Portobello Grupo

Quarterly Result
2Q I 2024

Report on the review of quarterly information - ITR

To the Directors and Shareholders of

PBG S.A.

Tijucas – Santa Catarina

Introduction

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

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

Scope of review

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

Conclusion on the individual interim information

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

Conclusion on the consolidated interim information

Based on our review, we are not aware of any facts that would lead us to believe that the consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of Quarterly Information (ITR), and presented in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission.

Other matters - Statements of added value

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

Corresponding amounts

Corresponding amounts related to individual and consolidated balance sheets as of December 31, 2023 were previously audited by other independent auditors who issued an unchanged report on March 13, 2024 and individual and consolidated statements of income and of comprehensive income for the three and six-month periods, of changes in shareholders' equity and of cash flows for the six-month period ended June 30, 2023 were previously reviewed by other independent auditors, who issued an unchanged report on August 14, 2023. The corresponding amounts for the individual and consolidated statements of added value for the six-month period ended June 30, 2023, were subject to the same review procedures by those independent auditors and, based on its review, those auditors issued an opinion reporting that were not aware of any facts that would lead them to believe that the statement of added value was not prepared, in all material respects, consistently with the individual and consolidated interim financial information taken as a whole.

Joinville, August 14, 2024

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

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

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Company Information / Breakdown of Capital

Quantity of shares (Thousand)	Current Period 06/30/2024
Paid-in capital	
Common	140,987
Preferred	0
Total	140,987
Treasury	
Common	0
Preferred	0
Total	0

Individual financial statements / Balance sheet - Assets (Thousand)

Account Code	Account Description	Current Period 06/30/2024	Previous Period 12/31/2023
1	Total Assets	2,464,447	2,525,874
1.01	Curent Assets	828,533	1,068,861
1.01.01	Cash and Cash Equivalents	181,641	376,366
1.01.03	Accounts Receivable	213,383	219,186
1.01.03.01	Trade Receivables	213,383	219,186
1.01.04	Inventory	331,107	374,170
1.01.06	Taxes to recover	24,994	24,758
1.01.06.01	Current taxes recoverable	24,994	24,758
1.01.06.01.01	Recoverable Income Tax and CS	3,113	2,347
1.01.06.01.02	Other taxes recoverable	21,881	22,411
1.01.07	Prepaid Expenses	15,564	4,334
1.01.08	Others Current Assets	61,844	70,047
1.01.08.03	Other	61,844	70,047
1.01.08.03.01	Advance to Suppliers	4,083	4,779
1.01.08.03.02	Dividends Receivable	41,799	39,693
1.01.08.03.03	Derivative financial instruments	2,380	14,620
1.01.08.03.04	Other Accounts Receivable	13,582	10,955
1.02	Non-Current Assets	1,635,914	1,457,013
1.02.01	Long-Term Assets	385,427	335,118
1.02.01.07	Deferred Taxes	58,618	39,815
1.02.01.07.01	Deferred Income and Social Contribution Taxes	58,618	39,815
1.02.01.09	Receivables from related parties	97,887	89,002
1.02.01.09.02	Subsidiaries Credits	97,887	89,002
1.02.01.10	Other Non-Current Assets	228,922	206,301
1.02.01.10.03	Judicial Deposits	7,480	7,090
1.02.01.10.04	Escrow deposit	15,362	19,887
1.02.01.10.06	Taxes to recover	16,572	16,131
1.02.01.10.07	Legal assets	116,975	115,141
1.02.01.10.08	Restricted investments	23,077	21,575
1.02.01.10.09	Lease Assets	10,756	10,297
1.02.01.10.11	Other Accounts Receivable	16,182	16,180
1.02.01.10.12	Securities	22,518	-
1.02.02	Investments	629,174	483,683
1.02.02.01	Ownership Interest	629,174	483,683
1.02.02.01.02	Interest in Subsidiaries	629,174	483,683
1.02.03	Property, Plant and Equipment	582,520	597,167
1.02.03.01	Property, Plant and Equipment	521,544	522,145
1.02.03.02	Right-of-use assets	37,339	37,296
1.02.03.03	Construction in Progress	23,637	37,726
1.02.04	Intangibles Assets	38,793	41,045
1.02.04.01	Intangibles Assets	38,793	41,045

Individual financial statements / Balance sheet Liabilities (Thousand)

Account Code	Account Description	Current Period 06/30/2024	Previous Period 12/31/2023
2	Total Liabilities	2,464,447	2,525,874
2.01	Current Liabilities	992,746	1,050,383
2.01.01	Social and labor obligations	66,854	55,992
2.01.02	Suppliers	386,907	414,017
2.01.02.01	Domestic Suppliers	373,787	413,343
2.01.02.01.01	Suppliers	261,568	265,361
2.01.02.01.02	Credit granting from suppliers	101,530	132,859
2.01.02.01.03	Asset Accounts Payable	10,689	15,123
2.01.02.02	Foreign suppliers	13,120	674
2.01.03	Tax Obligations	22,977	24,013
2.01.03.01	Federal tax obligations	4,666	9,634
2.01.03.01.02	PIS and COFINS	-	2,905
2.01.03.01.03	IRRF	4,666	6,291
2.01.03.01.04	Other Taxes	-	438
2.01.03.02	State Taxes	18,311	14,379
2.01.03.02.01	ICMS	18,311	14,379
2.01.04	Loans and Financing	392,471	456,037
2.01.04.01	Loans and Financing	226,990	331,208
2.01.04.01.01	In National Currency	124,187	251,945
2.01.04.01.02	Foreign Currency	102,803	79,263
2.01.04.02	Debentures	165,481	124,829
2.01.05	Other Obligations	123,537	100,324
2.01.05.01	Liabilities Related Party	14,975	14,100
2.01.05.01.02	Debts with Subsidiaries	14,881	14,005
2.01.05.01.04	Other Payables to Related Parties	94	95
2.01.05.02	Other	108,562	86,224
2.01.05.02.01	Dividends and interest on equity	638	640
2.01.05.02.04	Lease Obligations	24,395	21,112
2.01.05.02.05	Derivative financial instruments	22,900	1,894
2.01.05.02.06	Other bills to pay	21,263	22,233
2.01.05.02.07	Taxes payable in installments	14,682	18,323
2.01.05.02.08	Advances from clients	24,684	22,022
2.02	Non-current Liabilities	1,082,772	1,089,557
2.02.01	Loans and Financing	879,759	884,904
2.02.01.01	Loans and Financing	447,453	412,483
2.02.01.01.01	In National Currency	307,051	311,331
2.02.01.01.02	Foreign Currency	140,402	101,152
2.02.01.02	Debentures	432,306	472,421
2.02.02	Other Obligations	160,583	161,425
2.02.02.01	Liabilities Related Party	103,946	103,204
2.02.02.01.02	Debts with Subsidiaries	47,616	46,874
2.02.02.01.04	Other Payables to Related Parties	56,330	56,330
2.02.02.02	Other	56,637	58,221
2.02.02.02.04	Asset Accounts Payable	-	2,814
2.02.02.02.05	Taxes payable in installments	36,610	30,694
2.02.02.02.06	Lease Obligations	16,176	19,188
2.02.02.02.07	Other bills to pay	3,851	5,525
2.02.04	Provisions	42,430	43,228
2.02.04.01	Civil, labor, social security and tax provision	42,430	43,228
2.02.04.01.01	Tax provisions	19,816	20,045
2.02.04.01.02	Social Security and Labor Provisions	9,379	9,298
2.02.04.01.04	Civil provisions	13,235	13,885
2.03	Shareholders' Equity	388,929	385,934
2.03.01	Capital	250,000	250,000
2.03.04	Profit Reserves	225,696	225,696
2.03.04.01	Revenue reserves	50,000	50,000
2.03.04.05	Retained Earnings to be distributed	16,164	16,164
2.03.04.06	Special Reserve for Undistributed Dividends	35,633	35,633
2.03.04.07	Tax Incentive Reserve	123,899	123,899
2.03.05	Profits / Losses	-65,558	-33,911
2.03.06	Equity valuation adjustments	29,439	30,049
2.03.07	Cumulative translation adjustments	-24,021	-84,036
2.03.08	Other Comprehensive Income	-26,627	-1,864
2.03.08.02	Other Comprehensive Income	-26,627	-1,864

Individual financial statements / Statement of income (Thousand)

Account Code	Account Description	Quarter ended 06/30/2024	Semester ended on 06/30/2024	Quarter ended on 06/30/2023	Semester ended on 06/30/2023
3.01	Sales revenue of Goods and / or Services	441,995	858,671	427,748	811,511
3.02	Cost of Goods and / or Services	-330,057	-626,149	-304,750	-578,738
3.03	Gross Profit	111,938	232,522	122,998	232,773
3.04	Operating Income / Expenses	-76,351	-179,016	-132,682	-235,338
3.04.01	Selling Expenses	-67,022	-145,621	-84,959	-161,198
3.04.02	General and Administrative Expenses	-8,995	-32,924	-27,630	-50,211
3.04.04	Other Operating Income	10,844	31,066	12,185	15,596
3.04.05	Other Operating Expenses	-2,131	-1,710	2,111	-4,720
3.04.06	Equity income	-9,047	-29,827	-34,389	-34,805
3.05	Income before financial result and taxes	35,587	53,506	-9,684	-2,565
3.06	Financial result	-51,091	-91,727	-32,677	-65,739
3.06.01	Financial income	3,945	8,047	9,375	15,902
3.06.02	Financial expenses	-55,036	-99,774	-42,052	-81,641
3.06.02.01	Financial expenses	-37,908	-80,844	-41,765	-77,682
3.06.02.02	Foreign exchange variations, net	-17,128	-18,930	-287	-3,959
3.07	Income before Income Taxes	-15,504	-38,221	-42,361	-68,304
3.08	Income Tax and Social Contribution	3,954	5,964	4,060	14,922
3.08.01	Current	-82	-82	11,660	11,972
3.08.02	Deferred	4,036	6,046	-7,600	2,950
3.09	Net Income from Continuing Operations	-11,550	-32,257	-38,301	-53,382
3.11	Profit / Loss for the Period	-11,550	-32,257	-38,301	-53,382

Individual financial statements / Statement of comprehensive income (Thousand)

Account Code	Account Description	Quarter ended 06/30/2024	Semester ended on 06/30/2024	Quarter ended on 06/30/2023	Semester ended on 06/30/2023
4.01	Net income for the period	-11,550	-32,257	-38,301	-53,382
4.02	Other Comprehensive Income	29,369	35,252	-10,323	-10,323
4.02.01	Exchange Variation of Foreign Subsidiaries	49,518	60,015	-15,209	-15,209
4.02.02	Hedge Accounting Operations	-30,529	-37,520	7,403	7,403
4.02.03	Deferred income tax and social contribution on hedge accounting	10,380	12,757	-2,517	-2,517
4.03	Comprehensive income for the Period	17,819	2,995	-48,624	-63,705

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

Account Code	Account Description	30/06/2024	30/06/2023
6.01	Net cash from operating activities	-28,491	-50,035
6.01.01	Cash provided by operating activities	131,065	79,155
6.01.01.01	Income (loss) before income tax	-38,221	-68,304
6.01.01.02	Depreciation and amortization	41,099	39,133
6.01.01.03	Equity income or loss	29,827	34,805
6.01.01.04	Unrealized foreign exchange variations from loans	31,192	3,237
6.01.01.05	Provision for valuation of inventories at market value	-550	2,708
6.01.01.06	Provision for impairment of trade receivables	2,090	449
6.01.01.07	Civil, Labor, Social Security and Tax Provisions	-99	-14,036
6.01.01.08	Provision for PPR	-	-1,833
6.01.01.09	Provision for guarantees	180	2,319
6.01.01.10	Provision for Long-Term Incentives	-1,674	1,898
6.01.01.11	Restatement of tax assets	-2,084	-2,813
6.01.01.14	Provision for interest on loans and debentures	67,747	73,870
6.01.01.15	Lease Interest	3,177	2,483
6.01.01.18	Prodec Present Value Adjustment	-230	-222
6.01.01.19	Derivative Financial Instruments - Swap	-1,417	5,461
6.01.01.20	Write-offs of Fixed and Intangible Assets	28	-
6.01.02	Changes in assets and liabilities	-66,831	-70,614
6.01.02.01	Accounts Receivable	3,713	10,944
6.01.02.02	Inventory	43,613	-29,496
6.01.02.03	Judicial Deposits	-140	-789
6.01.02.04	Recoverable Taxes	-678	4,474
6.01.02.05	Restricted investments	-459	-506
6.01.02.06	Other assets	-15,360	-11,950
6.01.02.07	Accounts Payable	-22,676	-5,872
6.01.02.08	Advance to Suppliers	696	1,263
6.01.02.09	Civil, Labor, Social Security and Tax Provisions	-699	-1,519
6.01.02.10	Installments	2,662	-1,486
6.01.02.11	Installment payment of tax liabilities	2,505	-5,714
6.01.02.12	Taxes, fees and contributions	-1,036	7,831
6.01.02.13	Judicial Assets and Escrow Deposits	4,525	1,100
6.01.02.14	Receivables from Eletrobrás	-	12,821
6.01.02.15	Debts to subsidiaries and related parties	-90,268	-48,462
6.01.02.16	Other trade payables	-1,234	-13,955
6.01.02.17	Social and Labor Obligations	10,862	10,702
6.01.02.18	Derivative Financial Instruments - Swap	-2,857	-
6.01.03	Other	-92,725	-58,576
6.01.03.01	Interest paid on loans and debentures	-92,725	-58,576
6.02	Net cash used in investing activities	-67,143	-208,513
6.02.01	Acquisition of Fixed Assets (Net of Accounts Payable)	-18,038	-45,015
6.02.02	Acquisition of intangible assets	-2,872	-13,344
6.02.03	Dividends received	83,684	-
6.02.04	Advance for future capital increase (AFAC)	-107,399	-150,154
6.02.08	FIDC Mezzanine Quotas	-22,518	-
6.03	Net cash provided by (used in) financing activities	-99,091	367,012
6.03.01	Loans and financing and debentures	172,800	412,600
6.03.02	Payment of Loans and Financing	-258,419	-34,474
6.03.04	Lease Payment	-13,472	-11,114
6.05	Increase/(decrease) in cash and cash equivalents	-194,725	108,464
6.05.01	Opening balance of cash and cash equivalents	376,366	176,995
6.05.02	Closing balance of cash and cash equivalents	181,641	285,459

Individual financial statements / Statement of changes in shareholders’ equity / DMPL - 01/01/2024– 06/30/2024 (Thousand)

Account Code	Account Description	Paid-in share capital	Profit Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Individual Shareholders’ Equity
5.01	Opening Balances	250,000	225,696	-33,911	-55,851	385,934
5.03	Adjusted Opening Balances	250,000	225,696	-33,911	-55,851	385,934
5.05	Total Comprehensive Income	-	-	-32,257	35,252	2,995
5.05.01	Net Income for the Period	-	-	-32,257	-	-32,257
5.05.02	Other Comprehensive Income	-	-	-	35,252	35,252
5.05.02.01	Hedge accounting operations	-	-	-	-37,520	-37,520
5.05.02.02	Deferred Income Tax on Hedge accounting	-	-	-	12,757	12,757
5.05.02.04	Exchange variation of foreign subsidiary	-	-	-	60,015	60,015
5.06	Internal changes in shareholders' equity	-	-	610	-610	-
5.06.02	Realization of the Revaluation Reserve	-	-	610	-610	-
5.07	Closing Balances	250,000	225,696	-65,558	-21,209	388,929

Individual financial statements / Statement of changes in shareholders’ equity / DMPL - 01/01/2023– 06/30/2023 (Thousand)

Account Code	Account Description	Paid-in share capital	Profit Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Individual Shareholders’ Equity
5.01	Opening Balances	250,000	255,311	-	-38,095	467,216
5.03	Adjusted Opening Balances	250,000	255,311	-	-38,095	467,216
5.04	Capital Transactions with Partners	-	-29,615	-	-	-29,615
5.04.06	Dividends	-	-29,615	-	-	-29,615
5.06	Internal changes in shareholders' equity	-	8,456	-61,228	-10,933	-63,705
5.06.02	Realization of the Revaluation Reserve	-	-	610	-610	-
5.06.04	Hedge accounting operations	-	-	-	7,403	7,403
5.06.05	Deferred Income Tax on Hedge accounting	-	-	-	-2,517	-2,517
5.06.06	Exchange variation of subsidiary located abroad	-	-	-	-15,209	-15,209
5.06.07	Loss for period	-	-	-53,382	-	-53,382
5.06.08	Reserve of tax incentives	-	8,456	-8,456	-	-
5.07	Closing Balances	250,000	234,152	-61,228	-49,028	373,896

Individual financial statements / Statement of added value (Thousand)

Account Code	Account Description	30/06/2024	30/06/2023
7.01	Revenues	1,113,991	1,022,110
7.01.01	Sales of goods, products and services	1,079,229	1,016,043
7.01.02	Other revenues	35,149	6,333
7.01.04	Reversal/Allowance for doubtful accounts	-387	-266
7.02	Inputs acquired from third-parties	-536,754	-517,231
7.02.01	Cost of products, goods and services sold	-454,131	-413,866
7.02.02	Materials, energy, third party services and other	-94,274	-112,863
7.02.03	Loss/Recovery of assets	11,651	9,498
7.03	Gross value added	577,237	504,879
7.04	Retentions	-41,099	-39,133
7.04.01	Depreciation and amortization	-41,099	-39,133
7.05	Net value added produced	536,138	465,746
7.06	Value added received in transfer	-13,558	-15,625
7.06.01	Equity income	-29,827	-34,805
7.06.02	Financial income	16,269	19,180
7.07	Total value added to be distributed	522,580	450,121
7.08	Distribution of value added	522,580	450,121
7.08.01	Personnel	180,619	178,198
7.08.01.01	Direct remuneration	150,377	145,788
7.08.01.02	Benefits	19,350	20,882
7.08.01.03	Government Severance Indemnity Fund for Empl	10,892	11,528
7.08.02	Taxes, fees and contributions	249,187	223,708
7.08.02.01	Federal	101,999	85,576
7.08.02.02	State	146,098	137,636
7.08.02.03	Municipal	1,090	496
7.08.03	Remuneration of third party capital	125,031	101,596
7.08.03.01	Interest	107,995	84,920
7.08.03.02	Rentals	17,036	16,676
7.08.04	Remuneration of own capital	-32,257	-53,381
7.08.04.03	Retained earnings	-32,257	-53,381

Consolidated financial statements / Balance sheet - Assets (Thousand)

Account Code	Account Description	Current Period 06/30/2024	Previous Period 12/31/2023
1	Total Assets	3,329,250	3,296,008
1.01	Curent Assets	1,174,279	1,331,755
1.01.01	Cash and Cash Equivalents	233,549	486,472
1.01.03	Accounts Receivable	287,334	269,041
1.01.03.01	Trade Receivables	287,334	269,041
1.01.04	Inventory	544,818	489,041
1.01.06	Taxes to recover	41,980	31,798
1.01.06.01	Current taxes recoverable	41,980	31,798
1.01.06.01.01	Recoverable Income Tax and CS	10,712	8,603
1.01.06.01.02	Other taxes recoverable	31,268	23,195
1.01.07	Prepaid Expenses	36,946	17,488
1.01.08	Others Current Assets	29,652	37,915
1.01.08.03	Other	29,652	37,915
1.01.08.03.01	Advance to Suppliers	8,102	11,118
1.01.08.03.02	Derivative financial instruments	2,380	14,620
1.01.08.03.03	Other Accounts Receivable	19,170	12,177
1.02	Non-Current Assets	2,154,971	1,964,253
1.02.01	Long-Term Assets	302,114	259,927
1.02.01.07	Deferred Taxes	73,058	53,458
1.02.01.07.01	Deferred Income and Social Contribution Taxes	73,058	53,458
1.02.01.10	Other Non-Current Assets	229,056	206,469
1.02.01.10.03	Judicial Deposits	7,488	7,098
1.02.01.10.04	Escrow deposit	15,362	19,887
1.02.01.10.06	Taxes to recover	16,633	16,190
1.02.01.10.07	Legal assets	116,975	115,141
1.02.01.10.08	Restricted investments	23,077	21,575
1.02.01.10.09	Lease Assets	10,756	10,297
1.02.01.10.10	Securities	22,518	-
1.02.01.10.12	Other Accounts Receivable and Financial Instruments	16,247	16,281
1.02.03	Property, Plant and Equipment	1,753,879	1,620,557
1.02.03.01	Property, Plant and Equipment	860,607	824,865
1.02.03.02	Right-of-use assets	652,755	562,675
1.02.03.03	Construction in Progress	240,517	233,017
1.02.04	Intangibles Assets	98,978	83,769
1.02.04.01	Intangibles Assets	98,978	83,769

Consolidated financial statements / Balance sheet - Liabilities (Thousand)

Account Code	Account Description	Current Period 06/30/2024	Previous Period 12/31/2023
2	Total Liabilities	3,329,250	3,296,008
2.01	Current Liabilities	1,344,110	1,321,165
2.01.01	Social and labor obligations	94,978	76,578
2.01.02	Suppliers	548,146	549,082
2.01.02.01	Domestic Suppliers	490,026	510,930
2.01.02.01.01	Suppliers	302,291	288,699
2.01.02.01.02	Credit granting from suppliers	101,530	132,859
2.01.02.01.03	Asset Accounts Payable	86,205	89,372
2.01.02.02	Foreign suppliers	58,120	38,152
2.01.03	Tax Obligations	34,805	30,508
2.01.03.01	Federal tax obligations	11,980	15,438
2.01.03.01.01	Income and social contribution tax payable	1,742	202
2.01.03.01.02	PIS and COFINS	2,590	5,387
2.01.03.01.03	IRRF	7,648	8,797
2.01.03.01.04	Other Taxes	-	1,052
2.01.03.02	State Taxes	22,825	15,070
2.01.03.02.01	ICMS	22,825	15,070
2.01.04	Loans and Financing	392,471	456,037
2.01.04.01	Loans and Financing	226,990	331,208
2.01.04.01.01	In National Currency	124,187	251,945
2.01.04.01.02	Foreign Currency	102,803	79,263
2.01.04.02	Debentures	165,481	124,829
2.01.05	Other Obligations	273,710	208,960
2.01.05.02	Other	273,710	208,960
2.01.05.02.01	Dividends and interest on equity	694	640
2.01.05.02.04	Lease Obligations	75,682	40,276
2.01.05.02.05	Derivative financial instruments	22,900	1,894
2.01.05.02.06	Other bills to pay	33,491	31,131
2.01.05.02.07	Taxes payable in installments	14,682	18,323
2.01.05.02.08	Advances from customers	126,261	116,696
2.02	Non-current Liabilities	1,596,199	1,588,854
2.02.01	Loans and Financing	879,759	884,904
2.02.01.01	Loans and Financing	447,453	412,483
2.02.01.01.01	In National Currency	307,051	311,331
2.02.01.01.02	Foreign Currency	140,402	101,152
2.02.01.02	Debentures	432,306	472,421
2.02.02	Other Obligations	650,327	617,592
2.02.02.01	Liabilities Related Party	56,330	56,330
2.02.02.01.04	Other Payables to Related Parties	56,330	56,330
2.02.02.02	Other	593,997	561,262
2.02.02.02.04	Asset Accounts Payable	116,823	107,002
2.02.02.02.05	Taxes payable in installments	36,610	30,694
2.02.02.02.07	Lease Obligations	422,794	404,279
2.02.02.02.08	Other bills to pay	17,770	19,287
2.02.03	Deferred taxes	6,387	6,387
2.02.03.01	Income Tax and Social Contribution Deferred	6,387	6,387
2.02.04	Provisions	59,726	79,971
2.02.04.01	Civil, labor, social security and tax provision	59,726	79,971
2.02.04.01.01	Tax provisions	20,087	20,110
2.02.04.01.02	Social Security and Labor Provisions	9,829	9,682
2.02.04.01.04	Civil provisions	29,810	50,179
2.03	Consolidated Shareholders' Equity	388,941	385,989
2.03.01	Capital	250,000	250,000
2.03.04	Profit Reserves	225,696	225,696
2.03.04.01	Revenue reserves	50,000	50,000
2.03.04.05	Retained Earnings to be distributed	16,164	16,164
2.03.04.06	Special Reserve for Undistributed Dividends	35,633	35,633
2.03.04.07	Tax Incentive Reserve	123,899	123,899
2.03.05	Profits / Losses	-65,558	-33,911
2.03.06	Equity valuation adjustments	29,439	30,049
2.03.07	Cumulative translation adjustments	-24,021	-84,036
2.03.08	Other Comprehensive Income	-26,627	-1,864
2.03.09	Participation of Non-Controlling Shareholders	12	55

Consolidated financial statements / Statement of income (Thousand)

Account Code	Account Description	Quarter ended 06/30/2024	Semester ended on 06/30/2024	Quarter ended on 06/30/2023	Semester ended on 06/30/2023
3.01	Sales revenue of Goods and / or Services	589,075	1,114,532	548,825	1,036,576
3.02	Cost of Goods and / or Services	-373,961	-703,611	-334,265	-629,794
3.03	Gross Profit	215,114	410,921	214,560	406,782
3.04	Operating Income / Expenses	-167,234	-325,350	-185,558	-357,952
3.04.01	Selling Expenses	-162,028	-312,202	-163,865	-307,716
3.04.02	General and Administrative Expenses	-35,113	-65,972	-33,177	-56,984
3.04.04	Other Operating Income	31,946	54,799	13,923	19,613
3.04.05	Other Operating Expenses	-2,039	-1,975	-2,439	-12,865
3.05	Income before financial result and taxes	47,880	85,571	29,002	48,830
3.06	Financial result	-61,132	-113,525	-62,096	-98,811
3.06.01	Financial income	5,345	11,388	10,501	18,486
3.06.02	Financial expenses	-66,477	-124,913	-72,597	-117,297
3.06.02.01	Financial expenses	-49,325	-105,956	-72,324	-113,338
3.06.02.02	Foreign exchange variations, net	-17,152	-18,957	-273	-3,959
3.07	Income before Income Taxes	-13,252	-27,954	-33,094	-49,981
3.06.02.01	Income Tax and Social Contribution	1,707	-4,292	-5,203	-3,377
3.08.01	Current	-3,014	-11,135	2,510	-6,492
3.08.02	Deferred	4,721	6,843	-7,713	3,115
3.09	Net Income from Continuing Operations	-11,545	-32,246	-38,297	-53,358
3.11	Consolidated Profit/Loss for the Period	-11,545	-32,246	-38,297	-53,358
3.11.01	Attributed to Controlling Partners	-11,550	-32,257	-38,301	-53,382
3.11.02	Attributed to Non-Controlling Partners	5	11	4	24

Consolidated financial statements / Statement of comprehensive income (Thousand)

Account Code	Account Description	Quarter ended 06/30/2024	Semester ended on 06/30/2024	Quarter ended on 06/30/2023	Semester ended on 06/30/2023
4.01	Net income for the period	-11.545	-32.246	-38.297	-53.358
4.02	Other Comprehensive Income	29.369	35.252	-10.323	-10.323
4.02.01	Exchange variation of subsidiaries located abroad	49.518	60.015	-15.209	-15.209
4.02.02	Hedge Accounting Operations	-30.529	-37.520	7.403	7.403
4.02.03	Deferred income tax and social contribution on hedge accounting	10.380	12.757	-2.517	-2.517
4.03	Results Comprehensive Period	17.824	3.006	-48.620	-63.681
4.03.01	Attributed to Partners of the Parent Company	17.819	2.995	-48.624	-63.705
4.03.02	Attributed to Minority Partners	5	11	4	24

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

Account Code	Account Description	30/06/2024	30/06/2023
6.01	Net cash from operating activities	-31,739	8,876
6.01.01	Cash provided by operating activities	153,314	135,917
6.01.01.01	Income (loss) before income tax	-27,954	-49,981
6.01.01.02	Depreciation and amortization	87,379	64,802
6.01.01.04	Unrealized foreign exchange variations from loans	31,192	-11,972
6.01.01.05	Provision for valuation of inventories at market value	-1,469	3,817
6.01.01.06	Provision for impairment of trade receivables	1,777	1,234
6.01.01.07	Civil, Labor, Social Security and Tax Provisions	-19,546	6,888
6.01.01.08	Provision for PPR	-	-525
6.01.01.09	Provision for Long-Term Incentives	-1,674	1,898
6.01.01.10	Provision for guarantees	140	2,319
6.01.01.11	Update of Judicial Assets, Escrow Deposits and Judicial Deposit:	-2,084	-2,813
6.01.01.13	Lease Rescission	-	1,617
6.01.01.14	Provision for interest on loans and debentures	67,747	73,870
6.01.01.15	Lease Interest	19,425	9,374
6.01.01.17	Write-offs of fixed and intangible assets	28	30,150
6.01.01.18	Prodec Present Value Adjustment	-230	-222
6.01.01.20	Derivative Financial Instruments - Swap	-1,417	5,461
6.01.02	Changes in assets and liabilities	-82,733	-58,010
6.01.02.01	Accounts Receivable	-20,070	-1,375
6.01.02.02	Inventory	-54,308	-23,762
6.01.02.03	Judicial Deposits	-140	-794
6.01.02.04	Recoverable Taxes	-10,625	-4,217
6.01.02.05	Linked Financial Investment	-459	-506
6.01.02.06	Other assets	-38,951	-14,750
6.01.02.07	Accounts Payable	2,231	-2,737
6.01.02.08	Advance to Suppliers	3,016	-1,596
6.01.02.09	Civil, Labor, Social Security and Tax Provisions	-699	-1,532
6.01.02.10	Installments	9,565	4,076
6.01.02.11	Installment payment of tax liabilities	2,505	-5,714
6.01.02.12	Social and Labor Obligations	18,400	19,024
6.01.02.13	Judicial Assets and Escrow Deposits	4,525	1,100
6.01.02.14	Receivables from Eletrobrás	-	12,821
6.01.02.15	Debts to subsidiaries and related parties	-	-28,249
6.01.02.16	Other trade payables	2,377	-17,113
6.01.02.17	Derivative Financial Instruments - Swap	-2,857	-
6.01.02.18	Taxes, fees and contributions	2,757	7,314
6.01.03	Other	-102,320	-69,031
6.01.03.01	Interest paid on loans and debentures	-92,725	-58,576
6.01.03.02	Income Tax and Social Contribution Paid	-9,595	-10,455
6.02	Net cash used in investing activities	-97,058	-204,146
6.02.01	Acquisition of Fixed Assets (Net of Accounts Payable)	-32,403	-185,267
6.02.02	Acquisition of intangible assets	-25,079	-18,879
6.02.05	Acquisition of Goodwill Assets (Net of Accounts Payable)	-17,058	-
6.02.07	FIDC Mezzanine Quotas	-22,518	-
6.03	Net cash provided by (used in) financing activities	-124,126	348,214
6.03.01	Borrowings, Financing and Debentures	172,800	412,600
6.03.02	Payment of Loans and Financing	-258,419	-34,474
6.03.06	Lease Payment	-38,507	-29,912
6.05	Increase/(decrease) in cash and cash equivalents	-252,923	152,944
6.05.01	Opening balance of cash and cash equivalents	486,472	256,088
6.05.02	Closing balance of cash and cash equivalents	233,549	409,032

Consolidated financial statements / Statement of changes in shareholders’ equity / DMPL - 01/01/2024–06/30/2024 (Thousand)

Account Code	Account Description	Paid-in share capital	Profit Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Shareholders’ Equity	Minority Interests	Consolidated Shareholders’ Equity
5.01	Opening Balances	250,000	225,696	-33,911	-55,851	385,934	55	385,989
5.03	Adjusted Opening Balances	250,000	225,696	-33,911	-55,851	385,934	55	385,989
5.04	Capital Transactions with Partners	-	-	-	-	-	-54	-54
5.05	Total Comprehensive Income	-	-	-32,257	35,252	2,995	11	3,006
5.05.01	Net Income for the Period	-	-	-32,257	-	-32,257	11	-32,246
5.05.02	Other Comprehensive Income	-	-	-	35,252	35,252	-	35,252
5.05.02.01	Hedge accounting operations	-	-	-	-37,520	-37,520	-	-37,520
5.05.02.02	Deferred Income Tax on Hedge accounting	-	-	-	12,757	12,757	-	12,757
5.05.02.04	Exchange variation of foreign subsidiary	-	-	-	60,015	60,015	-	60,015
5.06	Internal changes in shareholders' equity	-	-	610	-610	-	-	-
5.06.02	Realization of the Revaluation Reserve	-	-	610	-610	-	-	-
5.07	Closing Balances	250,000	225,696	-65,558	-21,209	388,929	12	388,941

Consolidated financial statements / Statement of changes in shareholders’ equity / DMPL - 01/01/2023 – 06/30/2023 (Thousand)

Account Code	Account Description	Paid-in share capital	Profit Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Shareholders’ Equity	Minority Interests	Consolidated Shareholders’ Equity
5.01	Opening Balances	250,000	255,311	-	-38,095	467,216	28	467,244
5.03	Adjusted Opening Balances	250,000	255,311	-	-38,095	467,216	28	467,244
5.04	Capital Transactions with Partners	-	-29,615	-	-	-29,615	-3	-29,615
5.04.06	Dividends	-	-29,615	-	-	-29,615	-3	-29,615
5.06	Internal changes in shareholders' equity	-	8,456	-61,228	-10,933	-63,705	24	-63,684
5.06.02	Realization of the Revaluation Reserve	-	-	610	-610	-	-	-
5.06.04	Hedge accounting operations	-	-	-	7,403	7,403	-	7,403
5.06.05	Deferred Income Tax on Hedge accounting	-	-	-	-2,517	-2,517	-	-2,517
5.06.06	Exchange variation of subsidiary located abroad	-	-	-	-15,209	-15,209	-	-15,209
5.06.07	Loss for period	-	-	-53,382	-	-53,382	24	-53,361
5.06.08	Reserve of tax incentives	-	8,456	-8,456	-	-	-	-
5.07	Closing Balances	250,000	234,152	-61,228	-49,028	373,896	49	373,945

Consolidated financial statements / Statement of added value (Thousand)

Account Code	Account Description	30/06/2024	30/06/2023
7.01	Revenues	1,425,245	1,278,497
7.01.01	Sales of goods, products and services	1,398,509	1,276,631
7.01.02	Other revenues	31,837	10,281
7.01.04	Reversal/Allowance for doubtful accounts	-5,101	-8,415
7.02	Inputs acquired from third-parties	-642,148	-628,913
7.02.01	Cost of products, goods and services sold	-498,305	-451,508
7.02.02	Materials, energy, third party services and other	-155,493	-185,617
7.02.03	Loss/Recovery of assets	11,650	8,212
7.03	Gross value added	783,097	649,584
7.04	Retentions	-87,379	-64,802
7.04.01	Depreciation and amortization	-87,379	-64,802
7.05	Net value added produced	695,718	584,782
7.06	Value added received in transfer	20,461	21,839
7.06.02	Financial income	19,744	20,024
7.06.03	Others	717	1,815
7.07	Total value added to be distributed	716,179	606,621
7.08	Distribution of value added	716,179	606,621
7.08.01	Personnel	270,451	254,714
7.08.01.01	Direct remuneration	231,098	215,508
7.08.01.02	Benefits	24,824	24,894
7.08.01.03	Government Severance Indemnity Fund for Employee (FGTS)	14,529	14,312
7.08.02	Taxes, fees and contributions	326,128	285,729
7.08.02.01	Federal	172,467	140,015
7.08.02.02	State	152,489	145,144
7.08.02.03	Municipal	1,172	570
7.08.03	Remuneration of third party capital	151,846	119,536
7.08.03.01	Interest	133,376	100,976
7.08.03.02	Rentals	18,470	18,560
7.08.04	Remuneration of own capital	-32,246	-53,358
7.08.04.03	Retained earnings	-32,257	-53,382
7.08.04.04	Minority interests in retained earnings	11	24

Earnings Release

2Q24

Tijucas, August 14, 2024. PBG SA (B3: PTBL3), "PBG" or "Company", ceramic tile company, releases its results for the second quarter of 2024. The comments reported herein is in Reais, derived from PBG S.A.'s consolidated Quarterly Financial Information, prepared in accordance with Brazilian corporate law and practices adopted in Brazil and in accordance with International Financial Reporting Standards (IFRS), whose comparisons are based on the same periods of 2023 and/or prior years, as indicated.

Main Highlights 1Q24

- **Net Revenues** of R$589 million, increased 7.3% from the second quarter of 2023, with **market share expansion and growth in all business units**;
- **Gross Profit** of R$215.1 million in 2Q24, in line with the same period last year (+0.3%), with a gross margin of 36.5%;
- **Operating Expenses** of R$167 million for 2Q24, 28.4% of net revenue;
- **EBITDA** was R$91.5 million, 44% higher than in 2Q23, with an EBITDA margin of 15.5%;
- **Net result** in 2Q24 was a loss of R$11.5 million vs. a loss of R$38.3 million in 2Q23;
- **CapEx investments** in 2Q24 totalled R$44.7 million from R$127.0 million in 2Q23, decreased 64.8% from second quarter of 2023. Portobello Shop represented 50.7% of total Capex, invested in new own stores;
- **Net Debt** for Q2 24 of R$ 1,007 million. Net leverage, net debt/EBITDA ratio, closed at 3.0x, decreased 0.14x from the first quarter of 2024;
- PTBL3 shares ended 2Q24 quoted at R$4.68. Market value: R$659.8 million. Number of shares: 140,986,886, excluding treasury shares. Free Float: 38.16%.

Investors Relations
dri@portobello.com.br

Rosangela Sutil de Oliveira
Chief Financial and Investor Relations Officer

Andrés López
Investor Relations Manager

Renato Dias Dzierva
Investor Relations Coordinator

Camila de Sousa Limas
Investor Relations Analyst

RI website: ri.portobello.com.br

Message from Management

We ended the first half of 2024 with a performance above the ceramic tile market in all Business Units, with sales growth both in industry and retail of the Brazilian market, and in sales from international markets, through Portobello America and exports from Brazil.

In Brazil, we are still face unfavourable macroeconomic factors, influenced by the strong devaluation of the Brazilian currency, inflation, and, sustained high interest rates with no prospect of a reduction in the short term. This scenario is contrary to what was expected by the market at the beginning of the year, when economists indicated a gradual decrease of the *Selic* (Brazilian Interest Rate), increasing challenges for real estate industry and construction materials retailers.

On the other hand, the ceramic tile market is showing recovery in consumption and production compared to 2023. The volumes sold by the segment in 2Q24 were 7.2% higher from the same period of 2023, according to data presented by *Anfacer* (*Brazilian National Association of Ceramic Tile Manufacturers*). Even though volumes are still lower than the pre-pandemic historical average, this recovery scenario is important for the sector, which experienced a sharp drop in demand throughout 2023, generating idleness in much of the country's production. Portobello Grupo, in turn, performed above the market, growing 20.4% in volumes sold in 2Q24 vs. 2Q23 at all its units in Brazil, leading the company to an important market share gain.

Portobello Business Unit posted good results in the second quarter, with volume increase of 9.1% in 2Q24 from 2Q23, especially in the contractors channel (+31.2%) and the resumption of exports, increase of 11.5% from 2Q23, driven by important advances in new markets such as Europe, Asia, the Middle East and Central America.

The group's retail unit, Portobello Shop, reports the second quarter of 2024 with total 156 stores in operation, 29 of which are company owned stores and 127 franchises. Throughout 2024, this business unit has been working mainly on qualifying the B2B sales channel, and developing stores with high growth potential in strategic locations. Portobello Shop's results also outperformed the market. In terms of revenues, the business unit accounted for 40.9% of the total Group.

Another highlight of the 2Q24 results was Pointer unit. The business unit increased volumes sold in 50.9% from 2Q23. This is result of the strong regional presence of the brand in the Brazilian Northeast region, which has been through a tougher period than the rest of the country throughout 2022 and 2023, but has good recovery estimates for 2024. Pointer's result represented an increase in market share in 2Q24 vs. 2Q23.

In the United States, we began the quarter with Portobello America's important participation in Coverings, the country's largest coverings fair, held in Atlanta from April 22 to 25 of 2024. Portobello America's presence at the event is fundamental for positioning the brand as a reference in terms of design and innovation, presenting inspiring solutions for the market.

Progress at the Portobello America plant has also been significant as the production process has stabilized, and capacity utilization has evolved. In the second quarter, the business unit achieved consecutive sales records, registering an important 42.2% growth in volumes sold, even in a declining market scenario. The unit showed progress in quality levels, reaching 84%, and improved productivity, with around 80% utilization of the production capacity of the first kiln. In the second quarter, the unit began operations on the special parts production line, which will be an important part of the brand's positioning in the US market, with a view to serve North American consumers with premium portfolio of products.

There are still some important steps ahead to consolidate the plant's productivity, however increasing achievements month after month are satisfactory for the project progress. Portobello America continues to work towards achieving the desired unit cost, with gradual progress as the new product portfolio unfolds with new formats and designs.

Economic and Financial Performance - Consolidated

	R$ Million	2Q23	2Q23	▲ %	▲ Abs	1S24	1S23	▲ %	▲ Abs
Performance	**Net Revenue**	**589.1**	**548.8**	**7.3%**	**40.3**	**1,114.5**	**1,036.6**	**7.5%**	**78.0**
	Gross Profit	**215.1**	**214.5**	**0.3%**	**0.6**	**410.9**	**406.8**	**1.0%**	**4.1**
	Gross Margin	36.5%	39.1%	-2.6 p.p.		36.9%	39.2%	-2.4 p.p.	
	Adjusted and Recurring Gross Profit	**215.1**	**214.5**	**0.3%**	**0.6**	**410.9**	**406.8**	**1.0%**	**4.1**
	Adjusted and Recurring Gross Margin	36.5%	39.1%	-2.6 p.p.		36.9%	39.2%	-2.4 p.p.	
	EBIT	**47.9**	**28.9**	**65.7%**	**19.0**	**85.6**	**48.8**	**75.3%**	**37**
	Ebit Margin	8.1%	5.3%	2.9 p.p.		7.7%	4.7%	3 p.p.	
	Net income (loss)	**(11.5)**	**(38.3)**	**-69.9%**	**26.8**	**(32.3)**	**(53.4)**	**-39.6%**	**21**
	Net Margin	-2.0%	-7.0%	5 p.p.		-2.9%	-5.1%	2.3 p.p.	
	Adjusted and Recurring Net Income	**(19.0)**	**(20.7)**	**-8.0%**	**1.7**	**(39.6)**	**(38.4)**	**3.1%**	**(1)**
	Adjusted and Recurring Net Margin	-3.2%	-3.8%	0.5 p.p.		-3.6%	-3.7%	0.2 p.p.	
	EBITDA	**91.5**	**63.4**	**44.4%**	**28.1**	**172.9**	**113.6**	**52.2%**	**59**
	EBITDA Margin	15.5%	11.6%	4 p.p.		15.5%	11.0%	4.6 p.p.	
	Adjusted and Recurring EBITDA	**69.8**	**62.1**	**12.4%**	**7.7**	**151.4**	**111.5**	**35.8%**	**40**
	Adjusted and Recurring EBITDA Margin	11.9%	11.3%	0.5 p.p.		13.6%	10.8%	2.8 p.p.	
Indicators	**Working Capital (R$)**	**252.1**	**192.8**	**30.7%**	**59.3**				
	Cash Conversion Cycle (days)	**40**	**48**	-17%	**(8)**				
	Net Debt	**1,007.2**	**859.2**	**17.2%**	**148**				
	Net debt/EBITDA	**3.0x**	**3.0x**	0 x					
	Adjusted and Recurring Net Debt/EBITDA	**3.1x**	**3.1x**	0 x					
PTBL3	Share Price	4.68	6.96	-32.8%	(2.3)				
	Market Value	659.8	981.3	-32.8%	(321.5)				
	Average Trading Volume (12 Months)	118.7	182.0	-34.8%	(63)				
	Average daily trading volume (ADTV)	3.5	7.8	-55.5%	(4.3)				

Business Unit Operating Performance

Portobello

R$ million	2Q24	2Q23	▲%	▲Abs	1S24	1S23	▲%	▲Abs
Net Revenue	**255.7**	**244.5**	**4.6%**	**11.2**	**484.5**	**461.1**	**5.1%**	**23.4**
(-) COGS	161.9	157.5	2.8%	4.4	305.3	292.0	4.6%	13.3
Gross Profit	**93.8**	**87.0**	**7.8%**	**6.8**	**179.2**	**169.1**	**6.0%**	**10.1**
Gross Margin	36.7%	35.6%	1.1 p.p.		37.0%	36.7%	0.3 p.p.	

The Portobello BU's reports net revenue of R$256 million in the second quarter 2024, increased 4.6% from the same period last year, with market share gain in the Brazilian market and increase of 11.5% in the volumes of exported, representing an important gain in participation in Brazilian exports.

The BU's gross margin was 36.7% in the quarter, increase of 1.1 p.p. from 2Q23, with progress in the domestic and international markets, mainly due to the 5.8% reduction in unit costs from 2Q23, reflecting the positive effects of efficiency improvement in the Tijucas factory.

In the Brazilian domestic market, highlight for the results of the Builders channel, which grew by 24% in 2Q24 vs. 2Q23. According to ICVA data, which measures the building materials retail sector in Brazil, 2Q24 continues to show a downturn, and in this context the Portobello unit also had an impact on the results of the Resale channel.

In the foreign market, we saw a 0.5% increase in export revenues compared to 2Q23. This increase is due to the expansion of sales to new markets in Central America, Europe, the Middle East and Africa, reflecting the evolution of the company's internationalization strategy. We saw an improvement in sales volumes to Argentina, a market which historically consumes a mix of higher value-added products.

Capacity utilization at the Portobello BU plant in the quarter was 90.4%, 16.3 p.p. above the market, which was 74.1% according to Anfacer data.

Portobello shop

R$ million	2Q24	2Q23	▲%	▲Abs	1S24	1S23	▲%	▲Abs
Net Revenue	**242.7**	**232.5**	**4.3%**	**10.1**	**459.9**	**443.5**	**3.7%**	**16.4**
(-) COGS	127.9	121.7	5.2%	6.3	239.4	237.1	1.0%	2.3
Gross Profit	**114.7**	**110.9**	**3.5%**	**3.8**	**220.5**	**206.4**	**6.8%**	**14.1**
Gross Margin	47.3%	47.7%	-0.4 p.p.		48.0%	46.5%	1.4 p.p.	

In 2Q24, Portobello Shop totaled net revenue of R$243 million, an increase of 4.3% vs. 2Q23, and a gross margin of 47.3%, in line with the margin in the same period last year.

Owned stores recorded a result of R$115 million, representing 47.4% of the unit's revenue and boosting the absorption of synergies from the integrated chain. Organic sales growth, i.e. the result of stores that were already in operation in the same period of the previous year, measured by the SSS (Same Store Sales) indicator, showed a positive variation of 1.7%. The unit ended 2Q24 with 156 stores, of which 29 were owned and 127 franchised.

Portobello Shop Franchises posted a 2.0% increase in ROL vs. 2Q23, while the B2B channel grew 47.2% vs. 2Q23. The unit is moving forward with a focus on excellence in customer-centric service, which can be seen in the NPS indicator for the company-owned stores, which reached 86.1 in 2Q24.

POINTER

R$ million	2Q24	2Q23	▲%	▲Abs	1S24	1S23	▲%	▲Abs
Net Revenue	**56.5**	**42.6**	**32.6%**	**13.9**	**104.4**	**86.0**	**21.4%**	**18.4**
(-) COGS	47.9	38.9	23.0%	9.0	91.6	76.0	20.5%	15.6
Gross Profit	**8.6**	**3.7**	**133.1%**	**4.9**	**12.8**	**10.0**	**28.4%**	**2.8**
Gross Margin	15.3%	8.7%	6.6 p.p.		12.2%	11.6%	0.7 p.p.	

Pointer, Portobello Grupo's democratic design brand, posted net revenue of R$56.5 million in 2Q24, up 32.6% vs. 2Q23, with higher volumes sold both in the Brazilian market (+52.8% vs. 2Q23) and in exports (+35.6% vs. 2Q23). With this result, the BU gained market share in the North and Northeast regions.

The unit's gross margin ended 2Q24 at 15.3%, 6.6 p.p. higher than 2Q23, mainly due to the improvement in unit costs because of the normalization of production capacity utilization and projects to reduce costs and regain competitiveness.

In the domestic market, we highlight the performance of the Builders channel, which grew 76.1% in 2Q24 vs. 2Q23, and the Perfect Store program, which aims to maintain the base of small and medium-sized stores and the progress of price campaigns that have stimulated the entry of orders.

Export revenues grew by 12.9% vs. 2Q23, accounting for 11.1% of the unit's total revenues.

Capacity utilization at the Pointer BU plant in the quarter was 100% vs. the market average of 74.1%, according to Anfacer data.

Portobello America

R$ million	2Q24	2Q23	▲%	▲Abs	1S24	1S23	▲%	▲Abs
Net Revenue	**71.8**	**56.1**	**27.9%**	**15.7**	**126.7**	**97.9**	**29.4%**	**28.8**
(-) COGS	77.6	41.6	86.7%	36.0	133.5	73.5	81.6%	60.0
Gross Profit	**(5.9)**	**14.5**	**-140.2%**	**(20.4)**	**(6.8)**	**24.4**	**-128.0%**	**(31.2)**
Gross Margin	-8.2%	25.9%	-34.1 p.p.		-5.4%	24.9%	-30.3 p.p.	

In 2Q24, Portobello America posted a 27.9% increase in net revenue vs. 2Q23, with sales more than twice the production in the period. In addition, in April 2024, the second production line, the small formats line, began operating, aimed at manufacturing special pieces, which are high value-added products and represent another important step in the positioning of our brand in the North American market.

On the first line, field tile, the BU continues to evolve in the process of maturing and stabilizing production, with advances in efficiency and quality, with better dilution of fixed costs. The unit's gross margin still reflects the higher costs of the initial plant ramp-up process, due to the natural process of stock turnover.

Portobello America was once again a highlight at Coverings, the largest ceramic tile trade show in the United States, this time with all the launches of collections based on products produced at the Tennessee plant, including the four launches of the new small formats line.

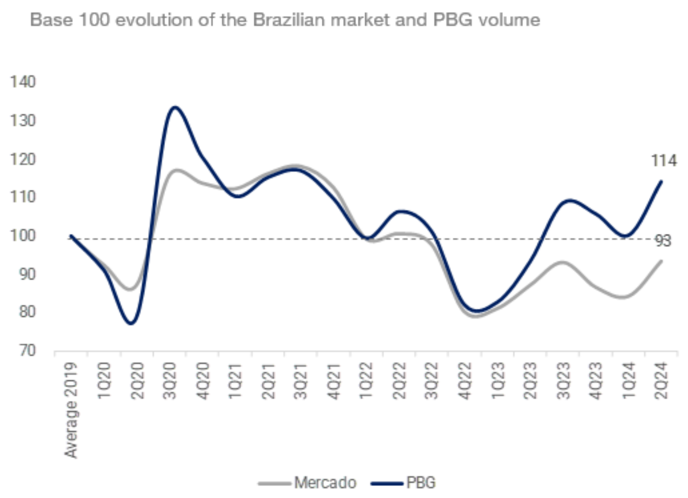
Consolidated Performance

Net Revenue

R$ Million	2Q23	2Q23	▲ %	▲ Abs	1S24	1S23	▲ %	▲ Abs
Net Revenue	**589.1**	**548.8**	**7.3%**	**40.3**	**1,114.5**	**1,036.6**	**7.5%**	**78.0**
Domestic Market (BR)	455.7	432.1	5.5%	23.6	877.8	825.7	6.3%	52.1
International Market	133.4	116.7	14.3%	16.6	236.7	210.9	12.3%	25.8
US$ million	**2Q23**	**2Q23**	**▲ %**	**▲ Abs**	**1S24**	**1S23**	**▲ %**	**▲ Abs**
International Market	25.9	21.8	19.0%	4.1	45.7	39.1	16.9%	6.6

Portobello Grupo reported net revenue of R$589 million in 2Q24, up 7.3% vs. 2Q23, 5.5% of which in the Brazilian domestic market and 14.3% in international markets.

Net revenue in the Brazilian domestic market grew by 5.5% vs. 2Q23, with the Builders channel standing out (+24.0% vs. 2Q23). This quarter, performance was above the market in all business units, with a gain in market share in both the wet and dry channels.



[1] Market volume: dry process and wet process, source: Anfacer. [2] PBG Brazil sales volume.

Net revenue from international markets was boosted by the 27.9% increase in Portobello America's results vs. 2Q23 and growth in exports, mainly due to the increase in volumes exported by the Portobello BU (+4.7% vs. 2Q23) and Pointer (+21.2% vs. 2Q23). Operations in international markets accounted for +22.6% of the Group's total revenue. According to ANFACER, Brazilian sales to the international market fell by 8.1% in 2Q24 vs. 2Q23, while the Group's exports were up 16.5% vs. 2Q23.

The distribution of the group's total revenues between the Portobello Group's channels was as follows in 2Q24: i) Retail: 40.9% (-2.1 p.p. vs. 2Q23); ii) Builders channel 20.0% (+2.7 p.p. vs. 2Q23); iii) Retail 17.8% (-1.6 p.p. vs. 2Q23); and iv) international markets accounted for 21.3% (+1.5 p.p. vs. 2Q23). With the finishing phase of the strong cycle of construction launches between 2021 and 2022, which, combined with commercial actions and the expansion of the construction base, showed an evolution superior to the other segments, gaining a share in the Group's total revenue. This evolution underscores the importance of the Portobello Group's strategy of geographic and sales channel diversification. The integrated retail and internationalization strategies continue to evolve as avenues of growth for the group, which accounts for more than 60% of the total Portobello Group.

Gross Profit and Gross Margin

R$ Million	2Q23	2Q23	▲ %	▲ Abs	1S24	1S23	▲ %	▲ Abs
Net Operating Revenue	589.1	548.8	**7.3%**	40.3	1,114.5	1,036.6	**7.5%**	78.0
Cost of Goods Sold (COGS)	(374.0)	(328.5)	-13.8%	(45.5)	(703.6)	(619.4)	-13.6%	(84.2)
Idleness Costs	(0.0)	(5.8)	-100.0%	5.8	-	(10.4)	-100.0%	10.4
Gross Operating Profit	**215.1**	**214.5**	**0.3%**	**0.6**	**410.9**	**406.8**	**1.0%**	**4.1**
Gross Margin	36.5%	39.1%	**-2.6 p.p.**		36.9%	39.2%	**-2.4 p.p.**	
Non-Recurring Events:	**-**	**-**	0.0%	**0.0**	**-**	-	0.0%	**0.0**
Adjusted and Recurring Gross Profit	**215.1**	**214.5**	**0.3%**	**0.6**	**410.9**	**406.8**	**1.0%**	**4.1**
Adjusted and Recurring Gross Margin	36.5%	39.1%	**-2.6 p.p.**		36.9%	39.2%	**-2.4 p.p.**	

The Portobello Group's gross profit in 2Q24 was R$215.1 million, +0.3% vs. 2Q23, with a gross margin of 36.5%, -2.6 p.p. vs. 2Q23, with a reduction in margin impacted mainly by the ramp-up of production at the Portobello America plant, which was partially offset by the results of the Brazilian operations, especially productivity at the Portobello unit and the recovery of cost competitiveness at Pointer.

Operating Expenses

R$ Million	2Q24	%RL	2Q23	%RL	▲ %	▲ Abs	1S24	%RL	1S23	%RL	▲ %	▲ Abs
Operating Expenses												
Selling	(158.1)	26.8%	(153.9)	28.0%	2.8%	(4.3)	(301.4)	27.0%	(292.7)	28.2%	2.9%	(8.6)
General and Administrative	(19.7)	3.3%	(22.2)	4.1%	-11.4%	2.5	(38.0)	3.4%	(41.3)	4.0%	-7.9%	3.3
Other Revenues (Expenses)	10.6	-1.8%	(9.5)	1.7%	-212.2%	20.1	14.0	-1.3%	(24.0)	2.3%	-158.6%	38.0
Operating Expenses	**(167.2)**	**28.4%**	**(185.6)**	**33.8%**	**-9.9%**	**18.4**	**(325.4)**	**29.2%**	**(358.0)**	**34.5%**	**-9.1%**	**32.6**
Non-Recurring Revenues	(21.7)	3.7%	(1.3)	0.2%	1579.9%	(20.4)	(21.6)	1.9%	(2.1)	0%	930.4%	(19.5)
Adjusted Operating Expenses	**(189.0)**	**32.1%**	**(186.9)**	**34.1%**	**1.1%**	**(2.1)**	**(346.9)**	**31.1%**	**(360.1)**	**34.7%**	**-3.7%**	**13.2**

Operating Expenses totaled R$167.2 million in 2Q24, a reduction of 9.9% compared to 2Q23, with the percentage in relation to net revenue falling from 33.8% in the second quarter of 2023 to 28.4% in 2Q24. This result reflects the company's disciplined management of expenses, with better dilution of fixed costs. Below is a breakdown of the expense headings from a management perspective[1].

Selling expenses: totaled R$158.1 million (+2.8% vs. 2Q24), representing 26.8% of the group's net revenue, down 1.2 p.p. vs. 2Q23.

General and administrative expenses: a reduction of R$2.5 million in administrative expenses, representing 3.3% of net revenue, down 0.8 p.p. vs. 2Q23.

Other revenues and expenses: totaled R$ 10.6 million in revenue, + R$ 20.1 million vs. 2Q23, the main effect in this item being opportunities with tax optimization of ICMS on the PIS/COFINS base and the reversal of legal expenses, referring to the Mineradora lawsuit, see Interim Financial Information note 16.a.

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

EBITDA and Adjusted EBITDA

R$ Million	2Q24	2Q23	▲ %	▲ Abs	1S24	1S23	▲ %	▲ Abs
Net Income	**(11.5)**	**(38.3)**	**69.9%**	**26.8**	**(32.3)**	**(53.4)**	**39.6%**	**21.1**
(+) Financial Expenses	61.1	62.1	-1.6%	(1.0)	113.5	98.8	14.9%	14.7
(+) Depreciation and Amortization	43.7	34.4	26.9%	9.3	87.4	64.8	34.8%	22.6
(+) Income Taxes	(1.7)	5.2	-132.8%	(6.9)	4.3	3.4	27.1%	0.9
EBITDA	**91.5**	**63.4**	**44.4%**	**28.1**	**172.9**	**113.6**	**52.2%**	**59.3**
EBITDA Margin	**15.5%**	**11.6%**	**4.0 p.p.**		**15.5%**	**11.0%**	**4.6 p.p.**	5%
Non-Recurring Events:	**(21.7)**	**(1.3)**			**(21.6)**	**(2.1)**		
4)COFINS - Tax optimization	(7.5)	0.2			(7.3)	(1.4)		
5) Recognition and Restatements of Lawsuits	(14.2)	(1.5)			(14.2)	(1.5)		
6) Commissions	-	-			-	0.8		
Adjusted and Recurring EBITDA	**69.8**	**62.1**	**12.4%**	**-7.7**	**151.4**	**111.5**	**35.7%**	**-39.9**
Adjusted and Recurring EBITDA Margin	**11.8%**	**11.3%**	**0.5 p.p.**		**13.6%**	**10.8%**	**2.8 p.p.**	

EBITDA in 2Q24 grew by 44.4% compared to 2Q23, reaching a level of R$91.5 million in EBITDA and a margin of 15.5%, an increase of 4.0 p.p. vs. 2Q23.

Net Income

R$ Million	2Q24	2Q23	▲ %	▲ Abs	1S24	1S23	▲ %	▲ Abs
EBITDA	**91.5**	**63.4**	**44.4%**	**28.1**	**172.9**	**113.6**	**52.2%**	**59.3**
(-) Financial Expenses	(61.1)	(62.1)	1.6%	1.0	(113.5)	(98.8)	-14.9%	-14.7
(-) Depreciation and Amortization	(43.7)	(34.4)	-26.9%	-9.3	(87.4)	(64.8)	-34.8%	-22.6
(-) Income Taxes	1.7	(5.2)	132.8%	6.9	(4.3)	(3.4)	-27.1%	-0.9
Net Income	**(11.5)**	**(38.3)**	**69.9%**	**26.8**	**(32.3)**	**(53.4)**	**39.6%**	**21.1**
Net Margin	**-2.0%**	**-7.0%**	**5 p.p.**		**-2.9%**	**-5.1%**	**2.3 p.p.**	
Non-Recurring Events:	**(7.5)**	**17.6**			**(7.3)**	**15.0**		
(3) Recognition and Restatements of Lawsuits	-	18.2			-	16.8		
(4) Others¹	-	(0.7)			-	0.2		
(6) COFINS - Tax optimization	(7.5)	-			(7.3)	(2.1)		
Adjusted and Recurring Net Income	**(19.0)**	**(20.7)**	**8.2%**	**1.7**	**(39.6)**	**(38.4)**	**-3.1%**	**-1.2**
Adjusted and Recurring Net Margin	**-3.2%**	**-3.8%**	**0.5 p.p.**		**-3.6%**	**-3.7%**	**0.2 p.p.**	

The company's net result was a loss of R$11.5 million, compared to a loss of R$38.3 million in 2Q23. This evolution is the result of the Group's strategic decisions, together with management actions and increased productivity.

Managerial Cash Flow

R$ Million	2Q24	2Q23	▲ %	▲ Abs	1S24	1S23	▲ %	▲ Abs
Activities								
Operating	50.8	71.1	-28.5%	(20.3)	37.3	80.2	-53.4%	(42.9)
Investment	(44.7)	(127.0)	64.8%	82.3	(90.7)	(207.3)	56.2%	116.5
Financing	(97.6)	75.2	-229.8%	(172.9)	(199.5)	280.0	-171.2%	(479.5)
Changes in Cash	(91.4)	19.3	-572.9%	(110.8)	(252.9)	152.9	-265.3%	(405.8)
Opening Balance	**325.0**	**389.7**	**-16.6%**	**(64.7)**	**486.5**	**256.1**	**90.0%**	**230.4**
Closing Balance	**233.5**	**409.0**	**-42.9%**	**(175.5)**	**233.5**	**409.0**	**-42.9%**	**(175.5)**

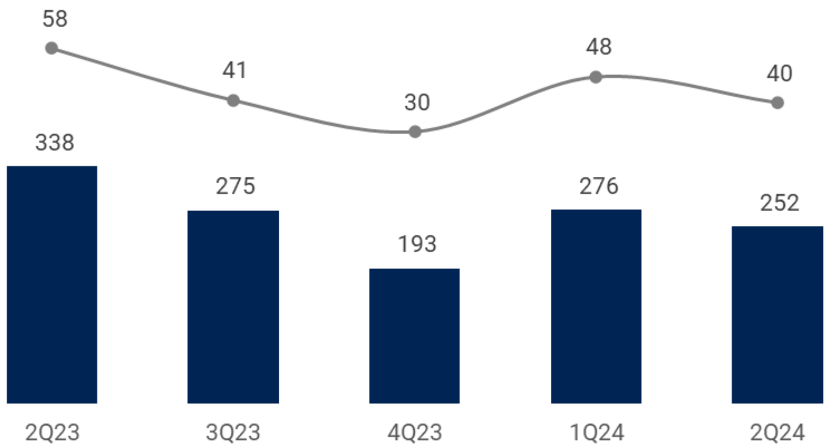
The balances and variations shown in the table above cover the management view of cash flow and the main lines are described below:

Operating activities: include cash generated in operations, plus changes in working capital balances, leases, taxes such as IR and CSLL and other non-cash effects generated in the operation. In 2Q24, this item generated cash of R$50.8 million.

Working Capital

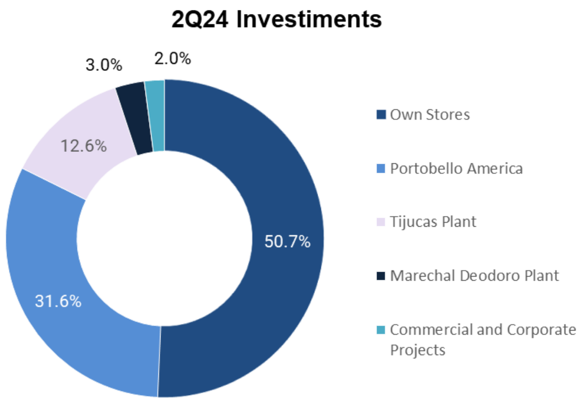
		2Q24	2Q23	▲ %	▲ Abs	1Q24	▲ %	▲ Abs
R$ million	Accounts Receivable	161.1	226.0	-28.7%	(64.9)	166.6	-3.3%	(5.6)
	Inventories	544.8	475.0	14.7%	69.8	525.9	3.6%	19.0
	Suppliers	(453.8)	(362.7)	25.1%	(91.1)	(416.2)	9.0%	(37.6)
	Working Capital	**252.1**	**338.3**	**-25.5%**	**(86.2)**	**276.3**	**-8.8%**	**(24.2)**
Days	Accounts Receivable	18.4	28.7	-35.8%	(10)	20	-9.3%	(2)
	Inventories	128.5	124.4	3.3%	4	135	-4.9%	(7)
	Suppliers	(107.1)	(95.2)	12.5%	(12)	(107)	0.1%	(0)
	Cash Convertion Cycle (CCC)	**39.9**	**57.9**	**-31.2%**	**(18)**	**48**	**-17.7%**	**(9)**

Below we show the evolution of the cash conversion cycle in R$ million and days.



The company's Working Capital fell by -25.5% in 2Q24 vs. 2Q23, totaling R$252.1 million. The Cash Conversion Cycle in 2Q24 was 40 days, 18 days lower than in 2Q23, with advances in clients, which showed a reduction of approximately 10 days, suppliers with an increase of 12 days and inventories with an increase of 4 days.

Capex Investment Activities: In 2Q24, Capex investments totaled R$44.7 million, down 64.8% on 2Q23, mainly concentrated in i) Portobello Shop (50.7%), with advances in the digital transformation and in the structure of its own stores; ii) Portobello America (31.6%), due to the first kiln and special parts and; iii) the Portobello BU (12.6%), with the maintenance and technological updating of the industrial park located in Tijucas-SC. Despite the scenario of reduced CAPEX investments, the group continues to make progress on its strategic growth projects in retail and internationalization.



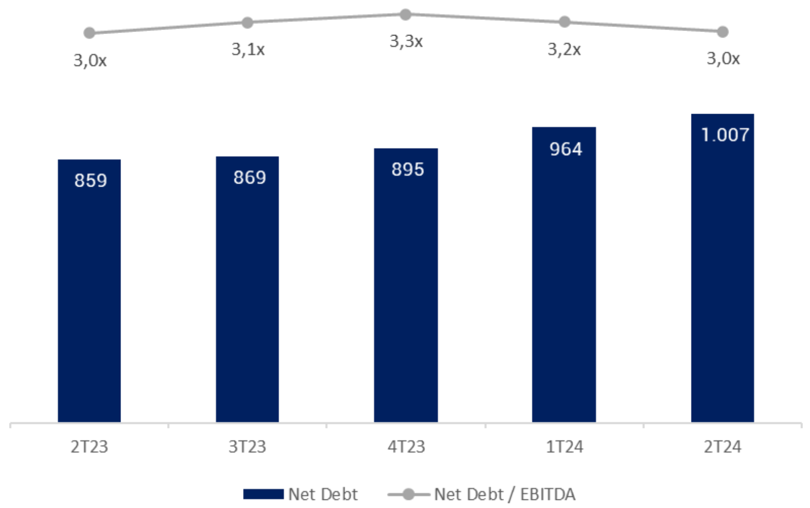
Financing activities: include funding, principal payments, payment of financial expenses and distribution of dividends, if any. In 2Q24, financing activities totaled R$97.6 million, a variation of R$172.9 million vs. 2Q23, due to the higher level of settlements of financial operations carried out, in line with the liability management plan, with the aim of lengthening the debt and reducing the cost.

Indebtedness and Capital Structure

Net debt for the quarter closed at R$1.007 million, reducing the company's leverage level to 3.0x Net Debt/EBITDA. This quarter, the average cost of debt fell by 1.6 p.p. and the average debt maturity lengthened by 1.4 years compared to the same period last year.

R$ million	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23
Gross Bank Debt[1]	**1,274.1**	**1,299.1**	**1,381.6**	**1,195.1**	**1,268.2**	**1,127.4**
Cash and Cash Equivalents	(266.8)	(335.6)	(486.5)	(325.7)	(409.0)	(389.7)
Net Indebtedness	**1,007.2**	**963.5**	**895.2**	**869.4**	**859.2**	**737.7**
EBITDA (LTM)	333.0	304.9	273.7	276.0	290.4	337.6
Adjusted and Recurring EBITDA (LTM)	324.2	316.5	284.3	266.5	276.7	325.4
Net Debt-to-EBITDA ratio	**3.0x**	**3.2x**	**3.3x**	**3.1x**	**3.0x**	**2.2x**
Net Debt-to-Adjusted and Recurring EBITDA ratio	3.1x	3.0x	3.1x	3.3x	3.1x	2.3x

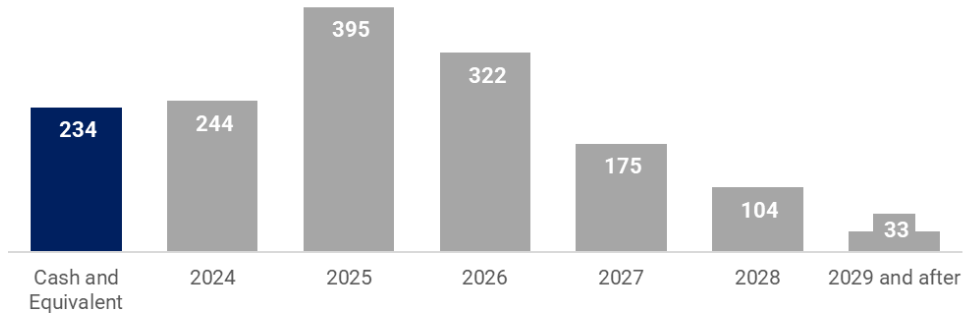
This important result, coupled with the actions to renegotiate and lengthen debts at lower costs, made it possible to begin the cycle of reducing financial leverage to 3.0x. Total cash and cash equivalents in 2Q24 amounted to R$266.8 million, which includes R$233.5 million in cash and cash equivalents, R$10.8 million in restricted financial investments and R$22.5 million in marketable securities, see Interim Financial Information notes 5.2 and 5.3.



In the quarter, a total of R$36.3 million was repaid in principal. At the end of 2Q24, the contractual requirements (covenants) relating to the leverage ratio, which could cause the early maturity of financing contracts and debentures, were achieved.

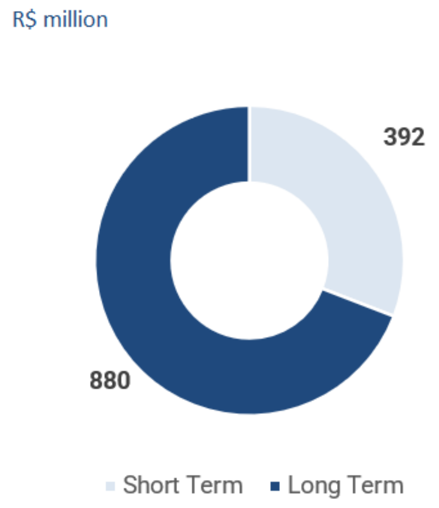
In April 2024, we announced the creation of the Portobello Grupo Receivables Investment Fund (Fundo de Investimento em Direitos Creditórios - FIDC), which represents a significant advance in our financial management, providing various benefits such as greater efficiency, better internal processes and robust corporate governance.

Amortization Schedule (Gross Banking Debt)

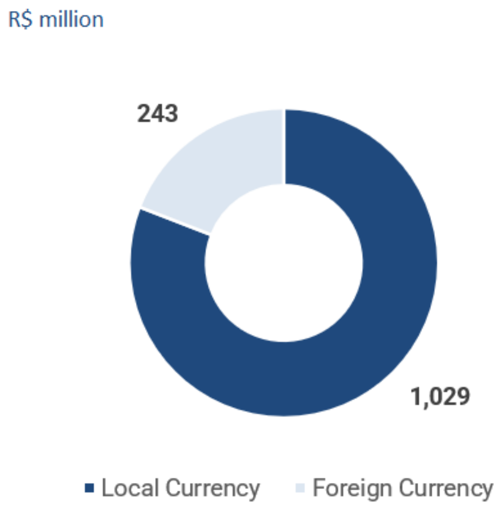


Gross Banking Debt maturing in the short term represents 30.8% of the total, with the remainder maturing in the long term, as shown in the amortization schedule above. Most of the Gross Banking Debt (80.9%) is in local currency.

Bank Debt Term



Origin of Bank Debt

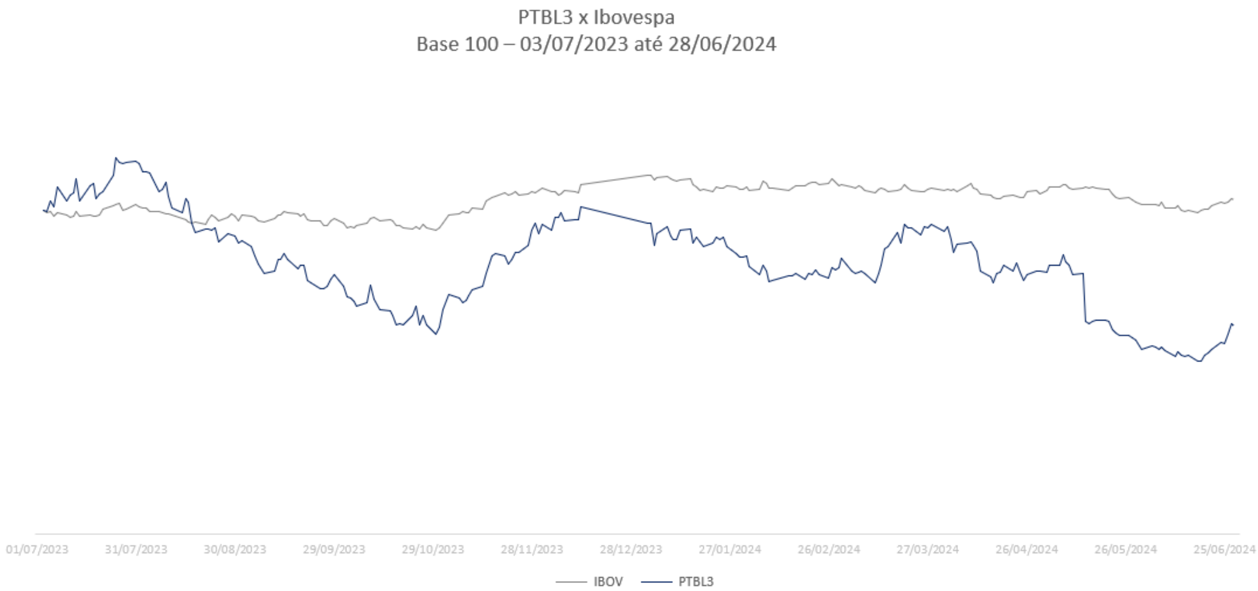


Outlook

- The company expects gradual recovery of the market to continue throughout the second half of this year, although this will be affected by the slower process of reducing interest rates.
- Even with market sales volume growth, the Company has felt the impact of prices and competitiveness. Portobello Grupo will continue to focus on strategies to achieve results.
- The Company must maintain strict discipline in its expense management.
- With regard to investments, the guideline continues at a lower level than the previous year, with a focus on the profitability of the projects already carried out in the 2022-2023 cycle, maintaining a perspective only of investments necessary for the maintenance and continuity of operations in 2024..
- The outlook is for a continued reduction in the level of net leverage over the quarters (ratio of net debt to adjusted and recurring EBITDA over the last 12 months).
- **Portobello America:** Progress in sales and factory ramp-up, seeking profitability and preparation for the next stages of the project.
- **Portobello Shop:** Progress in the expansion of the unit with a return to the highest levels of growth, with growth in sales in the B2B channel and the maturing of new stores.
- **Portobello:** Growth in all channels, progress in internationalization, with evolution in the product mix and gain in market share.
- **Pointer:** Advancing the strategy for the small and medium-sized reseller market and strengthening the home center channel, with a recovery in industrial competitiveness.

PTBL3 Stock Performance

In 2Q24, PTBL3 shares closed at R$4.68. The average daily trading volume (ADTV) in 2Q24 was R$3.5 million. At the end of the quarter, the company had a market value equivalent to R$659.8 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 assume that the auditor should not audit their own work, perform managerial functions, or act as a lawyer for their client.

Financial Statements

Balance Sheet

Assets	2Q24	AV %	4Q23	AV %	Var%
Current assets	**1,174.3**	**35.3%**	**1,331.8**	**40.4%**	**-11.8%**
Cash and cash equivalents	233.5	7.0%	486.5	14.8%	-52.0%
Trade Receivables	287.3	8.6%	269.0	8.2%	6.8%
Inventories	544.8	16.4%	489.0	14.8%	11.4%
Advances to suppliers	8.1	0.2%	11.1	0.3%	-27.1%
Other	100.5	3.0%	76.1	2.3%	32.1%
Non-current assets	**2,155.0**	**64.7%**	**1,964.3**	**59.6%**	**9.7%**
Long-term assets	**302.1**	**9.1%**	**259.9**	**7.9%**	16.2%
Judicial deposits	7.5	0.2%	7.1	0.2%	5.5%
Judicial assets	117.0	3.5%	115.1	3.5%	1.6%
Guarantee deposit	15.4	0.5%	19.9	0.6%	-22.8%
Related party credits	10.8	0.3%	10.3	0.3%	4.5%
Receivables - Eletrobrás	89.7	2.7%	69.6	2.1%	28.8%
FIDC - Mezzanine Quotas	22.5	0.0%	-	0.0%	0.0%
Restricted financial investments	39.3	1.2%	37.9	1.1%	3.9%
Recoverable taxes and deferred tax	**1,852.9**	**55.7%**	**1,704.3**	**51.7%**	**8.7%**
Intangible Assets, Fixed Assets and Investiments	1,200.1	36.0%	1,141.7	34.6%	5.1%
Lease assets	652.8	19.6%	562.7	17.1%	16.0%
Others investments	-	0.0%	-	0.0%	#DIV/0!
Total assets	**3,329.2**	**100.0%**	**3,296.0**	**100.0%**	**1.0%**

Passive	2T24	AV %	4T23	AV %	Var%
Current	**1,344.1**	**40.4%**	**1,321.2**	**40.1%**	**1.7%**
Loans and Debentures	392.5	11.8%	456.0	13.8%	-13.9%
Suppliers and credit assignment	461.9	13.9%	459.7	13.9%	0.5%
Fixed asset accounts payable	86.2	2.6%	89.4	2.7%	-3.5%
Lease obligations	75.7	2.3%	40.3	1.2%	87.9%
Tax obligations	49.5	1.5%	48.8	1.5%	1.3%
Social and labor obligations	95.0	2.9%	76.6	2.3%	24.0%
Customer advance	126.3	3.8%	116.7	3.5%	8.2%
Others	57.1	1.7%	33.7	1.0%	69.6%
Non-current	**1,596.2**	**47.9%**	**1,588.9**	**48.2%**	**0.5%**
Loans and Debentures	879.8	26.4%	884.9	26.8%	-0.6%
Fixed asset accounts payable	116.8	3.5%	107.0	3.2%	9.2%
Debts with related people	56.3	1.7%	56.3	1.7%	0.0%
Provisions	59.7	1.8%	80.0	2.4%	-25.3%
Deferred income tax and social contribution	6.4	0.2%	6.4	0.2%	0.0%
Lease obligations	422.8	12.7%	404.3	12.3%	4.6%
Others	54.4	1.6%	50.0	1.5%	8.8%
Net worth	**388.9**	**11.7%**	**385.9**	**11.7%**	**0.8%**
Share capital	250.0	7.5%	250.0	7.6%	0.0%
Profit reserves	160.1	4.8%	191.8	5.8%	-16.5%
Asset valuation adjustment	(21.2)	-0.6%	(55.9)	-1.7%	-62.0%
Total liabilities	**3,329.2**	**100.0%**	**3,296.0**	**100.0%**	**1.0%**

Income Statement

R$ Million	2Q24	2Q23	1S24	1S23
Net Sales Revenue	589.1	548.8	1,114.5	1,036.6
Cost of goods sold	(374.0)	(334.3)	(703.6)	(629.8)
Gross Operating Profit	**215.1**	**214.5**	**410.9**	**406.8**
Operating Income (Expenses), Net	**(167.2)**	**(185.6)**	**(325.4)**	**(358.0)**
Selling	(162.0)	(163.9)	(312.2)	(307.7)
General and Administrative	(35.1)	(33.2)	(66.0)	(57.0)
Other Operating Income (Expenses), Net	29.9	11.5	52.8	6.7
Operating Profit before Financial Income	**47.9**	**28.9**	**85.6**	**48.8**
Financial Result	**(61.1)**	**(62.1)**	**(113.5)**	**(98.8)**
Financial Revenues	5.3	10.5	11.4	18.5
Financial Expenses	(49.3)	(72.3)	(106.0)	(113.3)
Net exchange rate change	(17.2)	(0.3)	(19.0)	(4.0)
Income (loss) before income taxes	**(13.3)**	**(33.2)**	**(28.0)**	**(49.9)**
Income Tax and Social Contribution	1.7	(5.2)	(4.3)	(3.4)
Net income (loss) for the Period	**(11.5)**	**(38.4)**	**(32.2)**	**(53.3)**

Cashflow

R$ Million	2Q24	2Q23	1S24	1S23
Net cash from operating activities	**31.0**	**20.7**	**(31.7)**	**8.9**
Cash generated from operations	72.9	75.4	153.4	135.9
Changes in assets and liabilities	14.1	(23.3)	(82.8)	(58.0)
Interest and taxes on profit paid	(56.0)	(31.5)	(102.3)	(69.0)
Net cash used in investment activities	**(66.3)**	**(119.0)**	**(97.1)**	**(204.1)**
Acquisition of fixed assets (net of accounts payable)	(31.2)	(108.1)	(32.4)	(185.3)
Acquisition of intangible assets	(10.2)	(10.9)	(25.1)	(18.9)
Acquisition of lease asset - goodwill	(2.4)	-	(17.1)	-
FIDC mezzanine quotas	(22.5)	-	(22.5)	-
Net cash provided by (used in) financing activities	**(56.1)**	**117.6**	**(124.1)**	**348.2**
Obtaining loans and financing	-	150.0	172.8	412.6
Payment of loans and financing and debentures	(36.3)	(14.6)	(258.4)	(34.5)
Rental amortization	(19.8)	(17.8)	(38.5)	(29.9)
Increase/(Decrease) in Cash for the period/year	**(91.4)**	**19.3**	**(252.9)**	**152.9**
Opening Balance	**325.0**	**389.7**	**486.5**	**256.1**
Closing Balance	**233.5**	**409.0**	**233.5**	**409.0**

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

Expenses - Accounting view

R$ Million	2Q24	%RL	2Q23	%RL	▲ %	▲ Abs	1S24	%RL	1S23	%RL	▲ %	▲ Abs
Operating Expenses												
Selling	(162.0)	27.5%	(163.9)	29.9%	12.6%	(18.1)	(312.2)	28.0%	(307.7)	29.7%	1.5%	(4.5)
General and Administrative	(35.1)	6.0%	(33.2)	6.0%	47.5%	(11.3)	(66.0)	5.9%	(57.0)	5.5%	15.8%	(9.0)
Other Revenues (Expenses)	29.9	-5.1%	11.5	-2.1%	-736.3%	34.6	52.8	-4.7%	6.7	-0.7%	-682.8%	46.1
Operating Expenses	**(167.2)**	**28.4%**	**(185.6)**	**33.8%**	**-3.0%**	**5.2**	**(325.4)**	**29.2%**	**(358.0)**	**34.5%**	**-9.1%**	**32.6**
Non-Recurring Revenues	(21.7)	3.7%	(1.3)	0.2%	-119.3%	1.0	(21.6)	1.9%	(2.1)	0%	930.4%	(19.5)
Adjusted Operating Expenses	**(189.0)**	**32.1%**	**(186.9)**	**34.1%**	**-3.6%**	**6.2**	**(346.9)**	**31.1%**	**(360.0)**	**34.7%**	**-3.6%**	**13.1**

The breakdown of accounting operating expenses is different from management view. The administrative expenses of the CBC and PBtech entities are considered sales expenses in the management view. Furthermore, administrative expenses in Mineração and participation of non-minority shareholders are considered in other income (expenses) in the management view.

1. Operations

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

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

In addition, the Company holds ownership interest in subsidiaries (jointly referred to as "Portobello Group" or "Group"): (i) Portobello Shop, the franchisor that manages the network of one hundred and twenty-seven (127) Portobello Shop franchise stores, specializing in porcelain and ceramic tiles; (ii) PBTech, which is responsible for managing twenty-nine (29) of Portobello Shop's stores; (iii) Mineração Portobello, which is responsible for providing part of raw material used for ceramic coating production; (iv) Companhia Brasileira de Cerâmica, which since the second quarter of 2018 has been operating the special cuts factory, producing products under the Officina Portobello brand and operates 5 (five) distribution centers, which were previously part of its controlling company, and (v) Portobello America, which has 2 distribution centers in which it distributes Portobello products in the North American market and since October 2023 has been producing its marketing portfolio, after completing the construction of the factory in the USA through its subsidiary Portobello America Manufacturing LLC. This is a step forward in the Company's internationalization and consolidation strategy in the North American market. The new production plant has an annual production capacity of 3.6 million m^2 in this first stage. It has a built-up area of 90,000 m^2, developed using high technology, cutting-edge processes, and machinery, in the region that is now considered the North American hub for manufacturing ceramic tiles.

1.1 Net working capital

As of June 30, 2024, the financial statements had negative net working capital in the amounts of R$164,213 and R$169,831 in the Parent and Consolidated, respectively, arising mainly from the maturity of short-term loan agreements, investments made and mark to market of derivative financial instruments. The Company constantly monitors net working capital and cash flow projections to support the feasibility of its business plan.

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

1.2 Tax reform on consumption

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

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

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

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

2. Presentation of interim financial information

a) Statement of conformity

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

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

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

Therefore, this interim financial information should be read together with the individual and consolidated financial statements for the year ended December 31, 2023, issued on March 13, 2024, which were prepared and presented in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board - IASB for the Consolidated, and also in accordance with accounting practices adopted in Brazil for the Parent Company, comprising those included in the Brazilian Corporation Law and pronouncements, guidelines and Interpretations issued by the Accounting Pronouncement Committee - CPC, and approved by the Brazilian Securities and Exchange Commission - CVM. All own relevant information in the interim financial information, and only said information, is being highlighted, and corresponds to the one used by Management in its management. The issue of this interim financial information was approved and authorized by the Board of Directors on August 14, 2024.

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.

In thousands of reais, unless otherwise indicated.

3. Material accounting policies

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

This interim financial information should be read together with the Annual Financial Statements disclosed on March 13, 2024. The interim financial information for the six-month period ended June 30, 2024, contains all information that is relevant to an understanding of the Company's financial position and performance during the period.

3.1 Consolidations

3.1.1 Consolidated financial information

a) Subsidiaries

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

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

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

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

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

b) Non-controlling transactions and interests

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

3.1.2 Individual interim financial statements

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

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

3.2 Presentation of information per business segment

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

3.3 Functional currency and translation of foreign currency

a) Transactions and balances

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

b) Foreign subsidiaries

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

3.4 Revenue recognition

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

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

a) Sale of goods - Wholesale

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

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

b) Revenue from franchises

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

c) Revenue from products and services – Officina Portobello

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

d) Financial revenue

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

4. Estimates and critical accounting judgments

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

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

5. Financial risk management

5.1. Financial risk factors

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

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

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

a) Market risk

i) Foreign exchange risk

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

	In thousands of reais			
	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Accounts receivable	34,940	81,462	84,635	112,431
Current account	22	6	7,363	8,665
Receivables from subsidiaries	43,924	80,433	-	-
Exposed assets	78,886	161,901	91,998	121,096
Suppliers	(13,120)	(674)	(58,120)	(38,152)
Suppliers of property, plant and equipment and intangible assets	(7,259)	(10,918)	(190,616)	(186,417)
Loans and financing	(243,205)	(180,415)	(243,205)	(180,415)
(-) Loans with swap	70,765	97,591	70,765	97,591
Exposed liabilities	(192,819)	(94,416)	(421,176)	(307,393)
Net exposure	(113,933)	67,485	(329,178)	(186,297)

This currency exposure is divided into:

1. Euro:

	In thousands of Euros			
	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Accounts receivable	739	605	739	605
Suppliers	(2,166)	(511)	(2,166)	(511)
Suppliers of property, plant and equipment and intangible assets	(1,219)	(2,040)	(11,031)	(8,433)
	(2,646)	(1,946)	(12,458)	(8,339)

2. Dollar:

	In thousands of dollars			
	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Accounts receivable	5,223	15,756	14,163	22,153
Current account	4	1	1,325	1,790
Receivables from subsidiaries	7,902	16,614	-	-
Suppliers	(33)	456	(8,129)	(7,286)
Suppliers of property, plant and equipment and intangible assets	-	-	(22,473)	(29,184)
Loans and financing	(43,751)	(37,266)	(43,751)	(37,266)
(-) Loans with swap	12,730	20,158	12,730	20,158
	(17,925)	15,719	(46,135)	(29,634)

3. Yuan:

	In thousands of Yuans			
	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Accounts receivable	1,966	2,851	1,966	2,851
Suppliers	(49)	(214)	(49)	(214)
	1,917	2,637	1,917	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 to the interest rate

In thousands of reais, unless otherwise indicated.

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

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

The interest earning bank deposits are held in bank CDBs with a small portion in investment funds, as per Note 6.

b) Credit risk

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

c) Liquidity risk

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

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

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

	Parent Company				
	06/30/2024				
	Loans and debentures	Lease liabilities	Supplier, credit granting and accounts payable from property, plant and equipment	Installment payment of tax liabilities	Total
≤01 year	392,471	11,720	386,907	14,682	805,780
01−02 years	568,740	19,897	-	16,326	604,963
02−05 years	298,802	8,954	-	20,284	328,040
>05 years	12,217	-	-	-	12,217
	1,272,230	40,571	386,907	51,292	1,751,000

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

In thousands of reais, unless otherwise indicated.

	Consolidated 06/30/2024				
	Loans and debentures	Lease liabilities	Supplier, credit granting and accounts payable from property, plant and equipment	Installment payment of tax liabilities	Total
≤01 year	392,471	26,411	548,146	14,682	981,710
01−02 years	568,740	48,347	45,773	16,326	679,186
02−05 years	298,802	78,413	71,050	20,284	468,549
>05 years	12,217	345,305	-	-	357,522
	1,272,230	498,476	664,969	51,292	2,486,967

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

d) Sensitivity analysis

i) Sensitivity analysis of changes in the interest rates

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

This study is based on the probable scenario of low CDI rate to 10.44%, Selic (Central Bank overnight rate) 10.5%, TJLP (long-term interest rate) of 6.91% and IPCA (Ipca) of 4.23% p.a. The probable rate was then increased by 25% and 50%, being used as a parameter for possible and remote scenarios, respectively. The scenarios below were developed for a one-year period:

	Consolidated in reais							
	06/30/2024	Risk	Probable rate		Possible (25%)*		Remote (50%)*	
			%	R$	%	R$	%	R$
Financial applications	206,694	CDI inc.	10.44%	21,579	13.05%	26,974	15.66%	32,368
Loans and financing - CDI	(456,057)	CDI incr.	10.44%	(47,612)	13.05%	(59,515)	15.66%	(71,419)
Loans and financing - Selic	(3,465)	SELIC incr.	10.50%	(364)	13.13%	(455)	15.75%	(546)
Loans and financing - TJLP	(139,177)	TJLP incr.	6.91%	(9,617)	8.64%	(12,021)	10.37%	(14,426)
Loans and financing - IPCA	(16,141)	IPCA incr.	4.23%	(683)	5.29%	(853)	6.35%	(1,024)
Debentures	(597,787)	CDI incr.	10.44%	(62,409)	13.05%	(78,011)	15.66%	(93,613)
Tax obligations – Law 11.941/09	(4,256)	SELIC incr.	10.44%	(444)	13.05%	(555)	15.66%	(666)
	(1,010,189)			(99,550)		(124,436)		(149,326)

* Selic and CDI ratio taken from the B3 (Brasil, Bolsa e Balcão) website on July 10, 2024.

In thousands of reais, unless otherwise indicated.

ii) Sensitivity analysis of changes in the exchange rates

The Company has assets and liabilities linked to foreign currency in the balance sheet as of June 30, 2024 for which has adopted, for sensitivity analysis purposes, the future market rate in effect during the preparation of these financial statements as the probable scenario, the probable rate in US$ is R$ 5.46 and Euro is R$ 5.94. The probable rate was then adjusted at 25%, 50%, -25%, -50%, as parameter for possible and remote scenarios, respectively.

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

	Consolidated						
	06/30/2024		Probable scenario	Currency appreciation		Currency devaluation	
	(Payable) receivable			Possible +25%	Remote +50%	Possible -25%	Remote -50%
	Dollar *	Reais	5.4581	6.8226	8.1872	4.0936	2.7291
Accounts receivable	14,163	78,730	(1,427)	17,899	37,225	(20,753)	(40,078)
Current account	1,325	7,363	(131)	1,677	3,485	(1,939)	(3,747)
Suppliers	(8,129)	(45,186)	817	(10,275)	(21,367)	11,909	23,002
Loans and financing	(43,751)	(243,205)	4,408	(55,292)	(114,991)	64,107	123,806
(-) Loans with swap	12,730	70,765	(1,283)	16,087	33,457	(18,654)	(36,024)
Suppliers of property, plant and equipment and intangible assets	(22,473)	(124,927)	2,267	(28,398)	(59,063)	32,932	63,597
Net exposure	(46,135)	(256,460)	4,651	(58,302)	(121,254)	67,602	130,556
	Euro*	Reais	5.9364	7.4205	8.9046	4.4523	2.9682
Accounts receivable	739	4,401	(14)	1,083	2,179	(1,111)	(2,208)
Suppliers	(2,166)	(12,897)	39	(3,176)	(6,390)	3,253	6,468
Suppliers of property, plant and equipment and intangible assets	(11,031)	(65,689)	205	(16,167)	(32,538)	16,576	32,947
Net exposure	(12,458)	(74,185)	230	(18,260)	(36,749)	18,719	37,207

*Possible and remote scenarios calculated based on the likely future rate of the euro and dollar for 90 days, obtained from the B3 (Brasil, Bolsa e Balcão) website on July 10, 2024.

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

5.2 Capital management

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

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

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

	Consolidated
	06/30/2024
Gross bank debt	1,274,072
Cash and cash equivalents *	(266,823)
Net indebtedness	1,007,249
Net debt / EBITDA**	3.03
Leverage ratio (%)	72

In thousands of reais, unless otherwise indicated.

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

5.3 Financial instruments by category

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Assets at fair value through profit or loss and other comprehensive income				
Derivatives – hedge accounting	-	14,620	-	14,620
Derivatives – swap	2,380	-	2,380	-
Securities and financial instruments - FIDC	22,518	-	22,518	-
Amortized cost				
Cash and cash equivalents	181,641	376,366	233,549	486,472
Trade accounts receivable	213,383	219,186	287,334	269,041
Receivables from subsidiaries	97,887	89,002	-	-
Pledged financial investments	10,756	10,297	10,756	10,297
	506,047	709,471	534,019	780,430
Liabilities valued at fair value through profit or loss				
Derivatives – hedge accounting	22,900	-	22,900	-
Derivatives - swap	-	1,894	-	1,894
Amortized cost				
Suppliers, assignment of credit and accounts payable for property, plant and equipment	386,907	416,831	644,969	656,084
Loans, financing and debentures	1,272,230	1,379,234	1,272,230	1,340,941
Dividends payable	638	640	694	640
Lease obligations	40,571	40,300	498,476	444,555
Related party debts	118,921	117,304	56,330	56,330
	1,842,167	1,917,910	2,515,599	2,500,444

The Company has a financial investment linked to a long-term investment fund and linked to a reciprocity clause in the loan agreement with Banco do Nordeste of R$ 10,756 on June 30, 2024 (R$ 10,297 on December 31, 2023), and is therefore classified as a non-current asset.

6. Cash and cash equivalents

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

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Current accounts	10,103	8,189	21,717	21,906
Local currency	10,081	8,183	19,492	18,034
Foreign currency	22	6	2,225	3,872
Interest earning bank deposits	171,538	368,177	211,832	464,566
Local currency	171,538	368,177	206,694	459,773
Foreign currency	-	-	5,138	4,793
	181,641	376,366	233,549	486,472

In thousands of reais, unless otherwise indicated.

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.

7.1 Non deliverable forward (NDF)

The Company has outstanding NDF agreements with a total notional value of US$ 71,679 (US$ 21,315 as of June 30, 2023), under the following conditions:

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

Maturity	Fixed exchange rate (weighted average of agreements) R$/US$	Reference value (notional - US$)	Fair value - MTM
07/31/2024	5.1829	8,276	(2,817)
08/31/2024	5.1952	8,747	(2,996)
09/30/2024	5.2139	9,178	(3,099)
10/31/2024	5.1817	9,462	(3,629)
11/30/2024	5.1977	9,621	(3,652)
12/31/2024	5.2234	8,634	(3,166)
01/31/2025	5.4212	2,374	(466)
02/28/2025	5.4312	2,340	(476)
03/31/2025	5.4387	2,433	(517)
04/30/2025	5.5223	1,185	(177)
05/31/2025	5.5319	1,211	(196)
06/30/2025	5.5437	1,174	(199)
07/31/2025	5.5517	1,174	(220)
08/31/2025	5.5803	1,174	(217)
09/30/2025	5.5897	1,174	(235)
10/31/2025	5.5923	1,174	(261)
11/30/2025	5.5997	1,174	(277)
12/31/2025	5.6025	1,174	(300)
Total		71,679	(22,900)

Maturity	Fixed exchange rate (weighted average of agreements) R$/US$	Reference value (notional - US$)	Fair value – MTM*
07/31/2023	5.6473	2,596	2,132
08/31/2023	5.6863	2,620	2,158
09/30/2023	5.7155	2,658	2,187
10/31/2023	5.4796	4,356	2,486
11/30/2023	5.4815	4,510	2,467
12/31/2023	5.4768	4,575	2,383
Total		21,315	13,813

** Schedule for sale on June 30,2023.*

In thousands of reais, unless otherwise indicated.

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

Maturity	Fixed exchange rate (weighted average of agreements) R$/US$	Reference value (notional - in US$)	Operating income (Note 28)			
			Quarter ending 06.30.2024	Quarter ending 06.30.2023	Quarter ending 06.30.2024	Quarter ending 06.30.2023
2023	5.5229	34,628	-	10,797	-	16,272
2024	5.1540	35,030	(2,822)	-	(277)	-

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

In June 30, 2024, the unrealized loss (fair value - marked-to-market using the B3 dollar curve) is R$ (22,900) (R$ 14,620 on December 31, 2023) without considering the effect of income tax and social contribution, recorded in other comprehensive income (shareholders' equity) and current assets, for the agreements maturing on that date, which amount is shown in the statement of changes in shareholders' equity and the statement of comprehensive income.

The loss realized in the first semester of 2024, of R$ (277) (gain of R$ 16,272 in the first semester of 2023), was recorded under "Operating revenue" (see Note 28) under the hedge accounting methodology contained in the Policy adopted by the Company.

7.2 Swaps

The Company has entered into U.S. dollar transactions in the form of Export Prepayment (PPE), Export Credit Bill (NCE), and working capital, with partial hedging of swap transactions aimed at protecting the Group from future exposure to exchange-rate changes. The maturities of the contracted operations are equivalent to those of the dollar loans whose contracted amounts in the closing position on June 30, 2024 was R$ 30,191 (R$ 36,271 on December 31, 2023), with indexation of 94.5% and 99% of the CDI (see Note 21), marked-to-market on the same date of R$ 2,380 (R$ 1,894 on December 31, 2023).

8. Trade accounts receivable

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Accounts receivable				
Domestic market	181,949	140,842	208,107	162,602
Foreign market	34,940	81,462	84,635	112,431
Total accounts receivable (Current assets)	216,889	222,304	292,742	275,033
Impairment of trade accounts receivable				
PCLD (Current assets)	(3,506)	(3,118)	(5,408)	(5,992)
Total accounts receivable net of Provision for Doubtful Accounts	213,383	219,186	287,334	269,041

In thousands of reais, unless otherwise indicated.

a) Breakdown of accounts receivable by maturity age:

	Parent Company					
	06/30/2024	Estimated losses	Coverage %	12/31/2023	Estimated losses	Coverage %
Falling due	194,114	(331)	0.2%	212,131	(709)	0.3%
Overdue (in days)						
≤30	15,532	(155)	1.0%	5,174	(114)	2.2%
31−60	3,319	(200)	6.0%	1,131	(64)	5.7%
61−90	1,195	(435)	36.4%	1,001	(109)	10.9%
91−120	1,132	(875)	77.3%	579	(153)	26.4%
121−180	738	(650)	88.1%	709	(390)	55.0%
181−360	859	(860)	100.1%	1,579	(1,579)	100.0%
	216,889	(3,506)		222,304	(3,118)	

	Consolidated					
	06/30/2024	Estimated losses	Coverage %	12/31/2023	Estimated losses	Coverage %
Falling due	252,615	(400)	0.2%	248,816	(1,596)	0.6%
Overdue (in days)						
≤30	24,333	(192)	0.8%	11,257	(156)	1.4%
31−60	6,218	(206)	3.3%	4,182	(172)	4.1%
61−90	2,196	(468)	21.3%	2,582	(222)	8.6%
91−120	3,179	(979)	30.8%	2,995	(678)	22.6%
121−180	2,377	(1,499)	63.1%	2,041	(758)	37.1%
181−360	1,824	(1,664)	91.2%	3,160	(2,410)	76.3%
	292,742	(5,408)		275,033	(5,992)	

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

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

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

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

In thousands of reais, unless otherwise indicated.

b) Changes in provision for estimated doubtful accounts:

	Parent Company	Consolidated
December 31, 2022	(3,024)	(4,864)
Net Provision (Reversal)	(2,411)	(4,385)
Write-off by effective losses	2,317	3,257
December 31, 2023	(3,118)	(5,992)
Net Provision (Reversal)	(2,090)	(1,777)
Write-off by effective losses	1,702	2,361
June 30, 2024	(3,506)	(5,408)

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

On June 30, 2024, there are securities receivable pledged as collateral for loans, financing, and debentures of R$ 128,508 (R$ 126,046 on December 31, 2023), and there are no amounts to secure third-party operations with franchisees.

9. Inventories

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Finished goods	277,561	317,836	474,783	422,648
Work in process	11,769	11,116	19,646	17,197
Raw materials and consumption materials	53,835	56,744	68,179	67,373
Imports in transit	589	1,671	589	1,671
Provision for inventory appraisal at realizable value	(12,647)	(13,197)	(18,379)	(19,848)
	331,107	374,170	544,818	489,041

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

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

	Parent Company	Consolidated
December 31, 2022	(13,301)	(20,684)
Formation of provision	(6,165)	(18,513)
Reversal of provision for sale or write-off	6,269	19,349
December 31, 2023	(13,197)	(19,848)
Formation of provision	(5,231)	(5,898)
Reversal of provision for sale or write-off	5,781	7,367
June 30, 2024	(12,647)	(18,379)

In thousands of reais, unless otherwise indicated.

10. Recoverable taxes

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Current assets				
IRPJ/CSLL (income tax and social contribution) (a)	3,113	2,347	10,712	8,603
ICMS (b)	2,407	6,768	6,739	7,097
PIS/COFINS (c)	9,190	7,388	13,842	7,641
IRRF	5,557	4,296	5,676	4,306
IPI	2,812	2,338	3,024	2,479
Reintegra	1,753	1,610	1,753	1,610
Other taxes recoverable	162	10	234	62
	24,994	24,757	41,980	31,798
Non-current assets				
ICMS-ST (d)	9,982	9,982	9,982	10,041
ICMS - DIFAL (e)	4,187	4,186	4,187	4,186
ICMS	2,403	1,963	2,464	1,963
	16,572	16,131	16,633	16,190

a) IRPJ and CSLL

The balance is substantially due to the negative balance of IRPJ and CSLL for 2023.

b) ICMS

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

c) PIS and COFINS

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

d) ICMS-ST

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

e) ICMS-DIFAL

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

In thousands of reais, unless otherwise indicated.

11. Judicial deposits

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

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

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Civil	92	92	92	92
Labor	1,289	1,578	1,297	1,586
Tax - Security deposit - DIFAL PB, PR, AL, RS and MG (a)	2,646	2,553	2,646	2,553
Tax - Other deposits	3,453	2,867	3,453	2,867
	7,480	7,090	7,488	7,098

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

12. Judicial deposits

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

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

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

In the first semester of 2024, the Company withdrew R$ (5,136), as well as a financial update of R$ 611 (R$ 1,622 in 2023), resulting in a balance of R$ 15,362 on June 30, 2024.

13. Income tax and social contribution

a) Recoverable and payable income tax and social contribution

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

	Current assets			
	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Income tax	3,111	2,345	9,123	7,329
Social contribution	2	2	1,589	1,274
	3,113	2,347	10,712	8,603

In thousands of reais, unless otherwise indicated.

	Current liabilities			
	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Income tax	-	-	1,233	41
Social contribution	-	-	509	161
	-	-	1,742	202

b) Deferred income tax and social contribution

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

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Tax losses	77,771	76,204	89,201	87,634
Temporary credit differences	36,980	30,338	40,526	32,550
Civil, labor, social security and tax provision	8,025	8,066	8,908	8,362
Provision for success fees	6,401	6,632	6,487	6,655
Provision for expenses	1,751	1,906	1,751	1,929
Difal provision	2,936	3,208	2,936	3,208
Provision for commissions	4,333	4,101	4,333	4,101
Provision for adjustment to market value	2,346	1,957	2,346	1,957
Allowance for doubtful accounts	2,345	2,213	2,781	2,374
Provision for profit sharing and long-term incentive	1,309	1,879	1,309	1,879
Exchange rate change at cash basis	3,628	(4,406)	3,628	(4,406)
Other temporary difference - assets	3,906	4,782	6,047	6,491
Temporary liability differences	(56,133)	(66,727)	(56,669)	(66,726)
Adjustment of depreciation (for the useful life of assets)	(30,448)	(29,184)	(30,448)	(29,183)
Realization of revaluation reserve	(15,166)	(15,480)	(15,166)	(15,480)
Judicial assets - IPI premium credit - Phase II	(10,579)	(10,093)	(10,579)	(10,093)
Portobello Private Pension	(3,992)	(3,481)	(3,992)	(3,481)
Hedge accounting operations	7,786	(4,971)	7,786	(4,971)
Judicial assets - IPI premium credit - Phase I	(3,656)	(3,518)	(3,656)	(3,518)
Adjustment to present value	(78)	-	(78)	-
Other passive temporary differences	-	-	(536)	-
Deferred income tax and social contribution - Assets (net)	58,618	39,815	73,058	53,458
Temporary liability differences				
Judicial assets - Restatement of rural credit bills - PBTech	-	-	6,387	6,387
Deferred income tax and social contribution – Liabilities (net)	-	-	6,387	6,387

In thousands of reais, unless otherwise indicated.

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

	Parent Company	Consolidated
December 31, 2022	16,109	25,523
Tax losses	52,557	52,556
Temporary credit differences	(33,916)	(36,073)
Temporary liability differences	7,228	7,228
Hedge accounting operations	(2,791)	(2,791)
Revaluation reserve	628	628
December 31, 2023	39,815	47,071
Tax losses	1,567	1,567
Temporary credit differences	6,642	7,976
Temporary liability differences	(2,478)	(3,015)
Hedge accounting operations	12,757	12,757
Revaluation reserve	315	315
June 30, 2024	58,618	66,671

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

Income and social contribution tax expenses are as follow:

	Parent Company		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Income (loss) before taxes	(38,221)	(68,304)	(27,954)	(49,981)
Tax calculated based on nominal rate - 34%	12,995	23,223	9,504	16,994
Income (loss) from subsidiaries by the equity method	(10,141)	(11,834)	-	-
Tax incentives	-	2,875	-	2,964
Lei do Bem	-	-	3,077	-
Income tax/social contribution on tax overpayments	-	312	-	312
Depreciation of revalued assets	315	314	315	314
Deferred income tax/social contribution not recorded - Portobello America	-	-	(26,331)	(18,604)
Deferred income tax/social contribution not recorded - CBC	-	-	573	-
Interest capitalization	581	-	581	-
Other	2,214	32	7,989	(5,357)
	5,964	14,922	(4,292)	(3,377)
Current tax on income for the year	(82)	11,972	(11,135)	(6,492)
Formation of deferred income tax and social contribution	6,046	2,950	6,843	3,115
Income tax and social contribution expense (recognized in income [loss] - current and deferred	5,964	14,922	(4,292)	(3,377)
Effective rate	15.6%	21.8%	-15.4%	-6.8%

In thousands of reais, unless otherwise indicated.

d) Tax losses

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Tax loss	228,737	224,129	262,356	257,746
Deferred IRPJ and CSLL	77,771	76,204	89,201	87,634

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

Period	Parent Company	Consolidated
2024	-	4,106
2025	8,494	13,147
2026	5,401	6,569
2027	6,324	7,827
2028	16,752	16,752
2029	17,077	17,077
2030	17,948	17,948
2031	5,775	5,775
	77,771	89,201

14. Judicial assets

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Credit-IPI premium (a)				
Proceeding 1987.0000.645-9 (phase II)	31,114	29,686	31,114	29,686
Proceeding 1984.00.020114-0 (phase I)	10,754	10,348	10,754	10,348
IPI Premium Credit - “Plaintiff” - Complementary Portion (b)	75,107	75,107	75,107	75,107
	116,975	115,141	116,975	115,141

a) Credit-IPI premium

The Company is a plaintiff in a lawsuit seeking recognition of tax benefits entitled “IPI premium credit”, in different calculation periods. Proceeding 1987.0000.645-9 referring to the period from April 01, 1981 to April 30, 1985, already having a decision in favor of the Company, is in the award calculation stage with the amounts already determined by the accounting unit of the Federal Courts, the amount recognized in November 2009 and restated up to June 30, 2024 is R$ 31,114 (R$ 29,686 as of December 31, 2023).

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

The Federal Government, represented by the Brazilian Treasury General Attorney’s Office, did not respond, which resulted in a tacit agreement and, consequently, estoppel. The lawsuit is concluded for sentencing and no challenge is allowed. In 2015, the Company recognized amount determined by judicial expert, R$ 4,983, and, as the Company understands that success of said suit is practically certain, it recorded tax assets in June 2015, and the balance of R$ 10,574 (R$ 10,348 as of December 31, 2023) is maintained on June 30, 2024. The Company will ensure that the payment request is issued by April 2025 so that the payment is made by June 2026.

In thousands of reais, unless otherwise indicated.

b) IPI Premium Credit - "Plaintiff"

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

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

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

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

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

15. Securities

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

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

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

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

In thousands of reais, unless otherwise indicated.

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

As of June 30, 2024, the fair value of the shares belonging to the Company is R$ 22,518, presented in non-current assets.

16. Investments

a) Equity in income of subsidiaries

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

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

	Organization Country	Direct interest	Indirect interest	Assets	Liabilities	Shareholders' equity	Revenue	Income (loss)
June 30, 2024								
Portobello America Inc.	United States	100.00%	0.00%	1,189,051	705,522	483,529	128,528	(77,445)
Portobello America Manufacturing (a)	United States	0.00%	100.00%	664,018	725,538	(61,520)	64,419	(37,952)
PBTech Ltda.	Brazil	99.94%	0.06%	229,605	194,060	35,545	219,124	17,866
Portobello Shop S/A	Brazil	99.90%	0.00%	80,125	69,490	10,635	49,351	10,155
Mineração Portobello Ltda.	Brazil	99.99%	0.00%	54,428	21,473	32,955	7,802	20,387
Companhia Brasileira de Cerâmica S/A	Brazil	98.85%	1.15%	122,538	92,823	29,715	109,284	19
December 31, 2023								
Portobello America Inc.	United States	100.00%	0.00%	937,477	623,146	314,331	211,927	(111,901)
Portobello America Manufacturing (a)	United States	0.00%	100.00%	501,470	522,084	(20,614)	36,174	(19,288)
PBTech Ltda.	Brazil	99.94%	0.06%	253,039	191,357	61,682	424,003	51,487
Portobello Shop S/A	Brazil	99.90%	0.00%	83,794	41,459	42,335	106,960	27,899
Mineração Portobello Ltda.	Brazil	99.76%	0.00%	54,718	42,149	12,569	15,970	(22,326)
Companhia Brasileira de Cerâmica S/A	Brazil	98.85%	1.15%	33,234	7,308	25,926	15,822	(11,292)

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

	Ownership interest	12/31/2023	Exchange-rate changes	Interest capitalization	Advances for future capital increase	Equity in net income of subsidiaries	Dividends	06/30/2024
Investments								
Portobello America Inc. (b)	100.00%	313,682	60,015	-	186,628	(77,444)	-	482,881
PBTech Ltda.	99.94%	61,630	-	-	-	17,857	(43,991)	35,496
Portobello Shop S.A.	99.90%	42,279	-	-	-	10,144	(41,799)	10,624
Mineração Portobello Ltda. (c)	99.99%	12,569	-	-		20,386	-	32,955
Companhia Brasileira de Cerâmica S/A (b)	98.85%	25,999	-	-	3,771	18	-	29,788
Portobello S/A	100.00%	10	-	-	-	-	-	10
Interest capitalization (a)		27,514	-	10,694	-	(788)	-	37,420
Net total of investment in subsidiaries		483,683	60,015	10,694	190,399	(29,827)	(85,790)	629,174
Equity in income of subsidiaries		483,683						629,174

In thousands of reais, unless otherwise indicated.

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

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

(b) In the first semester of 2024, Companhia Brasileira de Cerâmica S/A received an advance for future capital increase from PBG S.A totaling R$ 3,771 (R$ 15,147 in 2023) and Portobello America received advance for future capital increase of R$ 186,628, of which R$ 103,628 through a cash disbursement by the Parent Company in the quarter and R$ 83,000 referring to the transfer of a loan balance made in previous periods, with no cash effect in the quarter (R$ 409,875 in 2023, of which R$ 170,580 refers to accounts receivable balances, not affecting cash, and R$ 239,295 refers to a loan, with a cash effect, as shown in the Statement of Cash Flows, in investment activities).

(c) In June 2023, Mineração Portobello began to have unsecured liabilities due to the update of legal proceedings. In December 2023, PBG signed a debt assumption agreement with Mineração Portobello relating to these legal proceedings, recording it under "Investment" as contra-entry of a reimbursement liability of R$ 34,849.

i) Portobello Shop

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

The franchises are only present in the Brazilian territory and operate in consultative sales, with customizations, innovations, and technological resources to serve their clients. Portobello Shop currently manages one hundred and twenty-seven (127) franchises throughout Brazil.

ii) PBTech

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

iii) Mineração Portobello

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

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

In thousands of reais, unless otherwise indicated.

iv) Companhia Brasileira de Cerâmica

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

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

v) Portobello America

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

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

With the start of production at the new factory, the main focus is on expanding the distribution model, which has more attractive profitability, so the return on investment is expected to occur over the next few years.

17. Property, plant and equipment

a) Breakdown of property, plant and equipment

		Parent Company			
		06/30/2024			12/31/2023
	Annual average depreciation rate	Cost	Accumulated depreciation	Net value	Net value
Land	-	12,603	-	12,603	12,603
Buildings, civil works and improvements	3%	295,014	(106,683)	188,331	192,940
Machinery and equipment	15%	815,692	(500,627)	315,065	310,712
Furniture and fixtures	10%	10,723	(9,758)	965	1,018
Computers	20%	35,929	(31,528)	4,401	4,668
Other property, plant and equipment	20%	1,223	(1,044)	179	204
Construction in process	-	23,637	-	23,637	37,726
		1,194,821	(649,640)	545,181	559,871

In thousands of reais, unless otherwise indicated.

		Consolidated			
		06/30/2024			12/31/2023
	Annual average depreciation rate	Cost	Accumulated depreciation	Net value	Net value
Land	-	13,486	-	13,486	13,486
Buildings, civil works and improvements	3%	345,908	(139,031)	206,877	213,181
Machinery and equipment	15%	1,098,116	(515,100)	583,016	552,549
Furniture and fixtures	10%	22,901	(14,194)	8,707	8,498
Computers	20%	44,902	(34,276)	10,626	8,985
Other property, plant and equipment	20%	3,263	(2,788)	475	652
Compound interest	5%	38,208	(788)	37,420	27,514
Construction in process	-	240,517	-	240,517	233,017
		1,807,301	(706,177)	1,101,124	1,057,882

b) Changes in property, plant and equipment

	Parent Company					
	12/31/2023	Addition	Transfer	Depreciation	Write-off	06/30/2024
Land	12,603	-	-	-	-	12,603
Buildings and improvements	192,941	861	552	(6,023)	-	188,331
Machinery and equipment	310,713	243	22,379	(18,270)	-	315,065
Furniture and fixtures	1,018	-	64	(117)	-	965
Computers	4,667	37	743	(1,040)	(6)	4,401
Other property, plant and equipment	203	-	-	(24)	-	179
Construction in process	37,726	9,649	(23,738)	-	-	23,637
	559,871	10,790	-	(25,474)	(6)	545,181

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

	Consolidated						
	12/31/2023	Addition	Transfer	Depreciation	Write-off/ Reclassification	Exchange-rate change	06/30/2024
Land	13,486	-	-	-	-	-	13,486
Buildings and improvements	213,181	625	1,134	(8,063)	-	-	206,877
Machinery and equipment	552,549	138	22,379	(25,752)	-	33,702	583,016
Furniture and fixtures	8,498	315	66	(882)	-	710	8,707
Computers	8,985	1,288	752	(1,124)	(6)	731	10,626
Other property, plant and equipment	652	-	-	(177)	-	-	475
Capitalized interest (a)	27,514	10,694		(788)			37,420
Construction in progress (b)	233,017	36,691	(24,331)	-	(32,240)	27,380	240,517
	1,057,882	49,751	-	(36,786)	(32,246)	62,523	1,101,124

In thousands of reais, unless otherwise indicated.

	Consolidated						
	12/31/2022	Addition	Transfer	Depreciation	Write-off	Exchange-rate change	12/31/2023
Land	13,486	-	-	-	-	-	13,486
Buildings and improvements	217,406	11,562	4,656	(20,322)	(121)	-	213,181
Machinery and equipment	315,946	281,215	14,054	(40,699)	(1)	(17,966)	552,549
Furniture and fixtures	7,435	4,401	(1,043)	(1,916)	(3)	(376)	8,498
Computers	7,395	3,350	1,478	(2,966)	-	(272)	8,985
Other property, plant and equipment	1,088	16	162	(614)	-	-	652
Capitalized interest (a)	-	27,815	-	(301)	-	-	27,514
Construction in progress (b)	208,474	58,864	(19,307)	-	-	(15,014)	233,017
	771,230	387,223	-	(66,818)	(125)	(33,628)	1,057,882

(a) Loan costs were capitalized at R$ 10,684 in the first semester of 2024 and R$ 27,815 in 2023, considering an average rate for the loan portfolio of 12.47% p.a. and 13.60% p.a., respectively.
(b) Reclassification of leasehold improvements as Lease and right-of-use assets of R$ 32,240, see Note 19.

In the first semester of 2024, additions to property, plant and equipment in Consolidated amounted to R$ 49,751, of which 58.49% was for the acquisition of machinery and equipment for the factory in the USA (PBA Unit), 21.84% for the Tijucas factory (Portobello Unit), 4.50% for the Marechal Deodoro plant (Pointer Unit), 14.37% for own stores, and the remainder, 0.80% divided between commercial and corporate projects.

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

	Parent Company		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Cost of products sold	(21,953)	(21,927)	(28,573)	(17,903)
Commercial expenses	(2,219)	(2,491)	(5,451)	(12,267)
Administrative expenses	(1,302)	(1,493)	(2,762)	(1,563)
	(25,474)	(25,911)	(36,786)	(31,733)

c) Recoverable value of property, plant and equipment

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

In thousands of reais, unless otherwise indicated.

18. Intangible assets

a) Breakdown of intangible assets

	Parent Company				
		06/30/2024			12/31/2023
	Annual average rate of amortization	Cost	Accumulated amortization	Net value	Net value
Trademarks and patents	-	150	-	150	150
Software	20%	80,451	(53,604)	26,847	31,118
Right to exploration of outcrops	9%	1,000	(1,000)	-	-
Product development expenditure	20%	2,044	(204)	1,840	2,037
Software under development	-	9,956	-	9,956	7,740
		93,601	(54,808)	38,793	41,045

	Consolidated				
		06/30/2024			12/31/2023
	Annual average rate of amortization	Cost	Accumulated amortization	Net value	Net value
Trademarks and patents	-	403	-	403	370
Software	20%	142,608	(71,624)	70,984	61,532
Right to exploration of outcrops	9%	4,074	(3,847)	227	235
Product development expenditure	20%	4,155	(204)	3,951	4,243
Software under development	-	23,413	-	23,413	17,389
		174,653	(75,675)	98,978	83,769

b) Changes in intangible assets

	Parent Company					
	12/31/2023	Addition	Transfer	Amortization	Write-off	06/30/2024
Trademarks and patents	150	-	-	-	-	150
Software	31,118	133	494	(4,898)	-	26,847
Product development expenditure	2,037	7	-	(204)	-	1,840
Software under development	7,740	2,732	(494)	-	(22)	9,956
	41,045	2,872	-	(5,102)	(22)	38,793

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

In thousands of reais, unless otherwise indicated.

	Consolidated						
	12/31/2023	Addition	Transfer	Amortization	Write-off	Exchange-rate change	06/30/2024
Trademarks and patents	370	-	-	-	-	33	403
Software	61,532	12,800	6,226	(11,972)	-	2,398	70,984
Right to exploration of outcrops	235	-	-	(8)	-	-	227
Product development costs (a)	4,243	7	-	(595)	-	296	3,951
Software under development	17,389	12,272	(6,226)	-	(22)	-	23,413
	83,769	25,079	-	(12,575)	(22)	2,727	98,978

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

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

In the first semester of 2024, additions to intangible assets in Consolidated amounted to R$ 25,079, mainly for digital improvement projects in the commercial area and the implementation of the Oracle system.

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

	Parent Company		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Cost of products sold	(41)	(41)	(2,007)	(75)
Commercial expenses	(1,224)	(1,162)	(1,931)	(1,828)
Administrative expenses	(3,837)	(2,835)	(8,637)	(3,808)
	(5,102)	(4,038)	(12,575)	(5,711)

c) Recoverable value of intangible assets

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

19. Right-of-use assets and lease obligations

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

On June 30, 2024, the Company and its subsidiaries had a total of 67 agreements (64 on December 31, 2023), 50 of which are classified as leases without a purchase option for its industrial, commercial, and logistics units and 17 leases with a purchase option for vehicles for the Company’s administrators, which refer to leases for which there is a purchase option at the end, similar to a financing operation.

In thousands of reais, unless otherwise indicated.

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

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

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

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

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

	Parent Company				
	Distribution Center	Vehicles	Machinery	Buildings	Total
December 31, 2022	10,335	2,474	22,636	-	35,445
Remeasurement	1,940	-	-	-	1,940
Addition (a)	-	1,493	15,194	2,673	19,360
Contract termination	-	(39)	-	-	(39)
Depreciation	(5,474)	(1,660)	(11,979)	(297)	(19,410)
December 31, 2023	6,801	2,268	25,851	2,376	37,296
Without call option	6,801	-	25,851	2,376	35,028
With call option	-	2,268	-	-	2,268
Remeasurement	7,477	-	-	-	7,477
Addition	-	231	2,858	-	3,089
Depreciation	(2,876)	(706)	(6,644)	(297)	(10,523)
June 30, 2024	11,402	1,793	22,065	2,079	37,339
Without call option	11,402	-	22,065	2,079	35,546
With call option	-	1,793	-	-	1,793

In thousands of reais, unless otherwise indicated.

	Consolidated							
	Distribution Center	Stores	Buildings	Goodwill	Vehicles	Machinery	Land	Total
December 31, 2022	10,335	27,691	8,868	114,746	2,474	22,636	977	187,727
Remeasurement	1,940	185	-	-	-	-	-	2,125
Exchange-rate change	-	-	(25,930)	-	-	-	-	(25,930)
Addition (a)	-	16,020	431,794	-	1,493	15,194	-	464,501
Contract termination	-	(5,661)	-	(2,922)	(40)	-	-	(8,623)
Depreciation	(5,474)	(9,976)	(17,417)	(10,517)	(1,660)	(11,979)	(102)	(57,125)
December 31, 2023	6,801	28,259	397,315	101,307	2,267	25,851	875	562,675
Without call option	6,801	28,259	397,315	101,307	-	25,851	875	560,408
With call option	-	-	-	-	2,267	-	-	2,267
Remeasurement	7,477	755	-	-	-	-	26	8,258
Exchange-rate change	-	-	59,976	-	-	-	-	59,976
Addition	-	7,477	-	17,058	231	2,858	-	27,624
Improvements in progress (b)	-	-	32,240	-	-	-	-	32,240
Depreciation	(2,875)	(5,741)	(15,678)	(6,322)	(706)	(6,644)	(52)	(38,018)
June 30, 2024	11,403	30,750	473,853	112,043	1,792	22,065	849	652,755
Without call option	11,403	30,750	473,853	112,043	-	22,065	849	650,963
With call option	-	-	-	-	1,792	-	-	1,792

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

(b) Reclassification of leasehold improvements as Lease and right-of-use assets initially recorded in property, plant and equipment, of R$ 32,240.

In thousands of reais, unless otherwise indicated.

b) Breakdown and changes in lease liabilities

	Parent Company				
	Distribution Center	Vehicles	Machinery	Buildings	Total
December 31, 2022	12,092	2,999	22,800	-	37,891
Remeasurement	1,940	-	-	-	1,940
Addition	-	1,493	15,194	2,673	19,360
Payment	(6,544)	(3,512)	(14,379)	(394)	(24,829)
Interest earned in the period	568	1,421	3,781	168	5,938
December 31, 2023	8,056	2,401	27,396	2,447	40,300
Without call option	8,056	-	27,396	2,447	37,899
With call option	-	2,401	-	-	2,401
Remeasurement	7,477	-	-	-	7,477
Addition	-	231	2,858	-	3,089
Payment	(3,477)	(1,642)	(7,959)	(394)	(13,472)
Interest earned in the period	565	852	1,607	153	3,177
June 30, 2024	12,621	1,842	23,902	2,206	40,571
Without call option	12,621	-	23,902	2,206	38,729
With call option	-	1,842		-	1,842
Current liabilities					24,395
Non-current liabilities					16,176

	Consolidated						
	Distribution Center	Stores	Buildings	Vehicles	Machinery	Land	Total
December 31, 2022	12,091	29,621	9,129	2,999	22,800	1,076	77,716
Remeasurement	1,940	185	-	-	-	-	2,125
Exchange-rate change	-	-	(24,345)	-	-	-	(24,345)
Addition	-	16,020	431,794	1,493	15,193	-	464,500
Termination and reclassification	-	(6,319)	-	-	-	-	(6,319)
Payment	(6,544)	(12,195)	(52,653)	(3,512)	(14,379)	(152)	(89,435)
Interest earned in the period	568	2,665	11,806	1,421	3,781	72	20,313
December 31, 2023	8,055	29,977	375,731	2,401	27,395	996	444,555
Without call option	8,055	29,977	375,731	-	27,395	996	442,154
With call option	-	-	-	2,401	-	-	2,401
Remeasurement	7,477	755	-	-	-	26	8,258
Exchange-rate change	-	-	54,179	-	-	-	54,179
Addition	-	7,477	-	231	2,858	-	10,566
Payment	(3,477)	(7,185)	(18,167)	(1,642)	(7,959)	(77)	(38,507)
Interest earned in the period	565	1,664	14,702	852	1,607	35	19,425
June 30, 2024	12,620	32,688	426,445	1,842	23,901	980	498,476
Without call option	12,620	32,688	426,445	-	23,901	980	496,634
With call option	-	-	-	1,842	-	-	1,842
Current liabilities							75,682
Non-current liabilities							422,794

In thousands of reais, unless otherwise indicated.

c) Payment schedule:

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
2024	11,720	18,842	26,411	40,276
2025	19,897	16,849	48,347	35,261
2026	6,162	3,874	33,893	20,871
2027	2,045	735	24,622	15,416
2028	747	-	19,898	11,306
2029–2043	-	-	345,305	321,425
	40,571	40,300	498,476	444,555

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

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Suppliers				
Domestic market	261,568	265,361	302,291	288,699
Foreign market	13,120	674	58,120	38,152
Current liabilities	274,688	266,035	360,411	326,851
Assignment of credit with suppliers (drawee risk) (a)				
Domestic market	101,530	132,859	101,530	132,859
Current liabilities	101,530	132,859	101,530	132,859
Accounts payable of property, plant and equipment (b)				
Domestic market	3,430	7,019	12,412	9,957
Foreign market	7,259	10,918	190,616	186,417
	10,689	17,937	203,028	196,374
Current liabilities	10,689	15,123	86,205	89,372
Non-current liabilities	-	2,814	116,823	107,002

a) Assignment of credit with suppliers – drawee risk

The Company carried out suppliers' credit granting transactions with financial institutions totals R$ 101,530 as of June 30, 2024 (R$ R$ 132,859 as of December 31, 2023), for the purpose of providing its partner suppliers with more attractive credit facilities aiming at maintaining commercial relations. In this transaction, suppliers transfer the right to receive from securities to the financial institution, which becomes the operation's creditor, without changing the maturity.

b) Accounts payable from property, plant and equipment

On June 30, 2024, the Company presents, in current liabilities, the amount of R$ 10,689 in the Parent Company (R$ 15,123 on December 31, 2023) and R$ 86,205 in Consolidated (R$ 89,372 on December 31, 2023) referring to suppliers of property, plant and equipment and intangible assets. In non-current liabilities, the balances are R$ 0 in the Parent Company (R$ 2,814 on December 31, 2023) and R$ 116,823 in Consolidated (R$ 107,002 on December 31, 2023).

In thousands of reais, unless otherwise indicated.

In the Parent Company, the balances refer substantially to the acquisition of industrial ovens for the Tijucas factory. In the Consolidated, most of it refers to the new factory in the USA.

21. Loans, financing and debentures

a) Breakdown

	Currency	Maturities	Charges		Parent Company and Consolidated 06/30/2024	12/31/2023
Current						
Banco do Nordeste S.A (a)	R$	June 2025	3.53%	p.a.¹	13,500	13,496
Banco do Nordeste S.A (a)	R$	June 2027	2.30%	p.a.¹ + IPCA	5,484	5,684
NCE (b)	R$	Dec 2027	2.73%	p.a.¹ + CDI	73,512	194,719
NCE (b)	US$	Mar 2027	99.00%	CDI	17,310	13,159
NCE (b)	US$	Mar 2026	1.78%	p.a.¹ + CDI	45,194	30,476
FINEP (c)	R$	Nov 2030	1.32%	p.a.¹ + TJLP	25,596	26,202
Debentures – 4th Issue (d)	R$	Oct 2026	3.02%	p.a.¹ + CDI	83,150	83,749
Debentures – 5th issue (g)	R$	Dec 2028	3.68%	p.a.¹ + CDI	82,331	41,080
BNDES (e)	R$	June 2026	1.80%	p.a.¹ + SELIC	2,148	2,068
Working capital (f)	R$	Mar 2026	2.75%	p.a.¹ + CDI	3,947	9,776
Working capital – with swap (f)	US$	Mar 2026	3.53%	p.a.¹ + CDI	15,542	23,625
Export prepayment – swap (b)	US$	Nov 2027	9.19%	p.a.¹	10,103	6,030
Export prepayment (b)	US$	Nov 2027	94.50%	CDI	14,654	5,973
Total current			**12.39%**	p.a.¹	**392,471**	**456,037**
Total local currency		R$			289,668	376,774
Total foreign currency		US$			102,803	79,263
Non-current						
Banco do Nordeste S.A (a)	R$	June 2025	3.53%	p.a.¹	-	6,508
Banco do Nordeste S.A (a)	R$	June 2027	2,30%	p.a.¹ + IPCA	10,657	13,324
NCE (b)	R$	Dec 2027	2.73%	p.a.¹ + CDI	178,571	164,964
NCE (b)	US$	Mar 2027	99.00%	CDI	31,112	33,980
NCE (b)	US$	Mar 2026	1.78%	p.a.¹ + CDI	33,896	-
FINEP (c)	R$	Nov 2030	1.32%	p.a.¹ + TJLP	113,581	124,517
Debentures – 4th Issue (d)	R$	Oct 2026	3.02%	p.a.¹ + CDI	149,153	148,880
Debentures – 5th issue (g)	R$	Dec 2028	3.68%	p.a.¹ + CDI	283,153	323,541
BNDES (e)	R$	June 2026	1.80%	p.a.¹ + SELIC	1,317	2,018
Working capital (f)	R$	Mar 2026	2.75%	p.a.¹ + CDI	2,925	-
Working capital – with swap (f)	US$	Mar 2026	3.00%	p.a.¹ + CDI	9,120	-
Export prepayment – swap (b)	US$	Nov 2027	9.19%	p.a.¹	36,000	33,216
Export prepayment (b)	US$	Nov 2027	94.50%	CDI	30,274	33,956
Total non-current			**12.50%**	**p.a.¹**	**879,759**	**884,904**
Total local currency		R$			739,357	783,752
Total foreign currency		US$			140,402	101,152
Overall total			**12.47%**	**p.a.¹**	**1,272,230**	**1,340,941**
Total local currency		R$			1,029,025	1,198,819
Total foreign currency		US$			243,205	180,415

¹ Weighted average rate (p.a. = per annum)
AVP - Adjustment to present value
IPCA - National Amplified Consumer Price Index
FX - Exchange-rate change
CDI - Interbank Deposit Certificate

In thousands of reais, unless otherwise indicated.

b) Contract details

Note	Institution/Type	Date of the agreement	Matures in	Term (months)	Grace period (months)	Amortization	Value captured	Releases (in R$ thousand) Date Value		Collateral/Note
a)	Banco do Nordeste	June 2013	June 2025	133	24	Monthly	R$ 147,784	R$ 29,221	August 2014	Mortgage on property and machinery and equipment. Renegotiated in April 2020.
								R$ 45,766	Jan/2015	
								R$ 14,700	Sept/2015	
								R$ 4,714	March 2016	
								R$ 2,418	December 2016	
								R$ 8,827	Feb/2019	
		jul/19	Jun/27	95	24	Monthly	R$ 31,147	R$ 7,246	jul/19	Second mortgage on property and machinery. Renegotiated in April 2020.
								R$ 4,681	Feb/2020	
								R$ 4,261	set/20	
								R$ 7,000	Jun/22	
b)	Export credit (NCE)	Jun/21	Jun/26	51	24	Semiannual	R$ 30,000	R$ 30,000	Jun/21	Receivables of Portobello S.A. of 20% of the debt balance)
		ago/21	ago/27	36	24	Semiannual	R$ 100,000	R$ 100,000	August 2021	Receivables of Portobello S.A. of 30% of the debt balance agreement)
		December 2022	December 2027	60	24	*Semiannual*	R$ 48,000	R$ 48,000	December 2022	Receivables of Portobello S.A. of 10% of the debt balance)
		December 2022	December 2027	60	24	*Semiannual*	R$ 40,000	R$ 40,000	December 2022	Unsecured
		Feb/23	mar/27	48	12	*Monthly*	R$ 50,000	R$ 50,000	Feb/23	Unsecured
		Feb/24	Feb/26	24	14	*Semiannual*	R$ 70,000	R$ 70,000	Feb/24	Aval Portobello Shop
	CCB	mar/24	mar/26	24	6	*Quarterly*	R$ 70,000	R$ 70,000	mar/24	*Standby Letter of Credit*
	PPE	nov/22	nov/27	60	24	*Semiannual*	R$ 43,000	R$ 43,000	nov/22	Unsecured
		nov/22	nov/27	60	24	*Semiannual*	R$ 43,000	R$ 43,000	nov/22	Unsecured
c)	Finep (Finep)	December 2019	set/29	117	32	Monthly	R$ 66,771	R$ 25,008	December 2019	Surety bond/surety bond
								R$ 33,000	mar/20	
								R$ 8,763	ago/21	
		nov/20	nov/30	120	36	Monthly	R$ 98,487	R$ 34,214	December 2021	
d)	Debentures (4th issue/1st series)	set/21	set/26	60	24	Semiannual	R$ 300,000	R$ 300,000	set/21	Issue approved on September 16, 2021 by the Board of Directors. Funds allocated for redemption of the third issue. Security deposit and additional accessory guarantee. It has *covenants* that were complied with.
e)	BNDES (National Bank for	Jun/22	Jun/26	48	12	*Quarterly*	R$ 10,000	R$ 3,923	Jun/22	BNDES Production Chain Program. 100% appeal passed on to Portobello Shop franchisees.
f)	Working capital	mar/24	mar/26	24	3	*Quarterly*	R$ 25,000	R$ 25,000	mar/23	Promissory note
		mar/24	mar/26	24	3	*Quarterly*	R$ 7,800	R$ 7,800	mar/23	Aval Portobello Shop
g)	Debentures (5th issue/1st series)	December 2023	December 2028	60	12	Semiannual	R$ 367,000	R$ 367,000	December 2023	Issue approved on December 8, 2023 by the Board of Directors. Funds earmarked for the redemption of the first issue of commercial notes. Security deposit and additional accessory guarantee. It has *covenants* that were complied with.

*Single settlement at the end of the agreement.

In thousands of reais, unless otherwise indicated.

b.1) Debentures

i) Fourth issue

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

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

ii) Fifth issue

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

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

c) Covenants and guarantees

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

In thousands of reais, unless otherwise indicated.

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

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

d) Payment schedule

	Parent Company and Consolidated	
	06/30/2024	12/31/2023
2024	243,792	456,038
2025	395,463	293,979
2026	321,956	280,986
2027	174,582	173,313
2028	103,744	103,811
2029	20,476	32,814
2030	12,217	-
	1,272,230	1,340,941

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

e) Changes

	Parent Company and Consolidated
December 31, 2022	860,115
Changes that affected cash flow	
Funding of loans and debentures	629,600
Payment of principal	(148,130)
Interest payment	(118,812)
Changes that did not affect cash flow	
Exchange-rate changes	(12,886)
Recognized interest	133,777
Appropriations of debenture costs	(2,723)
December 31, 2023	1,340,941
Changes that affected cash flow	
Funding of loans and debentures	172,800
Payment of principal	(258,419)
Interest payment	(92,725)
Changes that did not affect cash flow	
Exchange-rate changes	31,192
Recognized interest	77,778
Appropriations of debenture costs	663
June 30, 2024	1,272,230

In thousands of reais, unless otherwise indicated.

22. Installment payment of tax liabilities

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

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Current liabilities				
Prodec (a)	10,426	7,599	10,426	7,599
Payment Scheduling Law No. 11.941/09	4,256	10,724	4,256	10,724
	14,682	18,323	14,682	18,323
Non-current liabilities				
Prodec (a)	36,610	30,694	36,610	30,694

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

23. Taxes, duties and contributions

On June 31, 2024, the taxes, fees, and contributions recorded in current liabilities were classified as follows:

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
ICMS	18,311	14,379	22,825	15,070
IRRF	4,666	6,291	7,648	8,797
PIS/COFINS	-	2,905	2,590	5,387
Other	-	438	-	1,052
	22,977	24,013	33,063	30,306

24. Other accounts payable

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

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Current				
Commissions	13,084	11,736	12,886	11,736
Consigned suppliers	1,977	2,838	1,977	2,838
Provision for expenses	3,196	4,327	15,052	7,445
Provision for guarantees	1,950	1,770	1,910	1,770
Provision for freight	413	522	413	522
Provision for demobilization of assets	-	-	60	176
Advertising fund	-	-	-	381
Other accounts payable	643	1,040	1,193	6,263
	21,263	22,233	33,491	31,131
Non-current				
Long-term incentives	3,851	5,525	3,851	5,525
Government grant (a)	-	-	12,883	12,671
Provision for demobilization of assets	-	-	1,036	1,091
	3,851	5,525	17,770	19,287

In thousands of reais, unless otherwise indicated.

(a) Government grant - PBA

On July 26, 2019, the Subsidiary Portobello America ("PBA") entered into an agreement with the Tennessee Department of Economic and Community Development and the Industrial Development Board of the City of Cookeville, Tennessee, to receive a grant based on the State's incentive program to promote long-term job growth by providing financial assistance to eligible applicants to induce and assist companies to relocate, expand or construct projects in Tennessee. As part of the project, PBA will create, fill, and maintain two hundred and twenty (220) new jobs between July 2019 and July 2028 (end). The PBA will be considered to comply with the performance requirement if the performance percentage on the end date is equal to or greater than 80%. Failure to meet the performance requirements by the end date will result in the State being reimbursed all or part of the amount granted.

PBA recorded the transaction as deferred revenue since the performance requirements were not met in the years ended December 31, 2019 to 2022, of R$ 15,480 (US$ 2,967). As of June 30, 2024, the balance recorded as deferred revenue is R$ 12,883 (R$ 12,671 as of December 31, 2023), having started to be used after the factory began operating.

25. Civil, labor, social security and tax provision

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

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

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

Sum provisioned	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Civil	13,235	13,885	29,810	50,179
Labor	4,829	4,748	5,279	5,132
Social Security	4,550	4,550	4,550	4,550
Tax	19,816	20,045	20,087	20,110
	42,430	43,228	59,726	79,971

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

	Parent Company				
	Civil	Labor	Social Security	Tax	Total
December 31, 2022	31,930	10,074	4,550	28,519	75,073
Debited (credited) to the statement of income:	(14,553)	(3,856)	-	(2,676)	(21,085)
Additional provision	4,160	2,122	-	965	7,247
Reversals for non-use (a)	(13,669)	(4,754)	-	(3,711)	(22,134)
Inflation adjustment (reversal)	(5,044)	(1,224)	-	70	(6,198)
Reversals by realization	(3,492)	(1,470)	-	(8)	(4,970)
Provision (reversals) due to realization - no cash effect	-	-	-	(5,790)	(5,790)
December 31, 2023	13,885	4,748	4,550	20,045	43,228
Debited (credited) to the statement of income:	(282)	412	-	(229)	(99)
Additional provision	294	409		1,411	2,114
Reversals for non-use	(1,101)	(167)		(1,726)	(2,994)
Inflation adjustment (reversal)	525	170		86	781
Reversals by realization	(368)	(331)		-	(699)
June 30, 2024	13,235	4,829	4,550	19,816	42,430

In thousands of reais, unless otherwise indicated.

	Consolidated				
	Civil	Labor	Social Security	Tax	Total
December 31, 2022	44,848	10,321	4,550	28,650	88,369
Debited (credited) to the statement of income:	8,916	(3,714)	-	(2,695)	2,507
Additional provision	10,845	2,446	-	1,032	14,323
Reversals for non-use (a)	(17,439)	(4,938)	-	(3,797)	(26,174)
Inflation adjustment (reversal)	15,510	(1,222)	-	70	14,358
Reversals by realization	(3,585)	(1,475)	-	(8)	(5,068)
Provision (reversals) due to realization - no cash effect	-	-	-	(5,837)	(5,837)
December 31, 2023	50,179	5,132	4,550	20,110	79,971
Debited (credited) to the statement of income:	(19,997)	474	-	(23)	(19,546)
Additional provision	546	529	-	1,615	2,690
Reversals for non-use	(21,264)	(271)	-	(1,726)	(23,261)
Inflation adjustment (reversal)	721	216	-	88	1,025
Reversals by realization	(372)	(327)	-	-	(699)
June 30, 2024	29,810	5,279	4,550	20,087	59,726

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

Civil

The Company and its subsidiaries are defendants in 329 lawsuits (424 lawsuits on December 31, 2023), in the scope of the Common Courts and Special Civil Courts.

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

a) Public civil action 5003588-47.2012.4.04.7214

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

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

Labor

The Company and its subsidiaries are defendants in 332 labor claims (454 claims on December 31, 2023), filed by former employees and third parties. The claims refer to the payment of severance pay, additional pay, overtime, salary equalization and compensation for moral and material damages arising from occupational accidents/diseases. Provision is reviewed by the Management in accordance with its legal advisors. Some lawsuits are supported by judicial deposits.

Social Security

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

Tax

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

For the mentioned tax assessment notice, the Company established a provision of R$ 620, with the remaining amount considered as a probable remote loss. The updated balance of the provision on June 30, 2024 is R$ 1,075.

Under "Tax provision", the Company and its subsidiaries have a consolidated balance of R$ 20,087 on June 30, 2024 (R$ 20,110 on December 31, 2023), referring to a provision for success fees, substantially on tax assets.

In thousands of reais, unless otherwise indicated.

25.1 Lawsuits with possible loss

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

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

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Civil	17,562	5,426	24,579	12,453
Labor	5,435	5,477	5,538	5,585
Social Security	10,985	10,985	10,985	10,985
Tax	43,207	21,380	43,407	21,380
	77,189	43,268	84,509	50,403

Civil

In the Parent Company, R$ 17,562 is divided into 38 lawsuits, among which the main opposing parties are construction companies claiming problems with Portobello products.

In the consolidated accounts, the amount of R$ 6,942 is added to the Parent Company’s amount, referring to 3 lawsuits by Mineração Portobello against the Federal Attorney General’s Office, which are awaiting judgment on appeal.

Labor

In the consolidated accounts, the amount of R$ 5,438 refers to 106 labor lawsuits, with dispersed amounts.

Social Security

This is case 11516.721.813/2019.61 concerning the employer’s contribution to the special retirement due to hazardous conditions, whose opposing party is the Brazilian Federal Revenue Service, which summoned the Company in 2019 for R$ 10,500.

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

Tax

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

In thousands of reais, unless otherwise indicated.

26. Shareholders' equity

26.1 Capital

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

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

26.2 Profit reserve

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

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

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

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

26.3 Equity valuation adjustments

	Equity valuation adjustments			
Parent Company and Consolidated	Deemed cost (a)	Accumulated translation adjustments (b)	Other comprehensive income (c)	Total
December 31, 2022	31,268	(69,561)	198	(38,095)
Realization of revaluation reserve	(1,219)	-	-	(1,219)
Exchange rate change in foreign subsidiary	-	(14,475)	-	(14,475)
Actuarial (Gain)/loss	-	-	(11,337)	(11,337)
Deferred income tax/social contribution on actuarial gain (loss)	-	-	3,854	3,854
Hedge accounting operations	-	-	8,212	8,212
Deferred IR/CS on hedge accounting	-	-	(2,791)	(2,791)
December 31, 2023	30,049	(84,036)	(1,864)	(55,851)
Realization of revaluation reserve	(610)	-	-	(610)
Exchange rate change in foreign subsidiary	-	60,015	-	60,015
Hedge accounting operations	-	-	(37,520)	(37,520)
Deferred IR/CS on hedge accounting	-	-	12,757	12,757
June 30, 2024	29,439	(24,021)	(26,627)	(21,209)

a) Deemed cost

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

b) Accumulated translation adjustments

The change in assets and liabilities in foreign currency (US dollar) arising from the exchange rate fluctuation, and the changes between the daily rates and the closing rate of the changes of the subsidiary's income headquartered abroad are recognized in accumulated translation adjustments. On June 30, 2024, the amount of conversion adjustments was R$ 60,015 (R$ (14,475) on December 31, 2023), as per Note 16.

c) Other comprehensive income

As of June 30, 2024, the balance of R$ (26,627) (R$ 1,864 as of December 31, 2023) derives from:

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

ii) Fair value of *hedge accounting* of R$ (22,900) (R$ 14,620 as of December 31, 2023), due to the mark to market of derivative financial instruments classified as *hedge accounting* not yet realized until June 2024, with the effect of R$ 7,786 (R$ (4,971) as of December 31, 2023) of deferred income and social contribution taxes, there remains a net balance of fair value hedge *accounting* of R$ (15,114) (R$ 9,649 as of December 31, 2023). These amounts are written off from equity to profit or loss as NDF contracts mature and US dollar sales are shipped in the respective month when contracts mature.

27. Employee benefits

Since 1997, the Company and its subsidiaries have sponsored a pension benefit plan referred to as Portobello Prev, administered by Bradesco, which has 3,653 (3,602 on December 31, 2023) active participants and 37 (28 on December 31, 2023) retirees and pensioners. The plan has the characteristic of defined contribution in the phase of accumulation of funds. In the benefits granting phase, the plan has a defined benefit characteristic, guaranteeing retirement and pension benefits for life to its participants. It also offers a minimum retirement benefit for length of service or age, funded exclusively by the sponsors.

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

In thousands of reais, unless otherwise indicated.

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

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

	Parent Company				Consolidated			
	Quarter ended June 30, 2024	Quarter ended June 30, 2023	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023	Quarter ended June 30, 2024	Quarter ended June 30, 2023	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Gross sales revenue	583,127	546,836	1,123,806	1,036,756	776,001	692,134	1,449,723	1,307,934
Gain (loss) on *hedge accounting transactions*	(2,822)	10,797	(277)	16,272	(2,822)	10,797	(277)	16,272
Gross revenue deductions	(138,310)	(129,885)	(264,858)	(241,517)	(184,104)	(154,106)	(334,914)	(287,630)
Taxes on sales	(109,739)	(107,928)	(220,564)	(204,532)	(146,818)	(126,524)	(275,071)	(240,055)
Returns and discounts	(28,571)	(21,957)	(44,294)	(36,985)	(37,286)	(27,582)	(59,843)	(47,575)
Net sales revenue	441,995	427,748	858,671	811,511	589,075	548,825	1,114,532	1,036,576

Operating nature and net revenue are shown as follows:

	Parent Company				Consolidated			
	Quarter ended June 30, 2024	Quarter ended June 30, 2023	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023	Quarter ended June 30, 2024	Quarter ended June 30, 2023	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Sale of own products	409,791	398,163	789,916	751,064	531,021	462,988	996,283	879,152
Resale of third-party products	32,204	29,585	68,755	60,447	32,204	58,176	68,755	104,156
Royalties	-	-	-	-	25,850	27,661	49,494	53,268
Net revenue	441,995	427,748	858,671	811,511	589,075	548,825	1,114,532	1,036,576

In thousands of reais, unless otherwise indicated.

29. Expenses per type

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

	Parent Company				Consolidated			
	Quarter ended June 30, 2024	Quarter ended June 30, 2023	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023	Quarter ended June 30, 2024	Quarter ended June 30, 2023	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Cost and expenses								
Cost of Goods and/or Services Sold	(330,057)	(304,750)	(626,149)	(578,738)	(373,961)	(334,265)	(703,611)	(629,794)
Selling expenses	(67,022)	(84,959)	(145,621)	(161,198)	(162,028)	(163,865)	(312,202)	(307,716)
General and Administrative Expenses	(8,995)	(27,630)	(32,924)	(50,211)	(35,113)	(33,177)	(65,972)	(56,984)
	(406,074)	(417,339)	(804,694)	(790,147)	(571,102)	(531,307)	(1,081,785)	(994,494)
Breakdown of expenses by nature								
Direct production costs (raw materials and input)	(180,900)	(199,459)	(355,938)	(388,506)	(209,535)	(200,085)	(389,893)	(390,051)
Salaries, charges and employee benefits	(95,912)	(99,377)	(189,360)	(191,054)	(166,210)	(132,220)	(290,274)	(252,991)
Labor and third-party services	(15,991)	(13,537)	(34,969)	(24,332)	(40,461)	(27,679)	(69,570)	(51,268)
General production expenses (including maintenance)	(13,476)	(13,179)	(25,583)	(26,040)	(18,649)	(14,099)	(32,631)	(28,145)
Cost of resold merchandise	(27,768)	(24,533)	(58,762)	(49,327)	(105,371)	(43,791)	(141,372)	(80,951)
Depreciation and amortization	(20,831)	(19,736)	(41,099)	(39,133)	(43,652)	(34,446)	(87,379)	(64,802)
Sales commissions	(12,665)	(10,684)	(23,901)	(19,833)	(28,033)	(23,076)	(49,875)	(41,768)
Marketing and advertising expenses	(7,893)	(10,724)	(13,024)	(19,328)	(13,982)	(17,837)	(21,079)	(29,404)
Expense on the transportation of merchandise sold	(6,774)	(14,688)	(21,244)	(26,468)	(21,367)	(16,547)	(38,511)	(28,342)
Rent expenses - not applicable to IFRS 16	(2,540)	(3,715)	(5,207)	(6,799)	(1,573)	(4,622)	(4,868)	(9,038)
Idle costs	(45)	(5,793)	(2,053)	(10,369)	(45)	(5,793)	(2,053)	(10,369)
Other revenues (expenses), net	11,810	(11,960)	3,550	(23,498)	(17,794)	(20,666)	(32,340)	(41,305)
Changes in inventories (a)	(33,089)	10,046	(37,104)	34,540	95,570	9,554	78,060	33,940
Total	(406,074)	(417,339)	(804,694)	(790,147)	(571,102)	(531,307)	(1,081,785)	(994,494)

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

In thousands of reais, unless otherwise indicated.

30. Other operating revenues (expenses), net

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

	Parent Company				Consolidated			
	Quarter ended June 30, 2024	Quarter ended June 30, 2023	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023	Quarter ended June 30, 2024	Quarter ended June 30, 2023	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Tax credits (a)	6,681	1,445	17,682	3,348	6,681	1,445	19,882	3,348
Assignment of rights to payroll	-	-	8,000	-	-	-	8,000	-
Net yield on the actuarial plan	1,502	-	1,502	-	1,502	-	1,502	-
Service revenue	(136)	93	63	184	(136)	269	63	184
Reversal/provision for contingencies, net	748	10,077	880	9,890	20,489	9,894	20,571	9,894
Sale of property, plant and equipment (a)	-	-	-	-	-	-	-	1,571
Reversal of DIFAL unconstitutionality	-	-	-	567	-	-	-	567
Taxes on other revenues	(1,610)	(176)	(1,682)	(360)	(1,875)	(176)	(1,947)	(360)
Long-term incentive (ILP)	1,913	(990)	993	(1,898)	1,913	(958)	993	(1,898)
Provision/reversal of profit sharing	-	4,412	-	1,833	-	3,104	-	525
Provision for guarantees	-	-	-	(2,389)	-	-	-	(2,389)
Write-off of property, plant and equipment	(22)	-	(28)	-	(28)	1,507	(28)	-
Other income/expenses	(363)	(565)	1,946	(299)	1,361	(3,601)	3,788	(4,694)
Other operating revenues (expenses) net	8,713	14,296	29,356	10,876	29,907	11,484	52,824	6,748

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

In thousands of reais, unless otherwise indicated.

31. Financial income (loss)

The financial results are shown as follows:

	Parent Company				Consolidated			
	Quarter ended June 30, 2024	Quarter ended June 30, 2023	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023	Quarter ended June 30, 2024	Quarter ended June 30, 2023	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Finance income								
Interest	2,010	8,180	5,108	11,702	3,329	9,293	8,368	14,264
Adjustment for inflation of assets	1,824	1,195	2,828	4,195	1,825	1,195	2,829	4,195
Other	111	-	111	5	191	13	191	27
Total	3,945	9,375	8,047	15,902	5,345	10,501	11,388	18,486
Finance costs								
Interest on loans and debentures and others	(33,937)	(36,937)	(73,193)	(69,569)	(45,129)	(43,733)	(90,583)	(78,618)
Finance charges on taxes	(884)	(864)	(2,273)	(1,787)	(1,441)	(2,982)	(3,339)	(3,952)
Inflation-adjusted provisions for contingencies	(635)	4,350	(781)	3,687	697	(14,376)	(1,025)	(15,609)
Commissions and service fees	(4,321)	(2,824)	(5,649)	(4,490)	(3,565)	(4,161)	(10,263)	(6,400)
Banking expenses	(398)	(15)	(419)	(40)	(451)	(1,517)	(514)	(3,172)
Loss on *swap transactions*	2,264	(5,461)	1,471	(5,461)	2,264	(5,461)	1,471	(5,461)
Other	3	(14)	-	(22)	(1,700)	(94)	(1,703)	(126)
Total	(37,908)	(41,765)	(80,844)	(77,682)	(49,325)	(72,324)	(105,956)	(113,338)
Net foreign exchange gain (loss)								
Trade payables	1,636	(1,712)	4,685	(8,537)	1,611	(1,698)	4,658	(8,537)
Loans and financing	(18,764)	1,425	(23,615)	4,578	(18,763)	1,425	(23,615)	4,578
Total	(17,128)	(287)	(18,930)	(3,959)	(17,152)	(273)	(18,957)	(3,959)
Total liquid	(51,091)	(32,677)	(91,727)	(65,739)	(61,132)	(62,096)	(113,525)	(98,811)

32. Earnings per share

a) Basic

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

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

	Parent Company and Consolidated			
	Quarter ended June 30, 2024	Quarter ended June 30, 2023	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Loss attributable to Company's shareholders	(11,550)	(38,301)	(32,257)	(53,382)
Weighted average number of common shares	140,987	140,987	140,987	140,987
Basic loss per share	(0.08192)	(0.27166)	(0.22879)	(0.37863)

b) Diluted

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

33. Dividends

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

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

34. Segment information

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

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

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

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

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

In thousands of reais, unless otherwise indicated.

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

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

	Six-month period ended June 30, 2024			
Continued operations	Consolidated	Eliminations	Domestic market	Foreign market
Net revenue	1,114,532	(61,021)	938,850	236,703
Cost of products sold	(703,611)	66,367	(564,519)	(205,459)
Gross operating income	410,921	5,346	374,331	31,244
% gross margin	36.9%	-8.8%	39.9%	13.2%
(-) Expenses	(339,574)	7,356	(256,332)	(90,598)
LAJI	71,347	12,702	117,999	(59,354)
EBITDA	158,726	12,701	172,178	(26,153)

	Six-month period ended June 30, 2023			
Continued operations	Consolidated	Eliminations	Domestic market	Foreign market
Net revenue	1,036,576	(51,939)	877,657	210,858
Cost of products sold	(629,794)	48,821	(535,145)	(143,470)
Gross operating income	406,782	(3,118)	342,512	67,388
% gross margin	39.2%	6.0%	39.0%	32.0%
(-) Expenses	(357,952)	2,131	(263,315)	(96,768)
LAJI	48,830	(987)	79,197	(29,380)
EBITDA	113,632	(988)	130,357	(15,737)

	Quarter ended June 30, 2024			
Continued operations	Consolidated	Eliminations	Domestic Market	Foreign Market
Net revenue	589,075	(37,593)	493,298	133,370
Cost of products sold	(373,961)	41,463	(298,352)	(117,072)
Gross operating income	215,114	3,870	194,946	16,298
% of gross margin	36.5%	-10.3%	39.5%	12.2%
(-) Expenses	(181,458)	7,600	(143,331)	(45,727)
LAJI	33,656	11,470	51,615	(29,429)
EBITDA	77,308	11,470	79,352	(13,514)

In thousands of reais, unless otherwise indicated.

	Quarter ended June 30, 2023			
Continued operations	Consolidated	Eliminations	Domestic Market	Foreign Market
Net revenue	548,825	(27,008)	459,113	116,720
Cost of products sold	(334,265)	25,395	(279,180)	(80,480)
Gross operating income	214,560	(1,613)	179,933	36,240
% of gross margin	39.1%	6.0%	39.2%	31.0%
(-) Expenses	(185,558)	1,296	(134,203)	(52,651)
LAJI	29,002	(317)	45,730	(16,411)
EBITDA	63,448	(512)	71,454	(7,494)

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

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

	Six-month period ended June 30, 2024					
Continued operations	Total	*Eliminations	Portobello	Pointer	Portobello Shop	PBA
Net revenue	1,114,532	(61,021)	484,479	104,427	459,936	126,711
Cost of products sold	(703,611)	66,233	(305,266)	(91,649)	(239,390)	(133,539)
Gross operating income	410,921	5,212	179,213	12,778	220,546	(6,828)
Gross Margin	37%	-9%	37%	12%	48%	-5%

*Eliminations between businesses

	Six-month period ended June 30, 2023					
Continued operations	Total	*Eliminations	Portobello	Pointer	Portobello Shop	PBA
Net revenue	1,036,576	(51,728)	460,912	85,989	443,515	97,888
Cost of products sold	(629,794)	48,636	(291,978)	(76,034)	(237,014)	(73,404)
Gross operating income	406,782	(3,092)	168,934	9,955	206,501	24,484
Gross Margin	39%	6%	37%	12%	47%	25%

*Eliminations between businesses

	Quarter ended June 30, 2024					
Continued operations	Total	*Eliminations	Portobello	Pointer	Portobello Shop	PBA
Net revenue	589,075	(36,923)	255,722	56,523	242,654	71,099
Cost of products sold	(373,961)	40,722	(161,896)	(47,894)	(127,942)	(76,951)

In thousands of reais, unless otherwise indicated.

Gross operating income	215,114	3,799	93,826	8,629	114,712	(5,852)
Gross Margin	37%	-10%	37%	15%	47%	-8%

*Eliminations between businesses

Continued operations	Quarter ended June 30, 2023					
	Total	*Eliminations	Portobello	Pointer	Portobello Shop	PBA
Net revenue	548,825	(27,009)	244,547	42,627	232,542	56,118
Cost of products sold	(334,265)	25,382	(157,498)	(38,925)	(121,653)	(41,571)
Gross operating income	214,560	(1,627)	87,049	3,702	110,889	14,547
Gross Margin	39%	6%	36%	9%	48%	26%

*Eliminations between businesses

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

35. Commitments for the acquisition of assets

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

36. Items not affecting cash

In the first quarter of 2024, the Company made an advance for future capital increase with the investee Portobello America of R$ 135,452 (R$ 409,875 in 2023, see Note 16), of which R$ 83,000 refers to the balance of a loan made in previous periods, not affecting the cash flow from investments in this quarter.

In the first semester of 2024, interest was capitalized on loans, financing, and debentures of R$ 10,694 (R$ 27,815 on December 31, 2023, according to Notes 17 and 18), which are related to the acquisition, construction, or production of property, plant and equipment of its investees in the United States, the amount of which was not included in the lines of accrued interest (statement of cash flow in the Parent Company) and acquisition of property, plant and equipment (statement of cash flow in the Consolidated).

37. Related companies and parties

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

In thousands of reais, unless otherwise indicated.

Nature – Equity balances	Company	Parent Company 06/30/2024	Parent Company 12/31/2023
Subsidiaries			
Commercial transactions			
Accounts receivable	Portobello Shop S.A.	10	29
Accounts receivable	Portobello America, Inc.	43,924	80,433
Accounts receivable	Cia Brasileira de Cerâmica	51,111	574
Accounts receivable	PBTech Com. Sern. Cer. Ltda.	834	7,408
Credit with related parties	PBTech Com. Sern. Cer. Ltda.	1,658	-
Credit with related parties	Portobello Shop S.A.	350	558
Accounts payable	Cia Brasileira de Cerâmica	(3,370)	(2,950)
Accounts payable	Mineração Portobello Ltda.	(4,341)	(5,697)
Accounts payable	Portobello America, Inc.	(7,010)	(4,850)
Net assets from liabilities with subsidiaries		83,166	75,505

Nature – Equity balances	Company	06/30/2024	12/31/2023
Related persons and parties			
Debt with related persons	Refinadora Catarinense S.A.	(56,330)	(56,330)
Debts with related parties	Mineração Portobello Ltda.	(47,542)	(46,792)
Debts with related parties	PBTech Com. Sern. Cer. Ltda.	(328)	(618)
Debts with related parties	Portobello Shop S.A.	-	(66)
Accounts receivable	Flooring Revest. Cer. Ltda.	-	1
Accounts payable	Gomes Part Societárias Ltda.	(87)	(87)
Accounts payable	AB Parking	(7)	(8)
Net assets from liabilities with other related parties		(104,294)	(103,900)

Nature – Result	Company	Parent Company 06/30/2024	Parent Company 06/30/2023
Revenues			
Subsidiaries			
Sale of products	PBTech Com. Sern. Cer. Ltda.	54,850	85,950
Sale of products	Cia Brasileira de Cerâmica	108,809	652
Sale of products	Portobello America, Inc.	34,971	34,523
Related persons and parties			
Sale of products	Solução Cerâmica Com. Ltda.	-	1
Sale of products	Riveste Comercio Ltda.	-	158
Sale of products	Flooring Revest. Cer. Ltda.	-	562
Sale of products	Gomes Part Societárias Ltda.	-	3
Subsidiaries			
Purchase of inputs	Mineração Portobello Ltda.	(7,802)	(7,334)
Cutting service	Cia Brasileira de Cerâmica	(2,484)	(3,895)
Related persons and parties			
Rent	Gomes Part Societárias Ltda.	(405)	(517)
Parking lot services	AB Parking	(60)	(43)
Outsourced services	Radio Clube Tijucas Ltda.	(60)	(58)
		187,819	110,002

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

Related party transactions

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

In thousands of reais, unless otherwise indicated.

Transactions with subsidiaries and associated companies	Nature – Equity	Subsidiaries 06/30/2024	Subsidiaries 12/31/2023
Cia Brasileira de Cerâmica	Accounts receivable, net of advances	25,376	1,816
Portobello Shop S.A.	Accounts receivable, net of advances	233	-
Riveste Comercio Ltda.	Accounts receivable, net of advances	-	(1)
PBTech Com. Sern. Cer. Ltda.	Accounts payable	(25,609)	(1,816)
		-	(1)

Transactions with subsidiaries and associated companies	Nature – Result	Subsidiaries 06/30/2024	Subsidiaries 06/30/2023
Riveste Comercio Ltda.	Revenue - royalties	-	54
Flooring Revest. Cer. Ltda.	Revenue - royalties	-	178
Cia Brasileira de Cerâmica	Revenue - sale of products	48,639	2,748
AB Parking	Parking lot services	(240)	(192)
Gomes Part Societárias Ltda.	Expense - Rent	(899)	(517)
Solução Cerâmica Com. Ltda.	Interest – store acquisition	-	(950)
Riveste Comercio Ltda.	Interest – store acquisition	-	(388)
Flooring Revest. Cer. Ltda.	Interest – acquisition of store and workshop	-	(908)
		47,500	25

<u>Remuneration of key management personnel</u>

The remuneration expenses paid to the key Management personnel, comprising members of the Executive Board, Board of Directors, Tax Council and management, recorded on June 30, 2024 and 2023 are:

	Parent Company		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Fixed remuneration				
Salaries	2,492	4,225	4,490	4,866
Fees	2,668	4,939	2,668	4,939
Variable remuneration	819	1,204	874	1,261
Pension plan	223	432	277	459
Termination benefits	798	1,298	798	1,298
Other	550	1,407	836	1,536
	7,550	13,505	9,943	14,359

38. Subsequent events

On July 5, 2024, a significant fact about the creation of a new program for the repurchase of shares issued by the Company, pursuance to CVM Instruction No. 77, of March 29, 2022.

PortobelloGrupo

<u>OPINION OF THE FISCAL COUNCIL</u>

The Fiscal Council of PBG SA, in compliance with legal and statutory provisions, examined the Financial Statements for the period ended June 30, 2024, comprising: balance sheet, statements of income for the quarter, 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 werealso examined. After the Management's examinations and clarifications, the Fiscal Council, also taking into account the opinion of the auditors KPMG Auditores Independentes, issued in August, 14, 2024 without reservations, and of the opinion that, in its main aspects, the referred financial statements adequately reflect the PBG SA's equity and financial situation and the results of its operations, being in conditions to be submitted to the appreciation and deliberation of the Shareholders.

Tijucas, August 14, 2024.

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Jorge Muller

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Mario Augusto de Freitas Baptista

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Carlos Eduardo Zoppello Brennand

PortobelloGrupo

OPINION OF THE AUDIT COMMITTEE

The members of the Audit Committee recommend the approval of the information contained in the Financial Statements of the 2nd. Quarter of 2024 of the Company, as well as, agree with the opinion of the Company's independent auditors, KPMG Auditores, referenced in the Independent Auditors' Report presented.

Florianópolis, August 14, 2024.

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Cláudio Ávila da Silva

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Geraldo L. M. Filho

PortobelloGrupo

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

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

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

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

Board Composition

John Suzuki- Chief Executive Officer

Rosangela Sutil – VP of Finance and Investor Relations

Cristiane Alves Ferreira – VP of Inovation and Branding

Tijucas, August 14, 2024.

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John Suzuki

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Rosangela Sutil

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Cristiane Alves Ferreira