(*A free translation from Portuguese into English of the financial statements originally issued in Portuguese*)

Financial Statements

Sipcam Nichino Brasil S.A.

December 31, 2024
with Independent Auditor's Report

Sipcam Nichino Brasil S.A.

Financial statements

December 31, 2024

Contents

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A free translation from Portuguese into English of Independent Auditor's Report on financial statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil

Independent auditor's report on financial statements

To the Shareholders, Board of Directors and Officers of
Sipcam Nichino Brasil S.A.
Uberaba – MG

Opinion

We have audited the financial statements of Sipcam Nichino Brasil S.A. (the "Company"), which comprise the statement of financial position as at December 31, 2024, and the statements of income, of comprehensive income, of changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other financial information.

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

Basis for opinion

We conducted our audit in accordance with the Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company and comply with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants and the professional standards issued by Brazil's National Association of State Boards of Accountancy (CFC) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements taken as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in the context of the financial statements as a whole.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, including in relation to this key audit matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

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Recognition of revenue from goods sold

As disclosed in Note 2.1, Company's revenue from goods sold is measured at fair value of the consideration received or receivable and is only recognized when the goods are delivered, and the customers obtain control over the assets. The volume of transactions in the year, as well as the potential risks involved relating to revenue recognition on an accrual basis and potential returns led us to identify this issue as significant risk that require special audit considerations.

How our audit addressed this matter

Our audit procedures included, among others: (a) understanding of the controls involved in the revenue recognition process; (b) voucher tests on a sample basis, including the exam of invoices, and evidence of delivery and receipt of the assets; (c) review of subsequent returns and potential returns in future periods; and (d) analytical procedures on changes in revenue for the year, in order to identify changes that are inconsistent with our expectations, obtained based on our previous knowledge of the Company and industry that could indicate potential accrual problems.

Based on the result of the audit procedures performed on recognition of revenue from sale of goods, which is consistent with the policy adopted by the executive board, we believe that the criteria adopted by the executive board, as well as the related disclosures in the explanatory notes, are acceptable in the context of the financial statements taken as a whole.

Responsibilities of the executive board and those charged with governance for the financial statements

The executive board is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices adopted in Brazil and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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Auditor’s responsibilities for the audit of the financial statements

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

As part of an audit in accordance with the Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatements of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board.

- Concluded on the appropriateness of the executive board’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or future conditions may cause the Company to cease to continue as a going concern.

- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represented the corresponding underlying transactions and events in a manner that achieves fair presentation.

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

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

Goiânia, February 24, 2025.

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC SP-015199/F

Eric Piantino

Eric Horta Piantino
Accountant CRC MG-107829/O

Sipcam Nichino Brasil S.A.

Statement of financial position
December 31, 2024 and 2023
(In thousands of reais - R$)

	Note	12/31/2024	12/31/2023
Assets			
Current assets			
Cash and cash equivalents	3	**266,001**	267,655
Trade receivables	4	**467,477**	377,729
Inventories	5	**287,807**	248,494
Taxes recoverable	6	**22,208**	47,478
Derivative financial instruments	23	**21,677**	227
Other assets		**1,016**	1,977
Total current assets		**1,066,186**	943,560
Noncurrent assets			
Trade receivables	4	**3,322**	381
Taxes recoverable	6	**15,453**	20,554
Assets held for sale	7	**6,820**	6,820
Deferred income taxes	8	**3,589**	26,504
Judicial deposits	13	**303**	154
Derivative financial instruments	23	**26,865**	1,272
Investments		**3,280**	2,779
Property, plant and equipment	9	**40,449**	36,850
Intangible assets	10	**9,862**	11,727
Total noncurrent assets		**109,943**	107,041
Total assets		**1,176,129**	1,050,601

	Note	12/31/2024	12/31/2023
Liabilities and equity			
Current liabilities			
Loans, financing and debentures	11	**207,883**	221,990
Transactions with related parties	22	**75,393**	269
Trade accounts payable	12	**425,636**	307,004
Assignment of receivables by suppliers	12	**13,614**	5,166
Salaries and social charges		**7,822**	5,334
Taxes payable		**1,370**	2,714
Derivative financial instruments	23	**17,729**	11,597
Advances from customers		**6,232**	9,165
Other liabilities		**18,060**	19,766
Total current liabilities		**773,739**	583,005
Noncurrent liabilities			
Loans, financing and debentures	11	**254,995**	261,881
Transactions with related parties	22	**-**	65,786
Provision for contingencies	13	**2,694**	2,698
Total noncurrent liabilities		**257,689**	330,365
Equity			
Capital	14	**223,897**	223,897
Tax incentive reserves		**7,470**	-
Accumulated losses		**(86,666)**	(86,666)
Total equity		**144,701**	137,231
Total liabilities and equity		**1,176,129**	1,050,601

See accompanying notes.

Sipcam Nichino Brasil S.A.

Statement of income
December 31, 2024 and 2023
(In thousands of reais, except earnings (loss) per share, in reais – R$)

	Note	12/31/2024	12/31/2023
Net revenue	16	**826,815**	799,552
Costs of goods sold and services rendered	17	**(665,212)**	(709,852)
Gross profit		**161,603**	89,700
Operating income (expenses)			
Selling expenses	18.a	**(50,809)**	(45,571)
General and administrative expenses	18.a	**(25,421)**	(26,309)
Equity pickup		**501**	310
Other operating income and expenses, net	18.b	**(12,055)**	(2,986)
		(87,784)	(74,556)
Income before finance income (expenses) and income taxes		**73,819**	15,144
Finance expenses	19	**(419,041)**	(325,098)
Finance income	19	**375,607**	269,604
		(43,434)	(55,494)
Income before income taxes		**30,385**	(40,350)
Income taxes:			
Current		**-**	34,669
Deferred		**(22,915)**	(8,273)
	8	**(22,915)**	26,396
Net income (loss) for the year		**7,470**	(13,954)
Number of shares	14	**2,471,492,952**	2,471,492,952
Earnings (loss) per thousand shares - in reais		**3.02**	(5.65)

See accompanying notes.

Sipcam Nichino Brasil S.A.

Statement of comprehensive income
December 31, 2024 and 2023
(In thousands of reais - R$)

	12/31/2024	12/31/2023
Net income (loss) for the year	**7,470**	(13,954)
Other comprehensive income	**-**	-
Other comprehensive income (loss)	**7,470**	(13,954)

See accompanying notes.

Sipcam Nichino Brasil S.A.

Statement of changes in equity
December 31, 2024 and 2023
(In thousands of reais - R$)

	Capital	Tax incentive reserve	Accumulated losses	Total
Balances at December 31, 2022	223,897	-	(72,712)	151,185
Net loss for the year	**-**	**-**	**(13,954)**	**(13,954)**
Balances at December 31, 2023	223,897	-	(86,666)	137,231
Net income for the year	-	**-**	**7,470**	**7,470**
Set-up of tax incentive reserve	**-**	**7,470**	**(7,470)**	**-**
Balances at December 31, 2024	**223,897**	**7,470**	**(86,666)**	**144,701**

See accompanying notes.

Sipcam Nichino Brasil S.A.

Statement of cash flows - indirect method
December 31, 2024 and 2023
(In thousands of reais - R$)

	12/31/2024	12/31/2023
Operating activities		
Income before income taxes	**30,385**	(40,350)
Non-cash expenses (income)		
Write-off of property, plant and equipment and intangible assets	**435**	163
Equity pickup	**(501)**	(310)
Restatement of trade receivables	**(12,459)**	1,967
Provision for equalization/customers' prompt payment	**(9,534)**	2,883
Allowance for expected credit losses	**6,686**	3,393
Set-up (Reversal) of allowance for obsolescence and realization of inventory	**(2,666)**	788
Depreciation and amortization	**10,714**	10,927
Losses (gains) on derivative financial instruments	**(49,528)**	(17,960)
Other provisions	**17,653**	11,200
Provision for contingencies	**93**	2,264
Interest paid on loans, financing, debentures, leases and intercompany loans	**42,986**	43,535
Borrowing and financing costs	**(872)**	507
Foreign exchange and monetary differences, net	**65,838**	(13,319)
Debt modification	**38**	38
Allowance for sales returns	**1,127**	(46)
Present value adjustment, net	**(2,556)**	(7,439)
Decrease (increase) in operating assets		
Trade receivables	**(78,415)**	38,134
Inventories	**(36,358)**	61,635
Taxes recoverable	**30,371**	(675)
Other assets	**810**	(969)
Increase (decrease) in operating liabilities		
Accounts payable and assignment of receivables by suppliers	**103,325**	(40,743)
Salaries and social charges	**(49)**	28
Advances from customers	**(2,933)**	(16,145)
Other liabilities	**(3,941)**	(3,103)
Legal proceedings paid	**(97)**	(45)
Rural credit	**(1,115)**	(7,345)
Taxes paid	**(14,345)**	(21,831)
Payment of interest on loans, intercompany loans and lease charges	**(70,864)**	(28,815)
Cash from (used in) operating activities	**24,228**	(21,633)
Investing activities		
Sales of property, plant and equipment and intangible assets	**-**	45
Acquisition of property, plant and equipment and intangible assets	**(12,883)**	(9,286)
Cash from (used in) investing activities	**(12,883)**	(9,241)
Financing activities		
Loans and financing raised	**223,530**	290,435
Payment of loans, financing and leases	**(236,529)**	(153,327)
Cash from (used in) financing activities	**(12,999)**	137,108
Net (decrease) in cash and cash equivalents	**(1,654)**	106,234
Cash and cash equivalents at beginning of year	**267,655**	161,421
Cash and cash equivalents at end of year	**266,001**	267,655
Net increase (decrease) in cash and cash equivalents	**(1,654)**	106,234

See accompanying notes.

1. Operations

Sipcam Nichino Brasil S.A. (the "Company" or "Sipcam-Nichino") is a privately held joint stock corporation with head office at Rua Igarapava, 599 - Distrito Industrial III, in the city of Uberaba, Minas Gerais State, Brazil. The Company is primarily engaged in the production, formulation, repackaging, import, export, sale and distribution of agrochemicals, e.g., herbicides, insecticides, acaricides, fungicides, fertilizers, plant nutrition products and chemicals for agriculture in general.

2. Presentation of the financial statements and summary of significant accounting practices

The Company's financial statements for the year ended December 31, 2024 were prepared in accordance with the accounting practices adopted in Brazil. The Company considered the guidance provided for in Accounting Guidance OCPC 07, issued by the Brazilian FASB (CPC) in November 2014, in preparing its financial statements. Accordingly, significant information of the financial statements themselves is being disclosed and corresponds to that used to manage the Company's operations.

The Company's executive board authorized the issue of the financial statements on February 24, 2025.

These financial statements were prepared under various measurement bases used in accounting estimates. The accounting estimates involved in preparing the financial statements were based on both objective and subjective factors, and in line with management's judgment to determine the appropriate amount to be recorded in the financial statements. Significant items subject to these estimates and assumptions include selection of useful lives and recoverability of property, plant and equipment in operations, fair value measurement of financial assets, credit risk analysis in determining the allowance for expected credit losses, as well as analysis of other risks to determine other provisions, including for contingencies.

The Company's functional currency is the Brazilian real, which is also its presentation currency. All financial information presented in thousands of reais was rounded to the nearest thousand, unless otherwise stated.

The settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to uncertainties inherent in the estimate process.

The Company reviews its estimates and assumptions on an annual basis. See Note 2.13 for further details on estimates.

2. Presentation of the financial statements and summary of significant accounting practices (Continued)

The financial statements were prepared based on the historical cost, unless otherwise stated, as described in the summary of significant accounting practices. The historical cost is generally based on the value of the consideration paid in exchange for assets.

2.1. Determination of profit or loss

Profit or loss from operations is recorded on an accrual basis. Sales revenues are recognized net, i.e., less sales taxes and discounts, which are stated as a reduction thereof.

Company's revenue from sale of goods is measured at fair value of the consideration received or receivable and is only recognized when the goods are delivered, and the customers obtain control over the assets. Revenue is not recognized when there is significant uncertainty about realization thereof. In compliance with CPC 47, the Company conducts an analysis based on the history of goods returned in the past two years and applies the percentage prospectively on current year sales not converted into cash.

Interest income and expenses are recognized by the effective interest rate method under "Finance income/costs".

2.2. Foreign currency-denominated transactions

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency (Brazilian real) at the exchange rate in force as of the corresponding statement of financial position date. Gains and losses resulting from restatement of these assets and liabilities between the exchange rate prevailing at the date of the transaction and the reporting period closing dates are recognized as finance income or costs in profit or loss for the year.

2.3. Cash and cash equivalents

Cash and cash equivalents are held to meet short-term cash commitments rather than for investment or other purposes. The Company considers cash equivalents a short-term investment readily convertible into a known cash amount and subject to an insignificant risk of change in value. Therefore, an investment normally qualifies as a cash equivalent when it has short-term maturity, for example, three months or less from the investment date.

2. Presentation of the financial statements and summary of significant accounting practices (Continued)

2.4. Trade receivables

Trade receivables are recorded and maintained in the statements of financial position at the nominal value of the notes representing these receivables, which does not significantly differ from present value.

The allowance for expected credit losses is recorded by management for receivables whose recovery is considered doubtful when there is significant doubt as to collection of overdue notes.

Based on the aging list of the immediately prior period, the Company calculated these amounts taking into consideration trade receivables and amounts effectively converted into cash. As such, it obtained the historical percentages per maturity that are applied on trade receivables for the current period, pursuant to CPC 48.

2.5. Inventories

Inventories are measured at the lower of cost and net realizable value. The inventory cost is based on the average cost principle and includes the costs incurred in acquiring inventories and other costs incurred in bringing them to their existing locations and conditions.

The net realizable value is the estimated sale price in the ordinary course of business, less costs and selling expenses.

2.6. Property, plant and equipment

These are recorded at acquisition cost. Depreciation is calculated on a straight-line basis at the rates mentioned in Note 9, which take into consideration the assets' estimated useful lives.

A property, plant and equipment item is derecognized on disposal or when no future economic benefit is expected from its use or sale. Any gains or losses arising from the asset write-off (calculated as the difference between asset net sales proceeds and its carrying amount) are recognized in the statement of income for the year in which the asset is written off.

Residual values, useful lives and depreciation methods are reviewed yearly and adjusted prospectively, where applicable.

2. Presentation of financial statements and summary of significant accounting practices (Continued)

2.7. Intangible assets

Intangible assets acquired separately are measured upon their initial recognition at acquisition cost and subsequently deducted of their accumulated amortization and impairment losses, where applicable.

Internally-generated intangible assets, excluding capitalized amounts of product development costs, are recognized in profit or loss for the year in which they are generated. Intangible assets with finite useful lives are amortized according to their estimated economic useful lives and, when evidence of impairment losses is found, they are tested for impairment.

2.8. Provision for impairment of nonfinancial assets

Management annually tests the net carrying amount of assets to assess events or changes in economic, operating or technological circumstances that may indicate deterioration or impairment. When such evidence is identified and net carrying amount exceeds recoverable amount, a provision for impairment is set up by adjusting net carrying amount to the recoverable amount.

The recoverable amount of an asset or a cash-generating unit is defined as the higher of value in use and fair value less costs to sell.

In estimating the value in use, the estimated future cash flows are discounted to their present value by using a pre-tax discount rate that reflects the weighted average cost of capital for the industry in which the cash-generating unit operates. Fair value less cost to sell is determined, where possible, based on firm sales agreements in a transaction carried out on an arm’s length basis among knowledgeable and willing parties, adjusted by expenses attributable to the sale of the asset or, when there is no firm sales agreement, based on the market price in an active market or at the most recent transaction price with similar assets.

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and summary of significant accounting practices (Continued)

2.9. Other assets and liabilities

An asset is recognized in the statement of financial position when its future economic benefits are likely to flow to the Company, and its cost or value can be reliably measured. A liability is recognized in the statement of financial position when the Company has a legal or constructive obligation resulting from a past event, and will probably require an economic resource to settle it. Provisions are set up reflecting the best estimates of the risk involved.

Assets and liabilities are classified as current when their realization or settlement is likely to occur within the next twelve months. Otherwise, they are stated as noncurrent.

2.10. Taxation

Sales and service revenues are subject to the taxes and contributions below, at the following statutory rates:

State Value-Added Tax	ICMS	Between 4% and 18%
Federal Value-Added Tax	IPI	0%
Contribution Tax on Gross Revenue for Social Security Financing	COFINS	0%
Contribution Tax on Gross Revenue for Social Integration Program	PIS	0%

Pursuant to Decree No. 3777, dated March 23, 2001, amended by Decree No. 6006 of December 28, 2006, sales of agrochemicals are subject to IPI reduced to 0%.

The Company has been granted a 60% reduction in the ICMS tax base, as established by Agreement No. 100/97 and amended and extended by Agreement 026/2021, up to December 31, 2025. Some of its goods in accordance with Brazil's federal Senate Resolution No. 13 of 2013 are subject to a 4% tax rate. From January 2020, in detriment to Decree No. 64213 of April 30, 2019, in São Paulo State intrastate operations, ICMS credits are mandatorily reversed in receipts of inputs and/or products for sale. On September 29, 2021, Decree No. 66054 was published in the state of São Paulo, assimilating the provisions of Agreement No. 026/2021, not providing full maintenance of credit in ICMS-tax-exempt operations and or with a reduction in the ICMS tax base. The same occurred in the state of Minas Gerais upon publication of Decree No. 48337 of December 30, 2021.

PIS and COFINS rates were reduced to 0%, pursuant to Law No. 10925/2004, and ratified by Decree No. 5630/2005.

2. Presentation of the financial statements and summary of significant accounting practices (Continued)

2.10. Taxation (Continued)

Current income taxes

Income taxes comprise both income and social contribution taxes. Income tax is calculated at a rate of 15%, plus a 10% surtax on taxable profit exceeding R$240 over 12 months, whereas social contribution tax is calculated at a rate of 9% on taxable profit, both recognized on an accrual basis. As such, additions to book income, deriving from temporarily nondeductible expenses, or exclusions of temporarily nontaxable income upon determination of current taxable profit, generate deferred tax assets or liabilities. Taxes prepaid or recoverable are stated in current and noncurrent assets based on their expected realization.

Deferred income taxes

Deferred taxes arise from temporary differences, income and social contribution tax losses at the statement of financial position date between the tax bases of assets and liabilities and their book value.

Deferred tax assets are recognized for all deductible tax differences, unused tax credits or losses to the extent that it is probable that there will be taxable profit available to allow realization of deductible temporary differences, as well as use of unused tax credits and tax losses.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that taxable profit will be available to allow all or part of the deferred tax asset to be used. Deferred tax assets written off are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate expected to be applicable in the year in which the asset will be realized or the liability settled, based on the tax rates (and tax legislation) in force at the statement of financial position date.

2. Presentation of the financial statements and summary of significant accounting practices (Continued)

2.10. Taxation (Continued)

Deferred income taxes (Continued)

Deferred tax assets and liabilities are presented net when there is a legal or constructive right to offset the tax asset against the tax liability and deferred taxes are related to the same taxed entity and subject to the same tax authority.

2.11. Lease transactions

The lease definitions contained in CPC 06 (R2) were applied to all lease contracts in force.

At the inception of the contract, the Company recognizes a right-of-use asset and a lease liability that represents the obligation to make payments related to the underlying asset of the lease.

The right-of-use asset is initially measured at cost and comprises the initial amount of the lease liability adjusted for any payment made on or before the contract commencement date, plus any initial direct cost incurred and estimated cost of dismantling, removing, and restoring the asset to the location where it is located, less any incentive received.

The right-of-use asset is subsequently depreciated under the straight-line method from the commencement date to the end of the useful life of the right of use or the end of the lease term. The options for extending the term or early termination of contracts are analyzed individually, considering the type of asset involved as well as its relevance in the Company's production process. The estimated useful life of the right-of-use asset is determined on the same basis as the assets owned by the Company.

Additionally, the right-of-use asset is periodically impaired in accordance with CPC 01, when applicable, and readjusted by remeasurement of the lease liability.

The lease liability is initially measured at the present value of unpaid payments, discounted at the incremental borrowing rate.

2. Presentation of the financial statements and summary of significant accounting practices (Continued)

2.11. Lease transactions (Continued)

This lease liability is then measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in (i) future payments resulting from a change in index or rate; (ii) the estimate of the expected amount to be paid in the guaranteed residual value; or (iii) the assessment of whether the Company will exercise the option to purchase, extend or terminate.

When the lease liability is remeasured, the corresponding adjustment amount is recorded in the carrying amount of the right-of-use asset or in profit or loss, if the carrying amount of the right-of-use asset has been reduced to zero.

2.12. Other employee benefits

The Company's employee and management benefits include, in addition to fixed compensation (salaries and social security contributions (INSS), vacation pay and 13th monthly salary), variable compensation, such as profit sharing and bonuses. These benefits are recognized in the statement of income for the year, under "Selling expenses" and "General and administrative expenses", as incurred.

Judgments

The preparation of the financial statements by the Company requires management to use professional judgments, estimates and assumptions that affect the stated amounts of revenues, expenses, assets and liabilities, as well as the disclosure of contingent liabilities at the financial statement date. The uncertainty related to these assumptions and estimates could lead to the need to make significant adjustments, in future periods, to the carrying amount of the affected asset or liability.

Accounting estimates and assumptions

Significant assumptions about sources of uncertainty in future estimates and other important sources of uncertainty in estimates at the statement of financial position date, involving a significant risk of causing a material adjustment to the book value of the assets and liabilities in the subsequent year, are discussed below:

2. Presentation of the financial statements and summary of significant accounting practices (Continued)

2.13. Significant accounting judgments, estimates and assumptions

Accounting estimates and assumptions (Continued)

Impairment of nonfinancial assets

Impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The estimated fair value less costs of disposal is based on available data from sales transactions for similar assets or market prices less incremental costs of disposing of the asset.

Management annually tests the carrying amount of the assets to determine whether there are any events or changes in economic, operating, or technological circumstances that may indicate impairment loss.

When such evidence is found and the carrying amount exceeds the recoverable amount, a provision for impairment is recorded to adjust the carrying amount to the recoverable amount.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable profit. Given the extensive international trading relationships, in addition to the long-term nature and complexity of existing contractual instruments, the differences between actual results and the assumptions used, or future changes in such assumptions, could lead to future adjustments to tax revenues and expenses already recorded. The Company set up provisions based on reasonable estimates, for possible consequences of audits by tax authorities of the jurisdiction in which it operates. The amount of these provisions is based on several factors such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. These differences of interpretation may arise for various matters, depending on the conditions prevailing in the jurisdiction in which the Company operates.

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

2. Presentation of the financial statements and summary of significant accounting practices (Continued)

2.13. Significant accounting judgments, estimates and assumptions (Continued)

Accounting estimates and assumptions (Continued)

Provision for contingencies

The Company recognizes a provision for civil and labor claims. Assessment of the likelihood of loss includes an evaluation of available evidence, hierarchy of laws, available case law, most recent court decisions and their relevance to the legal system, as well as the opinion of external legal advisors. Provisions are reviewed and adjusted considering changes in circumstances, such as applicable statute of limitations, tax audit conclusions or additional exposures identified based on new matters or court decisions.

The settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to uncertainties inherent in the estimate process. The Company reviews its estimates and assumptions at least on an annual basis.

2.14. Statements of cash flows

The statements of cash flows were prepared by using the indirect method and are presented in accordance with accounting pronouncement CPC 03 (R2) - Statement of Cash Flows, issued by the Brazilian FASB (CPC).

2.15. Financial instruments

A financial instrument is a contract that gives rise to a financial asset of an entity and to a financial liability or equity instrument of another entity.

a) Financial assets

i) *Initial recognition and measurement*

Financial assets are classified, upon initial recognition, as subsequently measured at amortized cost, at fair value through other comprehensive income, and at fair value through profit or loss.

2. Presentation of the financial statements and summary of significant accounting practices (Continued)

2.15. Financial instruments (Continued)

a) Financial assets (Continued)

i) *Initial recognition and measurement* (Continued)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. Except for trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus transaction costs in the case of a financial asset not measured at fair value through profit or loss.

For a financial asset to be classified and measured at amortized cost or at fair value through other comprehensive income, it needs to generate cash flows that are "solely payment of principal and interest" on the outstanding principal amount. This assessment is conducted at the instrument level. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model adopted.

The Company's business model for management of financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from the collection of contractual cash flows, from sale of financial assets, or from both.

Financial assets classified and measured at amortized cost are maintained in a business plan with the objective of maintaining financial assets to obtain contractual cash flows, while financial assets classified and measured at fair value matched against other comprehensive income are maintained in a business model with the objective of obtaining contractual cash flows and also for the purpose of sale.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

2. Presentation of the financial statements and summary of significant accounting practices (Continued)

2.15. Financial instruments (Continued)

a) Financial assets (Continued)

i) *Initial recognition and measurement* (Continued)

Subsequent measurement

For subsequent measurement purposes, financial assets are classified into four categories, as follows:

(i) Financial assets at amortized cost (debt instruments);

(ii) Financial assets at fair value through other comprehensive income, with reclassification of retained earnings/accumulated losses (debt instruments);

(iii) Financial assets designated at fair value through other comprehensive income, without reclassification of accumulated gains and losses upon derecognition (equity instruments); and

(iv) Financial assets at fair value through profit or loss.

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses are recognized in P&L when the asset is written off, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt instruments at fair value through other comprehensive income, if any, interest income, exchange rate revaluation, and impairment losses or reversals are recognized in the statement of income and calculated in the same way as financial assets measured at amortized cost. Remaining changes in fair value are recognized in other comprehensive income. Upon derecognition, the cumulative change in fair value recognized in other comprehensive income is reclassified to P&L.

2. Presentation of the financial statements and summary of significant accounting practices (Continued)

2.15. Financial instruments (Continued)

a) Financial assets (Continued)

i) *Initial recognition and measurement* (Continued)

Subsequent measurement (Continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of income.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

(i) The rights to receive cash flows from the asset have expired; or

(ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control over the asset.

Impairment of financial assets

The Company analyzes impairment of its financial assets under the model proposed by CPC 48 referring to expected credit losses. Measurement applies to assets classified as amortized cost and fair value through other comprehensive income, and based on the perception of increase in credit risk as from initial recognition of the asset, in which a provision is set up based on the 12-month expected loss or for the asset lifetime expected losses. For the receivable's portfolio, which have no significant financing component, the Company applies the simplified approach allowed as a practical expedient by CPC 48, in which expected losses are recorded over the entire lifetime as from initial recognition of the receivables. Further details on measurement of expected credit losses are provided in Note 4.

2. Presentation of the financial statements and summary of significant accounting practices (Continued)

2.15. Financial instruments (Continued)

b) Financial liabilities

Initial recognition and measurement

Upon initial recognition, financial liabilities are classified as financial liabilities at fair value through profit or loss, financial liabilities at amortized cost, or derivatives designated as hedging instruments in an effective hedge, as the case may be.

All financial liabilities are measured initially at fair value and, in the case of a financial liability not at fair value through profit or loss, plus or less transaction costs directly attributable to the issue of the financial liability.

Subsequent measurement

For subsequent measurement purposes, financial liabilities are classified into two categories, as follows:

(i) Financial liabilities at fair value through profit or loss; and

(ii) Financial liabilities at amortized cost.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the short term.

Gains or losses on liabilities held for trading, if any, are recognized in the statement of income.

Financial liabilities designated upon initial recognition at fair value through profit or loss, if any, are designated at the initial recognition date, and only if the CPC 48 criteria are met.

2. Presentation of the financial statements and summary of significant accounting practices (Continued)

2.15. Financial instruments (Continued)

b) Financial liabilities (Continued)

Subsequent measurement (Continued)

Financial liabilities at amortized cost (loans, financing and debentures)

After initial recognition, interest-bearing loans, financing and debentures are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when liabilities are derecognized, and through the amortization process by the effective interest rate method.

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of income.

Derecognition

A financial liability is derecognized when the obligation thereunder is extinguished, i.e., when the obligation specified in the contract is settled, canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. Any difference in the respective carrying amounts is recognized in the statement of income.

c) Offsetting (net presentation) of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2. Presentation of the financial statements and summary of significant accounting practices (Continued)

2.15. Financial instruments (Continued)

d) Hedge accounting - fair value measurement

Nonderivative financial asset or nonderivative financial liability measured at fair value through profit or loss can be designated as a hedging instrument, as provided in CPC 48. The Company measures it at fair value through profit or loss, designating it as a hedging instrument.

Regarding accounting:

(i) Gain or loss on hedging instrument is recognized in the statement of income;

(ii) The hedged gain or loss on the hedged item adjusts the book value of the hedged item and is recognized in the statement of income.

Derecognition

The Company prospectively discontinues hedge accounting only when the hedging relationship (or part of the hedging relationship) no longer meets the qualifying criteria (after taking into consideration any rebalancing of the hedging relationship, if applicable). This includes examples of when the hedging instrument expires or is sold, terminated or exercised.

2.16. Present value adjustment of assets and liabilities

Noncurrent monetary assets and liabilities are monetarily restated, and therefore adjusted to present value. The present value adjustment of current monetary assets and liabilities is calculated and only recorded when the effect is considered significant in relation to the financial statements taken as a whole. The present value adjustment is calculated using contractual cash flows and the explicit, and sometimes implicit, interest rates of the respective assets and liabilities. As such, interest embedded in revenues, expenses and costs associated with these assets and liabilities are discounted in order to recognize them on an accrual basis.

Interest is subsequently reallocated to finance income and costs in P&L through the effective interest method in relation to contractual cash flows. Implicit interest rates applied were determined based on assumptions, and accounting estimates are considered.

2. Presentation of the financial statements and summary of significant accounting practices (Continued)

2.16. Present value adjustment of assets and liabilities (Continued)

In 2024 and 2023, the Company recorded the present value of its accounts receivable balances, which are recorded and maintained in the statement of financial position at the value of notes, thus adjusted to present value, and trade accounts payable and assignment of receivables by suppliers initially recorded at their present value matched against "Inventories". The reversal of the present value adjustment is recorded under "Cost of goods sold and services rendered by nature".

2.17. New accounting pronouncements, amendments and interpretations that have not yet become effective

New and amended standards and interpretations issued, but not yet in effect through the issue date of the Company's financial statements, are described below. The Company intends to adopt these new and amended standards, if applicable, when they become effective.

i) Amendments to CPC 18 (R3) - Investments in Subsidiaries, Associates and Joint Ventures and to ICPC 09 – Individual Financial Statements, Separate Financial Statements, Consolidated Financial Statements, and Application of the Equity Method

In September 2024, the Brazilian FASB (CPC) issued amendments to Accounting Pronouncement CPC 18 (R3) and to Accounting Interpretation ICPC 09 (R3), aiming to align Brazilian accounting standards with the international standards issued by the IASB.

The amendment to Accounting Pronouncement CPC 18 includes the application of the equity method (EM) for measuring investments in subsidiaries in the individual financial statements, reflecting the change in the international standards that now allow this practice in the separate financial statements.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025.

2. Presentation of the financial statements and summary of significant accounting practices (Continued)

2.17. New accounting pronouncements, amendments and interpretations that have not become effective (Continued)

ii) Amendments to CPC 02 (R2) – Effects of Changes in Foreign Exchange Rates and Translation of Financial Statements and to CPC 37 (R1) – First-Time Adoption of International Financial Reporting Standards

In September 2024, the CPC issued the Review of Accounting Pronouncement CPC 27, which includes amendments provided by the Lack of Exchangeability issued by the IASB, with changes in CPC 02 – Effects of Changes in Foreign Exchange Rates and Translation of Financial Statements and in CPC 37 (R1) – First-Time Adoption of International Financial Reporting Standards

The amendments aim to define the concept of exchangeable currency and provide guidance on the procedures for non-exchangeable currencies, determining that exchangeability should be assessed at the measurement date based on the purpose of the transaction. If the currency is not exchangeable, the entity must estimate the exchange rate that reflects market conditions. In situations with multiple exchange rates, the rate that best represents the settlement of cash flows should be used.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025.

2.18. New accounting pronouncements, amendments and interpretations issued

The Company has applied for the first time certain standards and amendments, which are valid for annual periods beginning on or after January 1, 2023 (unless stated otherwise). The Company has decided not to adopt early any other standards, interpretations, or amendments that have been issued but are not yet effective.

i) Supplier Financing Agreements

The amendments to CPC 03 (R2) - Cash Flow Statements and CPC 40 (R1) - Financial Instruments: Disclosures clarify the characteristics of supplier financing agreements and require additional disclosure of such agreements to help users of the financial statements understand their effects on liabilities, cash flows, and the entity's exposure to liquidity risk.

The amendments did not have an impact on the Company’s financial statements.

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and summary of significant accounting practices (Continued)

2.19. Reclassification of comparative figures

The Company management, in the process of preparing the financial statements as of December 31, 2024, made certain reclassifications in the statements of profit or loss as of December 31, 2023, for better comparability. The reclassifications made are shown below and did not impact the previously reported income or the Company's financial indicators.

	12/31/2023 (previously reported)	Adjustments	12/31/2023 (reclassified)
Operating revenue, net	820,400	(20,848)	799,552
Costs of goods sold and services rendered	(730,700)	20,848	(709,852)
Gross profit	89,700	-	89,700

3. Cash and cash equivalents

	12/31/2024	12/31/2023
Cash and banks	**166**	545
Short-term investments (a)	**265,835**	267,110
Total cash and cash equivalents	**266,001**	267,655

(a) These refer to floating-rate Bank Deposit Certificates (CDBs) that reflect the usual market conditions, whose maturity at the statement of financial position date is within 90 days. They are highly liquid and have no risk of significant changes due to interest rate fluctuation, bearing interest ranging from 95% to 103% of the Interbank Deposit Certificate (CDI) rate in December 2024 (94% to 103% of the CDI in December 2023) and measured at fair value matched against profit or loss.

4. Trade receivables

	12/31/2024	12/31/2023
Trade notes receivable	**482,968**	410,621
Receivables from related party	**12,506**	6,899
Present value adjustment	**(20,728)**	(20,156)
Discount on/restatement of trade receivables	**6,279**	(15,714)
	481,025	381,650
Allowance for expected credit losses	**(10,226)**	(3,540)
	470,799	378,110
Current	**467,477**	377,729
Noncurrent	**3,322**	381

At December 31, 2024, no trade notes receivable were offered as guarantee for loans and financing, as the transaction with Banco do Brasil was settled (R$29,016 at December 31, 2023).

(In thousands of reais, unless otherwise stated)

4. **Trade receivables** (Continued)

The aging list of accounts receivable as at December 31, 2024 and 2023 is as follows:

	12/31/2024	12/31/2023
Falling due	**444,150**	379,915
Overdue within 30 days	**8,542**	1,688
Overdue between 31 and 60 days	**3,265**	47
Overdue between 61 and 90 days	**3,241**	-
Overdue between 91 and 180 days	**17,758**	-
Overdue above 180 days	**1,053**	-
Overdue above 360 days	**3,016**	-
	481,025	381,650

Allowance for expected credit losses

Changes in the allowance for expected credit losses are as follows:

	12/31/2024	12/31/2023
Opening balance	**(3,540)**	(147)
Reversals (allowances)	**(6,686)**	(3,393)
Closing balance	**(10,226)**	(3,540)

Management sets up an allowance for expected credit losses at an amount deemed sufficient to cover possible risks of loss on realization of receivables, considering the history of losses and security interests for amounts overdue.

The percentage of the allowance for expected credit losses is broken down as follows:

	%	
	12/31/2024	12/31/2023
Falling due	**0.15%**	0.14%
Overdue within 90 days	**0.15%**	0.14%
Overdue from 91 to 180 days	**0.15%**	0.14%
Overdue above 180 days	**100.00%**	100.00%

5. Inventories

	12/31/2024	12/31/2023
Finished goods	**80,570**	129,209
Raw, packaging and auxiliary materials	**67,246**	61,280
Imports in transit	**130,172**	51,140
Allowance for sales returns	**10,628**	10,340
Allowance for obsolete inventories	**(596)**	(724)
Allowance for inventory realization, net	**(213)**	(2,751)
	287,807	248,494

(In thousands of reais, unless otherwise stated)

5. **Inventories** (Continued)

The Company records allowances for 100% of its inventories not moving for more than 360 days, in addition to analyzing inventory items individually. Changes in allowances are as follows:

	12/31/2023	Allowance	12/31/2024
Allowance for obsolescence	(724)	**128**	**(596)**
Allowance for inventory realization, net	(2,751)	**2,538**	**(213)**
	(3,475)	**2,666**	**(809)**

	12/31/2022	Reversal	12/31/2023
Allowance for obsolescence	(473)	(251)	(724)
Allowance for inventory realization, net	(2,214)	(537)	(2,751)
	(2,687)	(788)	(3,475)

6. **Taxes recoverable**

	12/31/2024	12/31/2023
ICMS	**20,055**	18,757
IPI	**4,966**	4,564
PIS and COFINS	**5,629**	3,015
Income taxes (a)	**7,011**	41,696
	37,661	68,032
Current	**22,208**	47,478
Noncurrent	**15,453**	20,554

(a) In April 2023, the Company filed a Writ of Mandamus seeking enforcement of an Investment Grant. In July of the same period, a favorable decision was handed down to the Company, in line with the recent decision of the Brazilian Higher Court of Justice (STJ), removing the need to prove that the ICMS tax benefits applicable to the Company have been granted as an incentive and/or implementation of an enterprise for the exclusion of the Corporate Income Tax ("IRPJ") and Social Contribution Tax on Net Profit ("CSLL") bases, the only requirement being the recognition of a reserve. Therefore, until December 31, the amount of R$41,884 (principal of R$34,669 and SELIC restatement of R$7,215) was recognized under Taxes Recoverable, referring to IRPJ and CSLL for 2018, 2021 and 2022. In May 2024, the amounts of R$7,464 (IRPJ) and R$2,765 (CSLL) for 2021 were refunded, and in July 2024, R$22,267 (IRPJ) and R$8,204 (CSLL) referring to 2022 were refunded. In June 2024, IRPJ in the amount of R$524 referring to 2015 was refunded.

(In thousands of reais, unless otherwise stated)

6. Taxes recoverable (Continued)

The Company intends to realize ICMS, IPI, PIS and COFINS balances by means of its operations and refund requests. Until December 2024, the Company offset, through Request for Offset, the amount of R$11,240, of which R$3,941 referring to IPI, R$1,037 referring to PIS, R$4,244 referring to COFINS, and R$1,559 as negative IRPJ balance for 2023. In August 2024, the Company prevailed in a lawsuit related to COFINS/PIS on debt forgiveness, raising the amount of R$3,330. This amount will be offset through requests for offset. Until December 2024, the amount of R$459 had been offset. (In 2023, the Company received refund from the Brazilian IRS totaling R$1,982, of which R$4,440 refers to IPI, R$1,365 to PIS, and R$6,177 to COFINS.)

7. Assets held for sale

The groups of assets held for sale are measured at the lower of their carrying amount and fair value. Arising from trade receivables, the amounts are net of any expenses for their realization in accordance with CPC 31.

The amount of R$6,820 at December 31, 2024 (R$6,820 at December, 2023) refers to real properties received in payment for customer debts, which are under negotiation.

8. Current and deferred income taxes

Deferred income and social contribution taxes were recorded based on the rates in force, as follows:

	12/31/2024	12/31/2023
Deferred income tax asset on:		
Temporarily nondeductible provisions	**713**	17,562
Income and social contribution tax losses	**153,552**	72,049
Deferred social contribution tax asset on:		
Temporarily nondeductible provisions	**257**	6,322
Income and social contribution tax losses	**54,593**	25,252
	209,115	121,185
Less write-off due to unexpected realization	**(205,526)**	(94,681)
Noncurrent assets	**3,589**	26,504

(In thousands of reais, unless otherwise stated)

8. Current and deferred income taxes (Continued)

The main provisions that are the basis for temporary differences are as follows:

	12/31/2024	12/31/2023
Allowance for expected credit loss	**10,226**	3,540
Provision for discount/restatement of trade receivables	**(6,279)**	15,714
Sales commissions	**7,848**	6,629
Incineration	**137**	60
Contingencies	**2,694**	2,698
Allowance for profit sharing	**2,927**	350
Allowance for inventory obsolescence/realization of inventory losses	**809**	3,475
Allowance for loss (gain) on derivatives	**(30,813)**	10,097
Customer campaign	**6,944**	9,888
Debt modification	**(25)**	(64)
Allowance for sales returns	**2,379**	1,252
Fair value of derivative instruments	**(6,603)**	2,014
Present value adjustment, net	**7,357**	9,913
Other	**5,251**	4,683
	2,852	70,249
Prevailing income tax rate of 25%	**713**	17,562
Prevailing social contribution tax rate of 9%	**257**	6,322
	970	23,884

Based on expected generation of future taxable profits, as determined by technical studies approved by the Board of Directors, the Company recognized tax credits on temporary differences and tax losses. The Company reviews book value and tax credit realization on an annual basis.

Grounded on technical studies of expected generation of future taxable profits, the Company estimates to recover these tax credits in the next five (5) years.

	R$	%
2025	**3,589**	**100**
	3,589	**100**

The tax credit recovery estimates were based on taxable profit projections, taking into consideration various financial and business assumptions considered at the period ended December 31, 2024. As a result, these estimates may not materialize in the future considering the uncertainties related to these forecasts.

(In thousands of reais, unless otherwise stated)

8. Current and deferred income taxes (Continued)

Reconciliation of income tax expense

Reconciliation of the expense calculated by applying the combined tax rates and the income tax expenses charged to the statement of income is as follows:

	12/31/2024	12/31/2023
Income (loss) before taxes	**30,385**	(40,350)
Tax expenses at statutory rate - 34%	**(10,331)**	13,719
Effective rate adjustments:		
Permanent differences and other	**110**	(19,744)
Grant	**-**	40,378
Income and social contribution tax losses not recognized	**(12,694)**	(7,957)
Net tax expense in the statement of income	**(22,915)**	26,396
Effective rate	**75%**	-

Accumulated income and social contribution tax losses are broken down as follows:

	12/31/2024	12/31/2023
Income tax losses	**614,211**	288,196
Social contribution tax losses	**606,593**	280,578

Income and social contribution tax losses may be carried indefinitely; however, their offset is limited to 30% of taxable profit each year.

Changes in deferred taxes are as follows:

	12/31/2024	12/31/2023
Opening balance	**26,504**	34,777
Tax loss offsetting	**-**	-
Net recognition of deferred charges on temporary differences	**(22,915)**	(8,273)
Closing balance	**3,589**	26,504

Sipcam Nichino Brasil S.A.

Notes to financial statements
December 31, 2024
(In thousands of reais, unless otherwise stated)

9. Property, plant and equipment

	12/31/2024										
	Land	**Buildings and improvements**	**Machinery**	**Tools, presses and molds**	**Facilities**	**Furniture and fixtures**	**Vehicles**	**Hardware**	**Right-of-use lease**	**Construction in progress**	**Total**
Acquisition cost											
Balance at beginning of year	1,270	23,479	39,479	262	31,653	5,846	81	2,624	6,115	1,793	112,602
Additions	**-**	**-**	**-**	**-**	**8**	**2**	**-**	**-**	**6,935**	**5,208**	**12,153**
Write-offs	**-**	**-**	**(184)**	**-**	**(21)**	**(41)**	**-**	**(302)**	**(3,078)**	**-**	**(3,626)**
Transfers	**-**	**56**	**358**	**16**	**1,507**	**62**	**-**	**14**	**-**	**(2,013)**	**-**
Balance at end of year	**1,270**	**23,535**	**39,653**	**278**	**33,147**	**5,869**	**81**	**2,336**	**9,972**	**4,988**	**121,129**
Depreciation											
Balance at beginning of year	-	(15,771)	(25,341)	(205)	(24,270)	(4,857)	(45)	(2,227)	(3,036)	-	(75,752)
Additions	**-**	**(833)**	**(2,341)**	**(17)**	**(1,358)**	**(237)**	**(8)**	**(233)**	**(3,112)**	**-**	**(8,139)**
Write-offs	**-**	**-**	**181**	**-**	**21**	**41**	**-**	**295**	**2,673**	**-**	**3,211**
Balance at end of year	**-**	**(16,604)**	**(27,501)**	**(222)**	**(25,607)**	**(5,053)**	**(53)**	**(2,165)**	**(3,475)**	**-**	**(80,680)**
Net balance	**1,270**	**6,931**	**12,152**	**56**	**7,540**	**816**	**28**	**171**	**6,497**	**4,988**	**40,449**
Annual average depreciation rates											

(In thousands of reais, unless otherwise stated)

9. Property, plant and equipment (Continued)

	12/31/2023										
	Land	Buildings and improvements	Machinery	Tools, presses and molds	Facilities	Furniture and fixtures	Vehicles	Hardware	Right-of-use lease	Construction in progress	Total
Acquisition cost											
Balance at beginning of year	1,270	23,141	36,811	260	31,325	5,765	119	2,544	6,556	2,005	109,796
Additions	-	-	489	-	-	2	-	4	3,467	3,644	7,606
Write-offs	-	-	(307)	-	(480)	(49)	(38)	(17)	(3,908)	(1)	(4,800)
Transfers	-	338	2,486	2	808	128	-	93	-	(3,855)	-
Balance at end of year	1,270	23,479	39,479	262	31,653	5,846	81	2,624	6,115	1,793	112,602
Depreciation											
Balance at beginning of year	-	(14,956)	(23,235)	(189)	(23,534)	(4,647)	(75)	(1,829)	(4,006)	-	(72,471)
Additions	-	(815)	(2,393)	(16)	(1,207)	(254)	(8)	(414)	(2,811)	-	(7,918)
Write-offs	-	-	287	-	471	44	38	16	3,781	-	4,637
Balance at end of year	-	(15,771)	(25,341)	(205)	(24,270)	(4,857)	(45)	(2,227)	(3,036)	-	(75,752)
Net balance	1,270	7,708	14,138	57	7,383	989	36	397	3,079	1,793	36,850
Annual average depreciation rates	-	4%	10% and 20%	10%	10% and 20%	10% and 20%	20%	20%	28%	-	

Impairment test

In accordance with CPC 01 (R1) - Impairment of Assets, the Company evaluated the indications of impairment in the years ended December 31, 2024 and 2023 and concluded that there were no indications that would require impairment test.

(In thousands of reais, unless otherwise stated)

10. Intangible assets

	12/31/2024					
	Trademarks and patents	Software	Products under registration	Products being sold	Intangible assets in progress	Total
Acquisition cost						
Balance at beginning of year	138	5,973	8,112	19,511	31	33,765
Additions	**-**	**17**	**704**	**-**	**9**	**730**
Write-offs	**-**	**(37)**	**(20)**	**-**	**-**	**(57)**
Transfers	**-**	**40**	**(3,021)**	**3,021**	**(40)**	**-**
Balance at end of year	**138**	**5,993**	**5,775**	**22,532**	**-**	**34,438**
Amortization						
Balance at beginning of year	-	(4,936)	-	(17,102)	-	(22,038)
Additions	**-**	**(368)**	**-**	**(2,207)**	**-**	**(2,575)**
Write-offs	**-**	**37**	**-**	**-**	**-**	**37**
Balance at end of year	**-**	**(5,267)**	**-**	**(19,309)**	**-**	**(24,576)**
			-			
Net balance	**138**	**726**	**5,775**	**3,223**	**-**	**9,862**
Annual average amortization rates						

	12/31/2023					
	Trademarks and patents	Software	Products under registration	Products being sold	Intangible assets in progress	Total
Acquisition cost						
Balance at beginning of year	138	5,626	6,731	19,511	79	32,085
Additions	-	-	1,381	-	299	1,680
Transfers	-	347	-	-	(347)	-
Balance at end of year	138	5,973	8,112	19,511	31	33,765
Amortization						
Balance at beginning of year	-	(4,490)	-	(14,539)	-	(19,029)
Additions	-	(446)	-	(2,563)	-	(3,009)
Balance at end of year	-	(4,936)	-	(17,102)	-	(22,038)
Net balance	138	1,037	8,112	2,409	31	11,727
Annual average amortization rates	-	20%	-	20%	-	

Out of the total intangible assets at December 31, 2024, R$5,775 refer to products under registration (R$8,112 in December 2023). Once these registrations are obtained from the relevant bodies, the products will start to be sold and the amounts recorded under intangible assets will be amortized over a period of 5 (five) years.

(In thousands of reais, unless otherwise stated)

11. Loans, financing and debentures

	Interest rate	12/31/2024	12/31/2023
Foreign currency			
Law No. 4131 (EUR) - Brazil	FX + 5.10% p.a.	**-**	53,978
CPRF (USD) – Itaú	FX + 7.4547% p.a.	**27,382**	19,901
FINIMP (USD) – Santander	FX + 5.4825% p.a.	**-**	24,897
Law No. 4131 (USD) - MUFG	FX + 6.1530% p.a.	**91,558**	71,527
Law No. 4131(YEN) JBIC – Mizuho	FX + 0.8400% p.a.	**101,218**	-
Fundraising cost – YEN-based		**(101)**	-
Fair value of derivative instruments (b)		**(5,881)**	1,920
Local currency			
Working capital	6.48% p.a.	**-**	5,066
Fair value of derivative instruments (b)	-	**-**	(15)
CPRF Bradesco	CDI + 1.83% p.a.	**22,623**	20,031
Debentures 3rd issue – 1st series	CDI + 1.55% p.a.	**-**	91,807
Debentures 4th issue - MUFG	CDI + 2.00% p.a.	**75,401**	75,349
Debentures 4th issue - Mizuho	CDI + 2.00% p.a.	**75,401**	75,349
Debentures 5th issue - Mizuho	CDI + 2.00% p.a.	**63,062**	-
Debenture issue costs	-	**(1,282)**	(511)
NC – Mizuho	CDI + 1.75% p.a.	**-**	33,385
Lease, right of use - CPC 06 (R2)	1.97% to 7.75% p.a.	**7,545**	3,478
Finance charges on lease - CPC 06 (R2)	-	**(969)**	(327)
Rural credit - Free funds (a)	-	**6,921**	8,036
		462,878	483,871
Current		**207,883**	221,990
Noncurrent		**254,995**	261,881

(a) Credit facility referring to the financing of customers' rural activities, to which Sipcam Nichino is a guarantor.

(b) Fair value adjustment of financial liabilities designated in hedge accounting.

Maturities of loans, financing and debentures are presented in Note 15 b).

At December 31, 2024, no trade notes receivable were offered as guarantee for loans and financing, as the transaction with Banco do Brasil was settled (R$29,016 at December 31, 2023).

(In thousands of reais, unless otherwise stated)

11. Loans, financing and debentures (Continued)

Debentures

Issue	Principal	Annual yield	Final maturity	12/31/2024	12/31/2023
3rd issue – 1st series	60,000	100% of CDI + 1.55% p.a.	March 28, 2024	**-**	91,807
4th issue - MUFG	75,000	100% of CDI + 2.00% p.a.	December 15, 2025	**75,401**	75,349
4th issue - Mizuho	75,000	100% of CDI + 2.00% p.a.	December 31, 2025	**75,401**	75,349
5th issue - Mizuho	60,000	100% of CDI + 1.55% p.a.	July 31, 2029	**63,062**	-
Current				**153,864**	92,505
Noncurrent				**60,000**	150,000

The Company obtained approval for the 3rd issue of unsecured nonconvertible debentures amounting to R$90,000, in two series, in which the 1st series matures on March 28, 2024, both principal and interest, and the 2nd series matures on March 29, 2022. Interest on this transaction is payable twice a year, on June 15 and December 15. No guarantees were given under this issue. In March 2024, the last installment was paid in the amount of R$60,000 and interest of R$34,547.

The Company obtained approval for the 4th issue of unsecured nonconvertible debentures amounting to R$150,000, of which R$75,000 in bank MUFG and R$75,000 in bank Mizuho, both maturing on December 15, 2025. Interest on this transaction is paid in the year in which it is incurred.

The Company obtained approval for the 5th issue of unsecured nonconvertible debentures amounting to R$60,000 in bank Mizuho, maturing on July 31, 2029. Interest on this transaction is paid in the year in which it is incurred.

Covenants

The Company has contractual obligations arising from financing agreements, related to the maintenance of certain nonfinancial covenants in these agreements. Management has timely controls over these obligations and at December 31, 2024, it considers that the pre-established requirements have been met, and that any requirement by creditors before the original long-term maturity as well as the need for reclassification are unlikely.

(In thousands of reais, unless otherwise stated)

11. Loans, financing and debentures (Continued)

Changes in financial liabilities in financing activities

	Loans and financing	Leases payable	Debentures	Total
Balances at 12/31/2023	238,726	3,151	241,994	483,871
Additions	**163,530**	**6,520**	**60,000**	**230,450**
(-) Payments of principal	**(181,469)**	**(3,095)**	**(60,000)**	**(244,564)**
(-) Payments of interest	**(16,081)**	**(388)**	**(53,482)**	**(69,951)**
Interest incurred	**16,797**	**388**	**24,842**	**42,027**
Foreign exchange difference	**29,705**	**-**	**-**	**29,705**
Other	**(7,488)**	**-**	**(772)**	**(8,260)**
Balances at 12/31/2024	**243,720**	**6,576**	**212,582**	**462,878**

12. Accounts payable and assignment of receivables by suppliers

	12/31/2024	12/31/2023
Domestic market		
Sundry suppliers	**53,976**	24,912
	53,976	24,912
Foreign market		
Raw material / resale material	**129,321**	142,286
Raw material / resale material - related parties	**255,710**	150,050
Raw material / resale material - assignment of receivables	**13,614**	5,166
	398,645	297,502
Present value adjustment	**(13,371)**	(10,244)
	439,250	312,170

The Company enables that certain suppliers have the option of assigning the Company's notes, without right of recourse, to financial institutions. In this operation, the supplier has the right to reduce its financial costs as the financial institution considers the buyer's credit risk. As at December 31, 2024, the discount rates on assignment transactions carried out by the Company's suppliers with financial institutions ranged from 6.65% p.a. and 6.90% p.a. (7.43% p.a. and 7.90% p.a. at December 31, 2023).

13. Provision for contingencies

The Company is a party to tax, civil and labor claims arising from the ordinary course of its business. Company management understands that the provision for contingencies is sufficient to cover losses, if any, on legal proceedings. The provisions for contingencies were set up for proceedings whose likelihood of loss was assessed as probable, based on the opinion of its lawyers and outside legal advisors.

(In thousands of reais, unless otherwise stated)

13. Provision for contingencies (Continued)

The unfavorable outcome of proceedings, whether individually or in the aggregate, will not have a material adverse effect on the Company's financial position or business. Judicial deposits were made for some of these proceedings when required by the judicial branch.

Changes in provision for contingencies, by nature, are as follows:

	12/31/2023	Provision/ (reversal)	(Payments)	12/31/2024
Tax	150	**4**	**(5)**	**149**
Civil	2,094	**(179)**	**(3)**	**1,912**
Labor	454	**268**	**(89)**	**633**
Total provision	2,698	**93**	**(97)**	**2,694**
Judicial deposits	(154)	**(149)**	**-**	**(303)**

	12/31/2022	Provision/ (reversal)	(Payments)	12/31/2023
Tax	166	(16)	-	150
Civil	95	2,002	(3)	2,094
Labor	218	278	(42)	454
Total provision	479	2,264	(45)	2,698
Judicial deposits	(154)	-	-	(154)

Provisions consist of civil, labor and tax lawsuits assessed as probable loss and refer mainly to customer claims on product purchase contracts and labor claims on dismissals of former employees of the Company.

Proceedings whose likelihood of loss is assessed as possible:

	12/31/2024	12/31/2023
Tax	**4,737**	4,463
Civil	**54,501**	47,861
Labor	**11**	-
Total	**59,249**	52,324

(In thousands of reais, unless otherwise stated)

13. Provision for contingencies (Continued)

The obligations arising from these proceedings are not considered to be contingent liabilities, since it is not probable that an outflow of resources will occur as a result of such lawsuits. The Company has in its base of lawsuits assessed as possible loss suits of civil nature that involve disputes with customers and tax lawsuits primarily related to issues concerning the import of products. The most significant amount related to civil claims results from a proceeding that discusses the responsibility for products that were in the possession of the Company for industrial processing at the request of a customer.

14. Equity

a) Capital

At December 31, 2024 and 2023, the Company's paid-in capital totals R$223,897 and is represented by 2,471,492,952 common shares.

The Company's shareholding structure at December 31, 2024 and 2023 is summarized below:

	Number of shares	%
Sipcam Nederland Holding N.V.	717,612,182	29.04
Obras Latin América Participações Ltda.	518,134,294	20.96
Nihon Nohyaku CO. Ltd.	1,235,746,476	50.00
	2,471,492,952	100.00

b) Income reserve and dividends

Due to accumulated losses, the Company did not set up reserves and/or propose the distribution of dividends in 2024 and 2023.

c) Tax incentive reserves

The Company benefits from ICMS tax benefits and incentives, provided for in a CONFAZ agreement and regularized under Decree No. 47394/2018, complying with the requirements of article 10 of Supplementary Law No. 160/2017. These benefits, named grants, derive from exemption and reduction of the ICMS tax base in taxed transactions. The grant amounts were accounted for as revenue and excluded from the IRPJ and CSLL tax bases until December 31, 2023, as permitted by legislation.

(In thousands of reais, unless otherwise stated)

14. Equity (Continued)

Due to accumulated losses recorded in previous years, the Company did not establish a tax incentive reserve earlier. With this year´s profit, the Company recorded tax incentive reserves totaling R$7,470. As of December 30, 2024, the Company has a balance of tax incentive reserves of R$416,991 to be set up with future profits. Tax incentive reserves will be established up to the limit of the mandatory amount or the remaining balance of profit for the year.

15. Risk considerations

a) Credit risk

The Company’s sales policies are subordinated to the credit policies established by management and are designed to minimize any problems arising from customer default. This is achieved through careful selection of the customers’ portfolio, which takes into consideration each customer’s capacity to pay (credit rating analysis) and risk dispersion through sales diversification.

b) Liquidity risk

The Company prepares cash flow forecasts as a means to monitor its future needs in advance in order to ensure it has sufficient cash to meet the operational demands. The Company maintains cash surplus, if any, in interest bearing short-term investments and by choosing instruments that provide liquidity adequate to its needs.

The maturity of the Company’s main financial liabilities (loans, financing and debentures) is as follows:

	12/31/2024	**12/31/2023**
2024	**-**	221,990
2025	**207,883**	150,642
2026	**92,892**	111,239
2027	**1,503**	-
2028	**-**	-
2029	**160,600**	-
	462,878	483,871

c) Interest rate risk

The Company’s income is subject to losses arising from changes in floating interest rates, such as: CDI and changes in inflation indexes, such as the Extended Consumer Price Index (IPCA), on its financial assets and liabilities. The amounts relating to these transactions are stated in Notes 3 and 11.

(In thousands of reais, unless otherwise stated)

15. Risk considerations (Continued)

d) Currency risk

The Company's income is exposed to significant variation since part of inputs used in the production process is impacted by the foreign exchange rate fluctuation, particularly the US dollar, euro and yen, referring to intercompany loan transactions.

To reduce certain effects of exchange rate fluctuation, the Company hedges against the effects of exchange rate devaluation of local currency on its financial assets and liabilities denominated in dollars, euros and yen through Swap transactions and Non-Deliverable Forwards - commitment to purchase US currency at previously agreed-upon rates - pegged to the US dollar fluctuation. The amounts of such transactions are presented in Note 23.f.

16. Net revenue

	12/31/2024	12/31/2023
		(reclassified)
Gross revenue from sales of goods	**875,769**	866,172
Allowance for sales returns	**(1,416)**	(5,048)
Trade discounts and adjustments	**(7,645)**	(20,848)
Gross service revenue	**10,144**	13,184
Gross revenue	**876,852**	853,460
Sales taxes	**(18,503)**	(12,684)
Sales returns	**(31,534)**	(41,224)
Taxes on sales and services and sales returns	**(50,037)**	(53,908)
Net revenue	**826,815**	799,552

(In thousands of reais, unless otherwise stated)

17. Costs of goods sold and services rendered by nature

	12/31/2024	12/31/2023
Manufacturing overheads		(reclassified)
Direct labor costs - own	**(6,281)**	(6,011)
Direct labor costs - third parties	**(1,316)**	(1,538)
Electric power	**(2,047)**	(2,173)
Depreciation and amortization	**(1,672)**	(1,847)
Maintenance of property, plant and equipment	**(1,023)**	(1,600)
Other direct costs	**(653)**	(828)
Indirect costs		
Indirect labor costs - own	**(7,719)**	(7,474)
Indirect labor costs - third parties	**(395)**	(348)
Electric power	**(127)**	(265)
Depreciation and amortization	**(956)**	(1,052)
Maintenance of property, plant and equipment	**(1,852)**	(1,803)
Incineration	**(1,556)**	(837)
Other indirect costs	**(2,910)**	(2,620)
	(28,507)	(28,396)
Inputs		
Raw and packaging materials	**(492,244)**	(525,253)
(Reversal of) Allowance for sales returns	**289**	5,094
Goods for resale	**(89,063)**	(87,530)
	(581,018)	(607,689)
Other costs		
Freight on sales	**(22,177)**	(23,432)
Insurance on sales	**(860)**	(438)
Storage	**(4,980)**	(6,596)
Reversal of ICMS on transfers	**(17,786)**	(20,573)
Inpev (packaging collection cost)	**(1,196)**	(937)
(Reversal of) Allowance for inventory	**2,666**	(788)
Promotional campaign	**(3,647)**	(6,186)
Inventory write-off	**(1,191)**	(1,158)
Trade discounts	**223**	(4,032)
Sales commissions	**(8,618)**	(9,430)
Other	**2,102**	(4,230)
	(55,687)	(73,767)
	(665,212)	(709,852)

(In thousands of reais, unless otherwise stated)

18. Operating income (expenses)

a) Selling, general and administrative expenses

	12/31/2024		12/31/2023	
	Sales	General and administrative expenses	Sales	General and administrative expenses
Salaries and social charges	**(21,395)**	**(9,498)**	(19,566)	(9,634)
Fees and labor hired	**(1,422)**	**(2,195)**	(1,601)	(3,318)
Travel	**(1,315)**	**(658)**	(1,463)	(352)
Vehicles	**(1,039)**	**(83)**	(1,016)	(46)
Meetings, fairs and exhibitions	**(1,248)**	**(335)**	(2,739)	(199)
Associations	**(30)**	**(282)**	(26)	(264)
Third-party services	**(7,022)**	**(7,997)**	(6,808)	(8,251)
Communication	**(163)**	**(286)**	(163)	(295)
Cleaning supplies	**(242)**	**(814)**	(77)	(740)
Insurance	**(2,864)**	**(232)**	(1,785)	(175)
Amortization and depreciation	**(3,906)**	**(1,842)**	(4,087)	(1,949)
(Set-up) Reversal of allowance for expected credit losses / Write-off of trade receivables	**(6,686)**	**-**	(3,393)	-
Other	**(3,477)**	**(1,199)**	(2,847)	(1,086)
	(50,809)	**(25,421)**	(45,571)	(26,309)

b) Other operating income (expenses), net

	12/31/2024	12/31/2023
Manufacturing overheads (i)	**(5,291)**	(3,719)
Depreciation (i)	**(2,338)**	(1,939)
Maintenance of property, plant and equipment (i)	**(2,350)**	(1,729)
Other production costs (i)	**(3,387)**	(2,093)
Contingencies	**(129)**	(317)
Income from federal tax restatement	**-**	5,086
Revenues from royalties	**232**	1,030
Write-off of intangible assets	**(414)**	(117)
Other revenues (expenses)	**1,622**	812
	(12,055)	(2,986)

(i) Refers to non-utilization of the full capacity installed in the industry.

(In thousands of reais, unless otherwise stated)

19. Finance income and expenses

	12/31/2024	12/31/2023
Finance expenses		
Interest on loans, debentures, intercompany loans, and leases	**(42,986)**	(43,535)
Debt modification	**(38)**	(38)
Losses on financial instruments, realized	**(26,330)**	(68,059)
Losses on financial instruments, accrued	**(21,215)**	(28,628)
Discounts granted to customers	**(1,919)**	(4,469)
Difference in trade receivables, realized	**(67)**	(5,273)
Difference in trade receivables, accrued	**-**	(2,863)
Difference in accounts payable, realized	**(1,274)**	-
Difference in accounts payable, accrued	**(1,842)**	-
Foreign exchange differences, realized	**(40,746)**	(5,389)
Foreign exchange differences, accrued	**(249,639)**	(127,550)
Tax on Financial Transactions (IOF)	**(96)**	(339)
PIS/COFINS on finance income	**(2,620)**	(762)
Present value adjustment	**(23,327)**	(27,869)
Other finance expenses	**(6,942)**	(10,324)
	(419,041)	(325,098)
Finance income		
Gains on financial instruments, realized	**28,219**	1,881
Gains on financial instruments, unrealized	**70,743**	46,588
Difference in trade receivables, realized	**12,202**	495
Difference in trade receivables, accrued	**12,459**	896
Foreign exchange differences, realized	**2,421**	17,121
Foreign exchange differences, accrued	**183,801**	140,869
Short-term investment income	**22,405**	7,192
Taxes/proceedings restatement income	**4,135**	-
Interest income	**559**	722
Present value adjustment	**36,618**	52,380
Other finance income	**2,045**	1,460
	375,607	269,604
	(43,434)	(55,494)

20. Management compensation

At the Annual and Special General Meeting held on April 22, 2024, the shareholders approved compensation in the amount of R$9,659 effectively paid as fixed and variable fees in the period from April 2023 to March 2024. At the same meeting, the annual and overall amount of fixed and variable fees payable to the members of the Board of Directors and of the Executive Board from April 2024 to March 2025 was established, in the amount of up to R$5,253. The Board of Directors is responsible for determining the amounts that will be paid to each Company officer, as well as the payment criteria, provided that the maximum amount above is not exceeded.

(In thousands of reais, unless otherwise stated)

21. Insurance coverage

The Company maintains insurance coverage for operational risks and other risks to safeguard its property, plant and equipment and inventories.

The amount of insurance taken out at December 31, 2024 is deemed sufficient to cover any losses according to the opinion of the Company's insurance advisors.

Insurance coverage, by nature, as at December 31, 2024 is composed as follows:

Classification	Insured risk	Amount insured	Effectiveness
Property damages/bodily injury	Commercial facilities, inventories and other	233,681	2024-2025
General civil liability	Industrial and commercial operations	37,000	2023-2024
Civil liability - D&O	Administrative and commercial operations	70,000	2024-2025

(In thousands of reais, unless otherwise stated)

22. Transactions with related parties

	Oxon Brasil Defensivos Agrícolas Ltda.		Sipcam Oxon S.p.A		Sipcam Paraguay S.p.A		Nihon Nohyaku CO. Ltd.		Nihon India Private		Sofbey SA		Jiangyin Sul		Total	
	12/31/24	12/31/23	12/31/24	12/31/23	12/31/24	12/31/23	12/31/24	12/31/23	12/31/24	12/31/23	12/31/24	12/31/23	12/31/24	12/31/23	12/31/24	12/31/23
Balances																
Current assets:																
Trade receivables (Note 4)	**-**	**-**	**-**	-	**11,994**	6,899	**-**	-	**-**	-	**512**	-	-	**-**	**12,506**	6,899
Current liabilities:																
Accounts payable (Note 12)	**-**	**-**	**189,696**	113,691	**-**	-	**42,662**	24,724	**-**	**6,518**	**5,685**	5,117	**17,667**	-	**255,710**	150,050
Intercompany loan (*)	**-**	**-**	**-**	-	**-**	-	**75,393**	269	**-**	-	**-**	-	**-**	-	**75,393**	269
Noncurrent liabilities:																
Intercompany loan (*)	**-**	**-**	**-**	-	**-**	-	**-**	65,786	**-**	-	**-**	-	**-**	-	**-**	65,786

	Oxon Brasil Defensivos Agrícolas Ltda.		Sipcam Oxon S.p.A.		Sipcam Paraguay S.p.A		Nihon Nohyaku CO. Ltd.		Nihon India Private		Sofbey SA		Jiangyin Sul		Total	
	12/31/24	12/31/23	12/31/24	12/31/23	12/31/24	12/31/23	12/31/24	12/31/23	12/31/24	12/31/23	12/31/24	12/31/23	12/31/24	12/31/23	12/31/24	12/31/23
Transactions																
Purchases	**-**	-	**265,307**	245,399	**-**	-	**56,576**	27,135	**188**	6,798	**5,629**	5,204	**16,483**	-	**344,183**	284,536
Sales	**-**	-	**-**	-	**16,094**	7,624	**-**	-	**-**	-	**-**	-	-	**-**	**16,094**	7,624
Other revenues (expenses)	**(1,300)**	(1,740)	**-**	-	**-**	-	-	-	**-**	-	**467**	-	-	**-**	**(833)**	(1,740)
Finance income (expenses)	**-**	-	**(30,525)**	8,492	**2,372**	296	**(19,801)**	11,276	**(124)**	-	**(625)**	218	**(1,184)**	-	**(49,887)**	20,282

Transactions with related parties are carried out at specific prices and conditions agreed-upon between the parties.

(*) This balance refers to an intercompany loan agreement amended in August 2020 with Nihon Nohyaku CO., Ltd, at the original amount of R$98,880 (JPY1,920,000,000), subject to interest of 1.38% p.a., maturing on August 31, 2025.

23. Financial instruments

a) Accounting classification and fair values

Financial instruments recorded at fair value using a valuation method are presented in the table below. The different levels were defined as follows:

- Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities;
- Level 2 - inputs, other than quoted prices, included in Level 1, which are observable for the asset or liability, either directly (prices) or indirectly (derived from prices);
- Level 3: assumptions, for assets or liabilities, which are not based on observable market inputs (unobservable inputs).

The carrying amounts of financial instruments recorded in the statement of financial position, when compared to the amounts that could be obtained from their trading in an active market, or in the absence of such market, using the net present value adjusted for the current market interest rate, substantially approximate the corresponding market values.

There were no transfers between levels to be considered as at December 31, 2024, in relation to the disclosures as at December 31, 2023.

The tables below show the carrying amounts and fair values of financial assets and liabilities, including their fair value hierarchy level. It does not include information on the fair value of financial assets and liabilities not measured at fair value, if the carrying amount is a reasonable approximation of fair value.

In 2024 and 2023, the Company adopted hedge accounting, which allows for a decrease in the volatility of income, thereby eliminating the differences in the time of recognition of gains or losses that exist between the derivative instrument and the hedged item or transaction. This is done by deferring the gains or losses on the derivative instrument out of the statement of income in equity or offsetting the gains or losses on the derivative instrument in the statement of income, by recording the change in fair value of the hedged item in the statement of income. As at December 31, 2024, transactions included in hedge accounting were fully settled.

(In thousands of reais, unless otherwise stated)

23. Financial instruments (Continued)

a) Accounting classification and fair values (Continued)

	Book value			Fair value			
December 31, 2024	**Fair value through profit or loss**	**Amortized cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value							
Short-term investments	265,835	-	265,835	-	265,835	-	265,835
Derivative financial instruments	48,542	-	48,542	-	48,542	-	48,542
Total	314,377	-	314,377	-	314,377	-	314,377
Financial assets not measured at fair value							
Cash and banks	-	166	166				
Accounts receivable and other receivables	-	470,799	470,799				
Other assets	-	1,016	1,016				
Total	-	471,981	471,981				

	Book value			Fair value			
December 31, 2024	**Fair value through profit or loss**	**Amortized cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities measured at fair value							
Loans, financing and debentures	462,878	-	462,878	-	462,878	-	462,878
Intercompany loans	75,393	-	75,393	-	75,393	-	75,393
Derivative financial instruments	17,729	-	17,729	-	17,729	-	17,729
Total	556,000	-	556,000	-	556,000	-	556,000
Financial liabilities not measured at fair value							
Accounts payable and assignment of receivables by suppliers	-	439,250	439,250				
Advances from customers	-	6,232	6,232				
Other liabilities	-	18,060	18,060				
Total	-	463,542	463,542				

(In thousands of reais, unless otherwise stated)

23. Financial instruments (Continued)

a) Accounting classification and fair values (Continued)

	Book value			Fair value			
December 31, 2023	**Fair value through profit or loss**	**Amortized cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value							
Short-term investments	267,110	-	267,110	-	267,110	-	267,110
Derivative financial instruments	1,499	-	1,499	-	1,499		1,499
Total	268,609	-	268,609	-	268,609		268,609
Financial assets not measured at fair value							
Cash and banks	-	545	545				
Accounts receivable and other receivables	-	378,110	378,110				
Other assets	-	1,977	1,977				
Total	-	380,632	380,632				

	Book value			Fair value			
December 31, 2023	**Fair value through profit or loss**	**Amortized cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities measured at fair value							
Derivative financial instruments	11,597	-	11,597	-	11,597	-	11,597
Total	11,597	-	11,597	-	11,597	-	11,597
Financial liabilities not measured at fair value							
Loans, financing and debentures	-	483,871	483,871				
Intercompany loans	-	66,055	66,055				
Accounts payable and assignment of receivables by suppliers	-	312,170	312,170				
Advances from customers	-	9,165	9,165				
Other liabilities	-	19,766	19,766				
Total	-	891,027	891,027				

(In thousands of reais, unless otherwise stated)

23. Financial instruments (Continued)

b) Credit risk exposure

The book value of financial assets represents the maximum credit exposure. The maximum credit risk exposure at the reporting date was as follows:

	12/31/2024	12/31/2023
Cash and banks	**166**	545
Short-term investments	**265,835**	267,110
Trade receivables and other receivables	**470,799**	378,110
Derivative financial instruments	**48,542**	1,499
Other assets	**1,016**	1,977
Total	**786,358**	649,241
Current assets	**756,171**	647,588
Noncurrent assets	**30,187**	1,653

c) Liquidity risk exposure

The book value of financial liabilities with liquidity risk is shown below:

	12/31/2024	12/31/2023
Loans, financing and debentures	**462,878**	483,871
Intercompany loans	**75,393**	66,055
Accounts payable and assignment of receivables by suppliers	**439,250**	312,170
Advances from customers	**6,232**	9,165
Derivative financial instruments	**17,729**	11,597
Other liabilities	**18,060**	19,766
Total	**1,019,542**	902,624
Current liabilities	**764,547**	574,957
Noncurrent liabilities	**254,995**	327,667

d) Currency risk exposure

The net exposure in foreign currency is shown in the table below by principal amounts:

(In thousands of reais, unless otherwise stated)

23. Financial instruments (Continued)

d) Currency risk exposure

	Currency	12/31/2024	12/31/2023
Trade accounts payable	USD	**(23,083)**	(30,457)
Accounts payable/related parties	USD	**(41,295)**	(30,994)
NDF	USD	**30,143**	47,583
Exposure in USD		**(34,235)**	(13,868)
Trade receivables	USD	**20,863**	31,220
NDF	USD	**(12,787)**	(4,625)
Exposure in USD		**8,076**	26,595
Loans	EUR	**-**	(10,086)
Swap	EUR	**-**	10,086
Exposure in EUR		**-**	-
Loans	USD	**(19,208)**	(23,941)
Swap	USD	**19,208**	23,941
Exposure in USD		**-**	-
Loans	JPY	**(2,564,429)**	-
Swap	JPY	**(2,564,429)**	-
Exposure in JPY		**-**	-
Intercompany loans	JPY	**(1,929,060)**	(1,920,000)
Swap	JPY	**1,929,060**	1,920,000
Exposure in JPY		**-**	-

e) Sensitivity analysis of financial assets and liabilities

Sensitivity analysis is established based on exposure to interest rates and other indexes of nonderivative financial instruments at the end of the year ended December 31, 2024. Two scenarios are presented, including variations of 25% and 50% of the risk variable considered. Potential impacts of increases (decreases) in equity and statement of income for the period are presented below. These scenarios may have impacts on the Company's statement of income and future cash flows, as follows:

- Scenario I: this refers to the most probable scenario for interest rates at the reporting date;
- Scenario II: 25% decrease in the main risk factor of the financial instrument in relation to the level of the probable scenario; and
- Scenario III: 50% decrease in the main risk factor of the financial instrument in relation to the level of the probable scenario.

(In thousands of reais, unless otherwise stated)

23. Financial instruments (Continued)

e) Sensitivity analysis of financial assets and liabilities (Continued)

Instruments	Exposure at 12/31/2024	Risk	Scenarios Probable Current	Variation by 25% %	Variation by 25% Amount	Variation by 50% %	Variation by 50% Amount
Financial assets							
Short-term investments	265,835	CDI	12.15%	15.19%	8,075	18.23%	16,149
Trade receivables	129,190	USD	6.1923	7.74	32,298	9.29	64,596
Financial liabilities							
CPRF Bradesco	(22,623)	CDI	12.15%	15.19%	(687)	18.23%	(1,374)
Debentures	(213,864)	CDI	12.15%	15.19%	(6,496)	18.23%	(12,992)
Law No. 4131 MUFG	(91,558)	USD	6.1923	7.74	22,889	9.29	45,779
CPRF Itau	(27,382)	USD	6.1923	7.74	6,846	9.29	13,691
Law No. 4131 JBIC Mizuho	(101,218)	JPY	0.03947	0.04934	(999)	0.05921	(1,998)
Intercompany loans	(75,393)	JPY	0.03947	0.04934	(744)	0.05921	(1,488)
Trade accounts payable	(398,645)	USD	6.1923	7.74	99,661	9.29	199,323
Derivative financial instruments							
Swap	118,940	USD	6.1923	7.74	(29,735)	9.29	(59,470)
Swap	101,218	JPY	0.03947	0.04934	999	0.05921	1,998
Swap	76,140	JPY	0.03947	0.04934	751	0.05921	1,503
NDF	186,654	USD	6.1923	7.74	(46,664)	9.29	(93,327)
NDF	79,181	USD	6.1923	7.74	(19,795)	9.29	(39,591)
Impact on income and equity					66,399		132,799

(In thousands of reais, unless otherwise stated)

23. Financial instruments (Continued)

e) Sensitivity analysis of financial assets and liabilities (Continued)

			Scenarios				
	Exposure		Probable	Variation by 25%		Variation by 50%	
Instruments	at 12/31/2023	Risk	Current	%	Amount	%	Amount
Financial assets							
Short-term investments	267,110	CDI	11.65%	14.56%	7,780	17.48%	15,559
Financial liabilities							
Working capital	(53,416)	CDI	11.65%	14.56%	(1,556)	17.48%	(3,111)
Debentures	(242,505)	CDI	11.65%	14.56%	(7,063)	17.48%	(14,126)
Law No. 4131 - Banco do Brasil	(53,978)	EUR	5.3516	6.69	13,495	8.03	26,990
Law No. 4131 MUFG	(71,527)	USD	4.8413	6.05	17,882	7.26	35,764
Finimp Santander	(24,897)	USD	4.8413	6.05	6,224	7.26	12,448
CPRF Itau	(19,901)	USD	4.8413	6.05	4,975	7.26	9,950
Intercompany loans	(66,010)	JPY	0.03422	0.04278	(565)	0.05133	(1,130)
Trade accounts payable	(297,502)	USD	4.8413	6.05	74,315	7.26	148,630
Derivative financial instruments							
NDF	230,365	USD	4.8413	6.05	(57,591)	7.26	(115,182)
Swap	53,978	EUR	5.3516	6.69	(13,495)	8.03	(26,989)
Swap	116,325	USD	4.8413	6.05	(29,081)	7.26	(58,163)
Swap	66,010	JPY	0.03422	0.04278	565	0.05133	1,129
Impact on income and equity					15,885		31,769

(In thousands of reais, unless otherwise stated)

23. Financial instruments (Continued)

f) Derivative financial instruments

The Company is exposed to the exchange risk of future cash flow in foreign currency, due to the purchase of inputs and contracting of working capital for its operations. In order to mitigate this risk, the Company adopts hedging procedures based on exchange exposure calculated by the value of commercial credits. The future cash flow hedge is reviewed and discussed by the Board of Directors, which approves and authorizes the contracting and designation of derivative financial instruments.

		12/31/2024		12/31/2023
	Type Currency	Notional amount (R$ thousand)	Fair value (R$)	Fair value (R$)
Swap	JPY	**76,140**	**4,028**	(6,006)
Swap	JPY	**101,218**	**(6,605)**	-
Swap	USD	**118,940**	**22,927**	(190)
Swap	EUR	**-**	**-**	(146)
Swap	BRL	**-**	**-**	(74)
NDF	USD	**186,654**	**17,649**	(3,682)
NDF	USD	**79,181**	**(7,186)**	-
Total		**562,133**	**30,813**	(10,098)

Current assets	**21,677**	227
Noncurrent assets	**26,865**	1,272
	48,542	1,499
Current liabilities	**(17,729)**	(11,597)
Noncurrent liabilities	**-**	-
	(17,729)	(11,597)

Derivative financial instruments mature as follows:

(In thousands of reais, unless otherwise stated)

23. Financial instruments (Continued)

f) Derivative financial instruments (Continued)

12/31/2024		**Notional amount (R$ thousand)**	**Fair value (R$)**	**Up to 12 months**	**1 to 2 years**
Swap	JPY	**76,140**	**4,028**	**4,028**	**-**
Swap	JPY	**101,218**	**(6,605)**	**(10,092)**	**3,487**
Swap	USD	**118,940**	**22,927**	**(451)**	**23,378**
NDF	USD	**186,654**	**17,649**	**17,649**	**-**
NDF	USD	**79,181**	**(7,186)**	**(7,186)**	**-**
Total		**562,133**	**30,813**	**3,948**	**26,865**

12/31/2023		**Notional amount (R$ thousand)**	**Fair value (R$)**	**Up to 12 months**	**1 to 2 years**
Swap	JPY	66,010	(6,006)	(7,278)	1,272
Swap	USD	116,325	(190)	(190)	-
Swap	EUR	53,978	(146)	(146)	-
Swap	BRL	5,123	(74)	(74)	-
NDF	USD	252,757	(3,682)	(3,682)	-
Total		494,193	(10,098)	(11,370)	1,272