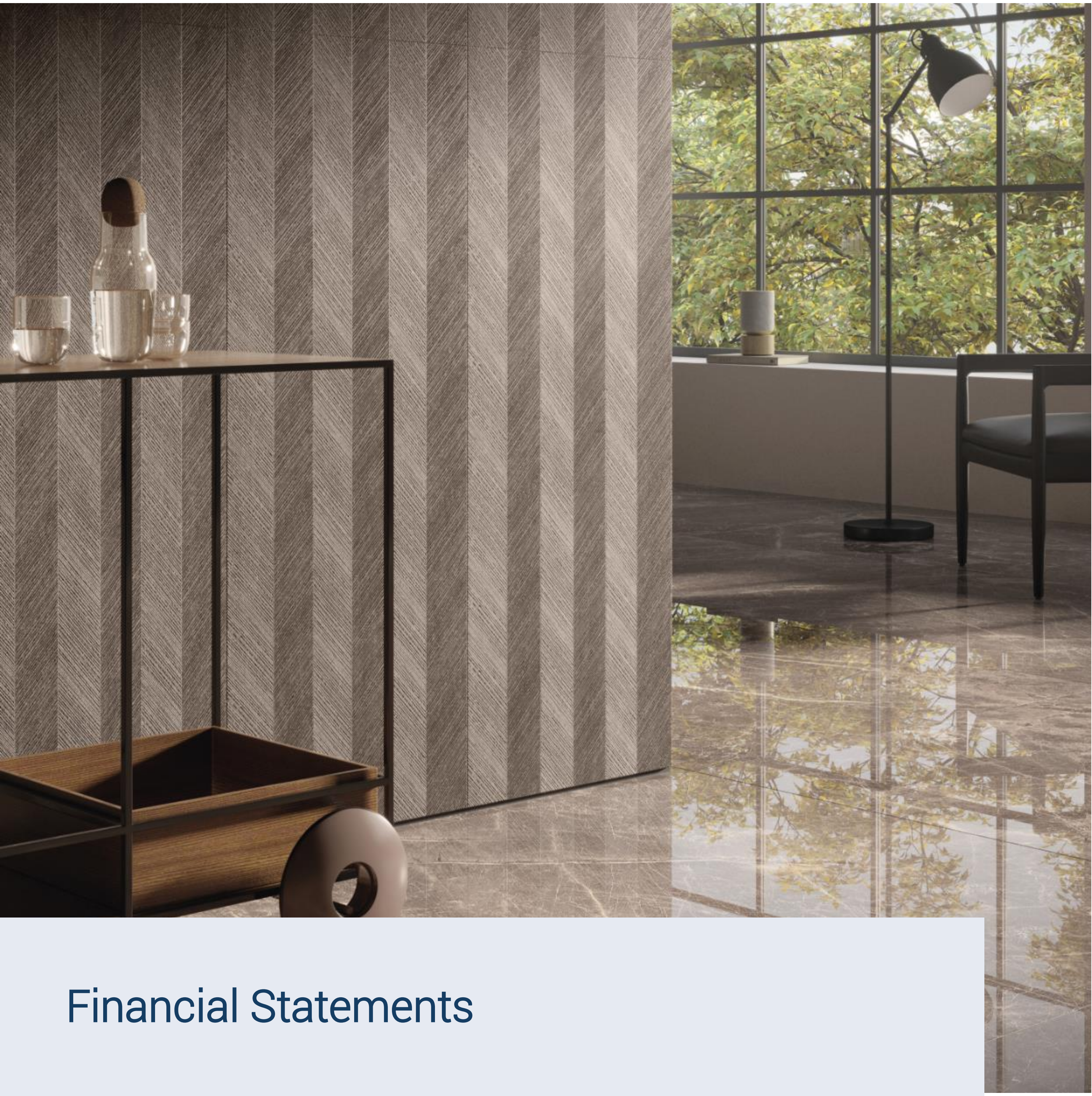
PTBL3 Stock Performance

In 4Q24, PTBL3 shares closed at R$ 3.66. The average daily financial volume traded (ADTV) in 4Q24 was R$ 1.7 million. At the end of the quarter, the Company had a market value equivalent to R$ 516.0 million.



Independent Audit

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



Financial Statements

Balance Sheet

Current assets	**1,016.4**	**30.4%**	**1,331.8**	**40.4%**	**-23.7%**
Cash and cash equivalents	79.4	2.4%	486.5	14.8%	-83.7%
Trade Receivables	282.1	8.4%	269.0	8.2%	4.8%
Inventories	553.9	16.6%	489.0	14.8%	13.3%
Advances to suppliers	5.5	0.2%	11.1	0.3%	-50.3%
Other	95.5	2.9%	76.1	2.3%	25.5%
Non-current assets	**2,330.4**	**69.6%**	**1,964.3**	**59.6%**	**18.6%**
Long-term assets	**362.3**	**10.8%**	**259.9**	**7.9%**	39.4%
Judicial deposits	5.5	0.2%	7.1	0.2%	-23.2%
Judicial assets	118.5	3.5%	115.1	3.5%	2.9%
Guarantee deposit	16.1	0.5%	19.9	0.6%	-19.2%
Related party credits	34.9	1.0%	10.3	0.3%	238.7%
Receivables - Eletrobrás	122.3	3.7%	69.6	2.1%	75.6%
FIDC - Mezzanine Quotas	23.1	0.7%	-	0.0%	0.0%
Restricted financial investments	42.0	1.3%	37.9	1.1%	11.1%
Recoverable taxes and deferred tax	**1,968.0**	**58.8%**	**1,704.3**	**51.7%**	**15.5%**
Intangible Assets, Fixed Assets and Investiments	1,242.1	37.1%	1141.7	34.6%	8.8%
Lease assets	725.9	21.7%	562.7	17.1%	29.0%
Others investments	-	0.0%	0.0	0.0%	#DIV/0!
Total assets	**3,346.8**	**100.0%**	**3,296.0**	**100.0%**	**1.5%**

Passive	**4T24**	**AV %**	**4T23**	**AV %**	**Var%**
Current	**1,359.1**	**40.6%**	**1,321.2**	**40.1%**	**2.9%**
Loans and Debentures	406.0	12.1%	456.0	13.8%	-11.0%
Suppliers and credit assignment	496.2	14.8%	459.7	13.9%	7.9%
Fixed asset accounts payable	22.5	0.7%	89.4	2.7%	-74.8%
Lease obligations	71.5	2.1%	40.3	1.2%	77.6%
Tax obligations	51.3	1.5%	48.8	1.5%	5.1%
Social and labor obligations	78.3	2.3%	76.6	2.3%	2.2%
Customer advance	146.4	4.4%	116.7	3.5%	25.4%
Others	86.9	2.6%	33.7	1.0%	158.0%
Non-current	**1,616.5**	**48.3%**	**1,588.9**	**48.2%**	**1.7%**
Loans and Debentures	757.7	22.6%	884.9	26.8%	-14.4%
Fixed asset accounts payable	182.7	5.5%	107.0	3.2%	70.8%
Debts with related people	56.3	1.7%	56.3	1.7%	0.0%
Provisions	57.6	1.7%	80.0	2.4%	-27.9%
Deferred income tax and social contribution	2.7	0.1%	6.4	0.2%	-57.3%
Lease obligations	503.9	15.1%	404.3	12.3%	24.6%
Others	55.5	1.7%	50.0	1.5%	11.0%
Net worth	**371.1**	**11.1%**	**385.9**	**11.7%**	**-3.8%**
Share capital	250.0	7.5%	250.0	7.6%	0.0%
Profit reserves	91.0	2.7%	191.8	5.8%	-52.6%
Asset valuation adjustment	30.1	0.9%	(55.9)	-1.7%	-154.0%
Total liabilities	**3,346.8**	**100.0%**	**3,296.0**	**100.0%**	**1.5%**

Statement of Income

R$ Million	4Q24	4Q23	2,024	2,023
Net Sales Revenue	631.7	556.2	2,407.8	2,190.8
Cost of goods sold	(430.7)	(348.5)	(1,542.4)	(1,335.4)
Gross Operating Profit	**200.9**	**207.7**	**865.4**	**855.4**
Operating Income (Expenses), Net	**(212.5)**	**(179.0)**	**(735.3)**	**(719.8)**
Selling	(181.9)	(163.2)	(661.7)	(626.7)
General and Administrative	(38.7)	(34.2)	(140.0)	(118.8)
Other Operating Income (Expenses), Net	12.3	18.4	70.5	26.8
Impairment of trade receivables	(4.2)		(4.2)	(1.1)
Operating Profit before Financial Income	**(11.5)**	**28.7**	**130.1**	**135.6**
Financial Result	**(73.7)**	**(12.2)**	**(239.6)**	**(159.2)**
Financial Revenues	6.3	7.6	22.6	37.5
Financial Expenses	(70.2)	(24.9)	(235.5)	(196.0)
Net exchange rate change	(9.8)	5.0	(26.7)	(0.6)
Income (loss) before income taxes	**(85.2)**	**16.5**	**(109.6)**	**(23.6)**
Income Tax and Social Contribution	12.9	(2.2)	7.6	(11.5)
Net income (loss) for the Period	**(72.4)**	**14.3**	**(102.0)**	**(35.1)**

Cash Flow

R$ Million	4Q24	4Q23	2024	2023
Net cash from operating activities	**23.4**	**59.8**	**94.8**	**186.3**
Cash generated from operations	79.6	55.0	330.3	259.5
Changes in assets and liabilities	4.3	41.5	(34.2)	78.5
Interest and taxes on profit paid	(60.5)	(36.7)	(201.3)	(151.8)
Net cash used in investment activities	**(40.2)**	**(60.2)**	**(183.9)**	**(332.8)**
Acquisition of fixed assets (net of accounts payable)	(31.4)	(44.7)	(103.8)	(273.2)
Acquisition of intangible assets	(8.3)	(15.5)	(39.9)	(56.7)
Acquisition of lease asset - goodwill	0.1	-	(17.0)	(3.0)
Acquisition of other investments	-	-	-	-
Receipt for the sale and reimbursement of fixed assets	-	-	-	-
Fixed asset accounts payable	-		-	-
FIDC mezzanine quotas	(0.6)		(23.1)	-
Net cash provided by (used in) financing activities	**(87.2)**	**161.2**	**(320.4)**	**376.9**
Obtaining loans and financing	70.5	230.7	304.8	644.8
Payment of loans and financing and debentures	(110.3)	(28.6)	(518.5)	(148.9)
Dividend Payment	-	-	-	(29.6)
Payment of leases	(20.8)	(40.9)	(80.2)	(89.4)
Derivative financial instruments - Swap	(2.0)		(2.0)	-
Linked financial applications	(24.6)	-	(24.6)	-
Increase/(Decrease) in Cash for the period/year	**(104.0)**	**160.8**	**(409.5)**	**230.4**
Effect of exchange rate variation on cash and cash equivalents	**2.5**	**-**	**2.5**	**-**
Opening Balance	**181.0**	**325.7**	**486.5**	**256.1**
Closing Balance	**79.4**	**486.5**	**79.4**	**486.5**

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

Expenses (accounting view)

R$ Million	4Q23	%RL	4Q23	%RL	▲ %	▲ Abs	2024	%RL	2023	%RL	▲ %	▲ Abs
Operating Expenses												
Selling	(181.9)	28.8%	(163.2)	29.3%	4.4%	(6.4)	(661.7)	27.5%	(626.7)	28.6%	5.6%	(35.1)
General and Administrative	(38.7)	6.1%	(34.2)	6.2%	29.7%	(7.1)	(140.0)	5.8%	(118.8)	5.4%	17.8%	(21.1)
Other Revenues (Expenses)	8.1	-1.3%	18.4	-3.3%	-587.6%	27.6	66.4	-2.8%	25.7	-1.2%	-158.3%	40.7
Operating Expenses	**(212.5)**	**33.6%**	**(179.0)**	**32.2%**	**-8.3%**	**14.3**	**(735.3)**	**30.5%**	**(719.8)**	**32.9%**	**2.2%**	**(15.5)**
Non-Recurring Revenues	16.9	-2.7%	(0.5)	0.1%	-119.3%	1.0	(4.5)	0.2%	(2.9)	0%	52.2%	(1.5)
Adjusted Operating Expenses	**(195.6)**	**31.0%**	**(179.4)**	**32.3%**	**-8.9%**	**15.3**	**(739.8)**	**30.7%**	**(722.8)**	**33.0%**	**2.3%**	**(16.9)**

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 Mining expenses and non-controlling interests are considered other revenues (expenses) in the management view.

PBG S.A. and subsidiaries
Balance Sheets
Financial statements as of December 31, 2024, and 2023
In thousands of reais, unless otherwise indicated

		Parent company		Consolidated	
Assets	Note	31.12.24	31.12.23	31.12.24	31.12.23
Current Assets					
Cash and cash equivalents	6	30,598	376,366	79,440	486,472
Trade receivables	8	195,175	219,186	282,050	269,041
Inventories	9	305,538	374,170	553,895	489,041
Advances to suppliers		3,346	4,779	5,526	11,118
Taxes recoverable	10	14,461	24,757	35,674	31,798
Income tax and social contribution recoverable	13a	3,349	2,347	5,131	8,603
Other taxes recoverable	10	11,112	22,410	30,543	23,195
Prepaid expenses		13,365	4,334	39,011	17,488
Derivative financial instruments	7	3,787	14,620	3,867	14,620
Dividends receivable		25,707	39,693	-	-
Other accounts receivable		7,241	10,955	16,917	12,177
Total current assets		599,218	1,068,860	1,016,380	1,331,755
Non-current assets					
Receivables from related parties	37	88,894	89,002	-	-
Judicial deposits	11	5,077	7,090	5,451	7,098
Guarantee deposits	12	16,076	19,887	16,076	19,887
Taxes recoverable	10	15,675	16,131	16,883	16,190
Deferred income tax and social contribution	13b	84,372	39,815	105,447	53,458
Legal assets	14	118,460	115,141	118,460	115,141
Actuarial assets	27	25,790	21,575	25,790	21,575
Restricted investments	5.3	34,875	10,297	34,875	10,297
Securities	15	23,104	-	23,104	-
Other accounts receivable and financial instruments		16,182	16,182	16,256	16,281
		428,505	335,120	362,342	259,927
Investments					
Interest in subsidiaries	16	693,770	483,683	-	-
Property, plant and equipment	17	531,057	559,871	1,137,363	1,057,882
Intangible assets	18	38,644	41,045	104,738	83,769
Right-of-use assets	19a	31,254	37,296	725,947	562,675
		1,294,725	1,121,895	1,968,048	1,704,326
		1,723,230	1,457,015	2,330,390	1,964,253
		2,322,448	2,525,875	3,346,770	3,296,008

		Parent company		Consolidated	
Liabilities	Note	31.12.24	31.12.23	31.12.24	31.12.23
Current Liabilities					
Suppliers	20	265,457	266,035	375,775	326,851
Credit granting from suppliers	20a	105,180	132,859	120,375	132,859
Contas a pagar de imobilizado - CP	20b	13,562	15,123	22,546	89,372
Borrowings	21	403,320	456,037	406,014	456,037
Borrowings		241,103	331,208	243,797	331,208
Debêntures		162,217	124,829	162,217	124,829
Installment payment of tax obligations	22	10,943	18,323	10,943	18,323
Taxes, fees and contributionsm	23	23,847	24,013	38,958	30,306
Income tax and social contribution payable	13a	-	-	1,439	202
Dividends payable	33	638	640	700	640
Advances from customers		33,452	22,022	146,362	116,696
Social and labor liabilities		52,628	55,995	78,295	76,578
Payables to related parties	37	21,920	14,100	-	-
Lease liabilities	19b	26,306	21,112	71,528	40,276
Derivative financial instruments	7	40,270	1,894	40,270	1,894
Other payables	24	29,416	22,233	45,899	31,131
Total current liabilities		1,026,939	1,050,386	1,359,104	1,321,165
Non-current Liabilities					
Payables for property, plant and equipment	20b	-	2,814	182,743	107,002
Borrowings	21	743,189	884,904	757,689	884,904
Borrowings		425,997	412,483	440,497	412,483
Debêntures		317,192	472,421	317,192	472,421
Installment payment of tax obligations	22	38,003	30,694	38,003	30,694
Lease liabilities	19b	8,173	19,188	503,929	404,279
Payables to related parties	37	92,788	103,204	56,330	56,330
Provision for civil, labor, social security and tax risks	25	38,444	43,228	57,631	79,971
Deferred income tax and social contribution	13b	-	-	2,727	6,387
Other payables	24	3,809	5,525	17,495	19,287
Total non-current liabilities		924,406	1,089,557	1,616,547	1,588,854
Equity					
Capital	27.1	250,000	250,000	250,000	250,000
Profit reserves	27.2	90,965	191,783	90,965	191,785
Carrying value adjustments	27.3	30,138	(55,851)	30,138	(55,851)
		371,103	385,932	371,103	385,934
Non-controlling interest				16	55
		371,103	385,932	371,119	385,989
Total liabilities and equity		2,322,448	2,525,875	3,346,770	3,296,008

The explanatory notes are part of the financial statements.

PBG S.A. and subsidiaries
Statement of Profit or Loss
Financial statements as of December 31, 2024, and 2023
In thousands of reais, unless otherwise indicated

	Note	Parent company		Consolidated	
		2024	2023	2024	2023
Net sales revenue	29	1,697,504	1,723,734	2,407,806	2,190,834
Cost of sales	30	(1,262,829)	(1,215,686)	(1,542,434)	(1,335,416)
Gross profit		434,675	508,048	865,372	855,418
Receitas (despesas) operacionais líquidas					
Operating income (expenses), net Selling	30	(284,610)	(321,634)	(661,703)	(626,651)
General and administrative	30	(64,971)	(89,611)	(139,970)	(118,843)
Other operating income (expenses), net	31	40,650	26,226	70,531	26,821
*Impairment*of trade receivables	8	(1,910)	(94)	(4,178)	(1,128)
Equity income (loss)	16	(69,306)	(66,425)	-	-
		(380,147)	(451,538)	(735,320)	(719,801)
Operating profit before finance income (costs)		54,528	56,510	130,052	135,617
Finance results	32				
Finance income		16,460	30,137	22,634	37,456
Finance expenses		(174,578)	(138,613)	(235,521)	(196,036)
Foreign exchange variations, net		(26,605)	(604)	(26,737)	(601)
		(184,723)	(109,080)	(239,624)	(159,181)
Profit (loss) before income tax and social contribution		(130,195)	(52,570)	(109,572)	(23,564)
Income tax and social contribution	13c				
Income tax and social contribution Current		1,147	12,352	(30,454)	(14,469)
Deferred		27,010	5,088	38,009	2,930
		28,157	17,440	7,555	(11,539)
Profit (loss) for the year		(102,038)	(35,130)	(102,017)	(35,103)
Profit (loss) attributable to Owners of the Company					
Owners of the Company		(102,038)	(35,130)	(102,038)	(35,130)
Non-controlling interest				21	27
Amount per thousand shares outstanding in the year				140,987	140,987
Basic and diluted earnings (loss) for the year per share	33			(0,72374)	(0,24917)

The explanatory notes are part of the financial statements.

PBG S.A. and subsidiaries
Statement of Comprehensive Income
Financial statements as of December 31, 2024, and 2023
In thousands of reais, unless otherwise indicated

		Parent company		Consolidated	
	Note	2024	2023	2024	2023
Profit (loss) for the year		(102,038)	(35,130)	(102,017)	(35,103)
Other comprehensive income that in the future:					
- that will not be reclassified to profit or loss					
Actuarial gain (loss)	27 e 28	(788)	(11,337)	(788)	(11,337)
Deferred income tax and social contribution on actuarial gain (loss)		268	3,854	268	3,854
		(520)	(7,483)	(520)	(7,483)
- that may be reclassified to profit or loss					
Foreign exchange variations of subsidiaries	16	121,271	(14,475)	121,271	(14,475)
Hedge accounting transactions	7	(50,823)	8,212	(50,823)	8,212
Deferred income tax and social contribution on hedge	7 e 13b	17,280	(2,791)	17,280	(2,791)
Total comprehensive income (loss) for the year		(14,830)	(51,667)	(14,809)	(51,640)
Comprehensive income (loss) for the year attributable to					
Owners of the Company		(14,830)	(51,667)	(14,830)	(51,667)
Non-controlling interest		-	-	21	27

The explanatory notes are part of the financial statements.

PBG S.A. and subsidiaries
Statement of Changes in Equity
Financial statements as of December 31, 2024, and 2023
In thousands of reais, unless otherwise indicated

Parent company and Consolidated	Nota	Capital	Profit reserves					Carrying value adjustments			Accumulated losses	Total equity - Parent company	Non-controlling interest	Total equity - Consolidated
			Legal reserve	Profit retention reserve	Unallocated profits reserve	Tax incentive reserve	Additional dividends proposed	Deemed cost	Cumulative translation adjustment	Other comprehensive income				
At December 31, 2022		250,000	50,000	36,868	35,633	103,194	29,615	31,268	(69,561)	198	-	467,215	28	467,243
Additional dividends distributed	32	-	-	-	-	-	(29,615)	-	-	-	-	(29,615)	-	(29,615)
Realization of the revaluation reserve	26.3	-	-	-	-	-	-	(1,219)	-	-	1,219	-	-	-
Actuarial gain / (loss)	26.3	-	-	-	-	-	-	-	-	(11,337)	-	(11,337)	-	(11,337)
Deferred income tax and social contribution on actuarial gain (loss)	26.3	-	-	-	-	-	-	-	-	3,854	-	3,854	-	3,854
Hedge accounting transactions	26.3	-	-	-	-	-	-	-	-	8,212	-	8,212	-	8,212
Deferred income tax and social contribution on hedge accounting	26.3	-	-	-	-	-	-	-	-	(2,791)	-	(2,791)	-	(2,791)
Foreign exchange variation of subsidiary located abroad	16	-	-	-	-	-	-	-	(14,475)	-	-	(14,475)	-	(14,475)
Profit (loss) for the year		-	-	-	-	-	-	-	-	-	(35,130)	(35,130)	27	(35,103)
Tax incentive reserve	26.2	-	-	(20,705)	-	20,705	-	-	-	-	-	-	-	-
At December 31, 2023		250,000	50,000	16,163	35,633	123,899	-	30,049	(84,036)	(1,864)	(33,911)	385,933	55	385,988
Actuarial gain / (loss)	27.4	-	-	-	-	-	-	-	-	(788)	-	(788)	-	(788)
Deferred income tax and social contribution on actuarial gain (loss)	27.4	-	-	-	-	-	-	-	-	268	-	268	-	268
Hedge accounting transactions	26.3	-	-	-	-	-	-	-	-	(50,823)	-	(50,823)	-	(50,823)
Deferred income tax and social contribution on hedge accounting	26.3	-	-	-	-	-	-	-	-	17,280	-	17,280	-	17,280
Realization of the revaluation reserve		-	-	-	-	-	-	(1,219)	-	-	1,219	-	-	-
Foreign exchange variation of subsidiary located abroad	16	-	-	-	-	-	-	-	121,271	-	-	121,271	-	121,271
Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	(55)	(55)
Profit (loss) for the year		-	-	-	-	-	-	-	-	-	(102,038)	(102,038)	16	(102,022)
Absorption of accumulated losses		-	-	(16,163)	-	-	-	-	-	-	16,163	-	-	-
At December 31, 2024		250,000	50,000	-	35,633	123,899	-	28,830	37,235	(35,927)	(118,567)	371,103	16	371,119

PBG S.A. and subsidiaries
Statement of Cash Flows
Financial statements as of December 31, 2024, and 2023
In thousands of reais, unless otherwise indicated

	Note	Parent company 2024	Parent company 2023	Consolidated 2024	Consolidated 2023
Net cash from operating activities		49,189	100,309	94,813	186,333
Caixa gerado (aplicado) nas operações		239,758	176,614	330,316	259,543
Profit or loss for the year before taxes		(130,195)	(52,570)	(109,572)	(23,564)
Depreciation and amortization		81,733	78,742	183,453	138,120
Equity income or loss	16	69,306	66,425	-	-
Unrealized foreign exchange variations of borrowings and investments		53,618	1,589	53,714	(12,886)
Provision for valuation of inventories at market value	9	(1,616)	(104)	17,690	(836)
Provision for impairment of trade receivables	8	1,910	94	3,081	1,128
Provision for civil, labor, social security and tax risks	25	(1,052)	(21,085)	(18,443)	2,507
Provision for profit sharing		-	1,651	-	343
Monetary adjustment of legal assets	14	(3,319)	(5,356)	(3,319)	(5,356)
Provision for interest on loans and debentures	21	136,586	104,090	136,684	104,090
Interest and exchange rate changes on leases	19	4,791	5,938	36,446	21,898
Lease terminations	19	-	39	-	2,304
Actuarial assets		(4,215)	(5,745)	(4,215)	(5,745)
Derivative financial instruments - Swap		32,183	2,675	32,102	2,675
write-off of fixed and intangible assets.	17/18	28	231	2,695	34,865
write-off of fixed and intangible assets.		(18,484)	42,601	(34,201)	78,541
Trade receivables		22,101	62,993	(3,163)	44,338
Inventories		70,248	3,145	(43,615)	(33,167)
Judicial deposits		2,013	(10)	1,647	130
Advances to suppliers		1,433	168	6,158	650
Taxes recoverable		10,752	31,187	(4,569)	29,097
Legal assets and guarantee deposits		3,811	1,100	3,811	1,100
Receivables from Eletrobras		-	12,821	-	12,821
Other assets		(5,583)	(12,036)	(24,225)	(15,869)
Trade payables		(28,257)	47,117	27,143	80,899
Advances from customers		11,430	7,822	29,666	32,196
Tax installment payment		(71)	(12,188)	(71)	(12,188)
Taxes, fees and contributions		(166)	1,982	8,613	2,429
Social and labor liabilities		(3,367)	4,916	795	12,019
Provision for civil, labor, social security and tax risks		(3,732)	(4,970)	(3,897)	(5,068)
Derivative financial instruments - Hedge	7	(31,770)	(781)	(31,770)	(781)
Payables to subsidiaries and related parties		(73,417)	(89,776)	(9,624)	(49,683)
Other payables		6,091	(10,889)	8,900	(20,382)
Other		(172,085)	(118,906)	(201,302)	(151,751)
Interest paid on loans and debentures	21	(172,085)	(118,906)	(172,085)	(118,906)
Income tax and social contribution paid		-	-	(29,217)	(32,845)
Net cash provided by (used in) investing activities		(118,244)	(342,426)	(183,903)	(332,831)
Acquisition of property, plant and equipment	17	(26,548)	(65,608)	(103,826)	(273,150)
Acquisition of intangible assets	18	(7,698)	(19,376)	(39,937)	(56,681)
Acquisition of lease assets	19	-	-	(17,036)	-
Acquisition of other investments		-	(3,000)	-	(3,000)
Dividends received		156,542	-	-	-
Credit rights investment fund		(23,104)	-	(23,104)	-
Advance for future capital increase	16	(217,436)	(254,442)	-	-
Net cash used in financing activities		(276,713)	441,488	(320,414)	376,882
Proceeds from borrowings and debentures	21	287,834	644,822	304,834	644,822
Payments of borrowings	21	(518,480)	(148,890)	(518,480)	(148,890)
Derivative financial instruments - Swap	7	(2,026)	-	(2,026)	-
Dividends paid		-	(29,615)	-	(29,615)
Lease payment	19	(25,245)	(24,829)	(80,164)	(89,435)
Restricted investments		(24,578)	-	(24,578)	-
Loans to subsidiaries	37	5,782	-	-	-
Increase in cash and cash equivalents		(345,768)	199,371	(409,504)	230,384
Effect of exchange rate on cash and cash equivalents		-	-	2,472	-
Opening balance of cash and cash equivalents	6	376,366	176,995	486,472	256,088
Closing balance of cash and cash equivalents	6	30,598	376,366	79,440	486,472

	Note	Parent company 2024	Parent company 2023	Consolidated 2024	Consolidated 2023
Revenues		2,163,565	2,173,364	3,038,495	2,718,982
Sale of goods, products and services		2,112,554	2,151,488	2,976,769	2,709,212
Other revenues		52,921	21,788	65,160	11,002
Reversal of (allowance for) impairment of trade receivables		-	88	(328)	(1,232)
Revenue related to the construction of own assets		(1,910)	-	(3,106)	-
Inputs acquired from third parties		(1,065,009)	(1,108,353)	(1,485,693)	(1,332,415)
Costs of products, goods and services sold		(909,891)	(881,647)	(1,118,293)	(963,095)
Materials, energy, third-party services and other		(172,366)	(236,946)	(385,776)	(378,274)
Impairment/recovery of assets		17,248	10,240	18,376	8,954
Gross value added		1,098,556	1,065,011	1,552,802	1,386,567
Retentions		(81,733)	(78,742)	(183,453)	(138,120)
Depreciation and amortization	17b ,18b e 19	(81,733)	(78,742)	(183,453)	(138,120)
Net value added produced		1,016,823	986,269	1,369,349	1,248,447
Value added received in transfer		(24,306)	(20,257)	51,177	57,348
Equity in the earnings of subsidiaries	16	(69,306)	(66,425)	-	-
Finance income		45,000	46,168	50,235	53,614
Other (dividends, rentals, royalties)		-	-	942	3,734
Total value added to distribute		992,517	966,012	1,420,526	1,305,795
Distribution of value added		992,517	966,012	1,420,526	1,305,795
Personnel		379,351	338,910	549,682	511,692
Direct compensation		313,905	277,000	464,141	432,140
Benefits		41,114	40,809	52,689	51,392
Government Severance Indemnity Fund for Employees		24.332	21,101	32,852	28,160
Taxes, fees and contributions		451,921	473,149	648,737	598,738
Federal		172,519	185,190	351,498	294,001
State		278,087	287,278	295,794	303,930
Municipal		1,315	681	1,445	807
Remuneration of third-party capital		263,283	189,083	324,124	230,468
Interest		229,723	155,050	288,167	193,129
Rentals		33,560	34,033	35,957	37,339
Remuneration of own capital		(102,038)	(35,130)	(102,017)	(35,103)
Retained earnings (losses)		(102,038)	(35,130)	(102,038)	(35,130)
Non-controlling interest in retained earnings		-	-	21	27

Notes to the financial statements

Amounts in thousands of Brazilian real, except when otherwise indicated.

1. Operations

PBG S.A., also referred to on these financial statements as "Company" or "Parent Company", is a public corporation whose shares are traded on the Novo Mercado of Bolsa de Valores Brasil, Bolsa, Balcão (B3), under code PTBL3. The Company is controlled by a group of shareholders, which was formally set up by an agreement entered into on April 15, 2011 and issued on August 5, 2021 and as of December 31, 2024 and 2023 holds 67.74% of the Company's shares. The remaining balance of shares consists of 32.26% *outstanding (*free float).

The Company, headquartered in Tijucas, Santa Catarina, and its direct and indirect subsidiaries, individually or jointly, are mainly engaged in manufacturing and marketing ceramic and porcelain products in general, such as floors, enamelled and non-enamelled porcelain flooring tiles, decorated and special pieces, mosaics, products used for covering internal walls and façades, and in rendering supplemental services in the industry of construction materials in Brazil and abroad. In Brazil, the Company has a manufacturing plant in Tijucas - state of Santa Catarina and another in Marechal Deodoro - state of Alagoas, in addition to two (2) distribution centers in the Northeast. In the United States, subsidiary Portobello America Manufacturing LLC has a manufacturing facility in Baxter, Tennessee.

The Company has ownership interest in the following subsidiaries (together referred to as "Portobello Group" or "Group"): (i) Portobello Shop S.A. (PBShop), franchisor that manages the network of one hundred and thirty-four (134) Portobello Shop franchise stores specialized in porcelain flooring tiles and ceramic tiles; (ii) Pbtech Comercio e Servicos De Revestimentos Cerâmicos Ltda. (PBTech), which manages twenty-nine (29) Portobello Shop store chains; (iii) Mineração Portobello Ltda. (Mineração), which supplies part of the raw material used for producing ceramic coating; (iv) Companhia Brasileira de Cerâmica S.A. (CBC), which since the second quarter of 2018 has been operating a special cutting plant, producing products under the Officina Portobello brand, and operates five (5) distribution centers, which used to be part of its parent company; and (v) Portobello America Inc (PBA), has two distribution centers where Portobello distributes products in the US market. Through its subsidiary, Portobello America Manufacturing LLC (PBM), it completed the construction of the plant in the USA and since October 2023 has been producing its marketing portfolio. This is a breakthrough in the Group's internationalization and consolidation strategy in the US market. The new industrial park has an annual production capacity of 3.6 million m2 in this first stage and has a built area of 90 thousand m2, developed with high technology, state-of-the-art processes and machinery, in the region that is today considered the North American center for the manufacture of ceramic tiles.

1.1 Net working capital

As of December 31, 2024, the financial statements had negative net working capital in the amounts of R$427,721 and R$342,724, Parent and Consolidated, respectively, arising mainly from the maturity of short-term loan agreements and investments made. The Company constantly monitors its net working capital and cash flow generation forecasts to support the feasibility of its business plan.

Portobello Group is negotiating with and reshaping its transactions with financial institutions. Moreover, considering the expected cash generation, the shares are expected to be sufficient to equalize net working capital. The financial statements have been prepared on a going concern basis.

1.2 Tax reform on consumption

On December 20, 2023, Constitutional Amendment ("EC") No. 132 was enacted, which establishes the Tax Reform ("Reform") on consumption. Several issues, including the rates of the new taxes, were still pending regulation by Complementary Laws ("LC").

The Reform model is based on a divided VAT ("dual VAT") in two competences, one federal (Contribution on Goods and Services - CBS) and one sub-national (Tax on Goods and Services - IBS), which will replace the PIS, COFINS, ICMS and ISS taxes.

A Selective Tax ("IS") was also created – of federal competence, which will be levied on the production, extraction, commercialization or importation of goods and services harmful to health and the environment, under the terms of LC.

On January 16, 2025, LC 214/25 was published, which regulates the new taxes. Management has been following all published standards and is evaluating the implementation of the reform to ensure that all aspects will be covered in operations as from the transition phase that begins in January 2026. Therefore, there is no effect of the Amendment on the financial statements as of December 31, 2024.

2. Presentation of the financial statements

a. Statement of conformity

The consolidated financial statements have been prepared in accordance with Brazilian accounting policies, including the pronouncements, interpretations and guidelines issued by the Committee of Accounting Pronouncements (CPC), and are in accordance with *International Financial Reporting Standards* (IFRS) issued by the *International Accounting Standards Board* (IASB) (currently called "IFRS® Accounting Standards)"), including the interpretations issued by the IFRS Interpretations Committee (IFRIC® Interpretations) or by its predecessor body, the Standing Interpretations Committee (SIC® Interpretations), which show all significant information characteristic of financial statements, and only that information, which is consistent with that used by management to run the Company.

The individual financial statements are in accordance with Brazilian accounting policies, including the pronouncements, interpretations and guidelines issued by the Committee of Accounting Pronouncements (CPC) and are not considered to be in accordance with international financial reporting standards, given that they consider the capitalization of interest on the investee's qualifying assets in the Company's financial information.

The individual financial statements are disclosed together with the consolidated financial statements.

The material accounting policies applied in the preparation of these financial statements are summarized in note 3.

The financial statements have been prepared on the historical cost basis. The cost of certain financial assets and liabilities (including derivative financial instruments), as well as pension plan assets, is adjusted to reflect fair value.

The preparation of the financial statements requires management to make critical judgments and estimates that affect the application of the Group's accounting policies. More complex areas which require a higher level of judgment, as well as the areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Amounts in thousands of Brazilian real, except when 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. The Individual and Consolidated financial statements were authorized for issue by the Board of Directors on March 12, 2025.

3. Material accounting policies

The material accounting policies applied in the preparation of these individual and consolidated financial statements are set forth below. These policies have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

3.1. Consolidations

3.1.1. Consolidated financial statements

a. *Subsidiaries*

Subsidiaries are all entities in which the Company has the power to establish the financial and operating policies, and usually owns an interest corresponding to more than half of voting rights (voting capital). In assessing control, the Company takes into consideration potential voting rights that are currently exercisable. The financial statements of subsidiaries are fully included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Company's percentage of ownership interest in subsidiaries is as follows:

	Organization Country	Direct interest	Indirect interest
As of December 31, 2024			
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 interests and transactions*

The Company and its subsidiaries treat transactions with non-controlling interests as transactions with owners of assets classified as related parties. The difference between any consideration paid on acquisitions of non-controlling interests and the acquired portion of the book value of the subsidiary's net assets is recognized in shareholders' equity. Gain or losses on disposals of non-controlling interests are also recognized in shareholders' equity.

3.1.2. *Individual financial statements*
In the individual 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 and foreign currency translation

a. *Transactions and balances*
Foreign currency transactions are translated into Brazilian Reais, using the exchange rates in effect on the dates of transactions or on the dates of valuations when items are measured. Foreign exchange gains and losses on foreign currency monetary assets and liabilities arising from the settlement of these transactions and their translation using the exchange rates of the reporting date are recognized in the statement of profit or loss as finance income (costs), as shown in note 32, except when deferred in equity as qualifying cash flow hedges.

b. *Foreign subsidiaries*
Assets and liabilities in foreign currency (US Dollar and Euro) recorded by the subsidiary located abroad were translated into Brazilian 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. Financial assets

a. *Initial recognition and measurement*
Financial assets are measured at fair value upon initial recognition. Sales and purchases of financial assets that require the delivery of goods within a schedule established by regulation or market convention (regular purchases) are recognized on the transaction date, i.e. the date on which the Company and its subsidiaries undertake to buy or sell the asset. Financial assets comprise cash and cash equivalents, restricted financial investments, trade receivables, dividends receivable, securities, receivables from subsidiaries, judicial deposits in court as collateral and derivative financial instruments.

b. Subsequent measurement

For subsequent measurement purposes, financial assets are classified according to the Group's business model for managing financial assets and the contractual cash flow characteristics of financial assets, as follows:

(i) Financial assets measured at amortized cost

Held-for-trading assets and liabilities consist of assets and liabilities with short-term and long-term realization held within a business model whose purpose is to receive contractual cash flows when the contractual terms of the financial asset give rise on specified dates to cash flows consisting solely of payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured using the amortized cost using the effective interest rate method. Interest income, adjustment for inflation and exchange rate variances, less impairment losses, as the case may be, are recognized in the statement of profit or loss for the year as finance income or costs, when incurred.

(ii) Financial assets measured at fair value through other comprehensive income

Consist of financial assets held under a business model whose objective is to collect contractual cash flows from the sale of financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that relate solely to payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

Other financial assets are financial assets that are not measured at amortized cost or fair value through other comprehensive income. Interest rates, monetary gains, exchange rate variances and variations arising from fair value measurement are recognized in the statement of profit or loss for the year as finance income (costs), when incurred.

(iv) Derecognition of financial assets

A financial asset (as the case may be, part of a financial asset or part of a group of similar financial assets) is derecognized when: the rights to receive cash flows expire; the Company and its subsidiaries transfer their rights to receive the cash flows from the asset or assume the obligation to pay fully the cash flow from the asset to a third party under a pass-on agreement; and (a) substantially transferred all of the risks and rewards of ownership of the asset; or (b) it did not substantially transfer or retain all of the risks and rewards of ownership of the asset, but transferred control over it.

When the Company and its subsidiaries assign their rights to receive cash flows from an asset or enter into a transfer agreement, without having substantially transferred or retained all the risks and rewards related to the asset or transferred control of the asset, the asset is maintained and recognizes a related liability. The transferred asset and the related liability are measured in a manner that reflects the receivables and payables retained by the Company and its subsidiaries.

(v) Impairment of financial assets

The Company and its subsidiaries adopt the expected loss method and the measurement based on the whole life of financial assets. The simplified approach is adopted for groups of financial assets, which considers the analysis of credit, the history of movements and losses. External indicators were not considered, because they are captured in the period of assessment of historical loss.

The amount of loss is measured according to the expected default on the portfolio, which is obtained from the historical loss amounts by range of delays since the initial recognition of the receivable. The twelve-month historical average loss is applied according to recent historical behavior, and therefore a percentage of credit risk is assigned. The credit risk percentage is applied to each maturity range under the total value of the contracts. The difference between the expected loss percentages and the aging amounts results in the expected loss amount, which is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the write-down can be objectively linked to an event occurring after the allowance was recognized (such as an improvement in the debtor's credit rating), the reversal of the impairment loss previously recognized is recognized in profit or loss. If a write-off is recovered subsequently, the recovery is also recognized in profit or loss.

3.5. Financial liabilities

(i) Initial Recognition and Measurement

Financial liabilities are classified upon initial recognition as financial liabilities at fair value through profit or loss or at amortized cost. Financial liabilities are initially recognized at fair value and, in the case of loans and financing, accounts payable, plus transaction costs directly related to the issuance of securities and debts. These costs are recognized in profit or loss for the financing period as a supplement to funding costs, thus adjusting the effective interest rate on the transaction. Financial liabilities include trade payables, trade payables, assignment of receivables, accounts payable for the acquisition of property, plant and equipment, loans, financing and debentures, dividends payable, lease liabilities and debts to related parties.

(ii) Subsequent measurement

Subsequent to initial recognition, interest-bearing loans and financing are measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when liabilities are written off, and during the amortization using the effective interest method.

(iii) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or canceled, or expire. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

(iv) Financial instruments - net presentation

Financial assets and liabilities are offset and reported net in the balance sheet if, and only if, the Bank currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(v) Derivative financial instruments

The Company and its subsidiaries are exposed to market risks arising from their transactions and use derivative financial instruments, such as derivative contracts, interest rate swaps and forward currency contracts without the physical delivery "Non-Deliverable Forward" to hedge against exchange rate and interest rate risks.

Derivative financial instruments are measured at fair value with changes therein entered against profit or loss, except when the derivative is designated as hedge accounting under IFRS 9/CPC 48. Derivative financial instruments are classified as short and long term or segregated into short-term or long-term portions according to an assessment of the agreed cash flows. According to the characteristics of this agreement, this derivative contract is presented in a net form with that of the original transaction.

(vi) Cash flow hedges

The Company adopted hedge accounting principles on July 29, 2021, the instruments chosen for designation were sales in US dollar for the years 2023 and 2024, which were classified as cash flow hedges of highly probable expected transactions (future sales).

In order to use hedge accounting, prospective efficiency tests were conducted which have shown that hedging instruments provide highly effective offsetting for the effects of price variations on the value of future sales.

The changes in the fair value of derivatives designated as effective cash flow hedge have their effective component recorded in equity under equity valuation adjustment and the ineffective component is recognized in profit or loss as finance income (costs). The amounts accumulated in equity are realized in profit or loss in the years when the hedged item affects profit or loss, whose effects are recognized in profit or loss, as net sales revenue, so as to minimize variations in the hedged item (note 7).

3.6. Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the moving average weighted method. The cost of finished goods and work in progress includes raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity), except the borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

3.7. Recoverable taxes

The asset comprises tax credits recognized in current and non-current assets, according to the expected realization determined by Management. When the origin of tax credits involves judicial proceedings, the recognition of the asset is supported by favorable decisions to Portobello Group, which considers the realization of these credits virtually certain, as provided in the related note.

3.8. Prepaid expenses

Prepaid expenses are those incurred before the event that will generate future benefits to the Group. They consist of expenses on insurance, licenses, among others, whose amount is monthly reduced in installments through appropriation. These expenses should be recognized in profit or loss for the period they refer to through auxiliary controls, which include information about the amounts paid and the installments to be recognized.

3.9. Judicial deposits

The balances of judicial deposits are adjusted for inflation using the rate of the financial institutions where they were made and are recognized in non-current assets.

3.10. Guarantee deposits

Reimbursement for the acquisition of tax credits from Refinadora Catarinense S.A. that were used by the Company to settle federal taxes and were subsequently not validated by the Brazilian Treasury. Management decided to recognize the money in non-current assets because no date is set for such recognition, as explained in note 12.

3.11. Judicial assets

Judicial assets consist of tax credits for which the inflow of economic benefits is considered virtually certain, as explained in note 14.

3.12. Investments

Investments in subsidiaries are accounted for on the equity method of accounting and recognized in the statement of profit or loss as operating revenue or expense, according to the statement of profit or loss reported by the Company. Regarding the adjustment in the translation of the investment in subsidiary Portobello América Inc, changes in the value of that investment solely due to the translation adjustment in the period's balance sheet and profit or loss for the period due to the foreign exchange difference are recorded in "Equity valuation adjustment", in the Company's equity and are recognized in the statement of profit or loss only when the investment is sold or written off as loss.

An impairment loss on investments is recognized when losses on investments in subsidiaries are reported and these losses exceed the carrying amount of the investment. The Company recognizes the allowance for impairment in non-current liabilities under the caption "Impairment loss on investments" and an offsetting entry is recognized in profit or loss under the caption "Share of profit of equity-accounted investees". Other investments are recognized at historical cost and adjusted for impairment loss, if any sign of loss is reported (note 16).

3.13. Property plant and equipment

Property, plant and equipment are measured at cost, less accumulated depreciation. In 2010, when the Company first adopted CPC 37, IFRS 1, CPC 43 and ICPC 10, the Company chose to consider the revaluation of property, plant and equipment made in 2006 as deemed cost. The offsetting entry to revaluation is recognized in an equity account and as deferred taxes in non-current liabilities.

Subsequent costs are included in the asset's carrying amount or recognized as an asset separately, as appropriate, only when future economic benefits are probable and the cost can be measured reliably. The residual carrying value of replaced items or parts is written off. Ongoing repairs and maintenance are recognized as incurred.

Depreciation is calculated using the straight-line method to allocate costs to residual values over their estimated useful lives, according to the depreciation rate (note 17).

The useful lives and residual values of assets are reviewed at each reporting date and adjusted if appropriate.

The carrying value of an asset is written down immediately to its recoverable amount if the carrying value of the asset is greater than its estimated recoverable amount.

Any gain or loss on disposal is determined by comparing results with book values and is recognized as "Other operating revenues (expenses), net" in the statement of profit or loss.

3.14. Intangible assets

Intangible assets consist of rights lacking physical substance, such as trademarks and patents, expenses on the implementation of management and software systems, mineral exploration rights and new product development expenses. Intangible assets are stated at acquisition or formation cost less accumulated depreciation or depletion and impairment loss, if applicable. Therefore, they are stated at acquisition cost, combined with the annual amortization or depletion rates, mentioned in note 18, calculated using the straight-line method, taking into consideration the useful life defined for the asset.

Internally generated intangible assets resulting from expenses on the development of new products are recognized if, and only if, the following is stated:

- Technical feasibility of completing the intangible asset so that it is available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- Evidence that the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development of the intangible asset and to use or sell it; and
- The ability to reliably measure expenditures attributable to the intangible asset during its development.

The initially recognized amount of internally generated intangible assets consists of the sum of expenses incurred since the date on which the intangible asset started to meet the recognition criteria mentioned before. When no internally generated intangible assets can be recognized, development expenditure is recognized in profit or loss as incurred. Subsequent to initial recognition, intangible assets generated internally are measured at cost less accumulated amortization and impairment loss, as well as intangible assets acquired separately. Amortization starts after projects are completed, when economic benefits from their use and/or marketing are obtained or may be obtained.

3.15. Leases (CPC 06 / IFRS 16)

IFRS 16/ CPC 06 (R2) introduced a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. IFRS 16 replaced previous leases guidance, including CPC 06 (IAS 17) Leases and ICPC 03 Supplementary Aspects of Leases, comprising IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Of the agreements that fall within the scope of the standard, Management considered as components of the lease vehicles, lease of distribution centers, lease of own stores, storage and homogenization of ores extracted from mines and equipment.

Lease terms are individually negotiated and contain a wide range of different terms and conditions. The lease agreements do not have covenants, but the leased assets may not be used as collateral for loans.

Assets and liabilities arising from a lease are initially measured at present value. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments less any lease incentives receivable);
- Variable lease payments that depend on an index or a rate;
- Amounts expected to be payable under a residual value guarantee;
- The exercise price of a purchase option if the lessee is reasonably certain that it will exercise that option; and
- Penalties for early termination of a lease if the lessee exercises a termination option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, then the lessee's incremental borrowing rate is used, i.e. the rate that the lessee would have to pay on a loan to obtain the funds necessary to acquire an asset of similar value, in a similar economic environment, on equivalent terms and conditions.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they are realized. When adjustments in lease payments that are based on an index or rate are realized, the lease liability is revalued and adjusted with an offsetting entry to the right-of-use asset.

Lease payments are apportioned between principal and finance costs. Finance expense is recognized in profit or loss during the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost as follows:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date, plus any lease incentives received;
- Lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are generally depreciated over the useful life of the asset or the lease term using the shorter of the two methods.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are those with a term of 12 months or less. Low-value assets include IT equipment, and small items of office furniture.

3.16. Impairment of non-financial assets (except inventories, deferred income and social contribution taxes)

The assets which are subject to depreciation, amortization and depletion are reviewed for impairment whenever events or changes in circumstances indicate that their carrying value may not be recoverable. An impairment loss is recognized at the amount by which the carrying amount of an asset exceeds its recoverable amount. The latter is the higher of an asset's fair value less costs to sell and its value in use. For impairment testing, assets are grouped together into the smallest group of assets for which there are separately identifiable cash flows (Cash Generating Units (CGUs). Non-financial assets are reviewed subsequently to analyze a possible reversal of the impairment at the reporting date.

3.17. Suppliers

Accounts payable are obligations payable for goods or services acquired over the ordinary course of business. They are classified as current liabilities if payment is due in the period of up to one year. Otherwise, accounts payable are presented as non-current liabilities.

They are firstly recognized at fair value and then measured at the amortized cost by using the effective interest rate method. In fact, they are usually measured at the original invoice amount. The Company and its subsidiaries classify trade payables as operating and investment for the acquisition of property, plant and equipment.

3.18. Assignment of credit with suppliers - drawee's risk

The Company and its subsidiaries assign payables to suppliers with financial institutions to provide suppliers with advance payments of amounts due to keep the Company's business relationship with them. Forfaiting is a transaction involving the supplier's transfer of its receivables to the Bank, which in turn becomes the creditor. In this type of transaction, the creditor is changed without any changes in the payment terms and conditions previously agreed.

3.19. Loans, financing and debentures

Loans and financing are recognized initially at fair value upon the receipt of funds, net of transaction costs. They are then stated at amortized cost, i.e. plus charges and interest accrued in the period on *a pro rata basis*.

They are classified as current liabilities, unless the Company and its subsidiaries have an unconditional right to defer the settlement of a liability for at least twelve (12) months after the balance sheet date.

3.20. Advances from customers

Advances from customers occur when the Company or its subsidiaries receive a customer advance for the future supply of goods and services, even before the product or service requested by the customer is delivered and the invoice is generated. The largest balance is in the consolidated financial statements and comes from the Company's own stores, due to the characteristics of the transaction.

3.21. Provisions for civil, labor, social security and tax risks

Provisions for tax, labor and civil risks are recognized when the Company and its subsidiaries have a current legal or informal liability resulting from a past event, according to a reliable estimate of the amount and if it is probable that an outflow of funds is required to settle the obligation. Provisions are measured at the present value of the expenses that are necessary to settle the obligation and are individually assessed by the Group's legal counselors who classify them according to the likelihood of favorable outcome. The increase in the obligation due to the passage of time as a result of the inflation adjustment is recognized as finance expense.

Tax risks classified as possible losses are not recognized, but disclosed in their amount in the financial statements. Moreover, the ones classified as remote losses are not provided for or disclosed.

Contingent assets are not accounted for, except when Management considers that the gain is virtually certain or when security interest is pledged or favorable legal decisions, which may not be appealed, have been rendered.

3.22. Current and deferred income and social contribution taxes

Current income and social contribution taxes are calculated according to the effective income tax rates (25%) and social contribution tax rates (9%) applied to net profit adjusted pursuant to prevailing law. Income and social contribution tax loss carry forwards is limited to 30% of taxable income. Deferred taxes are used as temporary asset and liability differences are realized and also by offsetting tax losses, according to note 13.

Deferred income and social contribution tax credits result from accumulated income and social contribution tax loss balances and temporary asset differences. Deferred income and social contribution tax debts result from the revaluation of property, plant and equipment and temporary liability differences.

The recognition of credits was based on the expected future generation of taxable profit, according to estimates prepared based on projections made by management, considering economic scenarios, discount rates and other variables that may not be realized.

Management reviewed the treatments given to income and social contribution taxes to determine their impact on the Company and Consolidated financial statements, as established by IFRIC 23/ICPC 22 - Uncertainty over the Income Tax Treatment.

3.23. Employee benefits

a. *Pension plan*

The Company sponsors a defined contribution plan and offers a minimum retirement benefit for length of service or age (defined benefit components). A defined contribution plan is a pension plan under which an entity pays fixed contributions into a separate entity. The Company has no legal or constructive obligation to pay additional contributions if the fund does not hold sufficient assets to pay all of the employee benefits relative to all the employee's past or present claims. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Defined benefit plans usually base the retirement benefit calculation on a combination of years of employment, wages, and/or age.

Defined benefit obligations are annually calculated by qualified actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability. The liability recognized in the balance sheet is the present value of defined benefit obligations on the reporting date, less the fair value of the plan's assets, with past service adjustments not recognized. When the calculation results in a benefit to the Company. The asset to be recognized is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future combinations to the plan.

Actuarial gains and losses arising from adjustments based on experience and changes in actuarial assumptions are recognized as other comprehensive income in equity under the caption "Equity valuation adjustment".

Past service costs are immediately recognized in profit or loss unless changes in the pension plan are contingent on an individual's continuing employment in the company for a fixed period of time (the period of time remaining to vesting). In such cases, past service costs are amortized on a straight-line basis until vesting.

Regarding defined contribution plans, the Company has no further payment obligation once the contributions have been paid. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

b. *Profit sharing*

Profit sharing is recognized on a pro rata basis in current liabilities under the caption "Other". As a starting point, the calculation is based on the existence of profit in the year.

3.24. Share capital

The Company's share capital consists solely of common shares and is classified as equity according to the related note.

3.25. Distribution of dividends and interest on equity capital

The distribution of dividends to the Company's shareholders is recognized as a liability in financial statement at the year end, according to the by-laws.

The tax benefit of interest on equity capital is included in the statement of profit or loss for the year.

3.26. 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 results from the collection of royalties by the management of the Portobello Shop franchise chain, a retail chain specialized in Portobello brand ceramic tiles and accessories.
Royalty revenue is recognized when performance obligations are completed. Revenue from the sale of merchandise to franchisees is recognized when the performance obligation is fulfilled, which includes the transfer of merchandise to the franchisee. Moreover, when the sales performance obligation is fulfilled, royalty revenue is recognized according to percentages established by contract.

c. *Revenue from products and services - Officina Portobello*

Revenue from the sale of products and services that include ceramic coatings with crockery, metals and porcelain solutions, for which control is transferred when they are delivered directly to the final consumer at the points of sale. Therefore, there is no complexity in defining the obligations of performance and transfer of control of merchandise and services to clients.

d. *Financial revenue*

Financial revenue is recognized to the extent that realization is expected, according to the elapsed time using the effective interest method.

3.27. Finance costs

Finance costs comprise interest and exchange rate fluctuations on loans and financing, monetary variation on trade receivables and trade payables, inflation adjustment of taxes in installments and discounts granted to clients. Borrowing and financing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

3.28. Tax incentives

Tax incentives consist of tax benefits that are recognized in profit or loss on a systematic basis over the period in which the benefits are recognized. Tax incentives related to taxes on sales for the current year are recognized as net revenue in the statement of profit or loss for the year. The Company and its subsidiaries enjoy ICMS tax incentives, and the main benefit is Prodesin at the plant in Alagoas.

3.29. Provision for warranty claims

The Company and its subsidiaries recognize provisions for estimated warranty claims in respect of products sold that are still under warranty at year-end. These claims are expected to be settled in the short term. The Group generally offers a (1) year warranty on its marketed products. Management estimates the related provision for future warranty claims based on historical information about warranty claims, as well as recent trends that may suggest that past cost information may differ from future claims. The assumptions made about the current period are consistent with those of the previous year.

4. Critical accounting estimates and judgments

The Company and its subsidiaries make estimates about the future according to certain assumptions. By definition, accounting estimates usually differ from actual results. Estimates and assumptions which pose a significant risk and are likely to cause a material adjustment in the book values of assets and liabilities for the next fiscal year are described below:

a. *Provisions for civil, labor, social security and tax risks*

The Company and its subsidiaries are parties to labor, social security, civil and tax proceedings that are at different legal courts. Provisions for contingencies, recognized for possible losses resulting from ongoing proceedings, are accrued and adjusted for inflation according to Management's assessment, which is based on the opinion of the Company's legal counsellors and require a high level of judgment about the issues involved.

b. *Allowance for impairment losses on inventories*

The allowance for potential inventory losses is recognized when, based on the history and change of collections, items are defined as discontinued, slow moving or when inventory items are recognized at a cost higher than their net realizable values.

c. ***Deferred income and social contribution taxes***

Deferred tax assets are based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. If the Company and its subsidiaries are unable to generate sufficient future taxable income, or if there is a significant change in the actual effective tax rates or the time period within which the underlying temporary differences become taxable or deductible, the Company and its subsidiaries could be required to reverse a significant part of the deferred tax assets. which may result in an increase in the effective tax rate.

d. ***Uncertain tax treatments and related contingencies***

The Company and its subsidiaries are parties to administrative and legal disputes with Brazilian tax authorities about the uncertain treatments to be applied to calculate income and social contribution taxes (IRPJ and CSLL). The current prognostic assessment, based on an internal and external assessment by legal counselors, is that the tax positions adopted under litigation are likely to be accepted by decisions of higher courts of last resort (probability of acceptance higher than 50%). However, the final decision is uncertain and depends on factors not controlled by management, such as changes in case law and changes in tax laws and regulations.

e. ***Pension plan***

The present value of pension plan obligations depends on a range of factors that are determined according to actuarial calculations based on a range of assumptions. The assumptions used to determine net cost (revenue) for pension plans is the discount rate. Any changes in these assumptions will affect the book values of pension plan obligations.

The appropriate discount rate is determined at year end. This is the interest rate that should be used to determine the present value of estimated future cash outflows, which are necessary to settle pension plan obligations. When determining the appropriate discount rate, Management considers the interest rates on high-quality corporate bonds, which are denominated in the currency in which benefits will be paid and which have upcoming maturity terms. Other important assumptions for pension plan obligations are partly based on current market conditions. Additional information is disclosed in note 28.

f. ***Sales revenue - rebates***

In the sales of wholesale products, in large Home Centers there is a kind of commercial rebate or rebate that arose as a special discount linked to the achievement of sales volume for a certain period of time; it is the granting of discounts always after the purchase, that is, retroactively, equivalent to a payment made by the seller to the buyer and not to a rebate itself, in the final value of the purchase.

g. ***Warranties***

The Company and its subsidiaries recognize a provision for warranties for their products according to historical data about warranty and technical assistance expenses.

h. ***Lease discount rates***

The Company and its subsidiaries apply implicit contract rates, when available, or incremental borrowing rates to discount cash flows from lease payments. Incremental rates are estimated based on the Group's average interest rates on financing in the country where the asset is operated. The present values of lease liabilities are determined based on the incremental rates estimated at the commencement date of each lease. Therefore, even when leases have similar characteristics, their cash flows may be discounted at significantly different incremental rates depending on the funding rate conditions at the commencement date of each lease.

5. Financial risk management

5.1. Financial risk factors

The Company and its subsidiaries are exposed to several financial risks: market risks, credit risks and liquidity risks. The Company's global management risk program focuses on the unpredictability of finance markets and aims to reduce possible adverse effects on the consolidated financial performance.

Risk management is carried out by the management in charge, according to the policies approved by the Board of Directors. The Treasury Department and the Vice-President of Finance identify, assess and protect the Company and its subsidiaries against possible financial risks in cooperation with their operating units. The Board of Directors establishes principles for global risk management, as well as for specific areas, such as exchange rate risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investments of cash surpluses.

Risk	**Exposure**	**Methodology followed to measure the impact**	**Management**
Market risk	Future business transactions	Cash flow forecasts	Hedge Policy
Foreign exchange risk	Foreign currency financial assets and liabilities	Sensitivity analysis	Swaps cambial
Market risk - interest rate	Short and long-term loans at floating rates	Sensitivity analysis	Monitoring the credit market through rounds of strategic renegotiations
Credit risk	Cash and cash equivalents, trade receivables.	Maturity analysis Credit assessment	Diversification of financial institutions and internal credit analyses
Liquidity risk	Loans and other liabilities	Cash Flow Forecasts	Tracking liquidity and monitoring available credit ratings/limits

a. *Market risk*

(i) *Foreign exchange risk*

The Group acts internationally and is exposed to the exchange rate risk arising from exposures to certain currencies, basically the US dollar, the euro and the yuan. Exchange rate risk results from future business transactions, assets and liabilities recognized in the Company's books of account and net investments in foreign transactions. The asset and liability balances exposed to exchange rate variation are:

	In thousands in Brazilian real			
	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Accounts receivable	94,267	81,462	140,942	112,431
Current account and financial investments	79	6	16,659	8,665
Receivables from subsidiaries - net	55,890	80,433	-	-
Exposed assets	150,236	161,901	157,601	121,096
Suppliers	(37,934)	(674)	(77,060)	(38,152)
Property, plant and equipment payables	(3,823)	(10,918)	(172,699)	(186,417)
Loans and financing	(221,133)	(180,415)	(233,322)	(180,415)
(-) Swap loans	70,637	94,030	82,825	94,030
Exposed liabilities	(192,253)	(97,977)	(400,255)	(310,954)
Net exposure	(42,017)	63,924	(242,654)	(189,858)

This exchange rate exposure is divided into:

(1) Euro:

In thousands of Euros	
Parent Company	Consolidated

	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Accounts receivable	608	605	608	605
Suppliers	(1,267)	(511)	(1,267)	(511)
Suppliers of Property, plant and equipment	(594)	(2,040)	(7,044)	(8,433)
	(1,253)	(1,946)	(7,703)	(8,339)

(2) Dollar:

	In thousands of dollars			
	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Accounts receivable	14,590	15,756	22,128	22,153
Current account	13	1	2,690	1,790
Receivables from subsidiaries	9,026	16,614	-	-
Suppliers	(4,809)	456	(11,128)	(7,286)
Suppliers of property, plant and equipment	-	-	(20,568)	(29,184)
Loans and financing	(35,711)	(37,266)	(37,679)	(37,266)
(-) Swap loans	11,407	19,425	13,376	19,425
	(5,484)	14,986	(31,181)	(30,368)

(3) Yuan:

	In thousands of yuan			
	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Accounts receivable	7	2,851	7	2,851
Suppliers	-	(214)	-	(214)
	7	2,637	7	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.

(ii) *Cash flow or fair value risk associated with interest rates*

Interest rate risk results from long-term loans, financing and debentures and is associated with loans issued at floating rates which expose the Company and its subsidiaries to interest rate and cash flow risk, as explained in the related note. Loans taken at fixed rates expose the entities to fair value risk associated with interest rates.

The Company and its subsidiaries continually monitor market interest rates to assess the possible need of entering into new contracts as a hedge against the fluctuation of these rates.

Financial investments are made in bank certificates of deposit, according to the related note.

b. ***Credit risk***

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

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.

Amounts in thousands of Brazilian real, except when otherwise indicated

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				
	12/31/2024				
	Loans and debentures	Lease liability	Supplier, credit granting and accounts payable from property, plant and equipment	Installment payment of tax liabilities	Total
≤01 year	403,320	26,306	384,199	10,943	824,768
01−02 years	356,309	5,381	-	8,188	369,878
02−05 years	350,327	2,792	-	29,815	382,934
>05 years	36,553	-	-	-	36,553
	1,146,509	34,479	384,199	48,946	1,614,133

	Parent Company				
	12/31/2023				
	Loans and debentures	Lease liability	Supplier, credit granting and accounts payable from property, plant and equipment	Installment payment of tax liabilities	Total
≤01 year	463,636	18,842	406,810	10,724	900,012
01−02 years	301,472	16,849	10,021	-	328,342
02−05 years	581,312	4,609	-	-	585,921
>05 years	32,814	-	-	-	32,814
	1,379,234	40,300	416,831	10,724	1,847,089

	Consolidated				
	12/31/2024				
	Loans and debentures	Lease liability	Supplier, credit granting and accounts payable from property, plant and equipment	Installment payment of tax liabilities	Total
≤01 year	406,014	71,528	518,696	10,943	1,007,181
01−02 years	370,809	33,582	94,864	8,188	507,443
02−05 years	350,327	55,535	87,879	29,815	523,556
>05 years	36,553	414812,470	-	-	451,365
	1,163,703	575,457	701,439	48,946	2,489,545

Amounts in thousands of Brazilian real, except when otherwise indicated

	Consolidated				
	12/31/2023				
	Loans and debentures	Lease liability	Supplier, credit granting and accounts payable from property, plant and equipment	Installment payment of tax liabilities	Total
≤01 year	463,636	40,276	543,726	10,724	1,058,362
01−02 years	301,472	35,261	44,345	-	381,078
02−05 years	581,312	47,593	68,013	-	696,918
>05 years	32,814	321,425	-	-	354,239
	1,379,234	444,555	656,084	10,724	2,490,597

d. *Sensitivity analysis*

(i) Sensitivity analysis of interest rate fluctuations

Management carried out a study of the potential impact of changes in interest rates on finance costs and finance income from loans and financing, debentures and taxes in installments that are affected by changes in interest rates, such as CDI and SELIC rate.

This study is based on the probable scenario of the CDI rate at 13.44% per year, based on the future interest curve drawn by B3 (Brasil, Bolsa e Balcão) and the Selic rate at 13.44% per year. 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 Brazilian real							
	12/31/24	Risk	Probable rate		Possible (25%)*		Remoto (50%)*	
			%	R$	%	R$	%	R$
Financial investments	14,854	Increase in CDI rate	13.44%	1,996	16.80%	2,495	20.16%	2,995
Loans and financing - CDI	452,613	Increase in CDI rate	13.44%	60,831	16.80%	76,039	20.16%	91,247
Loans and financing - SELIC	2,775	Increase in SELIC	13.44%	373	16.80%	466	20.16%	559
Loans and financing - TJLP	164,989	Increase in TJLP	7.97%	13,150	9.96%	16,437	11.96%	19,724
Loans and financing - IPCA	20,252	Increase in IPCA	4.83%	978	6.04%	1,223	7.25%	1,467
Debentures	479,409	Increase in CDI rate	13.44%	64,433	16.80%	80,541	20.16%	96,649
	1,134,892			141,761		177,201		212,641

(*) SELIC and CDI indices extracted from B3's site (Brasil, Bolsa e Balcão) on January 22, 2025.

(ii) Sensitivity analysis of exchange rate fluctuations

The Company and its subsidiaries have assets and liabilities denominated in foreign currency as of December 31, 2024 for which, for sensitivity analysis purposes, the Company adopted as probable scenario the future market rate in effect during the period of preparation of these financial statements, the probable rate in US dollar is R$6.0250 and in euro is R$6.3065. The probable rate was then increased by 25%, 50%, -25%, -50%, being used as a parameter for possible and remote scenarios, respectively.

Therefore, the table below simulates the effects of the exchange rate variation on future results for the US dollar and euro amounts, which are more representative:

	Consolidated						
	12/31/2024		Probable scenario	Currency appreciation		Currency devaluation	
	(Payable) Receivable			Possible +25%	Remote +50%	Possible - 25%	Remote - 50%
	Dollar*	Real	6.0250	7.5313	9.0375	4.5188	3.0125
Accounts receivable	22,128	137,024	(3,703)	29,628	62,958	(37,033)	(70,363)
Checking account	2,690	16,659	(452)	3,600	7,652	(4,504)	(8,555)
Suppliers	(11,128)	(68,905)	1,859	(14,903)	(31,664)	18,620	35,382
Loans and financing	(37,679)	(233,322)	6,306	(50,448)	(107,202)	63,060	119,814
(-) Swap loans	13,376	82,826	(2,236)	17,912	38,060	(22,383)	(42,531)
Suppliers of property, plant and equipment and intangible assets	(20,568)	(127,364)	3,442	(27,539)	(58,519)	34,422	65,403
Net exposure	(31,181)	(193,082)	5,216	(41,750)	(88,715)	52,182	99,150
	Euro*	Real	6.3065	7.8831	9.4598	4.7299	3.1533
Accounts receivable	608	3,912	(78)	881	1,840	(1,035)	(1,995)
Suppliers	(1,267)	(8,155)	165	(1,833)	(3,831)	2,162	4,160

Amounts in thousands of Brazilian real, except when otherwise indicated

Suppliers of property, plant and equipment and intangible assets	(7,044)	(45,335)	912	(10,194)	(21,299)	12,018	23,124
Net exposure	(7,703)	(49,578)	999	(11,146)	(23,290)	13,145	25,289

(*) Possible and remote scenarios calculated according to the probable future rate of the euro and the US dollar for 90 days obtained from the site of B3 (Brasil, Bolsa e Balcão) on January 22, 2025.

In addition, the Group has financial instruments to hedge export revenues and loans, according to 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 ratios as of December 31, 2024 can be summarized as follows:

	Consolidated
	12/31/2024
Gross Bank Debt	1,165,517
Cash and cash equivalents	(79,440)
Restricted financial investments	(34,875)
Net indebtedness	1,051,202
Total equity	371,103

5.3. Financial instruments by category

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Assets measured at fair value through profit or loss and other comprehensive income				
Derivatives - hedge accounting	-	14,620	-	14,620
Derivatives - swaps	3,787	-	3,867	-
Securities and financial instruments - FIDC	23,104	-	23,104	-
Amortized cost				
Cash and cash equivalents	30,598	376,366	79,440	486,472
Trade accounts receivables	195,175	219,186	282,050	269,041
Receivables from subsidiaries	88,894	89,002	-	-
Pledged financial investments	34,875	10,297	34,875	10,297
	376,433	709,471	423,336	780,430
Liabilities designated at fair value through profit or loss				
Derivatives - *hedge accounting*	36,203	-	36,203	-
Derivatives - swaps	4,068	1,894	4,068	1,894
Amortized cost				
Suppliers, assignment of receivables and property and equipment payables	384,199	414,017	518,696	549,082
Loans, financing and debentures	1,146,509	1,340,941	1,163,703	1,340,941

Amounts in thousands of Brazilian real, except when otherwise indicated

Dividends to be paid	638	640	700	640
Lease obligation	34,479	40,300	575,457	444,555
Related parties debts	114,708	117,304	56,331	56,330
	1,720,804	1,915,096	2,355,157	2,393,442

The Company has financial investments linked to reciprocity clauses in loan agreements with Banco do Nordeste, Banco do Brasil and BTG in the total amount of R$34,875 as of December 31, 2024 (R$10,297 as of December 31, 2023).

Amounts in thousands of Brazilian real, except when otherwise indicated

6. Cash and cash equivalents

Financial investments designated as cash equivalents are equity investments, mostly in bank bank CDBs, which bear interest at the CDI (Interbank Deposit Certificate) rate. Moreover, they are highly liquid and may be redeemed at any moment, with no penalties.

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Checking accounts	15.743	8.189	50.072	21.906
Local currency	15.665	8.183	47.927	18.034
Foreign currency	79	6	2.145	3.872
Financial investments	14.854	368.177	29.368	464.566
Local currency	14.854	368.177	14.854	459.773
Foreign currency	-	-	14.514	4.793
	30.598	376.366	79.440	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	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Assets measured at fair value through profit or loss and other comprehensive income				
Derivatives - hedge accounting	-	14,620	-	14,620
Derivatives - swaps	3,787	-	3,867	-
	3,787	14,620	3,867	14,620
Liabilities measured at fair value through of profit or loss				
Derivatives - hedge accounting	36,203	-	36,203	-
Derivatives - swaps	4,067	1,894	4,067	1,894
	40,270	1,894	40,270	1,894

Amounts in thousands of Brazilian real, except when otherwise indicated

7.1. Non Deliverable Foward (NDF)

The Company has outstanding NDF contracts with a *total notional* value of US$59,749, under the following conditions:

a. *Transactions to be settled/carried out after December 31, 2024 with effect on current assets and equity*

Mark to market as of December 31, 2024			
Maturity	**Fixed exchange rate (weighted-average of contracts) R$/US$**	**Notional value - US$)**	**Fair value MTM**
01/31/2025	5.6239	5,762	(3,388)
02/28/2025	5.6404	5,678	(3,390)
03/31/2025	5.6537	5,911	(3,613)
04/30/2025	5.7515	4,736	(2,573)
05/31/2025	5.7708	4,855	(2,723)
06/30/2025	5.7925	4,727	(2,723)
07/31/2025	5.8172	4,680	(2,775)
08/31/2025	5.8473	4,680	(2,832)
09/30/2025	5.8727	4,680	(2,914)
10/31/2025	5.8940	4,680	(3,009)
11/30/2025	5.9280	4,680	(3,089)
12/31/2025	5.9348	4,680	(3,173)
Total		**59,749**	**(36,202)**

Mark to market as of December 31, 2023			
Maturity	**Fixed quotation (weighted-average of contracts) R$/US$**	**Notional value - 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/carried out by December 31, 2024 with effect on profit or loss*

			Operating income		Net finance income	
Maturity	**Fixed exchange rate (weighted-average of contracts) R$/US$**	**Notional value - US$)**	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**
2023	5.3540	83,644	-	30,344	-	-
2024	5.2274	88,947	(31,770)	-	-	-

These agreements were classified as cash flow hedges and were entered into to hedge the operating margin with respect to sales in US dollars. They are recorded in the hedge accounting methodology, in accordance with the Company's hedging policy.

Amounts in thousands of Brazilian real, except when otherwise indicated

As of December 31, 2024, the unrealized loss (fair value - marked to market using the B3 dollar curve) is R$36,202 (unrealized gain of R$14,620 as of December 31, 2023), without considering the effect of income and social contribution taxes, recorded in other comprehensive income (equity), for the contracts due on the date, this amount is shown in the statement of changes in equity and in the statement of comprehensive income.

The loss realized in 2024, in the amount of R$(31,770), was recognized as net revenue (realized gain of R$30,344 as of December 31, 2023) according to the hedge accounting methodology set forth by the Company's policy.

7.2. Swaps

The Company entered into transactions in US dollar consisting of export prepayment, export credit note and working capital, with partial coverage of swap transactions to protect the Company from future exposures to exchange rate fluctuations. They bear interest at the rate of 94.5% and 103% of the CDI.

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Assets measured at fair value through profit or loss and other comprehensive income				
Derivatives - swaps	3,787	-	3,787	-
Liabilities measured at fair value through of profit or loss				
Derivatives - swaps	4,068	1,894	4,068	1,894

8. Trade accounts receivable

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Accounts receivable				
Domestic market	105,936	140,842	150,181	162,602
Foreign market	94,267	81,462	140,942	112,431
Total trade accounts receivables (current assets)	200,203	222,304	291,123	275,033
Accounts receivable				
Domestic market	3,391	3,391	3,391	3,391
Total trade accounts receivable (non-current assets)	3,391	3,391	3,391	3,391
Impairment of trade receivables				
ECL (Current Assets)	(5,028)	(3,118)	(9,073)	(5,992)
ECL (Non-current assets)	(3,391)	(3,391)	(3,391)	(3,391)
Total de ECL	(8,419)	(6,509)	(12,464)	(9,383)
Total current assets	195,175	219,186	282,050	269,041
Total non-current assets	-	-	-	-
Total trade accounts receivable, net of ECL	195,175	219,186	282,050	269,041

a. Breakdown of trade accounts receivable per maturity:

	Parent Company

	12/31/24	Estimated losses	Coverage %	12/31/23	Estimated losses	Coverage %
Falling due	179,524	(252)	0,1%	212,131	(709)	0,3%
Overdue (in days)	8,924	(56)	0,6%	5,174	(114)	2,2%
≤30	3,950	(170)	4,3%	1,131	(64)	5,7%
31−60	1,205	(100)	8,3%	1,001	(109)	10,9%
61−90	1,365	(322)	23,6%	579	(153)	26,4%
91−120	1,925	(819)	42,6%	709	(390)	55,0%
121−180	6,701	(6,700)	100,0%	4,970	(4,970)	100,0%
	203,594	(8,419)		225,695	(6,509)	

	Consolidated					
	12/31/24	Estimated losses	Coverage %	12/31/23	Estimated losses	Coverage %
Falling due	248,690	(290)	0.1%	248,816	(1,596)	0.6%
Overdue (in days)	20,154	(167)	0.8%	11,257	(156)	1.4%
≤30	7,297	(337)	4.6%	4,182	(172)	4.1%
31−60	2,781	(258)	9.3%	2,582	(222)	8.6%
61−90	2,595	(629)	24.2%	2,995	(678)	22.6%
91−120	4,142	(1,928)	46.6%	2,041	(758)	37.1%
121−180	8,855	(8,855)	100.0%	6,551	(5,801)	76.3%
	294,514	(12,464)		278,424	(9,383)	

Management understands that the allowance for expected credit losses (ECL) is sufficient to cover probable losses on the settlement of trade receivables considering each client's situation and related pledged guarantees. Its amount represents the estimated risk that overdue receivables will not be realized according to the analysis of the responsible manager.

The ECL is calculated by applying a policy of staggering the realization of the portfolio, taking into consideration credit analysis, the history of recovery of receivables up to 360 days after maturity and market information. The balances falling due are monthly analyzed according to the client portfolio, in addition to the client portfolio due to the experience of loss and some isolated clients. This methodology has supported the estimated losses on this portfolio, according to the concepts set forth by IFRS 9/CPC 48.

The recognition and reversal of the allowance for impairment loss on trade receivables are recorded in profit or loss as selling expenses.

Amounts in thousands of Brazilian real, except when otherwise indicated

b. Changes in the ECL allowance:

	Parent Company	Consolidated
As of December 31, 2022	(6,415)	(8,255)
Net provision (reversal)	(2,411)	(4,385)
Write-off for effective loss	2,317	3,257
As of December 31, 2023	(6,509)	(9,383)
Net provision (reversal)	(4,254)	(8,995)
Write-off for effective loss	2,344	5,914
As of December 31, 2024	(8,419)	(12,464)

The Company's receivables secure some of the loans and financing, as described in the note on loans and financing.

As of December 31, 2024, there are securities receivable pledged as collateral for loans, financing and debentures in the amount of R$77,293 (R$126,046 as of December 31, 2023), and there are no amounts to secure third-party transactions with franchisees.

9. Inventories

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Finished goods	246,384	317,836	487,255	422,648
Work in progress	10,582	11,116	13,212	17,197
Raw materials and consumables	59,529	56,744	89,519	67,373
Imports in transit	624	1,671	1,447	1,671
Provision for impairment of realizable value	(11.581)	(13,197)	(37,538)	(19,848)
	305,538	374,170	553,895	489,041

The Company and its subsidiaries recognize an allowance for impairment losses on inventories taking into account the lower of net cost and recoverable value. When recovery is not expected, the amounts credited to the account are realized against the final write-off of the inventory.

During the year, the allowance for impairment losses on inventories reported the following movements:

	Parent Company	Consolidated
As of December 31, 2022	(13,301)	(20,684)
Reversal of provision, net	104	836
As of December 31, 2023	(13,197)	(19,848)
Reversal (recognition) of provision, net (a)	1,616	(17,690)
As of December 31, 2024	(11,581)	(37,538)

(a) In the consolidated financial statements, the balance basically consists of an allowance for adjustment of inventories to the realizable value of subsidiary PBA.

Amounts in thousands of Brazilian real, except when otherwise indicated

10. Recoverable taxes

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Current assets				
IRPJ/CSLL (a)	3,349	2,347	5,131	8,603
ICMS (b)	303	6,768	14,641	7,097
PIS/COFINS (c)	4,709	7,388	9,395	7,641
IRRF	1,988	4,296	2,021	4,306
IPI	2,011	2,338	2,299	2,479
Reintegra	1,939	1,610	1,939	1,610
Other recoverable taxes	162	10	248	62
	14,461	24,757	35,674	31,798
Non-current assets				
ICMS-ST (d)	9,982	9,982	9,982	10,041
ICMS - DIFAL (e)	2,749	4,186	2,749	4,186
PIS/COFINS (c)	-	-	1,149	
ICMS	2,944	1,963	3,003	1,963
	15,675	16,131	16,883	16,190

a. IRPJ and CSLL

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

b. ICMS

The balance basically consists of ICMS credit on inventories, ICMS ST tax to be refunded, ICMS DIFAL and ICMS credit on property, plant and equipment.

In 2024, due to the sale of PBG's inventory of merchandise to CBC as part of the restructuring of the companies described in the investment note, item (iv), an increase in the ICMS balance was reported, which will be discounted from the related inventory movements during sales.

c. PIS and COFINS

The balance of this caption consists of PIS and COFINS on property, plant and equipment, untimely credits and credits resulting from the Company's and its subsidiaries' normal operations that 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 and its subsidiaries' establishments, totaling R$9,982 in the Parent Company. The amount is being prosecuted at the Pernambuco State Finance Department with a view to fully recovering it. The amount was reclassified to non-current assets in 2021 due to Management's assessment about the recoverability period.

e. ICMS-DIFAL

The Company filed writs of mandamus against the collection of DIFAL in the states of Rio Grande do Sul (Writ of Mandamus No. 5015551-38.2021.8.21.0001), Minas Gerais (Writ of Mandamus No. 5012757-94.2021.8.13.0024) and Paraná (Writ of Mandamus No. 0001091-63.2021.8.16.0004), before the enactment of the supplementary law. It was successful in obtaining the refund of the amounts paid, through the final and unappealable decision that occurred in September 2022. The amounts are R$ 1,332 (MG) and R$ 1,868 (RS). These amounts are already being refunded by offsetting them against the amounts calculated monthly.

Amounts in thousands of Brazilian real, except when otherwise indicated

11. Judicial deposits

The Company and its subsidiaries are parties to tax, civil, labor and social security legal proceedings and are discussing these issues at administrative and judicial levels. When applicable, court deposits have been made to support proceedings. They are recognized at the original amount, adjusted using the indexes of financial institutions for judicial deposits.

Judicial deposits are presented in accordance with the nature of the related cases:

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Civil	92	92	467	92
Labor and social security	1,213	1,578	1,213	1,586
Tax actions (a)	3,772	5,420	3,771	5,420
	5,077	7,090	5,451	7,098

(a) The Company filed writs of mandamus against the collection of DIFAL in the states of Bahia and in the Federal District. He obtained an injunction so that the amounts referring to the years 2021 and 2022 were deposited in court.

12. Guarantee deposits

In September 2020, the Company signed an "Agreement of Understanding and Discharge of Obligations" with Refinadora Catarinense S.A., regarding the settlement of a debt owed by the Refinery to the Company, in the amount of R$101,990. Accordingly, the parties granted by the Refinery in payment agreed on the cash transferred, in the amount of R$89,517, for the tax enforcement proceedings filed against PBG S.A. This amount was recognized in October 2020 in an escrow deposit account, classified as non-current assets. This balance has been adjusted over the years. In 2022, the Company, in compliance with the court order that granted the assessment, submitted surety bonds in connection with court foreclosures Nos. 0001185-67.2007.8.24.0072 and 0002437-66.2011.8.24.0072.

In January 2023, R$1,100 was withdrawn from the Company, leading to a deposited balance of R$19,887 as of December 31, 2023.

In 2024, the Company withdrew R$5,136 and adjusted for inflation R$1,325 (R$1,622 in 2023), leading to a balance of R$16,076 as of December 31, 2024.

13. Income and social contribution taxes

a. Recoverable and payable income and social contribution taxes

Recoverable and payable income and social contribution taxes can be broken down as follows:

	Current assets			
	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Recoverable income tax	3,343	2,345	4,666	7,329
Social contribution tax recoverable	6	2	465	1,274
	3,349	2,347	5,131	8,603

	Current liabilities			
	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Income tax payable	-	-	700	41
Social contribution tax payable	-	-	739	161
	-	-	1,439	202

Amounts in thousands of Brazilian real, except when otherwise indicated

b. Deferred income and social contribution taxes

Deferred income and social contribution taxes in the Company and Consolidated financial statements are as follows:

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Tax losses	92,852	76,204	106,256	87,634
Temporary differences receivable	45,098	30,338	56,432	32,550
Provisions for civil, labor and social security and tax proceedings	6,606	8,066	6,971	8,362
Provision for success fees	6,465	6,632	6,626	6,655
Provision for expenses	7,413	1,906	9,778	1,929
Difal reserve	2,936	3,208	2,936	3,208
Provision for commissions	4,240	4,101	4,203	4,101
Provision for market value adjustment	2,045	1,957	2,274	1,957
Expected credit losses	2,863	2,213	3,760	2,374
Provision for profit sharing and LT incentive	1,295	1,879	1,295	1,879
Foreign exchange gain or loss on a cash basis	7,310	(4,406)	7,310	(4,406)
Leasing	982	-	1,935	-
Tax incentives - Income Tax	-	-	5,981	-
Other temporary differences receivable	2,943	4,782	3,363	6,491
Temporary differences payable	(53,577)	(66,727)	(59,965)	(73,113)
Depreciation adjustment (for the useful life of assets)	(31,609)	(29,184)	(31,609)	(29,183)
Realization of the revaluation reserve	(14,853)	(15,480)	(14,851)	(15,480)
Judicial assets - IPI premium credit - Stage II	(10,953)	(10,093)	(10,953)	(10,093)
Portobello Retirement Benefit Plan	(4,646)	(3,481)	(4,646)	(3,481)
Hedging transactions	12,309	(4,971)	12,309	(4,971)
Judicial assets - IPI premium credit - Phase I	(3,787)	(3,518)	(3,787)	(3,518)
Adjustment of rural credit notes - PBTech	-	-	(6,387)	(6,387)
Other temporary differences payable	(38)	-	(42)	-
Deferred income and social contribution taxes - assets and liabilities, net	84,373	39,815	102,720	47,071
Deferred income and social contribution taxes - non-current assets	84,373	39,815	105,447	53,458
Deferred income and social contribution taxes - non-current liabilities	-	-	(2,727)	(6,387)

Net changes in deferred income and social contribution tax accounts as of December 31, 2024 and 2023 are as follows:

	Parent Company	Consolidated
December 31, 2022	16,109	25,523
Tax losses	52,557	52,556
Temporary differences receivable	(33,916)	(36,073)
Temporary differences payable	7,228	7,228
Hedging transactions	(2,791)	(2,791)
Revaluation reserve	628	628
December 31, 2023	39,815	47,071
Tax losses	16,647	18,621
Temporary differences receivable	14,760	23,879
Temporary differences payable	(4,760)	(4,760)
Hedging transactions	17,280	17,280
Revaluation reserve	630	630
December 31, 2024	84,372	102,720

Amounts in thousands of Brazilian real, except when otherwise indicated

c. Income and social contribution taxes (profit or loss) - reconciliation of effective tax rate

Income and social contribution tax expenses are as follows:

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Profit (loss) before tax	(130,195)	(52,570)	(109,572)	(23,564)
Tax calculated using the statutory tax rate - 34%	44,365	17,874	37,255	8,011
Profit (loss) of subsidiaries - equity-method	(23,474)	(22,585)	-	-
Tax incentives	-	7,040	-	7,040
Interest on equity	-	3,278	-	3.278
Lei do Bem	-	-	6,574	5,465
Income and social contribution taxes on tax debts	3,374	692	3,374	692
Unrecognized deferred IR/CS - PBA and PBM	-	-	(56,477)	(38,148)
Unrecognized deferred IR/CS - CBC	-	-	-	(3,913)
Interest capitalization	5,525	9,355	5,525	9,355
Other	(1,633)	1,786	5,323	(3.319)
Current income and social contribution taxes	1,147	12,352	(30,454)	(14,469)
Deferred income and social contribution taxes	27,010	5,088	38,009	2,930
Income and social contribution tax expenses	28,157	17,440	7,555	(11,539)
(Recognized in profit or loss - current and deferred)				
	21.6%	33.2%	6.9%	(49.0%)

d. Tax losses

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Tax loss	273,094	224,129	312,516	257,746
Deferred IRPJ and CSLL	92,852	76,204	106,256	87,634

Based on studies and projected results for the following periods, the Company and its subsidiaries tested for impairment deferred tax assets resulting from income and social contribution tax losses as of December 31, 2024, and we estimate the following recovery schedule:

Period	Parent Company	Consolidated
2025	5,424	11,448
2026	13,869	19,366
2027	11,031	12,914
2028	18,799	18,799
2029	25,826	25,826
2030	17,903	17,903
	92,852	106,256

Amounts in thousands of Brazilian real, except when otherwise indicated

14. Judicial assets

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
IPI premium credit (a)				
Case No. 1987.0000.645-9 (Stage II)	32,216	29,686	32,216	29,686
Case No. 1984.00.020114-0 (Phase I)	11,137	10,348	11,137	10,348
IPI premium credit - "Plaintiff" - additional portion (b)	75,107	75,107	75,107	75,107
	118,460	115,141	118,460	115,141

a. IPI premium credit

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 December 31, 2024 is R$ 32,216 (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 National Treasury Attorney's Office, did not manifest itself, which gave rise to tacit agreement and, therefore, the estoppel was operated. The case has been concluded for sentencing and there is no more room for contestation. In 2015, the Company recognized the amount calculated by the legal expert in the amount of R$4,983. Given that the Company understands that a favorable outcome of that lawsuit is virtually certain, it recognized the tax asset in June 2015, and as of December 31, 2024 maintains the balance of R$11,138 (R$10,348 as of December 31, 2023).

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. The liability recognized in favor of Refinadora Catarinense originates from an IPI premium credit purchase agreement.

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.

Amounts in thousands of Brazilian real, except when otherwise indicated

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 June 2024, the PBG Fundo de Investimento em Direitos Creditórios de Responsabilidade Limitada ("Fund" or "FIDC PBG") started operations, whose purpose is to invest in receivables as a closed condominium of a special nature, with indefinite term, governed by its rules, National Monetary Council Resolution No. 2,907, of November 29, 2001, as amended, of CVM Resolution 175 and of Normative Annex II, of CVM Resolution 175.

As of December 31, 2024, the equity structure of FIDC PBG is as follows:

	Number of shares
Dimension Holders	31,12,2024
Intermediary institutions that participate in the distribution consortium	124,500
Legal entities related to the issuer (PBG)	22,500
Investment funds	3,000
	150,000

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

The Company and its subsidiaries will assign their receivables without any type of joint liability and without recourse against them, so that the Company and its subsidiaries will not be jointly liable with their respective debtors for the obligations arising from the receivables acquired by the assignee. Therefore, the receivables acquired by the assignee are derecognized at the moment of the transaction, since the risks and rewards of such securities are substantially transferred.

As of December 31, 2024, the fair value of the shares belonging to the Company is R$23,104, presented in non-current assets.

Amounts in thousands of Brazilian real, except when otherwise indicated

16. Investments

a. Equity-accounted subsidiaries

The Company controls six companies and investments are recognized in non-current assets under the caption "Equity-accounted subsidiaries".

	Organization Country	Direct interest	Indirect interest	Assets	Liabilities	Shareholders' equity	Revenue	Income (loss)
As of December 31, 2024								
Portobello America Inc.	United States	100.00%	0.00%	1,382,438	816,279	566,159	317,886	(166,108)
Portobello America Manufacturing (a)	United States	0.00%	100.00%	847,502	954,921	(107,419)	171,126	(79,916)
PBTech Ltda.	Brazil	99.94%	0.06%	225,721	215,262	10,459	482,203	44,574
Portobello Shop S/A	Brazil	99.90%	0.00%	69,676	54,083	15,593	102,636	20,151
Mineração Portobello Ltda.	Brazil	99.99%	0.00%	37,385	23,414	13,971	16,633	19,257
Companhia Brasileira de Cerâmica S/A	Brazil	98.85%	1.15%	138,934	94,354	44,580	400,425	14,885
As of 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 that reason, Portobello America Manufacturing's movements are not presented below.

Amounts in thousands of Brazilian real, except when otherwise indicated

Subsidiaries are closed capital companies, whose movements in 2023 and 2024 will be presented below:

	Ownership interest	12/31/2023	Foreign exchange gains (losses)	Reimbursement asset	Interest capitalization	Advances for future capital increase	Share of profit (loss) of equity-accounted investees	Dividends	12/31/2024
Investments									
Portobello America Inc. (b)	100.00%	313,682	121,271	-	-	296,665	(166,107)	-	565,511
PBTech Ltda.	99.94%	61,630	-	-	-	-	44,548	(95,724)	10,454
Portobello Shop S.A.	99.90%	42,279	-	-	-	-	20,131	(46,832)	15,578
Mineração Portobello Ltda. (c)	99.99%	12,569	-	(17,853)	-	-	19,255	-	13,971
Companhia Brasileira de Cerâmica S/A	98.85%	25,999	-	-	-	3,771	14,713	-	44,483
Portobello S/A	100.00%	10	-	-	-	-	-	-	10
Interest capitalization (a)		27,514	-	-	18,085	-	(1,846)	-	43,763
Total net investment in subsidiaries		483,683	121,271	(17,853)	18,085	300,436	(69,306)	(142,556)	693,770
Equity-accounted subsidiaries		483,683							693,770
Provision for shareholders' deficit of subsidiaries		-							-

	Ownership interest	12/31/2022	Foreign exchange gains (losses)	Reimbursement asset	Interest capitalization	Advances for future capital increase	Share of profit (loss) of equity-accounted investees	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. (c)	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
Total net investment in subsidiaries		116,590	(14,475)	34,849	27,815	425,022	(66,425)	(39,693)	483,683
Equity-accounted subsidiaries		116,590							483,683

(a) The Company's investments include the capitalization of interest on loans, financing and debentures related to the acquisition, construction or production of property, plant and equipment of its investees in the United States. In the consolidated financial statements, these amounts are capitalized in property, plant and equipment.
(b) In 2024, Companhia Brasileira de Cerâmica S/A received AFACs from PBG S.A. in the total amount of R$3,771 (R$15,147 in 2023) and Portobello América received AFACs in the amount of R$296,665, of which R$213,665 from cash disbursements by the parent company in the six-month period and R$83,000 consists of the transfer of the balance of a loan made in prior periods, non-cash effect (R$409,875 in 2023, of which R$170,580 consists of balances of accounts receivable, not affecting cash, and R$239,295 consists of loans with cash effect, as shown in the statement of cash flows in investing activities).
(c) In June 2023, Mineração Portobello started to have unsecured liabilities due to the adjustment for inflation of legal proceedings, as described in note 25.a. In December 2023, PBG entered into a debt assumption agreement with Mineração Portobello in connection with these legal proceedings, recognizing it as an investment with an offsetting entry to a refund liability in the amount of R$34,849. In 2024, in view of procedural developments, the Company reached an agreement with the Federal Attorney General's Office and reversed part of the accrued amount, adjusting this reimbursement asset in December 2024 in the amount of R$(17,853).

(i) Portobello Shop

Portobello Shop S.A. was founded in October 2002 and started its operations in September 2003. PBShop is the administrator of the Portobello Shop Franchise System, the largest chain of stores specialized in ceramic tiles in Brazil.

The franchises are present only in the national territory and operate in consultative sales, with customizations, innovations and technological resources to serve their customers. Currently, PBShop manages 134 (one hundred and thirty-four) franchises throughout Brazil.

(ii) PBTech

PBTech Comércio e Serviços de Revestimentos Cerâmicos Ltda. was founded in August 2003 and is engaged in retailing ceramic coating, building products and providing ceramic coating services. The Company currently has a network of twenty-nine (29) own stores in Brazil.

As of December 31, 2024, the Company had a negative net working capital of R$30,977 (R$65,253 in 2023). PBTech has a history of profit over the past years. Net working capital is mainly due to advances made by clients, which will be offset by deliveries.

(iii) Mineração Portobello

Mineração Portobello Ltda, set up on November 14, 1978, is primarily engaged in extracting clay and processing and selling the extraction to the parent company. The material supplied by Mineração Portobello Ltda. is used by the parent company as part of the mix of raw materials for manufacturing Portobello and Pointer ceramic products. Extraction mines are regionally divided into South and Northeast regions. Mines in the South of Brazil supply raw material to the plant in Tijucas, state of Santa Catarina, for Portobello brand products, and the mines in the Northeast region supply raw material to the plant in Alagoas, for Pointer brand products.

The Company is headquartered in the city of Tijucas/Santa Catarina, and has branches in the states of Santa Catarina, Paraná, Sergipe and Alagoas.

(iv) Companhia Brasileira de Cerâmica

Companhia Brasileira de Cerâmica S.A. is a closed corporation located in Marechal Deodoro - Alagoas, which started its activities in May 2014. CBC manufactures products made from porcelain tiles.

CBC underwent restructuring in the first half of 2024, having incorporated the operations of five distribution centers that were previously part of its parent company, PBG S.A. With this retail distribution operation, CBC started to make a profit and the accumulated losses will be offset over the next years.

(v) Portobello America

Portobello América is a subsidiary of PBG S.A., located in the state of Tennessee – USA, where it has two (2) distribution centers through which Portobello products are distributed in the US market. In July 2023, the subsidiary Portobello América Manufacturing LLC started to be tested and in October 2023 the Company started production of its marketing portfolio.

The new industrial park has an annual production capacity of 3.6 million m2 in this first stage and has a built area of 90 thousand m2, developed with high technology, with state-of-the-art processes and machinery, in the region that is today considered the North American center for the manufacture of ceramic coating.

Amounts in thousands of Brazilian real, except when otherwise indicated

The start-up of the new plant causes the main focus is to expand the distribution model, which offers more attractive profitability. Therefore, a return on investment is expected to occur over the next years.

17. Property plant and equipment

a. Composition of property, plant and equipment

		Parent Company			
		12/31/2024			12/31/2023
	Average annual depreciation rate	Cost	Accumulated depreciation	Net Value	Net Value
Land	-	12,603	-	12,603	12,603
Buildings, construction work and improvements	3%	295,211	(113,201)	182,010	192,941
Machinery and equipment	15%	825,486	(518,600)	306,886	310,713
Furniture and fixtures	10%	10,736	(9,869)	867	1,018
Computers	20%	37,493	(32,390)	5,103	4,667
Other property and equipment	20%	1,095	(932)	163	203
Construction contracts in progress	-	23,425	-	23,425	37,726
		1,206,049	(674,992)	531,057	559,871

		Consolidated			
		12/31/2024			12/31/2023
	Average annual depreciation rate	Cost	Accumulated depreciation	Net Value	Net Value
Land	-	13,486	-	13,486	13,486
Buildings, construction work and improvements	3%	350,923	(148,188)	202,735	213,181
Machinery and equipment	15%	1,337,588	(546,838)	790,750	580,063
Furniture and fixtures	10%	23,808	(15,719)	8,089	8,498
Computers	20%	48,182	(36,696)	11,486	8,985
Other property and equipment	20%	1,577	(1,203)	374	652
Construction contracts in progress	-	110,443	-	110,443	233,017
		1,886,007	(748,644)	1,137,363	1,057,882

Amounts in thousands of Brazilian real, except when otherwise indicated

b. Changes in property, plant and equipment

	Parent Company												
	12/31/2022	Addition	Transfer	Depreciation	Write-off	Foreign exchange gain (loss)	12/31/2023	Addition	Transfer	Depreciation	Write-off	Foreign exchange gain (loss)	12/31/2024
Land	12,603	-	-	-	-	-	12,603	-	-	-	-	-	12,603
Buildings and improvements	202,167	2,179	1,703	(13,108)	-	-	192,941	831	995	(12,757)	-	-	182,010
Machinery and equipment (a)	303,346	27,705	14,054	(34,391)	(1)	-	310,713	1,021	31,204	(36,052)	-	-	306,886
Furniture and fixtures	2,345	76	(1,043)	(360)	-	-	1,018	-	77	(228)	-	-	867
Computers	4,998	1,163	795	(2,289)	-	-	4,667	494	1,852	(1,904)	(6)	-	5,103
Other property and equipment	62	15	162	(36)	-	-	203	-	-	(40)	-	-	163
Construction contracts in progress	36,570	16,827	(15,671)	-	-	-	37,726	19,827	(34,128)	-	-	-	23,425
	562,091	47,965	-	(50,184)	(1)	-	559,871	22,173	-	(50,981)	(6)	-	531,057

	Consolidated												
	12/31/2022	Addition	Transfer	Depreciation	Write-off	Foreign exchange gain (loss)	12/31/2023	Addition	Transfer	Depreciation	Write-off / Reclassification (b)	Foreign exchange gain (loss)	12/31/2024
Land	13,486	-	-	-	-	-	13,486	-	-	-	-	-	13,486
Buildings and improvements	217,406	11,562	4,656	(20,322)	(121)	-	213,181	890	7,248	(18,457)	(127)	-	202,735
Machinery and equipment (a)	315,946	309,030	14,054	(40,699)	(1)	(17,966)	580,063	20,136	168,867	(57,784)	(1,414)	80,882	790,750
Furniture and fixtures	7,435	4,401	(1,043)	(1,916)	(3)	(376)	8,498	1,646	205	(2,380)	(1,126)	1,246	8,089
Computers	7,395	3,350	1,478	(2,966)	-	(272)	8,985	597	5,078	(4,290)	(6)	1,122	11,486
Other property and equipment	1,088	16	162	(614)	-	-	652	-	-	(278)	-	-	374
Construction contracts in progress	208,474	58,864	(19,307)	-	-	(15,014)	233,017	62,670	(181,398)	-	(36,864)	33,018	110,443
	771,230	387,223	-	(66,818)	(125)	(33,628)	1,057,882	85,939	-	(83,189)	(39,537)	116,268	1,137,363

(a) During 2024, borrowing costs were capitalized in the amount of R$18,085 (R$27,815 as of December 31, 2023), considering an average loan portfolio rate of 13.60% p.y.
(b) Reclassification of improvements as lease asset and right of use in 2024, in the amount of R$36,864, see note 19.

Amounts in thousands of Brazilian real, except when otherwise indicated

In 2024, additions to property, plant and equipment totaled R$85,939 in the consolidated financial statements, and 73% of that amount, or R$62,670, was allocated to the acquisition of construction in progress. Of this amount, about 55% refers to the assembly of production lines for the factory located in the United States, 27% was allocated to the Tijucas plant, 5% was allocated to the Marechal Deodoro plant (Pointer), 12% was invested in the Company's own stores, and the remaining 1% was distributed between commercial and corporate projects. The remaining 27% of acquisitions, in the amount of R$23,270, were invested in buildings and improvements, machinery and equipment, furniture and fixtures, computers and other assets.

Depreciation was recorded as cost of goods sold, selling and administrative expenses, as follows:

	Parent Company		Consolidated	
	2024	2023	2024	2023
Cost of goods sold and services rendered	(44,099)	(42,585)	(63,607)	(43,395)
Sales	(4,344)	(4,723)	(16,658)	(15,214)
General and administrative expenses	(2,538)	(2,876)	(2,924)	(8,209)
	(50,981)	(50,184)	(83,189)	(66,818)

c. Impairment of property, plant and equipment

Whenever the recoverable value of property, plant and equipment is tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. For the year ended December 31, 2024, management did not find circumstances that called for impairment testing.

18. Intangible assets

a. Composition of intangible assets

		Parent Company			
		12/31/2024			12/31/2023
	Average annual amortization rate	Cost	Accumulated amortization	Net Value	Net Value
Patents and trademarks	-	150	-	150	150
Software	20%	88,391	(58,393)	29,998	31,118
Right to exploration of outcrops	9%	1,000	(1,000)	-	-
Product development expenses	20%	2,044	(408)	1,636	2,037
Software under development	-	6,860	-	6,860	7,740
		98,445	(59,801)	38,644	41,045

		Consolidated			
		12/31/2024			12/31/2023
	Average annual amortization rate	Cost	Accumulated depreciation	Net Value	Net Value
Patents and trademarks	-	432	-	432	370
Software	20%	164,641	(85,708)	78,933	61,532
Right to exploration of outcrops	9%	1,218	(1,000)	218	235
Product development expenses	20%	5,692	(408)	5,284	4,243
Software under development	-	19,871	-	19,871	17,389
		191,854	(87,116)	104,738	83,769

Amounts in thousands of Brazilian real, except when otherwise indicated

b. Changes in intangible assets

	Parent Company												
	12/31/22	Addition	Transfer	Amortization	Write-off	Foreign exchange gain (loss)	12/31/23	Addition	Transfer	Amortization	Write-off	Foreign exchange gain (loss)	12/31/24
Patents and trademarks	150	-	-	-	-	-	150	-	-	-	-	-	150
Software	26,158	9,665	4,673	(9,148)	(230)	-	31,118	498	8,073	(9,669)	(22)	-	29,998
Product development expenses	-	2,037	-	-	-	-	2,037	7	-	(408)	-	-	1,636
Software under development	4,739	7,674	(4,673)	-	-	-	7,740	7,193	(8,073)	-	-	-	6,860
						-						-	
	31,047	19,376	-	(9,148)	(230)	-	41,045	7,698	-	(10,077)	(22)	-	38,644

	Consolidated												
	12/31/22	Addition	Transfer	Amortization	Write-off	Foreign exchange gain (loss)	12/31/23	Addition	Transfer	Amortization	Write-off	Foreign exchange gain (loss)	12/31/24
Patents and trademarks	150	233	-	-	-	(13)	370	-	-	-	-	62	432
Software	35,062	35,317	6,380	(14,128)	(248)	(851)	61,532	5,636	31,242	(23,415)	(22)	3,960	78,933
Right to exploration of outcrops	284	-	-	(49)	-	-	235	-	-	(17)	-	-	218
Product development expenses	-	4,243	-	-	-	-	4,243	3,756	(3,179)	(408)	-	872	5,284
Software under development	6,881	16,888	(6,380)	-	-	-	17,389	30,545	(28,063)	-	-	-	19,871
	42,377	56,681	-	(14,177)	(248)	(864)	83,769	39,937	-	(23,840)	(22)	4,894	104,738

In 2024, additions of intangible assets in the consolidated financial statements totaled R$39,937, mainly earmarked for digital improvement projects in the administrative area and implementation of the Oracle system (65% for workshops, distribution centers and own stores and 14% for Portobello America).

Amounts in thousands of Brazilian real, except when otherwise indicated

Amortization amounts were recorded as cost of goods sold, selling and administrative expenses, as follows:

	Parent Company		Consolidated	
	2024	2023	2024	2023
Cost of goods sold and services rendered	(77)	(82)	(3,684)	(1,101)
Sales	(2,237)	(2,274)	(6,594)	(4,093)
General and administrative expenses	(7,763)	(6,792)	(13,562)	(8,983)
	(10,077)	(9,148)	(23,840)	(14,177)

c. Recoverable value of intangible assets

The recoverable value of intangible assets is tested whenever events or changes in circumstances indicate that the carrying value may not be recoverable. For the year ended December 31, 2024, management did not find circumstances that called for impairment testing.

d. Estimated amortization of the consolidated intangible assets

	2025	2026	2027	2028 a 2038	Total
Software	(18,925)	(17,192)	(12,849)	(29,967)	(78,933)
Right to exploration of outcrops	(68)	(68)	(68)	(14)	(218)
Product development	(1,371)	(1,371)	(1,371)	(1,171)	(5,284)
	(20,364)	(18,631)	(14,288)	(31,153)	(84,436)

The item called trademarks and patents is not amortized due to its indefinite useful life.

Software licenses are capitalized according to costs incurred to acquire the software and make it ready for use. These costs are amortized over the software's estimated useful life, which is five years for most software programs. Software development costs recognized as assets are amortized over their estimated useful lives, not exceeding five years.

19. Right-of-use assets and lease liabilities

Contracts characterized as leases, according to IFRS 16/CPC 06 (R2), are recognized as right-of-use assets (lease assets, non-current assets) with an offsetting entry to lease liabilities (current and non-current liabilities).

As of December 31, 2024, the Company and its subsidiaries had a total of 72 agreements (64 in 2023), of which 56 were classified as leases and did not have purchase options for their manufacturing, commercial and logistics units, and 16 lease agreements with purchase options for the Company's and its subsidiaries' management consist of leases for which there is an option to buy at the end, similar to a financing transaction.

Leases that do not have options to buy at the end of the agreement consist of the lease of the spaces used by the Company's own stores, distribution centers and land for storing, storing and homogenizing the ore extracted from the mines and equipment, as well as by machinery such as forklifts and wheel loaders and the *BtS* operation signed by Portobello America.

The amount of the lease liability represents the present value of future lease payments discounted using the rate implicit in the leases or the Company's average financing interest rate. Lease assets are detailed below and represent the initial amount of the lease liability, plus any payments made to the date of commencement, less incentives, plus dismantling and removal costs, and their residual value at the end of the lease, when applicable. The terms of the right-of-use agreements range from two (2) to seven (7) years, and *BTS's* contract has a term of 20 years (warehouse occupied by the US factory). The amortization period of goodwill is, on average, 10 years.

As mentioned before, most agreements are adjusted annually according to the fluctuations in the main inflation rates. Most of them have terms of five to seven years and may be renewed after that date. The Company adopts as discount rate the rate implicit in the contracts or, if not available, the weighted average cost of financing transactions for the month in effect when the new leases are adopted.

Amounts in thousands of Brazilian real, except when otherwise indicated

a. Composition and movements in right-of-use assets

	Parent Company						Consolidated								
	Distribution Center	Vehicles	Machines	Buildings	Intangible assets	Total	Distribution Center	Stores	Buildings	Goodwill	Vehicles	Machines	Intangible assets	Land	Total
As of December 31, 2022	10,335	2,474	22,636	-	-	35,445	10,335	27,691	8,868	114,746	2,474	22,636	-	977	187,727
Remeasurement	1,940	-	-	-	-	1,940	1,940	185	-	-	-	-	-	-	2,125
Foreign exchange gain (loss)	-	-	-	-	-	-	-	-	(25,930)	-	-	-	-	-	(25,930)
Addition (b)	-	1,493	15,194	2,673	-	19,360	-	16,020	431,794	-	1,493	15,194	-	-	464,501
Contract termination	-	(39)	-	-	-	(39)	-	(5,661)	-	(2,922)	(40)	-	-	-	(8,623)
Depreciation	(5,474)	(1,660)	(11,979)	(297)	-	(19,410)	(5,474)	(9,976)	(17,417)	(10,517)	(1,660)	(11,979)	-	(102)	(57,125)
As of December 31, 2023	6,801	2,268	25,851	2,376	-	37,296	6,801	28,259	397,315	101,307	2,267	25,851	-	875	562,675
No call option	6,801	-	25,851	2,376	-	35,028	6,801	28,259	397,315	101,307	-	25,851	-	875	560,408
With purchase option	-	2,268	-	-	-	2,268	-	-	-	-	2,267	-	-	-	2,267
Remeasurement	7,477	-	-	-	-	7,477	7,477	2,249	37,202	-	-	-	-	49	46,977
Foreign exchange gain (loss)	-	-	-	-	-	-	-	-	110,387	-	-	656	-	-	111,043
Addition	-	773	2,858	-	3,525	7,156	-	12,016	1,954	17,036	773	9,508	3,525	-	44,812
Leasehold improvements (a)	-	-	-	-	-	-	-	-	36,864	-	-	-	-	-	36,864
Depreciation	(5,377)	(1,415)	(13,289)	(594)	-	(20,675)	(5,377)	(11,414)	(31,568)	(13,145)	(1,415)	(13,408)	-	(97)	(76,424)
As of December 31, 2024	8,901	1,626	15,420	1,782	3,525	31,254	8,901	31,110	552,154	105,198	1,625	22,607	3,525	827	725,947
No call option	8,901	-	15,420	1,782	3,525	29,628	8,901	31,110	552,154	105,198	-	22,607	3,525	827	724,322
With purchase option	-	1,626	-	-	-	1,626	-	-	-	-	1,625	-	-	-	1,625

(a) Reclassification of improvements as leasehold asset and right-of-use initially recognized as property, plant and equipment in the amount of R$36,864.

(b) The significant addition of buildings in 2023 refers to the *Built to Suit* (*BTS)* operation of the new US plant.

Amounts in thousands of Brazilian real, except when otherwise indicated

b. Breakdown and changes in lease liabilities

	Parent Company						Consolidated								
	Distribution Center	Vehicles	Machines	Buildings	Intangible assets	Total	Distribution Center	Stores	Buildings	Goodwill (a)	Vehicles	Machines	Intangible assets	Land	Total
December 31, 2022	12,092	2,999	22,800	-	-	37,891	12,091	29,621	9,129	-	2,999	22,800	-	1,076	77,716
No call option	12,092	-	22,800	-	-	34,892	12,091	29,621	9,129	-	-	22,800	-	1,076	74,717
With purchase option	-	2,999	-	-	-	2,999	-	-	-	-	2,999	-	-	-	2,999
Remeasurement	1,940	-	-	-		1,940	1,940	185	-	-	-	-	-	-	2,125
Foreign exchange gain (loss)							-	-	(24,345)	-	-	-	-	-	(24,345)
Additions	-	1,493	15,194	2,673	-	19,360	-	16,020	431,794	-	1,493	15,193	-	-	464,500
Contract terminations and reclassification							-	(6,319)	-	-	-	-	-	-	(6,319)
Payments	(6,544)	(3,512)	(14,379)	(394)	-	(24,829)	(6,544)	(12,195)	(52,653)	-	(3,512)	(14,379)	-	(152)	(89,435)
Interest accrued in the period	568	1,421	3,781	168	-	5,938	568	2,665	11,806	-	1,421	3,781	-	72	20,313
December 31, 2023	8,056	2,401	27,396	2,447	-	40,300	8,055	29,977	375,731	-	2,401	27,395	-	996	444,555
No call option	8,056		27,396	2,447	-	37,899	8,055	29,977	375,731	-		27,395	-	996	442,154
With purchase option		2,401			-	2,401				-	2,401				2,401
Remeasurement	7,477	-	-	-	-	7,477	7,477	2,249	37,202	-	-	-	-	49	46,977
Foreign exchange gain (loss)							-	-	99,328	-	-	539	-	-	99,867
Additions	-	773	2,858	-	3,525	7,156	-	12,016	1,954	17,036	773	9,508	3,525	-	44,812
Contract terminations and reclassification							-	-	-	-	-	-	-	-	-
Payments	(6,569)	(1,784)	(15,919)	(788)	(185)	(25,245)	(6,569)	(14,263)	(40,107)	(17,036)	(1,784)	(17,108)	(185)	(148)	(97,200)
Interest accrued in the period	1,036	424	2,837	290	204	4,791	1,036	3,509	28,145	-	424	3,059	204	69	36,446
December 31, 2024	10,000	1,814	17,172	1,949	3,544	34,479	9,999	33,488	502,253	-	1,814	23,393	3,544	966	575,457
No call option	10,000		17,172	1,949	3,544	32,665	9,999	33,488	502,253	-	-	23,393	3,544	966	573,643
With purchase option		1,814				1,814					1,814				1,814
Current liabilities						26,306									71,528
Non-current liabilities						8,173									503,929

(a) In the cash flow, the amount paid for "Goodwill" is presented in the investment activities.

Amounts in thousands of Brazilian real, except when otherwise indicated

c. Schedule of the maturities of lease liabilities

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
2024		18,842		40,276
2025	26,306	16,849	71,528	35,261
2026	5,381	3,874	33,582	20,871
2027	2,045	735	22,754	15,416
2028	747	-	17,715	11,306
2029 a 2043	-	-	414,812	321,425
	34,479	40,300	575,457	444,555

d. Potential right of PIS and COFINS to be recovered

The table below shows the potential recoverable PIS and COFINS entitlement embedded in the lease consideration, according to the expected payment periods:

	Consolidated (companies located in Brazil)	
Cash Flows	Nominal	Discounted to present value
Lease consideration	86,403	74,400
Potential PIS/COFINS (9.25%)	7,992	6,882

e. Inflation effect

In compliance with Circular Letter issued by CVM/SNC/SEP/ on February 2019, the Company presents comparative balances considering the effect of estimated future inflation on lease contract flows, discounted at the nominal rate.

	Parent Company		Consolidated	
	2024	2023	2024	2023
Lease asset - actual flow (a)				
Right-of-use asset	78,733	67,058	761,434	543,037
Depreciation	(47,479)	(29,762)	(140,885)	(81,669)
	31,254	37,296	620,749	461,368
Lease asset - inflated flow (a)				
Right-of-use asset	82,670	70,411	799,716	570,188
Depreciation	(49,853)	(31,250)	(147,930)	(85,752)
	32,817	39,161	651,786	484,436
Lease liabilities – actual flows				
Lease liability	37,773	45,172	919,980	678,372
Interest on lease liabilities	(3,294)	(4,872)	(344,523)	(233,817)
	34,479	40,300	575,457	444,555
Lease liabilities – inflated flow				
Lease liability	39,662	47,431	965,979	712,291
Interest on lease liabilities	(3,459)	(5,116)	(361,749)	(245,508)
	36,203	42,315	604,230	466,783

(a) Except for goodwill, which is not updated.

f. Contracts for terms and discount rates

The Group estimated discount rates according to the risk-free interest rates reported in Brazilian and foreign markets and over the terms of its contracts, adjusted to its reality (credit spread). Spreads were obtained by probing potential investors in the Group's debt securities. The discount rate for the BTS contract (warehouse occupied by the US factory) is 5.35%. The other discount rates for the Group's leases range from 6.26% to 16.33%, with the implicit rate in the contracts or the discount rates based on risk-free interest rates being used. The table below shows the rates charged considering the terms of the contracts:

Amounts in thousands of Brazilian real, except when otherwise indicated

Deadlines	Annual rate %
Two years	15.07%
2 years (a)	6.35%
3 years	16.33%
3 years	12.35%
5 years	6.26%
5 years (a)	6.35%
10 years	9.99%
20 years (a)	7.16%

(a) Properties located in the United States, and the interest rate is local.

20. Suppliers, credit granting from suppliers and property, plant and equipament payables

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Trade payables				
Domestic market	227,523	265,361	298,715	288,699
Foreign market	37,934	674	77,060	38,152
Current liabilities	265,457	266,035	375,775	326,851
Credit granting from supplier (drawee risk) (a)				
Domestic market	105,180	132,859	120,375	132,859
Current liabilities	105,180	132,859	120,375	132,859
Property, plant and equipment payables (b)				
Domestic market	9,739	7,019	32,590	9,957
Foreign market	3,823	10,918	172,699	186,417
	13,562	17,937	205,289	196,374
Current liabilities	13,562	15,123	22,546	89,372
Non-current liabilities	-	2,814	182,743	107,002

a. Credit granting from supplier - drawee's risk

The Group assigned payables to suppliers with financial institutions in the amount of R$105,180 (Parent Company) and R$120,375 (Consolidated) (R$132,859 as of December 31, 2023 – Parent Company and Consolidated) to provide its supplier partners with more attractive credit facilities aiming at maintaining commercial relationships. Forfaiting is a transaction involving the supplier's transfer of its receivables to the financial institution, which in turn becomes the creditor, with no change in maturity date.

The invoices included in these transactions are paid according to the same price and term conditions negotiated with suppliers, and no charges are imposed on the Company, so that commercial conditions are not changed.

b. Accounts payable from property, plant and equipment

The Group has R$13,562 (Parent Company) in current liabilities (R$15,123 as of December 31, 2023) and R$22,546 (Consolidated) (R$89,372 as of December 31, 2023) consisting of suppliers of property, plant and equipment and intangible assets. The balances in non-current liabilities are R$182,743, Consolidated (R$107,002 as of December 31, 2023). In the Parent Company balances basically consist of the acquisition of industrial furnaces from supplier SACMI for the Tijucas plant. In the consolidated financial statements, most of it refers to the new plant in the US.

Amounts in thousands of Brazilian real, except when otherwise indicated

Average payment term

The average payment term for suppliers, accounts payable from property, plant and equipment and assignment of credits with suppliers is shown below:

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Suppliers	108	99	101	98
Assignment of receivables from suppliers - drawee's risk	151	145	147	145
Accounts payable from property, plant and equipment	147	402	918	512

Amounts in thousands of Brazilian real, except when otherwise indicated

21. Loans, financing and debentures

a. Composition

	Currency	Maturities	Charges		Parent Company		Consolidated	
					12/31/2024	12/31/2023	12/31/2024	12/31/2023
Current								
Banco do Nordeste S.A (a)	R$	Jun-27	2.70%	p.a.[1] + IPCA (Extended Consumer Price Index)	12,262	19,180	12,262	19,180
NCE (b)	R$	Dec-27	2.68%	a.a.[1] + CDI	90,269	194,719	90,366	194,719
NCE (b)	US$	mar-27	99%	CDI	20,109	13,159	20,109	13,159
NCE com swap (b)	US$	Feb-24	9.19%	p.a.[1]	-	30,476	-	30,476
FINEP (c)	R$	jul-36	1.77%	p.a.[1]+TJLP	26,236	26,202	26,236	26,202
4th Issue Debentures (d)	R$	out-26	3.02%	a.a.[1] + CDI	80,216	83,749	80,216	83,749
5th Issue Debentures (g)	R$	Dec-28	3.68%	a.a.[1] + CDI	82,056	41,080	82,056	41,080
Commercial Note (h)	R$	Dec-26	4.40%	a.a.[1] + CDI	-	-	2,505	-
BNDES (e)	R$	Jun-26	1.80%	a.a.[1] + SELIC	2,124	2,068	2,124	2,068
Working capital (f)	R$	mar-26	2.75%	a.a.[1] + CDI	3,936	9,776	3,936	9,776
Working capital from swap agreements (f)	US$	mar-26	3.09%	a.a.[1] + CDI	15,704	23,625	15,796	23,625
ACC (b)	US$	Feb-26	6.45%	p.a.[1]	13,272	-	13,272	-
PPE (b)	US$	set-27	5.75%	p.a.[1]	419	-	419	-
PPE (b)	US$	mar-26	1.78%	a.a.[1] + CDI	50,734	6,030	50,734	6,030
PPE com swap (b)	US$	nov-29	97.00%	CDI	5,983	5,973	5,983	5,973
Total current assets			**13.48%**	p.a.[1]	**403,320**	**456,037**	**406,014**	**456,037**
Total domestic currency		R$			297,099	376,774	301,090	376,774
Total foreign currency		US$			106,221	79,263	106,313	79,263
Non-current								
Banco do Nordeste S.A (a)	R$	Jun-27	2.70%	p.a.[1] + IPCA (Extended Consumer Price Index)	7,990	19,832	7,990	19,832
NCE (b)	R$	Dec-27	2.68%	a.a.[1] + CDI	162,771	164,964	162,674	164,964
NCE (b)	US$	mar-27	99%	CDI	23,402	33,980	23,402	33,980
FINEP (c)	R$	jul-36	1.77%	p.a.[1]+TJLP	138,753	124,517	138,753	124,517
4th Issue Debentures (d)	R$	out-26	3.02%	a.a.[1] + CDI	74,481	148,880	74,481	148,880
5th Issue Debentures (g)	R$	Dec-28	3.68%	a.a.[1] + CDI	242,656	323,541	242,656	323,541
Commercial Note (h)	R$	Dec-26	4.40%	a.a.[1] + CDI	-	-	2,500	-
BNDES (e)	R$	Jun-26	1.80%	a.a.[1] + SELIC	651	2,018	651	2,018
Working capital (f)	R$	mar-26	2.75%	a.a.[1] + CDI	975	-	975	-
Working capital from swap agreements (f)	US$	mar-26	3.09%	a.a.[1] + CDI	3,910	-	16,007	-
ACC (b)	US$	Feb-26	6.45%	p.a.[1]	2,212	-	2,212	-
PPE (b)	US$	set-27	5.75%	p.a.[1]	27,762	33,216	27,762	33,216
PPE (b)	US$	mar-26	1.78%	a.a.[1] + CDI	12,586	-	12,586	-
PPE com swap (b)	US$	nov-29	97.00%	CDI	45,040	33,956	45,040	33,956
Total non-current			**12.76%**	**p.a.[1]**	**743,189**	**884,904**	**757,689**	**884,904**
Total domestic currency		R$			628,277	783,752	630,680	783,752
Total foreign currency		US$			114,912	101,152	127,009	101,152
Total			**13.01%**	**p.a.[1]**	**1,146,509**	**1,340,941**	**1,163,703**	**1,340,941**
Total domestic currency		R$			925,376	1,160,526	930,381	1,160,526
Total foreign currency		US$			221,133	180,415	233,322	180,415

Amounts in thousands of Brazilian real, except when otherwise indicated

[1] Annual weighted average rate
Extended Consumer Price Index (IPCA)
Exchange rate fluctuation
CDI - Interbank Deposit Certificate

b. Detailing contracts

Note	Institution/Type	Entity	Date of the agreement	Matures in	Term (months)	Grace period (months)	Amortization	Value captured	Releases (in R$ thousand)		Collateral/ Note
									Value	Date	
a)	Banco do Nordeste	PBG S.A.	Jun/13	Jun/25	144	24	Monthly	R$ 147.784	R$ 29,221	ago/14	Mortgage on real property and machinery and equipment. Rescheduled in April 2020.
									R$ 45,766	jan/15	
									R$ 14,700	set/15	
									R$ 4,714	mar/16	
									R$ 2,418	December 2016	
									R$ 8,827	Feb/2019	
		PBG S.A.	jul/19	Jun/27	95	24	Monthly	R$ 31.147	R$ 7,246	jul/19	Mortgage on real property and 2nd degree of machinery and equipment. Rescheduled in April 2020.
									R$ 4,681	Feb/2020	
									R$ 4,261	set/20	
									R$ 7,000	Jun/22	
b)	Export Credit (NCE)	PBG S.A.	Jun/21	Jun/26	60	24	Semiannual	R$ 30.000	R$ 30,000	Jun/21	Receivables of Portobello S.A. of 20% of the agreement's debt balance
		PBG S.A.	ago/21	ago/27	72	24	Semiannual	R$ 100.000	R$ 100,000	ago/21	Receivables of Portobello S.A. of 30% of the agreement's debt balance
		PBG S.A.	December 2022	December 2027	60	24	*Semiannual*	R$ 48.000	R$ 48,000	December 2022	Receivables of Portobello S.A. of 10% of the agreement's debt balance
		PBG S.A.	December 2022	December 2027	60	24	*Semiannual*	R$ 40.000	R$ 40,000	December 2022	Without guarantee
		PBG S.A.	Feb/23	mar/27	48	12	*Monthly*	R$ 50.000	R$ 50,000	Feb/23	Without guarantee
		PBG S.A.	December 2024	set/27	33	14	*Quarterly*	R$ 37.500	R$ 37,500	December 2024	of 10% of the agreement's debt balance (INVESTMENT)
		PBG S.A.	Feb/24	Feb/26	24	14	*Semiannual*	R$ 70.000	R$ 70,000	Feb/24	Aval Portobello Shop
	PPE	PBG S.A.	mar/24	mar/26	24	6	*Quarterly*	R$ 70.000	R$ 70,000	mar/24	Standby Letter of Credit
		PBG S.A.	set/24	set/27	36	18	*Semiannual*	R$ 24.797	R$ 24,797	set/24	Standby Letter of Credit
		PBG S.A.	nov/22	nov/27	60	24	*Semiannual*	R$ 43.000	R$ 43,000	nov/22	Without guarantee
	ACC	PBG S.A.	December 2024	Feb/26	14	3	Quarterly	R$ 15.466	R$ 15,466	December 2024	Without guarantee
c)	FINEP (Research and Project Financing Agency)	PBG S.A.	December 2019	set/29	117	32	Monthly	R$ 66.771	R$ 25,008	December 2019	Surety bond/Performance bond
									R$ 33,000	mar/20	
									R$ 8,763	ago/21	
		PBG S.A.	jul/24	jul/36	144	23	Monthly	R$ 37.835	R$ 37,835	jul/24	
		PBG S.A.	nov/20	nov/30	120	36	Monthly	R$ 98.487	R$ 34,214	December 2021	
									R$ 64,274	nov/20	
d)	Debentures (4th issue/1st series)	PBG S.A.	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 to redeem the third issue. Collateral interest and additional personal guarantee. It has *covenants* that have been complied with.

Amounts in thousands of Brazilian real, except when otherwise indicated

Note	Institution/Type	Entity	Date of the agreement	Matures in	Term (months)	Grace period (months)	Amortization	Value captured	Releases (in R$ thousand)		Collateral/ Note
									Value	Date	
e)	BNDES (National Bank for Economic and	PBG S.A.	Jun/22	Jun/26	48	12	*Quarterly*	R$ 3.923	R$ 3,923	Jun/22	BNDES Program for Production Chains. 100% Proceeds from transfer to Portobello Shop franchisees.
f)	Working capital	PBG S.A.	mar/24	mar/26	24	3	*Quarterly*	R$ 25.000	R$ 25,000	mar/23	Promissory note
		PBTECH	December 2024	jan/26	13	13	*Final*	R$ 12.000	R$ 12,000	December 2024	Promissory note
		PBG S.A.	mar/24	mar/26	24	3	*Quarterly*	R$ 7.800	R$ 7,800	mar/23	Aval Portobello Shop
g)	Debentures (5th issue/1st series)	PBG S.A.	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 for redeeming the 1st issue of commercial notes. Collateral interest and additional personal guarantee. It has *covenants* that have been complied with.
h)	Commercial Note	PBTECH	December 2024	December 2026	24	1	Monthly	R$ 5.000	R$5,000	December 2024	Receivables of Portobello S.A. of 50% of the agreement's debt balance

Amounts in thousands of Brazilian real, except when otherwise indicated

b.1 Debentures

(i) 4th (fourth) issue

At a special meeting held on September 16, 2021, the Company approved the execution, as proposed by the Board of Directors, of its 4th (fourth) issue of simple, nonconvertible debentures, guaranteed by security interest, with additional personal guarantee, in two series, which were the subject of a public offering with restricted distribution efforts.

Issue	4th
Fiduciary Agent	PENTÁGONO S.A.
ISIN Code	BRPTBLDBS000
Liquidating Bank	Banco Itaú BBA S/A
Lead Coordinator	Banco Itaú BBA S/A
Date of Issue	09/17/2021
Maturity Date	09/17/2026
Issue Rating	No
Remuneration	CDI + 3.00% p.a. (252 d.u.)
Trading	CETIP (Clearinghouse for
Number of Serial	1
Volume of the issue R$	300,000,000.00
Total number of debentures	300,000
Nominal value per unit R$	1,000.00
Covenants	Division of net debt by EBITDA < 3.50x
Payment of compensation	Semi-annual review, with the first payment date on March 17, 2022.

(ii) 5th (fifth) issue

At a special meeting held on December 8, 2023, the Company approved the execution, as proposed by the Board of Directors, of its 5th (fifth) issue of simple, nonconvertible, secured debentures, guaranteed by security interest, in two series, which were subject to public offering with restricted distribution efforts.

Issue	5th
Fiduciary Agent	PENTÁGONO S.A.
ISIN Code	BRPTBLDBS075
Liquidating Bank	Banco Bradesco S/A
Lead Coordinator	Banco Itaú BBA S/A
Date of Issue	12/202023
Maturity Date	12/20/2028
Issue Rating	Yes
Remuneration	Interbank Deposit Certificate (CDI) rate + 3.65% p.a. (252 d.u.)
Trading	CETIP (Clearinghouse for
Number of Serial	1
Volume of the issue R$	367,000,000.00
Total number of debentures	367,000
Nominal value per unit R$	1,000.00
Covenants	Division of net debt by EBITDA < 3.50x
Payment of compensation	Semi-annual review, with the first payment date on June 20, 2024.

Covenants and guarantees

The other loans taken out by restricted financial investments, mortgages on real estate equipment, receivables of the Parent Company and subsidiary Portobello Shop (note 8) were pledged to secure the other loans.

For debentures (4th (fourth) and 5th (fifth) issue), the Parent Company has financial clauses (covenants), one of which is the index obtained by dividing net debt by the consolidated EBITDA (see note 5), which may not be higher than 3.50x, with quarterly measurements. All covenant clauses for these transactions were complied with for the year ended December 31, 2024.

Amounts in thousands of Brazilian real, except when otherwise indicated

The Company started to have financial clauses (covenants) in order to enter into an amendment to the agreement entered into in December 2023 for the export prepayment agreement entered into with Banco Itaú. Among the clauses is the ratio obtained by dividing net debt (see note 5, plus drawee risk, property, plant and equipment accounts payable and liabilities and assets of financial instruments) by the consolidated EBITDA, whose indicator may not be higher than 5.0x for 2023, 4.0x for 2024 and 3.75x for 2025, with quarterly measurements. This agreement was settled in the third quarter of 2024.

c. Payment schedule

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
2025	403,320	456,037	406,014	456,037
2026	356,309	293,980	370,809	293,980
2027	196,469	280,986	196,469	280,986
2028	118,555	173,313	118,555	173,313
2029	35,303	103,811	35,303	103,811
2030	15,814	32,814	15,814	32,814
2031 a 2036	20,739	-	20,739	-
	1,146,509	1,340,941	1,163,703	1,340,941

d. Changes

	Parent Company	Consolidated
As of December 31, 2022	860.115	860.115
Changes that affected cash flows		
Proceeds from loans and debentures	629,600	629,600
Principal repayment	(148,130)	(148,130)
Payment of interest	(118,812)	(118,812)
Movements that did not affect cash flows		
Foreign exchange gains (losses)	(12,886)	(12,886)
Accrued interest and transaction costs	131,054	131,054
As of December 31, 2023	1,340,941	1,340,941
Changes that affected cash flows		
Proceeds from loans and debentures	287,834	304,834
Principal repayment	(518,480)	(518,480)
Payment of interest	(172,085)	(172,085)
Movements that did not affect cash flows		
Foreign exchange gains (losses)	53,618	53,714
Accrued interest and transaction costs	154,681	154,779
As of December 31, 2024	1,146,509	1,163,703

22. Installment payable of tax liabilities

Amounts in thousands of Brazilian real, except when otherwise indicated

As of December 31, 2024, the installments of tax liabilities consist of:

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Current liabilities				
Prodec (a)	10,943	7,599	10,943	7,599
Installment payment under Law 11.941/09	-	10,724	-	10,724
	10,943	18,323	10,943	18,323
Non-current liabilities				
Prodec (a)	38,003	30,694	38,003	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. Inflation adjustment is made at the rate of 0% to 3% p.y. + UFIR. The current contracts were entered into between 2020 and 2024. The maturities of the outstanding installments are dated 2025 and 2029.

23. Taxes, duties and contributions

As of December 31, 2024, taxes, fees and contributions recognized in current liabilities were classified as follows:

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
ICMS	15,801	14,379	24,426	15,070
IRRF	6,707	6,291	10,333	8,797
PIS/COFINS	908	2,905	3,230	5,387
Other taxes, fees and contributions	431	438	969	1,052
	23,847	24,013	38,958	30,306

24. Other accounts payable

As of December 31, 2024, other accounts payable are as follows:

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Circulating				
Commissions	13,175	11,736	13,064	11,736
Payroll trade payables	3,566	2,838	3,566	2,838
Provision for expenses	10,368	4,327	17,975	7,445
Warranties	1,099	1,770	969	1,770
Provision for freight	801	522	801	522
Advertising background	-	-	-	381
Other payables	407	1,040	9,524	6,439
	29,416	22,233	45,899	31,131
Non-current				
Long-term incentives	3,809	5,525	3,809	5,525
Government grant (a)	-	-	12,496	12,671
Provision for decommissioning of assets	-	-	1,190	1,091
	3,809	5,525	17,495	19,287

(a) On July 26, 2019, the Group, through subsidiaries PBA and PBM, entered into an agreement with the Tennessee Department for Economic and Community Development and the Industrial Development Board of the City of Cookeville, Tennessee, to receive a grant based on the State's incentive program to promote long-term employment growth, providing financial assistance to eligible applicants to induce and help companies relocate, expand, or build projects in Tennessee.

Amounts in thousands of Brazilian real, except when otherwise indicated

As a consideration for the grant, and as part of the project, the subsidiary will create, fill and maintain two hundred and twenty (220) new jobs between July 2019 and July 2028 (end).

The performance requirement requires a percentage equal to or greater than 80% on the end date. Failure to meet the performance requirements on the final date will result in the refund to the State of all or part of the amount awarded.

The Group recorded the transaction as deferred income given that performance requirements were not met between December 31, 2019 and 2022, in the amount of R$15,480 (US$2,967). As of December 31, 2024, the balance recognized as deferred revenue was R$12,496, and the use started after the factory started operations.

25. Civil, labor, social security and tax provision

The Company and its subsidiaries are parties to legal civil, labor and social security proceedings and to administrative tax proceedings. Management, supported by the opinion of its legal counselors, believes that the balance of provisions is sufficient to cover the expenses necessary to settle obligations.

Provisions for contingencies are calculated according to the expenses estimated to be necessary to settle the obligation. Civil and labor lawsuits are individually assessed by the Group's legal counselors that classify them according to the expected successful outcome of lawsuits.

The breakdown of the balance of provisions is as follows:

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Civil	11,832	13,885	29,852	50,179
Labor	3,000	4,748	3,292	5,132
Social Security	4,550	4,550	4,550	4,550
Tax	19,062	20,045	19,937	20,110
	38,444	43,228	57,631	79,971

Amounts in thousands of Brazilian real, except when otherwise indicated

Changes in the balance of provisions for contingencies are as follows:

	Parent Company					Consolidated				
	Civil	Labor	Social Security	Tax	Total	Civil	Labor	Social Security	Tax	Total
As of December 31, 2022	31,930	10,074	4,550	28,519	75,073	44,848	10,321	4,550	28,650	88,369
Debited (credited) to the statement of profit or loss:	(18,045)	(5,326)	-	(8,474)	(31,845)	5,331	(5,189)	-	(8,540)	(8,398)
Additional provisions	4,160	2,122	-	965	7,247	10,845	2,446	-	1,032	14,323
Reversals due to non-utilization (a)	(13,669)	(4,754)	-	(3,711)	(22,134)	(17,439)	(4,938)	-	(3,797)	(26,174)
Monetary adjustment (reversal)	(5,044)	(1,224)	-	70	(6,198)	15,510	(1,222)	-	70	14,358
Reversals for realization	(3,492)	(1,470)	-	(8)	(4,970)	(3,585)	(1,475)	-	(8)	(5,068)
Provisions (reversals) for realization - non-cash effect	-	-	-	(5,790)	(5,790)	-	-	-	(5,837)	(5,837)
As of December 31, 2023	13,885	4,748	4,550	20,045	43,228	50,179	5,132	4,550	20,110	79,971
Debited (credited) to the statement of profit or loss:	(847)	86	-	(291)	(1,052)	(19,033)	71	-	519	(18,443)
Additional provisions	1,080	934	-	2,792	4,806	1,345	1,060	-	3,276	5,681
Reversals due to non-utilization (b)	(2,819)	(952)	-	(3,136)	(6,907)	(8,817)	(1,134)	-	(3,136)	(13,087)
Inflation adjustment (reversal) (b)	892	104	-	53	1,049	(11,561)	145	-	379	(11,037)
Reversals for realization	(1,206)	(1,834)	-	(692)	(3,732)	(1,294)	(1,911)	-	(692)	(3,897)
Provisions (reversals) for realization - non-cash effect	-	-	-	-	-			-	-	-
As of December 31, 2024	11,832	3,000	4,550	19,062	38,444	29,852	3,292	4,550	19,937	57,631

(a) The non-use reversal line for civil lawsuits consists of a review of the likelihood of unfavorable outcome of some lawsuits filed by construction companies that claimed problems with the detachment of products after laying. The Company and its subsidiaries have been able to produce technical evidence that the defect originates from the installation (settlement) made in violation of the recommendation expressly indicated, and not from the product, as evidenced by expert reports and favorable decisions. Because of this and the fact that the main and necessary evidence to be produced in these lawsuits is expert evidence, after this alignment between the technical and legal referrals, the possibility of an unfavorable outcome was considered remote, which resulted in the reversal of provisions.

(b) The consolidated financial statements basically consist of the settlement reached with the Federal Attorney General's Office in connection with class action No. 5003588-47.2012.4.04.7214 filed by subsidiary Mineração, as detailed in the paragraph below.

Civil

The Company and its subsidiaries are defendants to 245 civil lawsuits (424 lawsuits as of December 31, 2023) at lower civil courts and special civil courts. The balance of accrued amounts consists of damages lawsuits filed by final consumers and construction companies that are clients of the Group and claim products that they have acquired, in addition to public-interest civil actions filed by the Federal Attorney General's Office against Mineração Portobello (subsidiary) seeking compensation for the alleged illegal extraction of minerals, and lawsuits related to the Portobello Shop franchise network. When applicable, judicial deposits were made (note 11).

a. Class action number 5003588-47.2012.4.04.7214

The Federal Government filed a class action against Mineração Portobello, seeking the payment of damages for material damages resulting from an alleged illegal extraction of material for the period from 2002 to 2010. A decision was partially granted by the plaintiff condemning Mineração to pay damages, to be determined when the award is liquidated, according to the five-year statute of limitations period. The parties filed appeals against the dismissal of Mineração Portobello's appeal and the Federal Government's appeal was partially granted to increase the amount of ore extracted by the Company. The parties' special appeals were dismissed. Extraordinary appeals were filed, which were also dismissed. The Federal Government filed an interlocutory appeal, which was granted by a unanimous decision of the Federal Supreme Court to recognize that the indemnity is not subject to statute of limitations. Against this decision, Mineração filed an appeal for a motion for clarification of divergence which, by a monocratic decision, was dismissed. Mineração filed an appeal against this decision.

Considering the outcome of proceedings, the Group negotiated a settlement with the Federal Attorney General's Office in the amount of R$15,313 and reversed the difference from the previously accrued amount of R$22,793. As of December 31, 2024, the inflation-adjusted amount of the provision is R$16,995 (R$35,372 as of December 31, 2023).

Labor

The Company and its subsidiaries are defendants in 227 labor lawsuits (454 complaints as of December 31, 2023), filed by former employees and third parties. The lawsuits consist of the payment of termination benefits, premiums, overtime pay, salary equalization, and damages for pain and suffering and material damages arising from occupational accidents and diseases. The provisions are reviewed by Management according to legal counselors. Some lawsuits are supported by judicial deposits.

Social Security

Due to the Company's low expectation of a successful outcome of the administrative and legal proceedings about corporate reward cards, the Company recognized a provision for these debts in the total amount of R$4,550, which still depend on a court decision on tax enforcement proceedings or in some cases an administrative decision filed with the Federal Revenue Service.

Tax

On March 15, 2021, the Company was notified of the assessment of a tax deficiency so as to recognize a tax credit in the amount of R$6,421, which originated administrative proceeding No. 10340.720236/2021-00 for the period from 2017 to 2018 for the Company's failure to pay social security contribution on a) profit sharing payments made to social security beneficiaries who are individual contributors; b) payments of "Attendance Bonus" amounts made by the Company to social security beneficiaries who are employees; and, c) contribution to the National Institute of Colonization and Agrarian Reform (INCRA) not confessed in the FGTS and Social Security Information Payment Form (GFIP), levied on the payment made to insured employees. The

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Company challenged the entries and is waiting for a decision by the Brazilian Federal Revenue Service's Office.

The Company accrued a provision of R$620 for that assessment of deficiency, and the remaining amount is considered as a likelihood of remote loss. The inflation-adjusted balance of the provision as of December 31, 2024 is R$1,193.

The Company and its subsidiaries have a consolidated balance of R$19,864 as of December 31, 2024 (R$20,110 as of December 31, 2023) consisting of the provision for success fees, basically on tax assets.

26. Lawsuits with possible loss

a. Possible loss

Court proceedings that constitute present obligations for which an outflow of resources is not probable or for which it is not possible to make a sufficiently reliable estimate of the amount of the obligation, as well as those that do not constitute present obligations, are not recognized, but are disclosed, unless the possibility of an outflow of resources is remote.

The Group, according to its legal counselors, estimates the other possible contingencies in the amounts of contingent liabilities presented below:

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Civil	17,172	5,426	24,188	12,453
Labor	20,864	5,477	20,937	5,585
Social Security	10,985	10,985	10,985	10,985
Tax	43,207	21,380	43,407	21,380
	92,228	43,268	99,517	50,403

Civil

At the Parent Company, R$17,172 is divided into 29 lawsuits, among which the main plaintiffs are construction companies that complain about problems with Portobello products.

In the Consolidated, R$7,016 is added to the parent company's amount, consisting of 3 lawsuits filed by Mineração Portobello filed by the Federal Attorney General's Office, which are waiting for an appeal to be heard.

Labor

In the consolidated financial statements, R$20,937 consists of 67 labor cases, whose amounts are scattered.

The most relevant amount refers to tax execution No. 5012943-40.2023.4.04.7200, which deals with the RAT surcharge for employees' exposure to the harmful agents "noise" and "silica". The Company obtained a full guarantee for enforcement by taking out a surety bond to stay execution, in which obtained an injunction to suspend the enforcement of an injunction and a certificate with clearance effects. The amount classified as possible is R$16,173.

Social Security

A significant portion of the amounts refers to case No. 11516.721.813/2019.61 about the employer's portion of the special retirement for health hazard payment, whose opposing party is the Brazilian Federal Revenue Service, which summoned the Company in 2019, in the possible amount of R$10,433.

The Company challenged the assessment of tax deficiency and it was denied. The Company appealed the decision, which has been at CARF (Brazilian Administrative Tax Court) for judgment since December 2020.

Tax

The amount recorded in the Company and Consolidated financial statements basically consists of case No. 10340.720921/2022-17, in the amount of R$16,173, referring to the ICMS of the State of Rio de Janeiro, case No. 072.11.005264-3 – TJ/SC in the amount of R$3,689, related to the non-approval of the declared offset, and to the enforcement of tax proceedings filed for the purpose of collecting CSLL debts, in the amount of R$21,827.

27. Shareholder's equity

27.1. Capital

As of December 31, 2024 and 2023, the Company has a total paid-in capital of R$250,000, consisting of 140,986,886 registered, book-entry ordinary shares without par value.

As of December 31, 2024 there were 45,482,369 outstanding shares, equivalent to 32.26% of total issued shares (54,696,247 as of December 31, 2023, equivalent to 38.82% of the total). The balance of outstanding shares consists of all securities available for trading in the market, except for those held by controlling shareholders, members of the Board of Directors, members of the Audit Committee, Management and treasury shares.

The Company's Board of Directors, in a meeting held on July 5, 2024, unanimously approved the creation of a new share repurchase program issued by the Company, pursuant to CVM Instruction No. 77, of March 29, 2022 ("New Share Purchase Program").

The purpose of the share repurchase program is to maximize shareholder value, allowing the Company to hold treasury shares for future cancelation or use in executive incentive plans. The Company currently does not hold treasury shares.

Acquisitions will be made on the Stock Exchange at market prices, with the Executive Board deciding the time and quantity, respecting the regulations. They can be purchased up to 1,196,504 shares, representing 0.8% of the total and 2.6% of outstanding shares, with a period of 18 months for acquisition as from July 4, 2024. Funds for this transaction will come from the retained earnings and retained earnings reserve account, according to CVM Resolution No. 77.

The total number of shares did not change during the year.

27.2. Profit reserve

As of December 31, 2024 and 2023, the balance of the statutory reserve totals R$50,000, reaching 20% of the paid-in share capital, as set forth by article 193 of Brazilian Corporate Law (Law 6.404/76).

As of December 31, 2024, the appropriated retained earnings totaled R$16,164 (R$16,164 as of December 31, 2023), and in 2024 the Company did not set up tax incentive reserves (R$20,705 recognized in 2023). ICMS tax incentives granted to Prodesin (Integrated Development Program of the State of Alagoas), Santa Catarina Differentiated Tax Treatment (TTD) and Simples Nacional.

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As of December 31, 2024 and 2023, the undistributed profit reserve is as follows balance of R$35,633 and has the purpose of showing the portion of profit whose appropriation will be decided on and allocated at the Annual Shareholders' Meeting.

As of December 31, 2024 and 2023, the balance of the tax incentive reserve totals R$123,899.

27.3. Equity valuation adjustments

	Equity valuation adjustments			
Parent Company and Consolidated	Deemd cost	Accumulated translation adjustments	Other comprehensive income	Total
December 31, 2022	31,268	(69,561)	198	(38,095)
Realization of the revaluation reserve	(1,219)	-	-	(1,219)
Foreign exchange gain (loss) of foreign subsidiary	-	(14,475)	-	(14,475)
Actuarial gain (loss)	-	-	(11,337)	(11,337)
Deferred IR/CS on actuarial gain (loss)	-	-	3,854	3,854
Hedging transactions	-	-	8,212	8,212
Deferred income and social contribution taxes on *hedge*	-	-	(2,791)	(2,791)
December 31, 2023	30,049	(84,036)	(1,864)	(55,851)
Realization of the revaluation reserve	(1,219)	-	-	(1,219)
Foreign exchange gain (loss) of foreign subsidiary	-	121,271	-	121,271
Actuarial gain (loss)	-	-	(788)	(788)
Deferred IR/CS on actuarial gain (loss)	-	-	268	268
Hedging transactions	-	-	(50,823)	(50,823)
Deferred income and social contribution taxes on *hedge*	-	-	17,280	17,280
December 31, 2024	28,830	37,235	(23,894)	30,138

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*

Changes in assets and liabilities denominated in foreign currency (US dollars) arising from exchange rate fluctuations, as well as fluctuations between daily rates and the rate used to close the movements in the profit or loss reported by the foreign subsidiary, are recognized in this cumulative translation adjustments account. As of December 31, 2024, the amount of translation adjustments totaled R$121,271 (R$(14,475) as of December 31, 2023), according to the related note.

c. *Other comprehensive income*

As of December 31, 2024, the balance is as follows:

(i)Changes in the fair value of pension plans (actuarial), in the amount of R$(788) (R$(11,337) as of December 31, 2023);

(ii)Fluctuation in the fair value of the *hedge accounting* of R$ (50,823) (R$8,212 as of December 31, 2023), due to the mark to market of derivative financial instruments classified as *hedge* *accounting* not yet realized by December 2024, with effect of R$17,280 (R$2,791) as of December 31, 2023) of deferred income and social contribution taxes.

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28. Employee benefits

Since 1997, the Company sponsors a pension benefit plan called Portobello Prev, managed by Bradesco, which has 3,508 (3,602 as of December 31, 2023) active participants and 32 (28 as of December 31, 2023) retirees and pensioners. The plan has the characteristic of defined contribution in the resource accumulation phase. When benefits are granted, the plan is defined benefit, guaranteeing retirement and pension benefits for life to its participants. In addition, it offers a minimum retirement benefit by length of service or by age, funded exclusively by the sponsors.

Parent Company and Consolidated	
Fair value of the plan's assets	
As of December 31, 2022	108,587
Benefits paid in the year	(4,292)
Participant's contributions poured in over the year	2,282
Sponsor's contributions poured in during the year	2,842
Expected yields on assets in the year	11,044
Financial losses (gains)	(3,271)
As of December 31, 2023	117,192
Benefits paid in the year	(3,774)
Participant's contributions poured in over the year	1,822
Sponsor's contributions poured in during the year	1,998
Expected yields on assets in the year	11,587
Financial losses (gains)	(3,921)
Effect of combination and change in plan*	(64,923)
As of December 31, 2024	59,991

Parent Company and Consolidated	
Defined benefit obligation	
As of December 31, 2022	81,268
Cost of current gross service (on interest)	2,475
Interest on the actuarial liability	8,101
Benefits paid in the year	(4,292)
Obligations - (gain) or loss	8,065
As of December 31, 2023	95,617
Cost of current gross service (on interest)	848
Interest on the actuarial liability	9,557
Benefits paid in the year	(3,774)
Obligations - (gain) or loss	6,433
Effect of combination and change in plan*	(64,923)
As of December 31, 2024	34,191

** Change in the Plan's Regulations - With the approval of the regulatory change, PORTOBELLO PREV Benefit Plan paid off the minimum benefit, and the amounts due to active participants and self-sponsored participants are transformed into account balances. Therefore, the provision that existed for the minimum benefit was reverted to the balance of accounts, leaving only life annuity as a post-employment obligation.*

The changes in the fair value of the benefit plan's assets and the defined benefit obligation during the year is shown as follows:

	Parent Company and Consolidated			
	12/31/2024	12/31/2024	12/31/2024	12/31/2023
	BD Part	Part CD	BD + CD	BD + CD
Fair value of the plan's assets	59,981	64,924	124,905	117,192
Present value of financed liabilities	(34,191)	(64,924)	(99,115)	(95,617)
Net actuarial assets (liabilities)	25,790	-	25,790	21,575

	Company and Consolidated	
	12/31/2024	12/31/2023
Gain (loss) on actuarial liabilities	3,134	(8,065)
Gain (loss) on plan assets	(3,921)	(3,271)
Actuarial gain (loss)	(787)	(11,336)

The amounts recognized in the statements of profit or loss under the caption "Other operating revenues (expenses)", referring to the results of the management of assets, are:

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	Parent Company and Consolidated	
	2024	2023
Cost of the current service (on interest)	(848)	(2,475)
Interest on actuarial liabilities	(9,556)	(8,101)
Expected returns on the plan's assets	11,587	11,044
Participants' contributions in the year	1,822	2,282
Employer contributions in the year	1,998	2,842
Recognized in profit or loss	5,003	5,592

Actuarial assets and liabilities were determined according to actuarial calculations made by an independent actuary, according to the assumptions below:

	Parent Company and Consolidated	
Economic and financial	31.12.2024	31.12.2023
Annual interest rate	11.38% p.a. nominal (inflation rate + actual 7.45% p.a.)	9.13% p.a. nominal (inflation rate + actual 5.44% p.a.)
Long-term yields on assets	11.38% p.a. nominal (inflation rate + actual 7.45% p.a.)	9.13% p.a. nominal (inflation + actual 5.44% p.a.)
Long-term inflation rate	3,66%	3,50%
Projected wage growth	3,66 % a.a. nominal (0,00% a.a. real)	3,5 % a.a. nominal (0,00%a.a. real)
Projected increase in plan benefits	0.00% p.a.	0.00% p.a.
Factor for determining the actual value over time (salaries)	98%	98%
Factor for determining the real value over time (benefits)	98%	98%
Biometric and demographic		
Turnover hypothesis	1,10%	1,10%
General mortality table	AT 2000	AT 2000 M
Mortality table for the disabled	EXAMPLE IAPC	EXAMPLE IAPC
Disability table	TASA 1927	TAX 1927
Turnover	1,10% a.a.	1,10% a.a.
Retirement	100% on first eligibility	100% on first eligibility
Family composition before retirement	Not applicable	Not applicable
Family composition after retirement	Royal family	Royal family

On December 31, 2024, the Company recognized an actuarial loss of R$787 (R$11,336 as of December 31, 2023) in equity as other comprehensive income related to the payments made by the sponsor during the year with an effect of asset for purposes of the employee benefit plan and actuarial adjustment. Other operating revenues are reflected in the amount of R$5,003 (R$5,592 as of December 31, 2023).

29. Net revenue from the sale of goods and rendering of services

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

Amounts in thousands of Brazilian real, except when otherwise indicated

	Parent Company		Consolidated	
	2024	2023	2024	2023
Gross sales revenue	2,224,337	2,198,663	3,205,766	2,762,629
Gain (loss) on *hedge accounting*	(31,770)	30,344	(31,770)	30,344
Gross revenue deductions	(495,063)	(505,273)	(766,190)	(602,139)
Sales taxes	(415,163)	(427,394)	(650,476)	(502,062)
Returns and discounts	(79,900)	(77,879)	(115,714)	(100,077)
Net sales revenue	1,697,504	1,723,734	2,407,806	2,190,834

Operating activities and net revenue are shown in the following manner:

	Parent Company		Consolidated	
	2024	2023	2024	2023
Sell own products	1,571,623	1,596,415	2,125,379	1,863,747
Resells third-party products	125,881	127,319	179,648	208,158
Royalties	-	-	102,779	118,929
Net revenue	1,697,504	1,723,734	2,407,806	2,190,834

The Company and its subsidiaries do not have trade receivables that individually account for more than 10% of net sales revenue.

30. Expenses by type

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

	Parent Company		Consolidated	
	2024	2023	2024	2023
Cost and expenses				
Cost of Goods and/or Services Sold	(1,262,829)	(1,215,686)	(1,542,434)	(1,335,416)
Selling expenses	(284,610)	(321,634)	(661,703)	(626,651)
General and Administrative	(64,971)	(89,611)	(139,970)	(118,843)
	(1,612,410)	(1,626,931)	(2,344,107)	(2,080,910)
Breakdown of expenses by nature				
Direct production costs (raw materials and inputs)	(722,397)	(760,232)	(741,748)	(692,868)
Salaries, charges and employee benefits	(381,990)	(356,299)	(638,318)	(540,749)
Labor and third-party services	(76,299)	(72,134)	(108,745)	(122,923)
General production expenses (including maintenance)	(49,231)	(49,054)	(60,938)	(51,000)
Depreciation and amortization	(81,733)	(78,742)	(183,453)	(138,120)
Sales commissions	(60,309)	(43,583)	(91,227)	(70,289)
Marketing and advertising expenses	(29,715)	(42,054)	(52,773)	(63,100)
Expenses on the transportation of sold goods	(25,576)	(57,470)	(87,513)	(74,506)
Rent expenses	(10,226)	(12,568)	(14,906)	(15,079)
Travels and hotel stays	(11,264)	(19,396)	(29,891)	(23,852)
Idleness cost	(4,772)	(17,084)	(10,413)	(34,792)
Other revenues (expenses), net	(18,984)	(15,943)	(35,323)	(29,366)
Apportionment of corporate expenses (a)	41,589	-	-	-
Changes in inventories	(181,503)	(102,372)	(288,859)	(224,266)
Total	(1,612,410)	(1,626,931)	(2,344,107)	(2,080,910)

(a) As from 2024, corporate expenses paid by the parent company for services shared between the group's companies started to be apportioned with subsidiaries.

31. Other operating revenues (expenses) net

The amounts of other operating revenues (expenses), net, are shown as follows:

	Parent Company		Consolidated	
	2024	2023	2024	2023
Tax credits (a)	21,425	7,232	27,866	7,232

Amounts in thousands of Brazilian real, except when otherwise indicated

Assignment of payroll receivables	8,000	-	8,000	-
Net yield on the actuarial plan	5,003	5,592	5,003	5,592
Reversal of DIFAL unconstitutionality	-	2,802	-	2,802
Taxes on other revenues	(2,276)	(902)	(2,757)	(1,202)
Long-term incentive plan	1,034	-	1,090	-
Reversal of (provision for) contingencies, net	(1,406)	10,773	18,311	10,810
Provision for profit sharing	-	(1,651)	-	(343)
Other income (expenses), net	8,870	2,380	13,018	1,930
Total	40,650	26,226	70,531	26,821

(a) In 2024, the Company recovered PIS, COFINS, ICMS, IPI and other tax credits from the statute of limitations period as a result of a project to review its bookkeeping.

32. Net financial income (loss)

Financial results are presented as follows:

	Parent Company		Consolidated	
	2024	2023	2024	2023
Finance income				
Interest	11,234	20,004	17,220	27,198
Adjustment of assets	3,999	8,564	4,040	8,564
Gains on derivatives	777	1,431	777	1,431
Other finance income	450	138	597	263
Total	16,460	30,137	22,634	37,456
Finance costs				
Interest on loans, debentures and others	(144,295)	(128,050)	(181,134)	(145,501)
FDIC expenses	(9,888)	-	(10,471)	-
Tax finance charges	(3,887)	(2,915)	(4,555)	(7,228)
Adjustment in provisions for contingencies	(1,005)	6,198	(2,782)	(14,358)
Commissions, fees and banking services	(13,612)	(12,026)	(29,538)	(23,967)
Losses on derivative transactions	(1,190)	(2,675)	(1,110)	(2,675)
Finance costs other	(701)	855	(5,931)	(2,307)
Total	(174,578)	(138,613)	(235,521)	(196,036)
Net exchange rate fluctuations				
Trade receivables and suppliers	12,342	950	12,210	953
Loans and financing	(38,947)	(1,554)	(38,947)	(1,554)
Total	(26,605)	(604)	(26,737)	(601)
Net total	(184,723)	(109,080)	(239,625)	(159,181)

33. Earnings per share

a. Basic

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

The following table establishes the calculation of earnings (loss) per share for December 31, 2024 and 2023:

	Company and Consolidated	
	2024	2023
Loss attributable to Company's shareholders	(102,038)	(35,130)
Weighted average number of ordinary shares	140,987	140,987
Basic loss per share	(0.72374)	(0.24917)

b. Dilute

Diluted earnings (loss) per share are the same as basic earnings (loss), given that the Company's ordinary shares do not have dilutive effects.

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, Portobello America (PBA and PBM).

Portobello has the industrial operations of Portobello brand products in Tijucas and serves the B2B (*business-to-business service),* multi-brand retailers, construction companies, major projects, exports and other businesses of the group. Portobello Shop operates as the Group's franchisor, developing the brand's retail activity through its own network of stores and franchises. Pointer has the industrial operation of Pointer brand products in Alagoas, with regional operations in the Northeast, North and Export markets. Portobello America represents the brand in the United States, the main market for the Group's internationalization strategy.

Revenues generated by the business units basically result from the manufacturing and marketing of ceramic coating used in the construction industry in Brazil and abroad.

The Management of Portobello Group assesses the performance of the reporting operating segments, local and foreign markets, according to the measurement of EBITDA results, and evaluates the Business Units according to the profitability of the gross margin. In order to continually improve its disclosures, the Group has elected to include some additional information in the disclosure. Segment reporting is as follows:

Amounts in thousands of Brazilian real, except when otherwise indicated

a. Reportable segment information between domestic and foreign markets for the years 2024 and 2023

Gross profit and gross margin for each of the reporting segments are as follows:

	2024		
Continuing operations	Consolidated	Domestic Market	Foreign Market
Net revenue	2,407,806	1,876,981	530,825
Cost of sales	(1,542,434)	(1,092,310)	(450,124)
Gross profit	865,372	784,671	80,701
% of Gross Margin	35.9%	41.8%	15.2%

	2023		
Continuing operations	Consolidated	Domestic Market	Foreign Market
Net revenue	2,190,834	1,740,153	450,680
Cost of sales	(1,335,416)	(1,021,741)	(313,675)
Gross profit	855,418	718,412	137,005
% of Gross Margin	39.0%	41.3%	30.4%

b. Information by business units for the years 2024 and 2023:

Gross profit and gross margins per business unit are as follows:

	2024				
Continuing operations	Total	Portobello	Pointer	Portobello Shop	PBA
Net revenue	2,407,806	865,127	248,189	996,410	298,080
Cost of sales	(1,542,434)	(507,816)	(218,607)	(514,381)	(301,630)
Gross profit	865,372	357,311	29,582	482,029	(3,550)
Gross margin	36%	41%	12%	48%	(1%)

	2023				
Continuing operations	Total	Portobello	Pointer	Portobello Shop	PBA
Net revenue	2,190,834	851,357	193,601	917,161	228,715
Cost of sales	(1,335,416)	(494,963)	(169,471)	(480,563)	(190,419)
Gross profit	855,418	356,394	24,130	436,598	38,296
Gross margin	39%	42%	12%	48%	17%

Information about assets and liabilities by segments is not presented, because it is not part of the body of information analyzed by management, which, in turn, makes decisions about investments and allocation of resources considering the information on consolidated assets and liabilities.

35. Commitments to acquiring assets

As of December 31, 2024, contractual expenses on property, plant and equipment, but not yet incurred, total R$1,492 (R$3,012 as of December 31, 2023). These expenses consist of the modernization of the equipment of the plant in Tijucas, state of Santa Catarina, according to the Company's investment plan.

36. Items not affecting cash

During 2024, the Company incurred an advance for future increase in capital with investee Portobello América, as shown in note 16. R$83,000 consists of a balance of loans made in prior periods, and does not affect the parent company's cash flows from investments.

Also, in 2024, in view of procedural developments, the Company entered into an agreement with the Federal Attorney General's Office and reversed part of the assumption of debt in 2023 in the mining industry, in the amount of R$(17,853), shown in note 16 as a repayment asset, not affecting the cash flows from the Parent Company's investments.

In 2024, interest on loans, financing and debentures was capitalized in the amount of R$18,085 (R$27,815 as of December 31, 2023, according to note 16) in property, plant and equipment related to the construction or production of property, plant and equipment of subsidiaries in the United States, PBA and PBM, whose amount did not affect cash from investing activities.

As of December 31, 2024, the Company has a balance of R$13,562 consisting of property, plant and equipment accounts payable and R$205,289 in the consolidated financial statements, which have no cash effect. On a consolidated basis, the effect of foreign exchange gain or loss was a decrease of R$44,897.

In 2024, non-cash additions to shares and lease obligations represented R$7,156 in the parent Company and R$27,776 in the consolidated.

37. Related 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:

Amounts in thousands of Brazilian real, except when otherwise indicated

		Parent Company	
Nature - Balance sheet balances	Enterprise	12/31/24	12/31/23
Subsidiaries			
Commercial transactions			
Receivables from subsidiaries	PBShop	2,975	587
Receivables from subsidiaries	PBA	65,677	80,433
Receivables from subsidiaries	CBC	11,545	574
Receivables from subsidiaries	PBTech	8,697	7,408
Payables to subsidiaries and related parties	CBC	(6,203)	(2,950)
Payables to subsidiaries and related parties	Mineração	(4,688)	(5,697)
Payables to subsidiaries and related parties	PBTech	(1,242)	-
Payables to subsidiaries and related parties	PBA	(9,787)	(4,850)
Assets, net of liabilities to subsidiaries		66,974	75,505
Related parties			
Payables to subsidiaries and related parties	Refinadora Catarinense S.A. (a)	(56,330)	(56,330)
Payables to subsidiaries and related parties	Mining	(30,511)	(46,792)
Payables to subsidiaries and related parties	PBTech	(16)	(618)
Loan	CBC	(5,782)	-
Payables to subsidiaries and related parties	PBShop	(149)	(66)
Accounts receivable	Flooring Revest. Cer. Ltda. (a)	-	1
Accounts payable	Gomes Part Societárias Ltda. (a)	(87)	(87)
Accounts payable	AB Parking (a)	-	(8)
Assets, net of liabilities to other related parties		(92,875)	(103,900)

Subsidiary Portobello Shop has endorsed some of the financing agreements entered into by the Company.

37.1. Related party transactions

Portobello Shop, Companhia Brasileira de Cerâmica and PBTech have accounts receivable, accounts payable from the acquisition of stores and service revenues from related party royalties. Transactions are below:

Transactions with subsidiaries and related companies	Nature - Patrimonial	2024	2023
CBC	Accounts receivable, net of advances	26,045	1,816
PBShop	Accounts receivable, net of advances	1,596	-
PBTech	Accounts receivable, net of advances	23,460	-
Rivest Comercio Ltda. (a)	Accounts receivable, net of advances	-	(1)
CBC	Accounts payable	(24,178)	-
PBShop	Accounts payable	(153)	-
PBTech.	Accounts payable	(26,770)	(1,816)
		-	(1)

Transactions with subsidiaries and related companies	Nature - profit or loss	2024	2023
Rivest Comercio Ltda. (a)	Receita - royalties	-	54
Flooring Revest. Cer. Ltda. (a)	Receita - royalties	-	178
CBC	Revenue - sale of goods	156,479	2,748
AB Parking (a)	Parking services	(423)	(192)
Gomes Part Societárias Ltda. (a)	Expense - rent	(1,790)	(517)
Solução Cerâmica Com. Ltda. (a)	Interest - acquisition of store	-	(950)
Rivest Comercio Ltda.	Interest - acquisition of store	-	(388)
Flooring Revest. Cer. Ltda.	Interest - acquisition of shop and garage	-	(908)
		154,266	25

(a) Entities in which there are shareholders of the controlling group in a controlling position.

Amounts in thousands of Brazilian real, except when otherwise indicated

37.2. Key management personnel compensation

Compensation expenses paid to key management personnel, comprising members of the board of directors and audit committee, officers and managers, recorded as of December 31, 2024, are:

	Parent Company		Consolidated	
	2024	2023	2024	2023
Fixed compensation				
Wages	4,722	5,490	7,982	7,304
Fees	6,239	6,775	6,239	6,775
Variable compensation	936	1,300	1,382	1,384
Pension plan	916	591	1,142	658
Termination benefits	798	1,298	798	1,298
Other	1,076	1,665	1,558	1,955
	14,687	17,119	19,101	19,374

38. Changes to standards that are not yet effective

A number of new accounting standards are effective for annual periods beginning after January 1, 2025. The Group has not adopted the following accounting standards in preparing these financial statements:

38.1. IFRS 18 Presentation and Disclosure of Financial Statements

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

- Entities are required to classify all income and expenses into five categories in the statement of profit and loss, namely the operating, investment, financing, discontinued operation and income tax categories. Entities are also required to present a newly defined operating profit subtotal. The entities' profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

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

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the Group's statement of profit and loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is collated in the financial statements.

38.2. Other accounting standards

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

- Lack of Convertibility (Amendments to CPC 02/IAS 21);
- Classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7).

39. Subsequent events

January 2025 weather events
On January 16 and 17, 2025, the Municipality of Tijucas – SC, located in the Tijucas River Valley region, suffered intensely from rainfall that exceeded the historical rates recorded for the period, which caused several floods, landslides and substantial material damage to local businesses and homes.

The City Hall of Tijucas/SC, through Decree No. 2,502, of January 16, 2025, decreed an emergency situation, making official the severity of the damage caused by the rains.
The factory located in Tijucas suffered losses, including damages such as production shutdown and logistical difficulties, loss of input, loss of finished goods (inventories) and reduction in sales. In January 2025, the Company recognized an allowance for inventory losses in the amount of R$22,843 due to flooding that affected the plant.

Create the FIDC PBG SUPPLIERS
On February 10, 2025, a significant fact about the creation of PBG Suppliers Fundo de Investimento em Direitos Creditórios (PBG Suppliers Receivables Investment Fund) was disclosed. The purpose of the fund is to acquire receivables from business transactions carried out between the Company and its suppliers. This initiative aims to improve cash flow management and strengthen business relationships with our strategic partners.

The total amount of the issue was R$160,000, with shares divided into two different classes.

OPINION OF THE FISCAL COUNCIL

The Fiscal Council of PBG SA, in compliance with legal and statutory provisions, examined the Financial Statements for the year ended December 31, 2024, comprising: balance sheet, statements of income, statements of changes in equity, statements comprehensiveincome, 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, alsotaking into account the opinion of the auditors KPMG Auditores Independentes, issued in March, 13, 2025 without qualification, and of the opinion that, in its main aspects, the referred financial statements accurately 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, March 13, 2025.

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Mario Augusto de Freitas Baptista

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Jorge Muller

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Carlos Eduardo Zopello Brennand

PortobelloGrupo

Directors' Statement on Financial Statements and Report 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 directors of PBG S.A., declares that:

(i) reviewed, discussed and agreed with the Company's financial statements for the year ended December 31, 2024; and

(ii) reviewed, discussed and agreed with the opinions expressed in the report of KPMG Auditores Independentes, regarding the Company's financial statements for the year ended on December 31, 2024.

Board Composition

John Suzuki- Chief Executive Officer

Rosangela Sutil – VP of Finance and Investor Relations

Florianópolis, March 13, 2025.

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John Suzuki

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Rosangela Sutil

PortobelloGrupo

OPINION OF THE AUDIT COMMITTEE

The members of the Audit Committee of PBG S.A., in the exercise of their legal attributions and responsibilities, as provided in the Internal Rules of Procedure of the Audit Committee, have examined and analyzed the financial statements, together with the opinion of the independent auditors and the annual management report for the fiscal year ended December 31, 2024 and, considering the information provided by the Company's Management and by KPMG Auditores Independentes, unanimously opine that they adequately reflect, in all relevant aspects, the equity and financial positions of the Company and its subsidiaries, and recommend the approval of the documents by the Company's Board of Directors for their forwarding to the Annual General Meeting of Shareholders, under the terms of the Corporation Law.

Florianópolis, March 13, 2025.

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Cláudio Ávila da Silva

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Geraldo L. M. Filho

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Gladimir Brzezinski