

Vc



RESULTS

2Q23

& 6M23

Earnings

Conference Call

August 11, 2023 (Friday)

11 am BRT | 10 am EST

Portuguese with simultaneous translation into English

[Webcast](#)



**Cravinhos,
August 10, 2023**

Ouro Fino Saúde Animal Participações S.A. (“Company” or “Ourofino”) (B3: OFSA3), a company engaged in research, development, production and sales of veterinary drugs, vaccines and other veterinary products for production and companion animals, announces today its financial results for the period ended June 30, 2023 (2Q23).

Financial and operating information, except where otherwise indicated, is presented in millions of Brazilian reais.



Investor Relations

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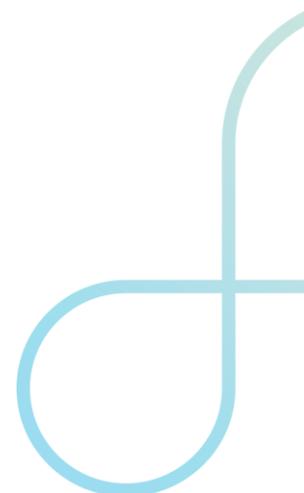
Alan Silva

Luis Molon



HIGHLIGHTS

- **Once more, we were recognized by GPTW as the 2nd best company to work for in agribusiness**, reinforcing our care for people.
- **For the third year we** received the Agroleite trophy in the animal health category, an award considered the “Oscar of Milk”.
- **Operating cash generation of R\$164.2 million**, an increase of R\$97.2 million compared to the same period of the previous year.
- **Leverage Decline to 0.81x EBITDA**, with 75.2% of debt in the long term, with 75% of all gross debt via FINEP and BNDES and an average annual cost of 10.9%
- **2 new products launched** for Companion Animals in the quarter.





| MESSAGE FROM THE EXECUTIVE BOARD

Brazil is one of the world's major food providers and we operate in a sector with strong growth drivers, both in production animals and companion animals. We have delivered outstanding results in the last few years, reaffirming the consistency of our business, the quality of our solutions and a team that keeps us among the industry leaders.

In 2023, our efforts to build sustainable growth and profitability gains have been challenged by a macro and microeconomic scenario that affected our main business units, which delivered results below our expectations.

During the last six months, we have faced a retracted business environment as a result of a combination of factors, among which we can highlight the maintenance of high interest rates, which increases the cost of capital of the entire production chain and discourages investment, a temporary interruption of meat exports to Russia and China, a long period of drought in the south of the country, the exemption of vaccination against foot-and-mouth disease in several states, the involution of the reproductive cycle and the movement of adequacy of stocks in the large resellers in the north region.

As for companion animals, the high household debt and the trend towards a slowdown in consumption driven by the maintenance of high interest rates has hampered the flow of products throughout the chain, which is also going through a period of destocking.

For the second half of the year, we expect an improvement in the macro scenario and in the factors that most directly impact our sector. We have worked in-house over the last three months to seek efficiency gains across the entire operation, restructuring and adjusting our spending and investment planning in accordance with the current business context. We refiled our revenues and entered the second half of the year moving forward with commercial actions and repositioning key product lines to benefit from major industry events.

We remain in solid financial condition, with robust cash generation and a capital structure adequate to our strategic needs, which allows us to execute investments and overcome one-off events such as the 1182 Topic judged by STJ and whose rulings were published this quarter. We remain committed to allocating a significant part of our revenues to the continuous development of solutions aimed at improving the animal protein chain and the well-being of companion animals.

In this context, in Companion Animals we have two new products. We have launched Banni 3 on the market, the most complete endectocide for cats on the market. The product brings three actives and multiple protections against round and flat worms, lice, scabies and fleas, offering internal and external treatment in a pipette based on praziquantel, moxidectin and fipronil.

Expanding our portfolio of supplements, in May, we launched Longil Cães, the palatable paste version of Longil Snacks. With several active principles, the formulation acts as a support to the physiological defense against the production and circulation of free radicals, contributes to intestinal health, proper functioning of brain activities, reduction of stress and anxiety, among other benefits.



This work is only possible thanks to people and a strong culture, and we are proud to highlight that we were awarded again as one of the best Agribusiness companies to work for in Brazil by GPTW (Great Place To Work), reaching 2nd place in the ranking. This award reinforces our commitment to challenge conventional thinking and generate sustainable solutions for the animal protein chain and companion animals welfare, through an engaged and committed team.

We started the second half of the year clearly aware of the challenging scenario we are facing and with the perception of the sector's recovery possibilities. We remain confident in the strong drivers of our market, in the breadth of our portfolio and in a team that is highly skilled to execute our planning, seeking efficiency gains and growth in the coming periods.

Kleber Gomes
Chief Executive Officer

Marcelo da Silva
Chief Financial Officer and
Investor Relations Officer



FINANCIAL PERFORMANCE

R\$ Million	2Q22	2Q23	Var %	6M22	6M23	Var %
Net Revenue	235.3	231.8	-1.5%	437.6	399.0	-8.8%
(-) Cost of Goods Sold	(116.7)	(124.1)	6.3%	(221.2)	(216.2)	-2.3%
Gross Profit	118.6	107.8	-9.2%	216.4	182.8	-15.5%
Gross Margin	50.4%	46.5%	-3.9 p.p.	49.5%	45.8%	-3.6 p.p.
Adjusted Ebitda *	43.5	34.7	-20.2%	74.1	37.7	-49.2%
Adjusted EBITDA Margin *	18.5%	15.0%	-3.5 p.p.	16.9%	9.44%	-7.5 p.p.
Adjusted Net Income **	23.6	7.7	-67.2%	39.2	4.3	-88.9%
Adjusted Net Margin **	10.0%	3.3%	-6.7 p.p.	9.0%	1.1%	-7.9 p.p.

* Excluding in 6M22: (i) recovery of M&A expenses; (ii) expenses related to the merger of subsidiary OF Pet and (iii) gains from tax proceedings in previous periods. Excluding legal fees paid related to tax proceedings from previous years in 6M23. Including respective tax effects in both periods reported.

** In 6M23, financial result and income tax and social contribution excludes the provision for loss of IRPJ and CSLL (principal and inflation adjustment) related to the investment subsidy benefit used from 2019 to 2022.

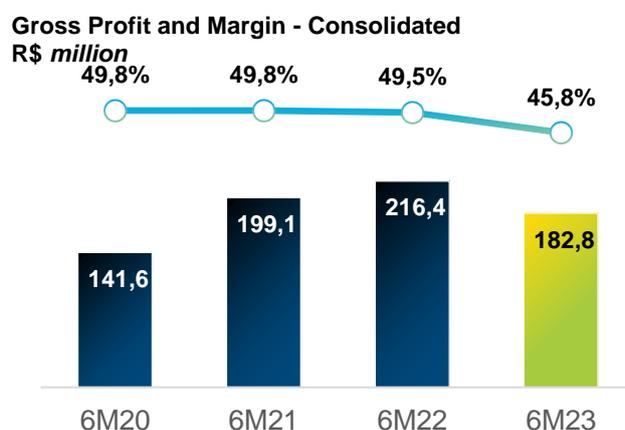
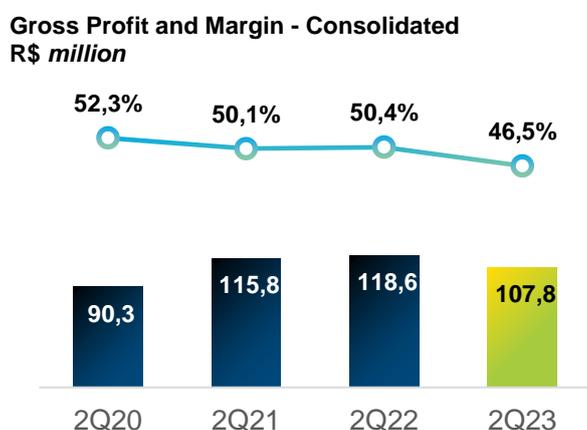
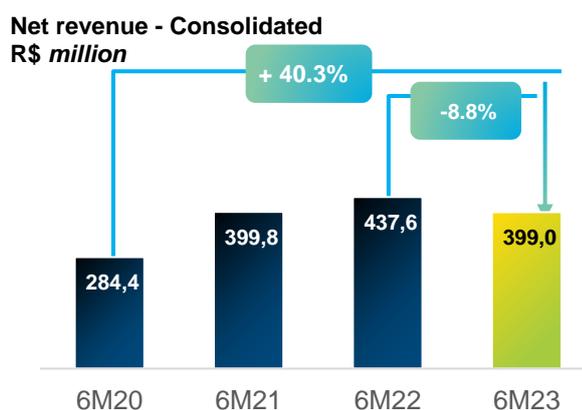
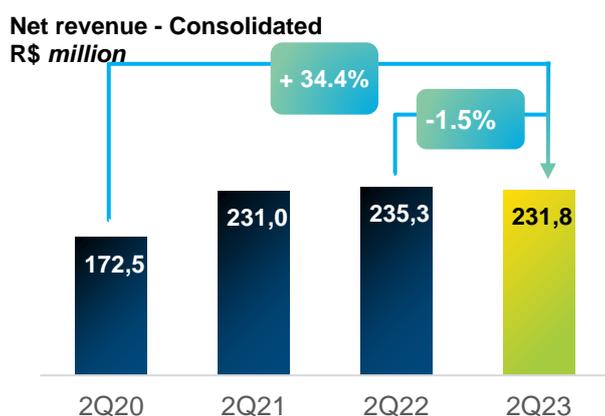


| CONSOLIDATED NET REVENUE AND GROSS PROFIT

The Company's consolidated net revenue in 2Q23 reached to R\$ 231.8 million, amounting to R\$ 399.00 in 6M23, 1.5% and 8.8% lower as compared to the same period of the previous year. The second quarter was a period with still complex market scenario due to a combination of factors that negatively influenced the company's results.

Accumulated gross profit totaled R\$ 182.8 million, representing 45.8% gross margin, 3.7 lower compared to the same period of the previous year (6M22). This performance reflects the drop in sales and, as a result, a lower dilution of our fixed production costs, which in turn explains the higher margin loss.

While the current quarter has reported challenging results, we reinforce that we remain steady with our commercial strategy, our access and closeness to our customers, attentive to market moves in our three business units and with a team qualified to capture opportunities. We also highlight our continuous work in pursuit of commercial, operational and administrative efficiency, which has been solid pillars in the management of our businesses and which has enabled us to achieve outstanding results in the last few years.



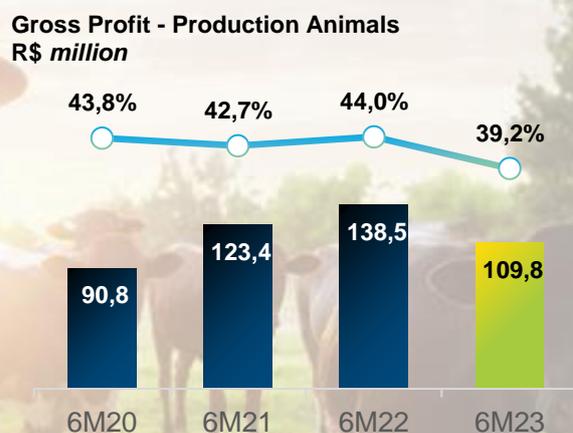
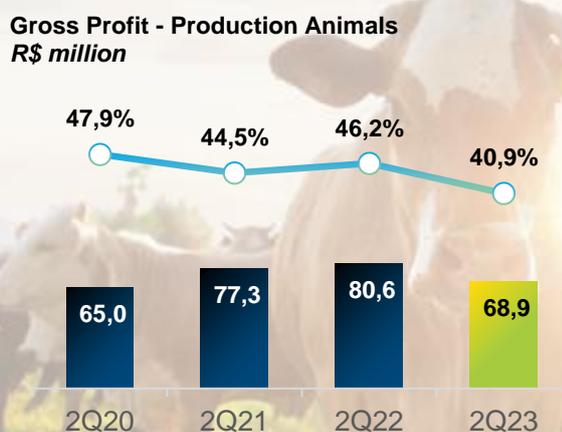
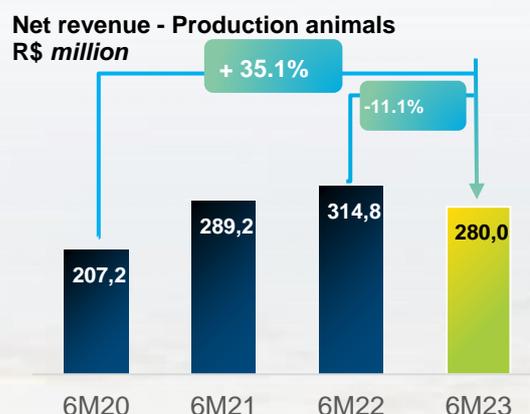
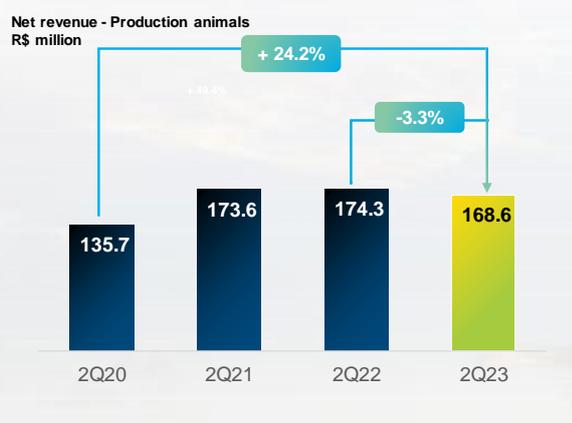


| PRODUCTION ANIMALS

The business unit recorded net revenue at R\$ 168.6 million in 2Q23 and R\$ 280.0 million in 6M23, with -3.3% and -11.1% drop, respectively, as compared to the same period of the previous year. Gross margin in 6M23 was 39.2%, representing a 4.8 p.p. decrease as compared to 6M22.

As we mentioned earlier, the macro context and a combination of market factors made sales dynamics more complex in 2023. During this period beef exports have been reduced due to the Chinese embargo due to the isolated case of mad cow disease, in addition to the waiver of Foot and Mouth Disease vaccination in six states plus the Federal District. In addition, a long period of drought was experienced in the southern region of the country, impacting the line of antiparasitic products in addition to a downturn in the breeding market.

We continue to work hard on our strengths, repositioning our main product lines at the main trade shows in the sector that are held in the second half of the year, implementing actions with the commercial and demand generation team to capture the hardships of producers and better serve them. We emphasize that we ended the quarter with a portfolio of 3,900 active customers, which ensures us a low default rate and showcases the strength of our sales and demand generation team, as well as our proximity to the sales channel.





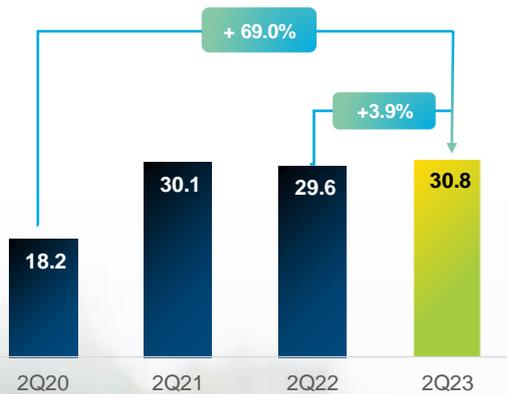
| COMPANION ANIMALS

The business unit reached a net revenue of R\$ 30.8 million in 2Q23, up 3.9% as compared to 2Q22. In 6M23, we reached the amount of R\$ 59.9 million, down 4.9% compared to the same period of the previous year. In 6M23, we had a gross profit of R\$ 39.9 million with gross margin reaching 65.6%, down 4.6 p.p.

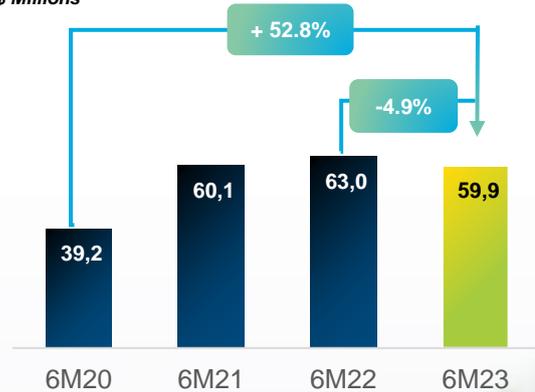
The business unit resumed quarterly growth, partially offsetting the impact of lower 1Q23 revenues. The growth curve of the pet market has returned to the pre-pandemic pattern and we have noticed the impact of high interest rates on the cost of inventories in retail. We keep working in-house to maximize the results of the business unit and we are confident in our positioning, and in our access and distribution strategy with strategic points, and especially in our close relationship with veterinarians and owners to bring the best solutions for pets.

In this sense, we have expanded our activities by providing solutions that go beyond medicines and products for prevention and care. In recent years, we have added nanotechnology dermo-cosmetics, diagnostic kits, cell therapy with stem cells to our portfolio and strongly expanded our operations in supplements.

Net revenue - Companion animals
R\$ million



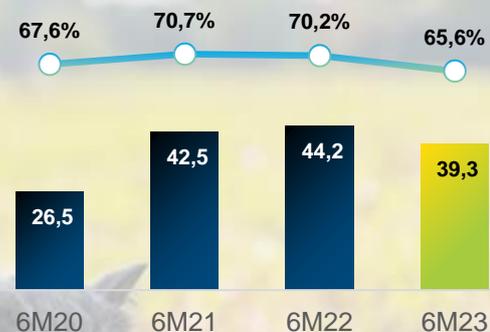
Net revenue - Companion animals
R\$ Millions



Gross Profit - Companion animals
R\$ million



Gross Profit - Companion animals
R\$ million



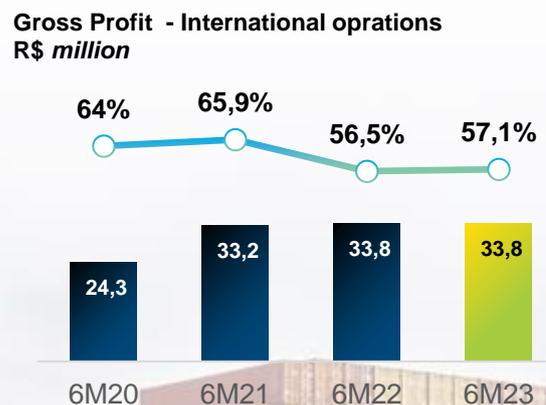
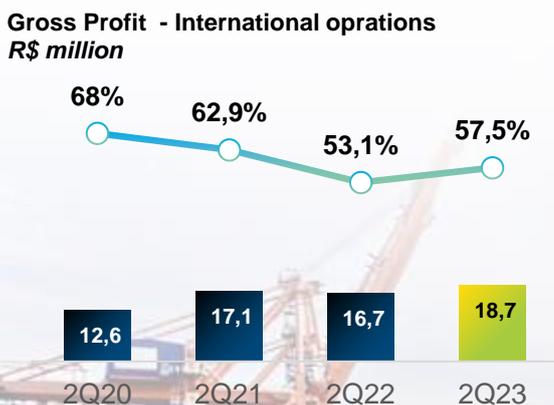
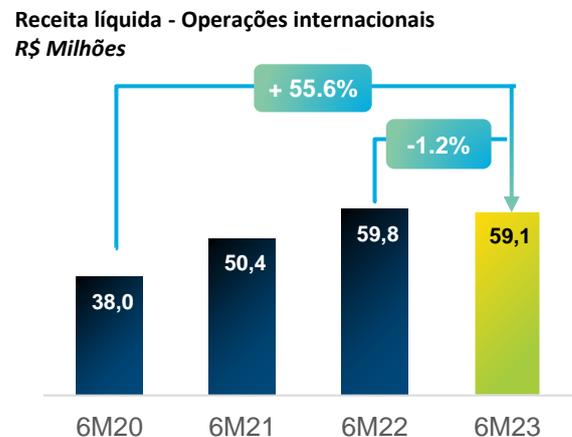
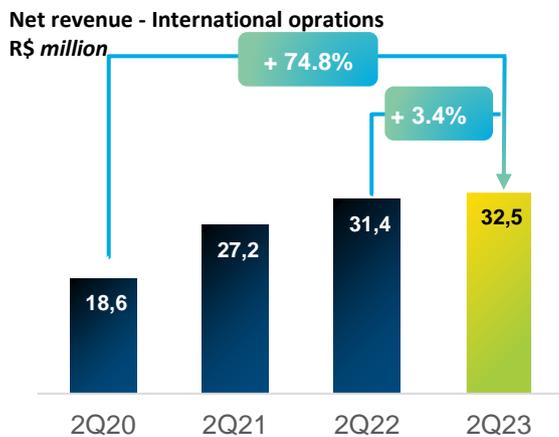


| INTERNATIONAL OPERATIONS

The business unit recorded R\$ 32.5 million net revenue in 2Q23, with 3.4% growth as compared to the same period of 2Q22 and R\$ 59.1 million revenue in 6M23, down -1.2%.

Gross profit in 2Q23 amounted to R\$ 18.7 million with 57.5% margin, while 6M23 totaled R\$ 33.8 million with 57.1% gross margin. A gross margin improvement can be seen in both in 2Q23 and 6M23, reflecting price gains in the operations in Mexico and Colombia coupled with a favorable currency impact in Mexico.

We emphasize that the company has been continuously investing in launching products from our portfolio in Latin American countries, expanding the company's international presence.





| SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

R\$ Million	2Q22	2Q23	Var %	6M22	6M23	Var %
Selling, general and administrative and other expenses	(67.9)	(68.6)	1.1%	(126.8)	(133.3)	5.2%
Percentages on net revenue	-28.8%	-29.6%	-0.8 p.p.	-29.0%	-33.4%	-4.4 p.p.

Selling, general and administrative expenses showed 1.1% growth, totaling R\$ 133.3 million in 2Q23. We have worked in-house over the last three months to seek efficiency gains across the entire operation, and we have restructured and adjusted our spending and investment planning in accordance with the current business context. We captured an improvement in the six-month period and we expect significant gains in 2H23. We are confident that these measures place us in a solid position to face the challenges and ensure the company's sustainable growth.

| RESEARCH AND DEVELOPMENT EXPENSES

R\$ Million	2Q22	2Q23	Var %	6M22	6M23	Var %
Expenses on research and innovation and portfolio management	(15.1)	(13.6)	-9.9%	(30.9)	(29.4)	-4.9%
Percentages on net revenue	-6.4%	-5.9%	0.5 p.p.	-7.1%	-7.4%	-0.3 p.p.

We invested R\$ 32.7 million in research and development in 6M23 (chart on page 17), of which R\$ 29.4 million is allocated to expenses and reflects the stage of development of the projects as well as the associated level of innovation. It should be noted that our investment in R&D is constant, and the level of investment may vary according to the stage and cycle of research. We are in line with our strategic planning for launches and new partnerships aimed at bringing new revenue to the Company.



| EBITDA AND EBITDA MARGIN

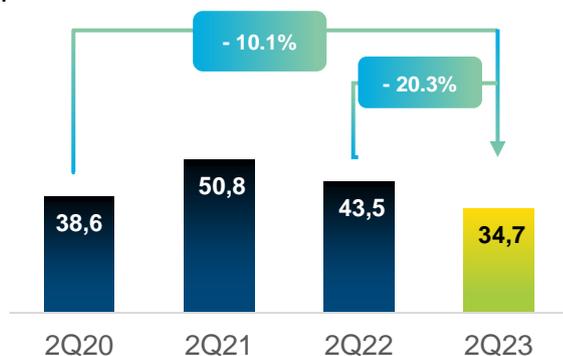
R\$ Million	2Q22	2Q23	Var %	6M22	6M23	Var %
Adjusted net income**	23.6	7.7	-67.2%	39.2	4.3	-88.9%
(+) Non-recurring results	(0.1)	(78.1)	86962.7%	0.3	(78.1)	-26470.9%
Net income (loss) for the period	23.5	(70.4)	-399.0%	39.5	(73.8)	-286.7%
(+) Net financial result**	7.6	16.0	110.5%	14.3	20.0	40.1%
(+) Income tax and social contribution**	4.4	79.8	1715.6%	5.3	73.7	1278.5%
(+) Depreciation and amortization	7.9	9.1	15.8%	15.4	17.6	14.2%
EBITDA	43.4	34.5	-20.6%	74.6	37.5	-49.8%
(+) Non-recurring effects (*)	0.1	0.2	59.6%	(0.4)	0.2	-148.3%
Adjusted EBITDA*	43.5	34.7	-20.3%	74.1	37.7	-49.2%
Net sales revenue	235.3	231.8	-1.5%	437.6	399.0	-8.8%
EBITDA margin	18.4%	14.9%	-3.5 p.p.	17.0%	9.4%	-7.6 p.p.
Adjusted EBITDA margin	18.5%	15.0%	-3.5 p.p.	16.9%	9.4%	-7.5 p.p.

(*) Excluding in 6M22: (i) recovery of M&A expenses; (ii) expenses related to the merger of subsidiary OF Pet and (iii) gains from tax proceedings in previous periods. Excluding legal fees paid related to tax proceedings from previous years in 6M23. Including respective tax effects in both periods reported.

(**) In 6M23, financial result and income tax and social contribution excludes the provision for loss of IRPJ and CSLL (principal and inflation adjustment) related to the investment subsidy benefit used from 2019 to 2022.

Adjusted EBITDA in 2Q23 was R\$ 34.7 million, 20.3% lower than in 2Q22 and totaling R\$ 37.7 million in 6M23, down 49.2%. EBITDA mainly reflects the decrease in our gross profit as explained above.

Adjusted EBITDA
R\$ million



Adjusted EBITDA
R\$ million





| FINANCIAL RESULT

R\$ Million	2Q22	2Q23	Var %	6M22	6M23	Var %
Net financial result	(7.6)	(3.4)	-54.6%	(14.3)	(7.5)	-47.6%

Net financial result for 2Q23 showed a R\$ 4.2 million improvement compared to 2Q22, amounting to a R\$ 6.8 million decrease in the accumulated period. The improvements achieved showcases the robustness of our financial management and the company's cash generation.

| INCOME TAX AND SOCIAL CONTRIBUTION

R\$ Million	2Q22	2Q23	Var %	6M22	6M23	Var %
Income tax and social contribution**	(4.4)	(14.4)	223.8%	(5.2)	(8.3)	59.1%
Percentage on Profit before IT and SC	-15.8%	-65.0%	-49.2 p.p.	-11.7%	-65.5%	-53.8 p.p.

(**) In 6M23, financial result and income tax and social contribution excludes the provision for loss of IRPJ and CSLL (principal and inflation adjustment) related to the investment subsidy benefit used from 2019 to 2022.

Income tax and social contribution totaled R\$ 8.3 million in 6M23. This amount was adjusted by R\$ 78.1 million referring to the provisioning of tax benefits used from 2019 to 2022, which were judged by the STJ under 1.182 Topic and whose judgments were published in 2Q23. Due to the change in the court's understanding, our legal advisors reassessed the prognosis for this specific matter and, as a result, we recorded the provision in June.

| ADJUSTED NET INCOME

R\$ Million	2Q22	2Q23	Var %	6M22	6M23	Var %
Adjusted net income**	23.6	7.7	-67.2%	39.2	4.3	-88.9%
Margin	10.0%	3.3%	-6.7 p.p.	9.0%	1.1%	-7.9 p.p.

(**) In 6M23, financial result and income tax and social contribution excludes the provision for loss of IRPJ and CSLL (principal and inflation adjustment) related to the investment subsidy benefit used from 2019 to 2022.

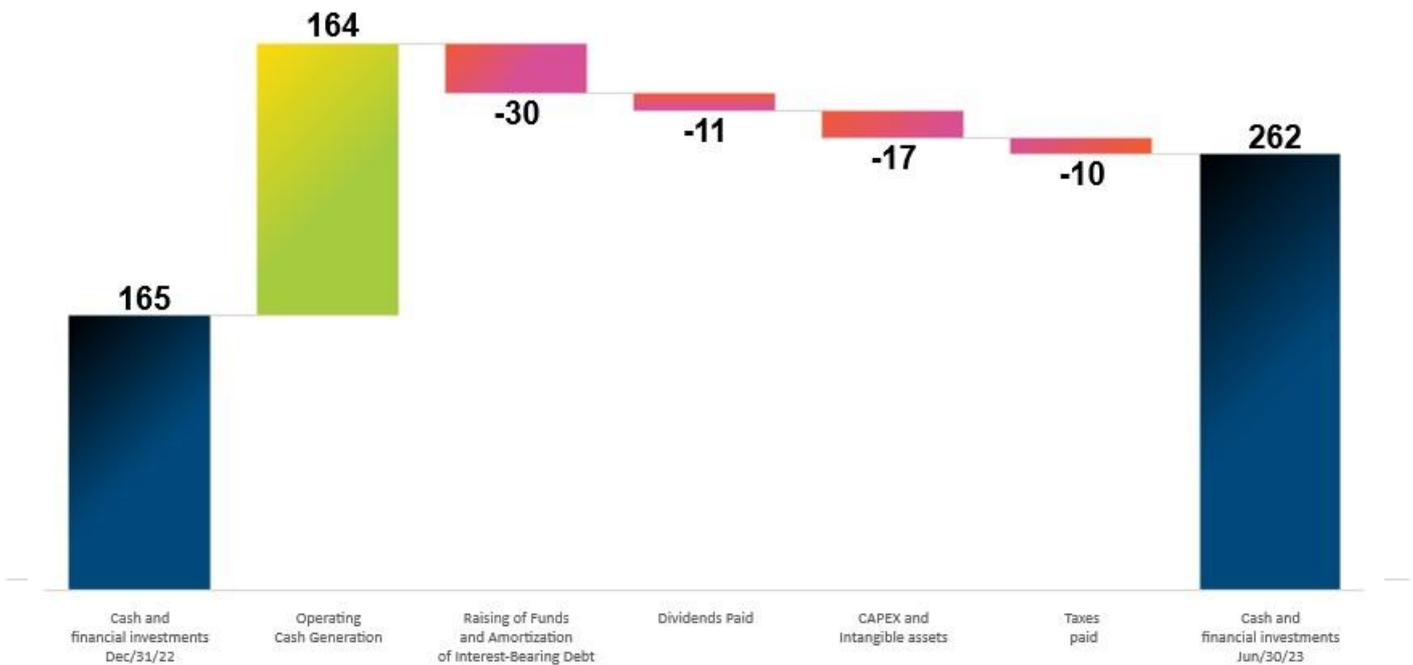
Adjusted net income amounted to R\$ 4.3 million in 6M23, reversing the loss recorded in 1Q23 and moving to a net margin of 1.1%. The 88.9% decrease compared to the same period of 2022 reflects the lower operating result and the non-dilution of general and administrative expenses, as previously mentioned.



| CASH POSITION

In 2Q23, we reached a robust operating cash generation, totaling R\$ 164.2 million, and representing R\$ 97 million increase when compared to the same period of the previous year. This result reaffirms our strong ability to generate and convert cash through the operation, maintaining a solid financial structure, suitable for Ourofino's strategic needs.

The flow of financing showed a R\$ 30.3 million decrease due to the amortization of loans and the flow of investments, R\$ 10.6 million related to the payment of dividends to shareholders and R\$ 16.7 million due to the acquisition of maintenance CAPEX and R&D intangible assets.



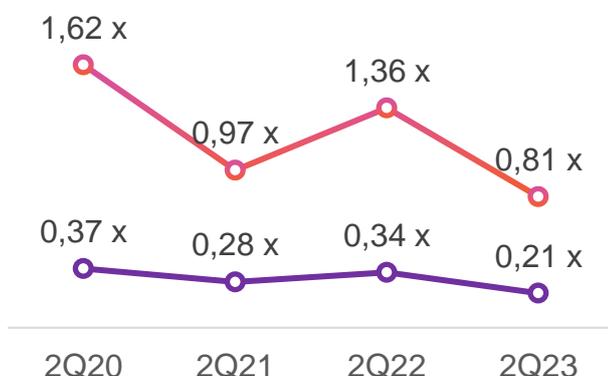


| INDEBTEDNESS

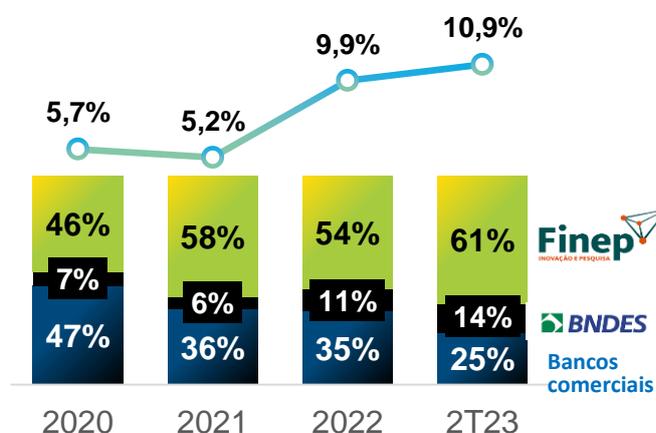
In R\$ million	2022	2023
Current	87.8	100.3
Non-current	361.0	303.3
Gross Debt	448.8	403.6
Related derivative financial instruments		0.3
Gross Debt considering related derivatives	448.8	403.9
(-) Cash and cash equivalents and short-term investments	217.0	262.1
Net Debt	231.8	141.7
Average cost of debt (year)¹	9.9%	10.90%
LTM net debt/adjusted annual EBITDA	1.36 x	0.81 x

The level of financial leverage was 0.81x Adjusted EBITDA, down 40.4% versus 2Q22. The debt profile remains well-suited to the Company's long-term investment characteristics, with 75.2% of the debt in the long term and 34.5% of gross debt with maturities above 5 years.

—○— Net Debt/NE
—○— Net Debt/Adjusted EBITDA



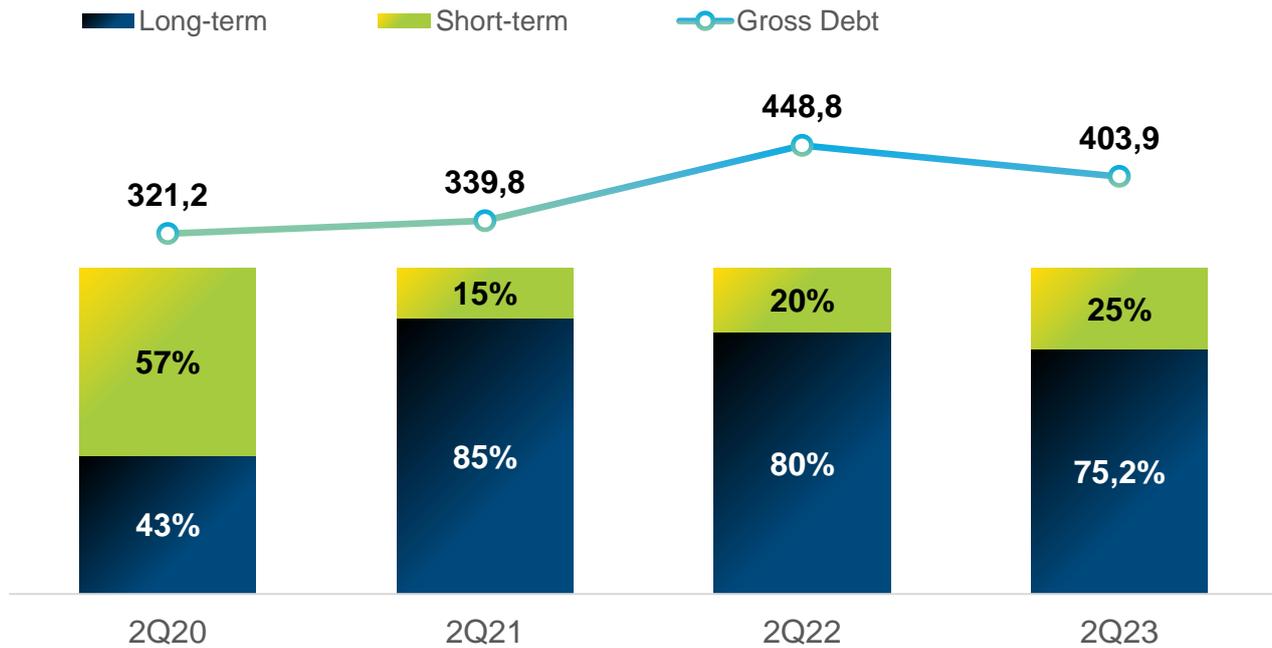
Composition



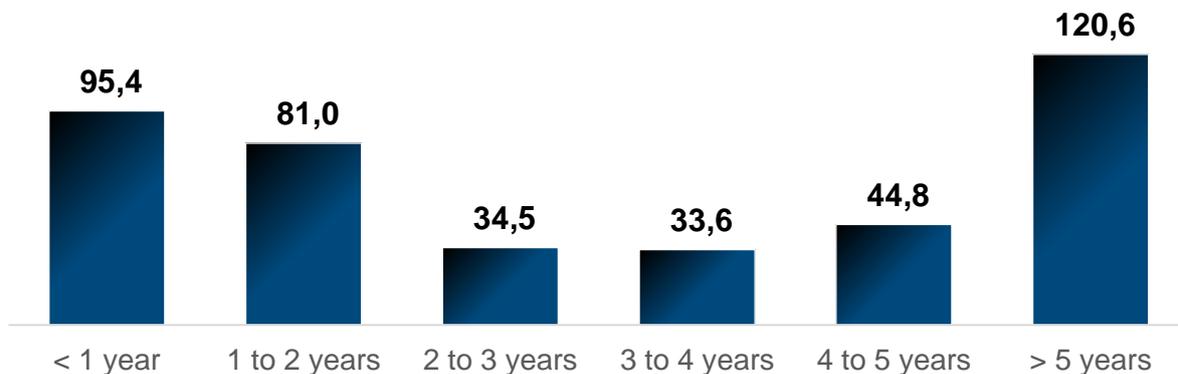


Additionally, the average cost of debt as of June 30, 2023 was 10.9% p.a., reflecting the high SELIC rate at the average of 13.75% p.a. during 2023. This cost does not fully match the increase in SELIC rate due to the company's debt profile with approximately 75% of the volume pegged mostly to TJLP, which currently stands at 7.28%, while in the same period in 2022, average TJLP was 6.82%.

Aging (R\$ million)



**Bank debt aging
R\$ million**

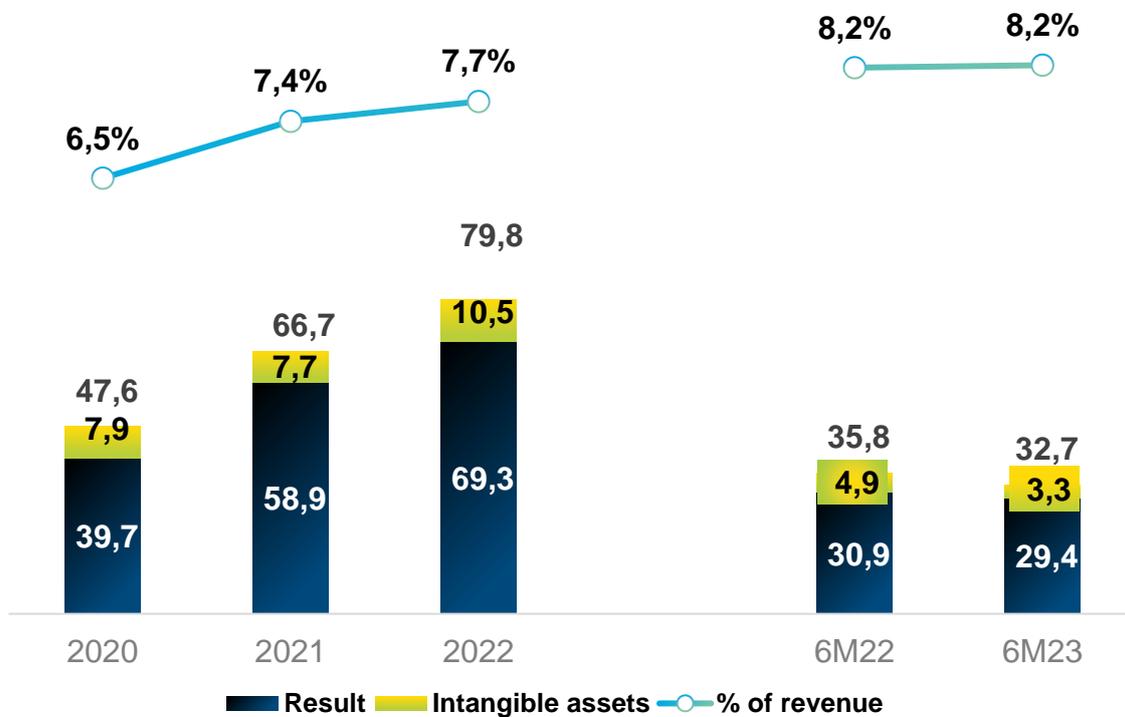




INVESTMENTS IN RESEARCH AND DEVELOPMENT

In 6M23, 8.2% of net revenue was invested, totaling R\$ 32.7 million. The total investment in line with 6M22 shows the commitment to project initiatives that can bring results in the short, medium, and long term. In May, we had 2 launches for the companion animals segment, increasing our portfolio of pharmaceutical products and bringing more solutions to our line of supplements for pets.

Investments in Research and Development
R\$ million





| INCOME STATEMENT - ADJUSTED

Statement of profit or loss (R\$ thousands)	2Q22	2Q23	6M22	6M23
Revenues	235,308	231,843	437,623	399,015
Cost of sales	(116,660)	(124,065)	(221,182)	(216,179)
Gross profit	118,648	107,778	216,441	182,836
Selling Expenses	(53,098)	(54,480)	(101,170)	(104,065)
Expenses on research and innovation	(15,107)	(13,607)	(30,947)	(29,421)
General and administrative expenses (*)	(15,114)	(14,156)	(28,198)	(29,275)
Other expenses, net (*)	329	34	2,567	(1)
Operating profit	35,658	25,569	58,693	20,074
Financial revenues	4,168	7,258	8,130	13,177
Financial expenses (**)	(10,442)	(11,367)	(19,289)	(22,212)
Derivative financial instruments, net		520		1,617
Foreign exchange variation, net	(1,307)	148	(3,098)	(49)
Finance Result	(7,581)	(3,441)	(14,257)	(7,467)
Earnings before income tax and social contribution	28,077	22,128	44,436	12,607
Current and deferred income tax and social contribution (**)(1)	(4,441)	(14,381)	(5,192)	(8,264)
Net income for the period	23,636	7,747	39,244	4,343

(*) Excluding in 6M22: (i) recovery of M&A expenses; (ii) expenses related to the merger of subsidiary OF Pet and (iii) gains from tax proceedings in previous periods. Excluding legal fees paid related to tax proceedings from previous years in 6M23. Including respective tax effects in both periods reported.

(**) In 6M23, financial result and income tax and social contribution excludes the provision for loss of IRPJ and CSLL (principal and inflation adjustment) related to the investment subsidy benefit used from 2019 to 2022.

(1) On April 26, 2023, the Higher Court of Justice ("STJ") completed the judgment on topic 1.182, and decided that tax benefits of exemption and reduction of ICMS tax basis may only be excluded from the calculation of IRPJ and CSLL tax basis if the requirements provided in article 10 of Supplementary Law 160/2017 and article 30 of Law 12.973/2014 are met. This decision has led to a significant change in the court's precedents concerning the thesis of the federal pact for ICMS tax benefits used by subsidiary Ouro Fino Agronegócio Ltda., a fact that was the subject of a Notice to the Market on April 27, 2023.

Considering that STJ's judgment was held shortly before the release of the information to the market for the first quarter of 2023, and that, until the release date, the decisions with the votes of each judge had not yet been published, the Company's legal advisors understood that there was no sufficient information that would justify any change in the accounting approach adopted until then. This assessment was disclosed in a note on subsequent events in the accompanying notes for the quarter ended March 31, 2023.

On June 12, 2023, the appellate decision with the complete votes of each STJ's minister were published, and considering the change in the caselaw, our legal advisors reassessed the previous prognosis on the subject. As a result of this reassessment, the Company recognized, in this second quarter, the amount of R\$ 82.3 million, of which R\$ 69.8 million as principal and R\$ 12.5 million as inflation adjustment. These amounts reflect the benefit calculated between the years 2019 and 2022.

It is important to highlight that, since the Company has an injunction with a favorable ruling on the issue in question, the change in the prognosis currently results only in non-cash accounting provisions.

Further details on the subject can be found in Note No. 1.1 (ii) of the Financial Statements for the 2nd quarter of 2023.



| INCOME STATEMENT - CORPORATE

Statement of profit or loss (R\$ thousands)	2Q22	2Q23	6M22	6M23
Revenues	235,308	231,843	437,623	399,015
Cost of sales	(116,660)	(124,065)	(221,182)	(216,179)
Gross profit	118,648	107,778	216,441	182,836
Selling Expenses	(53,098)	(54,480)	(101,170)	(104,065)
Expenses on research and innovation	(15,107)	(13,607)	(30,947)	(29,421)
General and administrative expenses	(15,250)	(14,373)	(28,365)	(29,492)
Other income (expenses), net	329	34	3,183	(1)
Operating profit	35,522	25,352	59,142	19,857
Financial revenues	4,168	7,258	8,130	13,177
Financial expenses	(10,442)	(23,881)	(19,289)	(34,726)
Derivative financial instruments, net		520		1,617
Foreign exchange variation, net	(1,307)	148	(3,098)	(49)
Finance Result	(7,581)	(15,955)	(14,257)	(19,981)
Profit (loss) before income tax and social contribution	27,941	9,397	44,885	(124)
Current and deferred income tax and social contribution	(4,395)	(79,797)	(5,345)	(73,680)
Net income (loss) for the period	23,546	(70,400)	39,540	(73,804)



| CASH FLOW STATEMENT (1/2)

Cash Flow Statement (R\$ thousands)	6M22	6M23
Cash flows from operating activities	44,885	(124)
Earnings before Income tax and social contribution		
Adjustments for:		
Expected credit losses	(41)	(84)
Provision for inventory losses and write-offs	2,789	7,275
Provision (reversal) of provision for customer bonuses	147	(249)
Depreciation and amortization	15,408	17,597
Gain (loss) on disposal of property, plant and equipment	(1,652)	(938)
Gain (loss) on disposal of intangible assets		14
Interest and monetary/foreign exchange variations, net	17,963	33,815
Derivative financial instruments		(1,617)
Provision for contingencies	(496)	(108)
Long-term incentive	1,673	4,972
Fair value adjustment	399	771
Changes in working capital		
Trade accounts receivable	45,325	113,589
Inventories	(66,142)	7,161
Taxes recoverable	4,399	25,421
Other assets	(358)	10
Trade accounts payable	17,143	(24,442)
Taxes payable	(10,444)	(1,114)
Other liabilities	(3,818)	(17,705)
Cash provided by operations	67,180	164,244
Interest paid	(14,643)	(16,969)
Income tax and social contribution paid	(6,743)	(9,588)
Net cash from operating activities	45,794	137,687



| CASH FLOW STATEMENT (2/2)

Cash Flow Statement (R\$ thousands)	6M22	6M23
Cash flows from investing activities		
Companies' acquisition, net of acquired cash	(14,532)	
Investment in intangible assets	(6,511)	(6,356)
Purchase of property, plant and equipment	(22,267)	(11,611)
Proceeds from sale of property, plant and equipment	2,975	1,276
Net cash used in investing activities	(40,335)	(16,691)
Cash flows from financing activities		
New loans and financing	81,104	4,681
Repayments of loan and financing	(17,768)	(17,597)
Lease payments	(799)	(1,450)
Payment of dividends and interest on equity	(12,768)	(10,576)
Realized derivative financial instruments		1,044
Net cash used in financing activities	49,769	(23,898)
Increase (decrease) in cash and cash equivalents, net	55,228	97,098
Cash and cash equivalents at the beginning of the quarter	161,254	165,036
Foreign exchange gains on cash and cash equivalents	473	(12)
Cash and cash equivalents at the end of the quarter	216,955	262,122



| BALANCE SHEET – ASSETS

Balance Sheet (R\$ thousands)	12/31/2022	06/30/2023
Assets		
Current assets	842,904	806,333
Cash and cash equivalents	165,036	262,122
Trade accounts receivable	301,008	187,522
Derivative financial instruments		781
Inventories	324,971	312,888
Taxes recoverable	31,368	23,630
Income tax and social contribution to recover	11,438	10,368
Related parties	414	533
Other assets	8,669	8,489
Non-Current Assets	503,601	494,102
Long-term receivables	55,167	43,075
Taxes recoverable	18,983	399
Deferred income tax and social contribution	34,069	40,750
Inventories	276	
Other assets	1,839	1,926
Permanent	448,434	451,027
Property, plant and equipment	342,358	342,932
Intangible assets	106,076	108,095
Total assets	1,346,505	1,300,435



| BALANCE SHEET - LIABILITIES AND NET EQUITY

Balance Sheet (R\$ thousands)	12/31/2022	06/30/2023
Liabilities and equity		
Current Liabilities	259,425	303,251
Trade accounts payable	85,566	62,133
Derivative financial instruments	64	273
Loans and financing	88,229	100,277
Salaries and payroll charges	47,875	35,961
Taxes payable	7,993	5,712
Income tax and social contribution payable		82,390
Dividends and interest on equity	10,576	
Related parties	414	375
Commissions on sales	6,614	4,280
Other liabilities	12,094	11,850
Non-Current Liabilities	351,111	332,767
Loans and financing	324,140	303,285
Provision for contingencies	5,675	5,647
Obligations on investment acquisition	8,153	8,153
Other liabilities	13,143	15,682
Total liabilities	610,536	636,018
Total Equity	735,950	664,399
Non-controlling interest	19	18
Total liabilities and equity	1,346,505	1,300,435

REIMAGINATING ANIMAL HEALTH



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