

3Vc



RESULTS

3Q23
& 9M23

Earnings

Conference Call

Friday, November 10, 2023

11 am BRT | 9 am EST

Portuguese with simultaneous translation into
English

[Webcast](#)



**Cravinhos,
November 09, 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 September 30, 2023 (3Q23).

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

Investor Relations

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Alan Silva

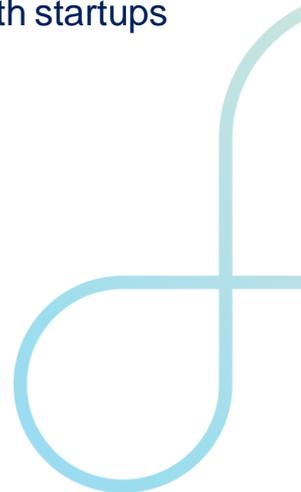
João Lourençatto





HIGHLIGHTS

- **Operating cash generation** of R\$ 202.3 million, R\$ 146.4 million higher than the same period of the previous year.
- **Leverage Decline to 0.5x EBITDA**, with 71.4% of debt in the long term, with 83,7% of all gross debt via FINEP and BNDES and an average debt cost of 10.0% in 3Q23.
- **We moved up 15 positions** in the ranking of the 150 best companies to work for in Brazil by GPTW, and we are also the **2nd best in the agribusiness sector**.
- **3rd place** among the companies that most practice open innovation with startups in the country, in **Agribusiness category, by Top 100 Open Corps**.





| MESSAGE FROM THE EXECUTIVE BOARD

In the last 3 years we have made strategic, structural and procedural changes that have contributed to excellent results and that have led us to reach 3rd position in the domestic ranking of animal health companies. During this period, we grew sustainably for consecutive quarters, with improvements in cash generation and capital structure profile that allowed us to intensify investments in R&D, streamline our systems and processes, which has led us to several recognitions and awards.

In 2023, as we have been reporting, we are facing a reversal in market conditions and, similar to the first quarters of the year, 3Q23 was no different. The market remains sluggish and is still suffering from the impact of a combination of negative factors, leading to results below our expectations. During these nine months, we adjusted our spending and investment planning in line with the current business context and reinforced the search for increased efficiency in our internal processes, focusing on the customer and diligent management of our business.

In production animals, we continue to face a more constrained business environment with investments being held back due to the rise in interest rates, which puts pressure on the working capital management of stores, resellers and distributors who have decided to reduce their inventories. As we reported in previous quarters, in 2023 we also had a number of negative events that impacted the protein production chain in the short term, such as the temporary interruption of meat exports to Russia and China, strong climate variation in southern Brazil and the release of vaccination against foot-and-mouth disease in several states, in addition to the involution of the reproductive cycle.

As for companion animals, we witnessed the market returning to pre-pandemic growth levels, however, in 2023, we still have a negative impact from the high household debt and the trend towards a slowdown in consumption driven by the maintenance of high interest rates, which has hampered the flow of products across the chain, which is going through a period of destocking.

In international operations, we continue to work hard in our subsidiaries in Mexico and Colombia and expanding our reach in Latin American countries by signing agreements with local partners in Chile and the Dominican Republic for the distribution of some lines of Ourofino products, and we are also moving forward with product registration in Latin American countries, increasing the coverage of our international portfolio.

We remain solid in terms of our financial conditions, with robust cash generation, low debt levels, with a long-term profile and interest rates below market benchmarks, which allows us to execute investments in research, development, and innovation and prepares us for a recovery in the market and a virtuous cycle in the business environment. 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.

Reinforcing our commitment to challenging conventional thinking through an engaged and innovative team, we were once again awarded as one of the Best Companies in Brazil by GPTW (Great Place To Work) with position 37 in the ranking among companies with 1,000 to 10,000 employees, advancing 15 positions compared to 2022. Looking ahead, we were recognized with the 3rd place among the



companies that most practice open innovation with startups in the country, in Agribusiness category, by Top 100 Open Corps.

We are confident that the foundations for the resumption of growth and historic profitability have been laid by aiming for improved operating and administrative efficiency, in addition to the ongoing agenda of seeking innovative solutions for protein production and the welfare of companion animals. We understand that this is an atypical moment for the sector and that it does not undermine the potential of our growth drivers and Brazil's status as one of the world's major food suppliers.

Kleber Gomes
Chief Executive Officer

Marcelo da Silva
Chief Financial Officer and
Investor Relations Officer



FINANCIAL PERFORMANCE

R\$ Million	3Q22	3Q23	Var %	9M22	9M23	Var %
Net Revenue	280.7	263.7	-6.1%	718.3	662.7	-7.7%
(-) Cost of Goods Sold	(133.9)	(135.3)	1.0%	(355.2)	(351.5)	-1.0%
Gross Profit	146.7	128.4	-12.5%	363.2	311.2	-14.3%
Gross Margin	52.3%	48.7%	-3.6 p.p.	50.6%	47.0%	-3.6 p.p.
Adjusted Ebitda *	65.0	57.1	-12.2%	137.5	94.7	-31.1%
Adjusted EBITDA Margin *	23.2%	21.6%	-1.6 p.p.	19.1%	14.3%	-4.8 p.p.
Adjusted Net Income **	44.5	10.2	-77.1%	82.6	14.5	-82.4%
Adjusted Net Margin **	15,8%	3,9%	-11,9p.p.	11,5%	2,2%	-9,3 p.p.

(*) In 9M22, excluding: recovery of expenses with M&A transaction; (ii) expenses with the merger of subsidiary OF Pet; (iii) gains from tax proceedings in previous periods and (iv) extemporaneous credits from previous years. In 9M23, excluding: (i) legal fees relating to successful tax proceedings and (ii) extemporaneous credits from previous years. Including respective tax effects in both periods reported.

(**) In 9M23, 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.

(***) In 9M23, also excluding: (i) provision for impairment of intangible assets, (ii) write-off of goodwill relating to investment acquisition and (iii) reversal of contingent liabilities relating to investment acquisition.



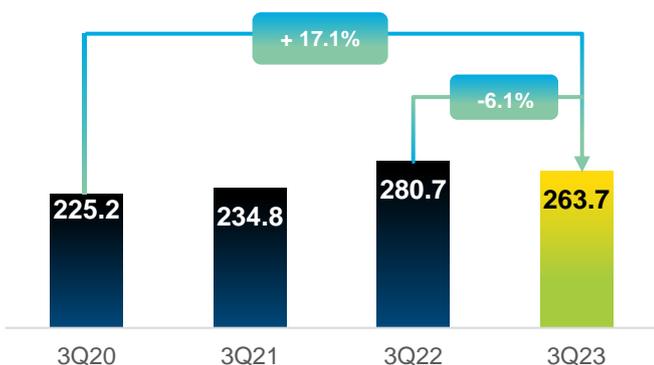
| CONSOLIDATED NET REVENUE AND GROSS PROFIT

The Company's consolidated net revenue in 3Q23 reached to R\$ 263.7 million, amounting to R\$ 662.7 in 9M23, 6.1% and 7.7% lower as compared to the same period of the previous year. The third quarter was a period with still complex market scenario due to a combination of factors that negatively influenced the company's results.

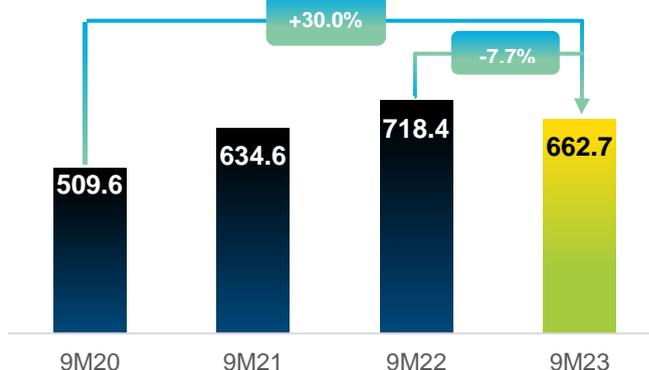
Accumulated gross profit totaled R\$ 311.2 million, representing 47.0% gross margin, 3.6 percentage points lower compared to the same period of the previous year (9M22). This performance is a reflection of the repricing of some product lines, plant idleness in the first quarter, and the decline in sales, which, as a consequence, reduces the dilution of our fixed production costs, which penalizes the company's gross margin.

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 and consecutive results in the last few years.

Net Revenue - Consolidated
R\$ Million



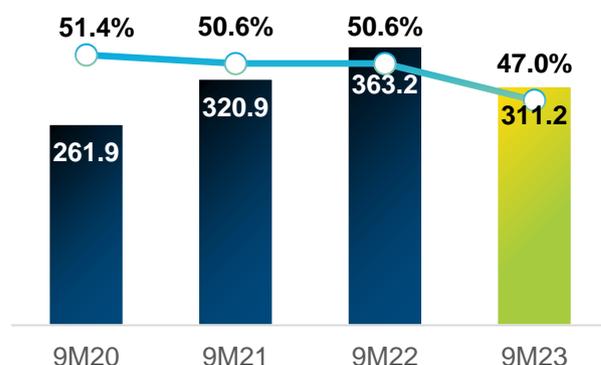
Net Revenue - Consolidated
R\$ Million



Gross Profit and margin - Consolidated
R\$ Million



Gross Profit and margin - Consolidated
R\$ Million





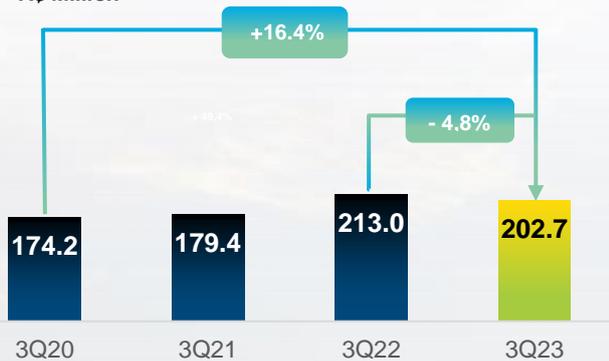
| PRODUCTION ANIMALS

The business unit recorded net revenue of R\$ 202.7 million in 3Q23 and R\$ 482.7 million in 9M23, down 4.8% and 8.6%, respectively, as compared to the same period of the previous year. Gross margin in 9M23 was 41.9%, representing a 3.9 p.p. decrease as compared to 9M22.

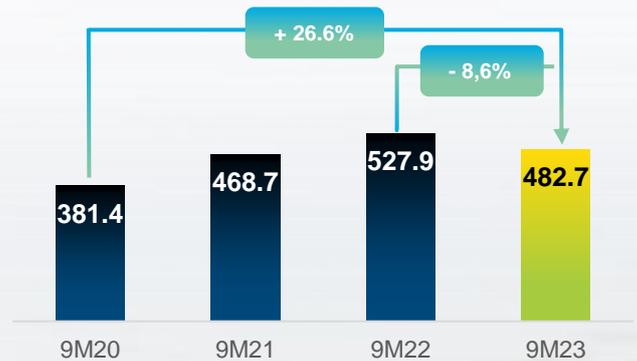
Domestic market continues to experience significant complexity in 2023 due to the atypical events we reported in the first half of the year. The business unit's performance has been impacted by the drop in sales of breeding products, endectocides and foot-and-mouth vaccine, especially in the country's Mid-North region, which is characterized by extensive beef cattle production on large properties.

We emphasize that we ended the quarter with a portfolio of around 4 thousand 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.

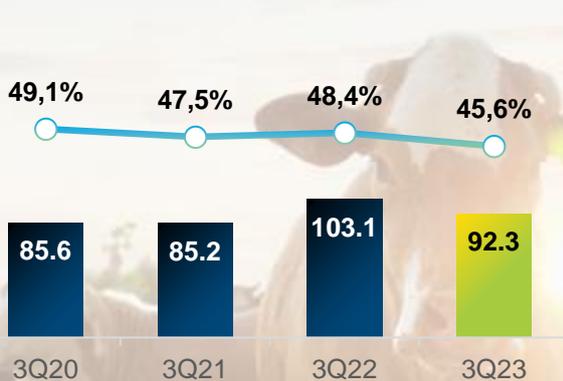
Net Revenue - Production animals
R\$ Million



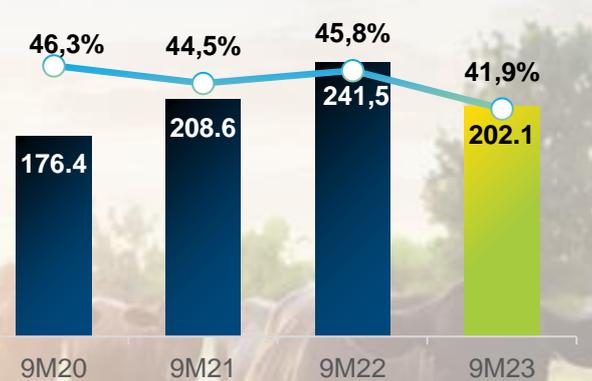
Net Revenue - Production animals
R\$ Million



Gross profit and margin - Production animals
R\$ Million



Gross profit and margin - Production animals
R\$ Million





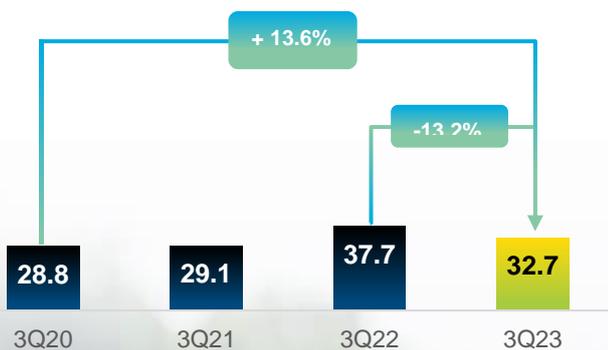
| COMPANION ANIMALS

The business unit reached a net revenue of R\$ 32.7 million in 3Q23, down 13.2% as compared to 3Q22. In 9M23, revenue amounted to R\$ 92.6 million, down 8% compared to the same period of the previous year. In 3Q23, gross profit amounted to R\$ 22.2 million with 67.8% gross margin, representing 0.9 p.p. increase and, in 9M23, gross profit was 61.4 million with 66.4% margin, down 2.5 p.p. as compared to 9M22.

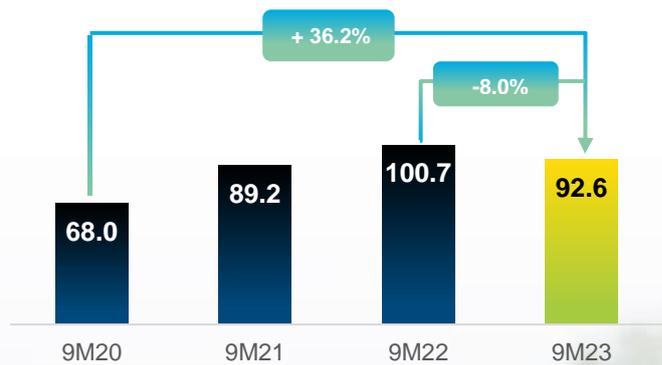
As previously mentioned, the strong household indebtedness and the slowdown in consumption due to the rise in interest rates have hampered the circulation of products throughout the chain. As a result, the pet market has gone through a period of stock adjustment and has returned to its pre-pandemic growth pattern. Despite lower sales, in the quarter we had a slight increase in gross margin compared to 3Q22, partially restoring the margin for the year (1Q23: 65.4%; 2Q23: 65.7%; and 3Q23: 67.8%).

Our actions are aimed at access and distribution strategies, improving our closeness to veterinarians and owners so that they have the most appropriate solutions for their pets. Furthermore, we have expanded our operations with major retailers in the sector, which expand the reach of our products to owners.

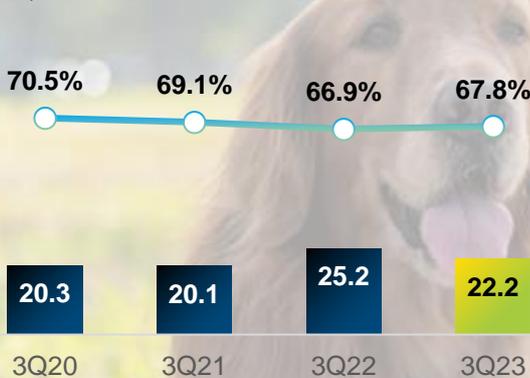
Net Revenue - Companion animals
R\$ Million



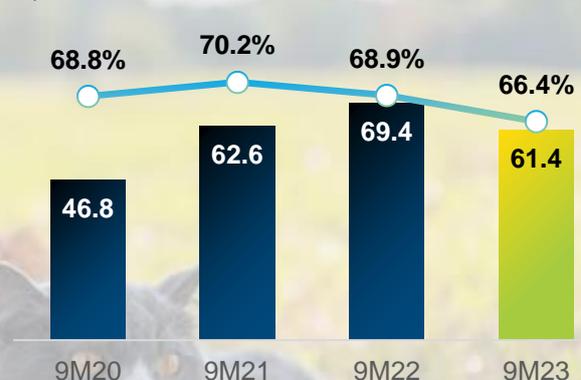
Net Revenue - Companion animals
R\$ Million



Gross profit and margin - Companion animals
R\$ Million



Gross profit and margin - Companion animals
R\$ Million





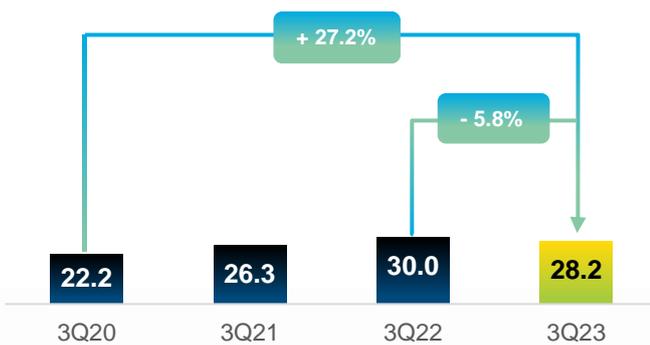
| INTERNATIONAL OPERATIONS

The business unit recorded net revenue of R\$ 28.2 million in 3Q23, 5.8% lower as compared to the same period of 3Q22 and R\$ 87.4 million revenue in 9M23, down 2.7%.

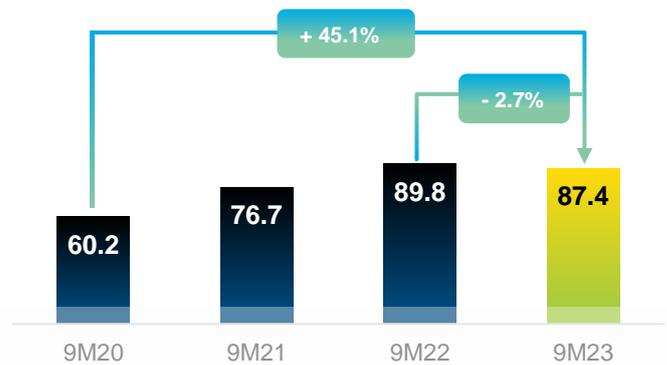
Gross profit in 3Q23 amounted to R\$ 13.9 million with 49.1% margin, while 9M23 totaled R\$ 47.6 million with 54.5% gross margin. In subsidiaries, we showed revenue growth in Mexico, and sales growth in local currency in Colombia, reduced by the exchange rate impact in the country.

For the other countries, we were affected by the reduction in the volumes of foot-and-mouth disease vaccine and the provisioning for impairment related to FMD records in Latin America, given the halt in reduction. We emphasize that the company continues to expand its market and register/launch products from our domestic portfolio for Latin American countries. Reflecting this strategy, we entered distribution partnerships in two new countries this quarter: Chile and the Dominican Republic.

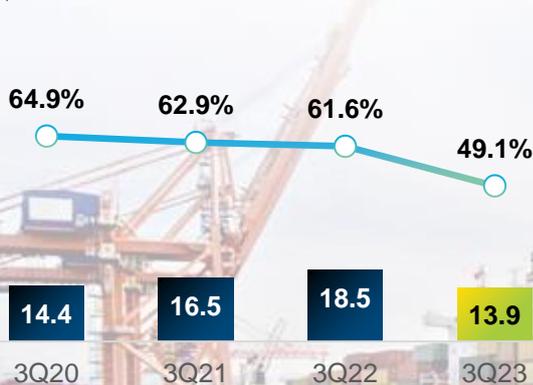
Net Revenue - International operations
R\$ Million



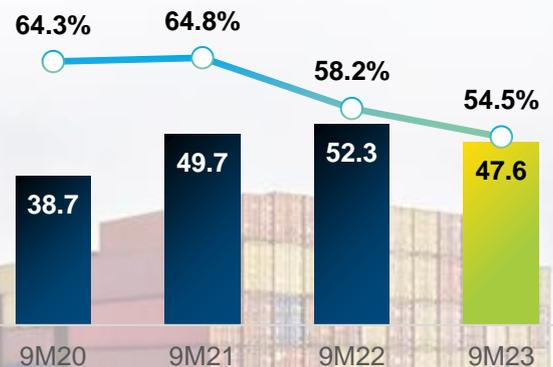
Net Revenue - International operations
R\$ Million



Gross Profit and margin – International Operations
R\$ Million



Gross Profit and margin – International Operations
R\$ Million





| SELLING, GENERAL AND ADMINISTRATIVE EXPENSES AND OTHERS

R\$ Million	3Q22	3Q23	Var %	9M22	9M23	Var %
Selling, general and admin. expenses	(72.5)	(68.5)	-5.5%	(202.0)	(202.0)	0.0%
Percentagens on net revenue	-25.8%	-26.0%	-0.2 p.p.	-28.1%	-30.5%	-2.4 p.p.
Other income (expenses), net	1.2	(18.5)	-1634.6%	4.4	(18,5)	-522.0%
Percentagens on net revenue	0.4%	-7.0%	-7.4 p.p.	0.6%	-2.8%	-3.4 p.p.

Selling, general and administrative expenses decreased by 5.5% in the third quarter of 2023, reflecting actions taken in the first quarters of the year, totaling R\$ 202.0 million in 9M23. We have worked in-house in the last quarters to seek efficiency gains across the entire operation, restructuring and adjusting our spending and investment planning in accordance with the current business context. We are confident that these measures place us in a solid position to face the challenges and ensure the company's sustainable growth in the coming periods.

In other net expenses, the main impact is related to the impairment of recoverable amounts and the Goodwill generated in the business combination with Regenera, conducted in September 2023. The company assessed the recoverability of the goodwill related to the Regenera acquisition and concluded that the recoverable amount of the assets was lower than their carrying amount. As a result, we recorded a full impairment of the Goodwill in the amount of R\$18.1 million and a provision for impairment of the fair value of intangible assets in the amount of R\$6.3 million in the income statement. Furthermore, the liabilities recognized at the time of acquisition were reviewed, with adjustments totaling R\$ - 5.1 million. For more details, please refer to Item 5.e) of the company's consolidated financial statements.

| RESEARCH AND DEVELOPMENT EXPENSES

R\$ Million	3Q22	3Q23	Var %	9M22	9M23	Var %
Expenses on research and innovation and portfolio management	(18.2)	(13.3)	-26.9%	(49.2)	(42.8)	-13.1%
Percentagens on net revenue	-6.5%	-5.1%	1.4 p.p.	-6.8%	-6.5%	0.3 p.p.

We invested R\$ 49.7 million in research and development in 9M23 (chart on page 18), of which R\$ 42.8 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 we have an agenda of continuous investment in research, development and innovation and that the level of quarterly investment may change depending on the stage and cycle of the research. We remain aligned with our strategic planning for launches and new partnerships aimed at bringing new revenue to the company.



| EBITDA AND EBITDA MARGIN

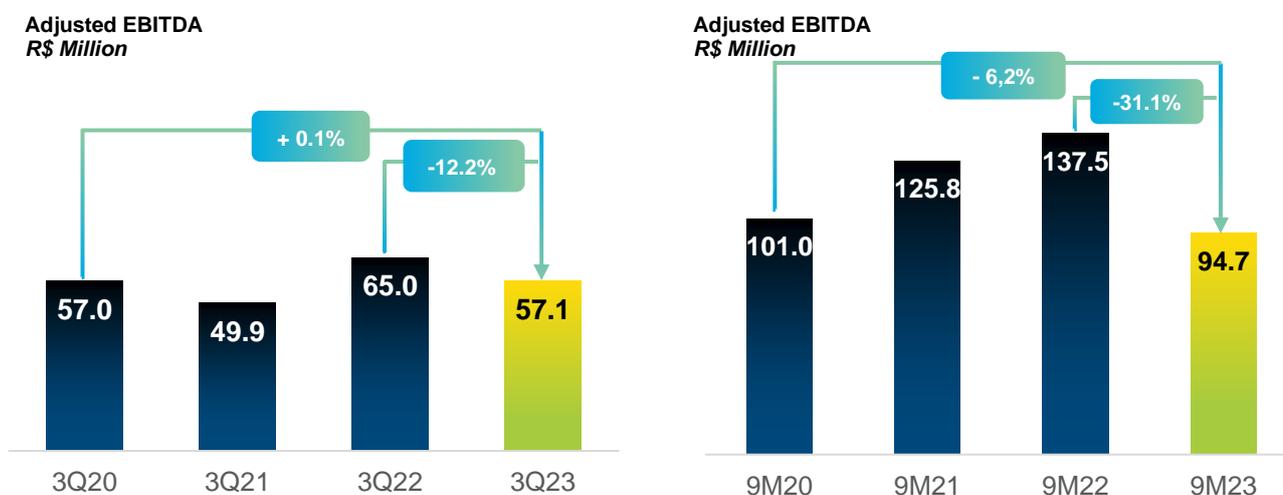
R\$ Million	3Q22	3Q23	Var %	9M22	9M23	Var %
Adjusted net income **	44.5	10.2	-77.1%	82.6	14.5	-82.4%
(+) Non-recurring results	0.3	(6.1)	-1956.8%	1.7	(84.2)	-4982.0%
Net income (loss) for the period	44.8	4.1	-90.8%	84.3	(69.7)	-182.6%
(+) Net financial result **	6.5	3.7	-43.6%	20.7	23.6	14.0%
(+) Income tax and social contribution**	6.0	20.3	238.7%	11.3	94.0	729.2%
(*) Depreciation and amortization	8.3	16.5	100.4%	23.7	34.1	44.3%
EBITDA	65.5	44.6	-31.9%	140.1	82.1	-41.4%
(+) Non-recurring effects (*)	(0.5)	12.5	-2612.6%	(2.6)	12.7	-585.1%
Adjusted EBITDA ***	65.0	57.1	-12.2%	137.5	94.7	-31.1%
Net sales revenue	280.7	263.7	-6.1%	718.3	662.7	-7.7%
EBITDA margin	23.3%	16.9%	-6.4 p.p.	19.5%	12.4%	-7.1 p.p.
Adjusted EBITDA margin	23.2%	21.6%	-1.6 p.p.	19.1%	14.3%	-4.8 p.p.

(*) In 9M22, excluding: recovery of expenses with M&A transaction; (ii) expenses with the merger of subsidiary OF Pet; (iii) gains from tax proceedings in previous periods and (iv) extemporaneous credits from previous years. In 9M23, excluding: (i) legal fees relating to successful tax proceedings and (ii) extemporaneous credits from previous years. Including respective tax effects in both periods reported.

(**) In 9M23, 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.

(***) In 9M23, also excluding: (i) provision for impairment of intangible assets, (ii) write-off of goodwill relating to investment acquisition and (iii) reversal of contingent liabilities relating to investment acquisition.

Adjusted EBITDA in 3Q23 was R\$ 57.1 million, down 12.2% versus 3Q22 and amounting to R\$ 94.7 million in 9M23, down 31.1%. This mainly reflects the reduction in our gross profit as general and administrative expenses remained in line with the previous year.





| FINANCIAL RESULT

R\$ Million	3Q22	3Q23	Var %	9M22	9M23	Var %
Net financial result	(6.5)	(1.4)	-78.9%	(20.7)	(8.8)	-57.4%

Net financial result for 3Q23 had a positive impact of R\$ 5.1 million compared to 3Q22, totaling a R\$ 11.9 million decrease versus 9M22 reflects the increasing of cash availability and the improvement of capital structure. Adjusted value for the effects of the provision of tax benefits of subsidies used between the years 2019 and 2022.

| INCOME TAX AND SOCIAL CONTRIBUTION

R\$ Million	3Q22	3Q23	Var %	9M22	9M23	Var %
Income tax and social contribution	(5.8)	(16.0)	175.3%	(10.4)	(24.3)	132.5%
Percentage on Profit before IT and SC	-11.6%	-61.1%	-49.5 p.p.	-11.2%	-62.5%	-51.3 p.p.

Income tax and social contribution totaled R\$ 24.3 million in 9M23. Initially, this line item was impacted by R\$ 84.4 million referring to the provisioning of tax benefits used from 2019 to 2022. Which were judged by the STJ under Topic 1.182 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 9M23. Since it refers to effects of previous periods, these values were adjusted in this statement.

Additionally, on October 2023, subsidiary Ouro Fino Agronegócio Ltda. was notified by the Brazilian Federal Revenue Service ("RFB") of an IRPJ and CSLL tax assessment (notice of infraction), on the grounds of an undue exclusion in the calculation of taxable income, arising from investment grants excluded from the calculation between 2019 and 2022. In the constitution, this tax assessment notice had its enforceability stayed due to a favorable court decision that recognized its right to exclude the amounts related to ICMS tax benefits provided for in ICMS Agreement 100/97 from IRPJ and CSLL calculation, irrespective of the classification as an investment or funding subsidy and compliance with the requirements of art. 30 of Law No. 12.973/14.

On October 27, 2023, the ruling on the writ of mandamus mentioned above was published, granting the Federal Government's appeal, adopting the understanding drawn up by the Superior Court of Justice in REsp paradigms No. 1.945.110/RS and No. 1.987.158/SC (theme 1182). Thus, the enforceability of the tax credit discussed in the writ of mandamus (IRPJ and CSL of the taxable events that occurred from January/2019) was reestablished.



| ADJUSTED NET INCOME

R\$ Million	3Q22	3Q23	Var %	9M22	9M23	Var %
Adjusted net income	44.5	10.2	-77.1%	82.6	14.5	-82.4%
Margin	15.8%	3.9%	-11.9 p.p.	11.5%	2.2%	-9.3 p.p.

Adjusted net income amounted to R\$ 14.5 million in 9M23, representing an 82.4% decrease compared to 2Q23. Reflecting the lower operating result impacted by an unfavorable external scenario and the non-dilution of general and administrative expenses, as previously mentioned.

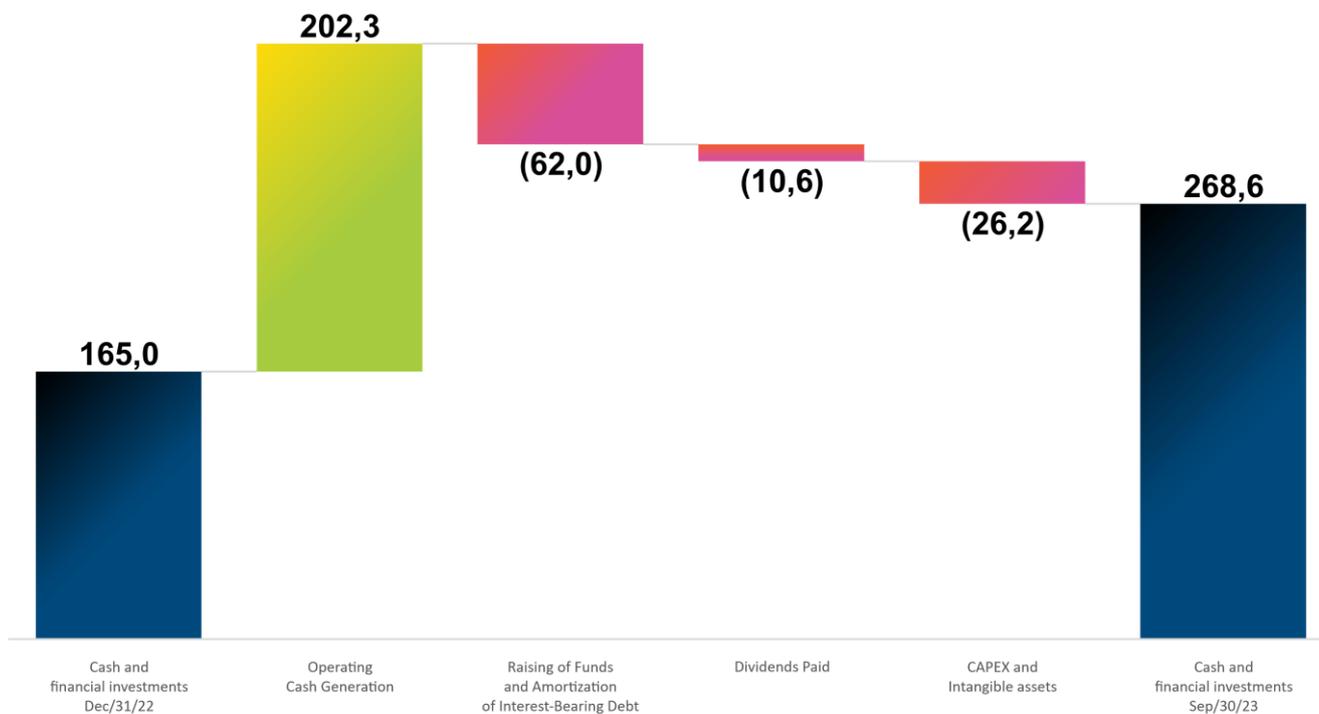


| CASH POSITION

In 3Q23, we reached a robust operating cash generation, totaling R\$ 202.3 million, and representing R\$ 146.4 million increase when compared to the same period of the previous year. This result reaffirms the strong ability to generate and convert cash through the operation, maintaining a solid financial structure, suitable for Ourofino's strategic needs and prepared to resume the historic business growth.

The flow of financing showed a R\$ 90.1 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\$ 26.2 million due to the acquisition of maintenance CAPEX and R&D intangible assets.

Cash position R\$ Million



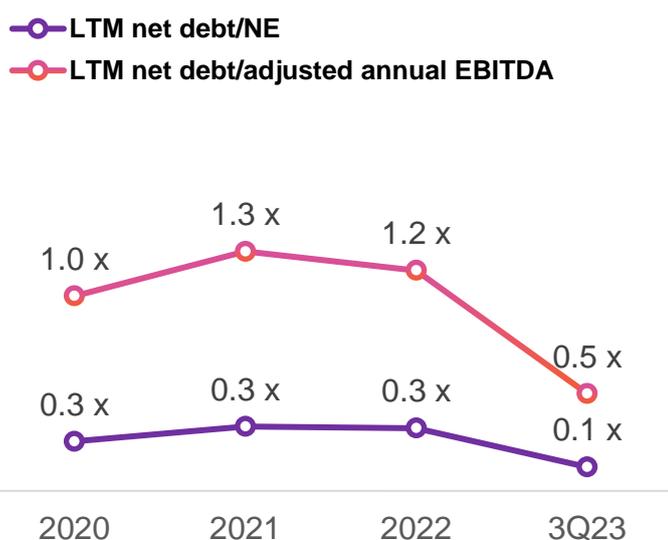


| INDEBTEDNESS

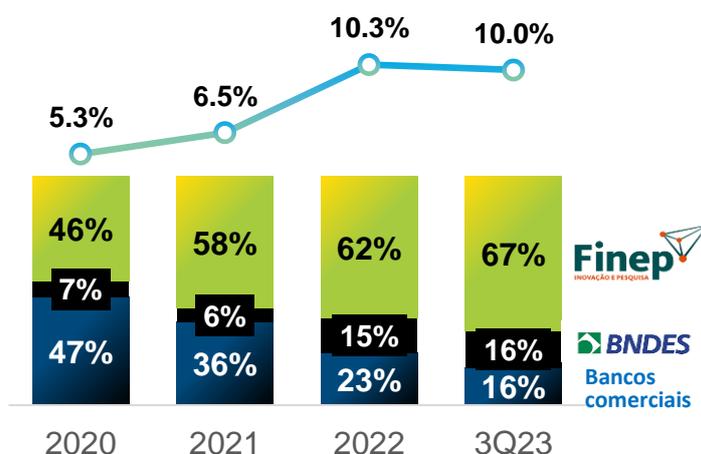
In R\$ million	2022	9M23
Current	88.2	101.1
Non-current	324.1	253.0
Gross Debt	412.4	354.1
Related derivative financial instruments		0.6
Gross Debt considering related derivatives	412.4	354.6
(-) Cash and cash equivalents and short-term investments	165.0	268.6
Net Debt	247.3	86.0
Average cost of debt (Quarter)¹	10.3%	10.0%
LTM net debt/adjusted annual EBITDA	1.2x	0.5x

¹ Net debt with banks considering bank-issued guarantee costs.

The level of financial leverage was 0.5x Adjusted EBITDA, down 58% versus 2022. The debt profile remains well-suited to the Company's long-term investment characteristics, with 71.4% of the debt in the long term and 31.7% of gross debt with maturities above 5 years.



Composition

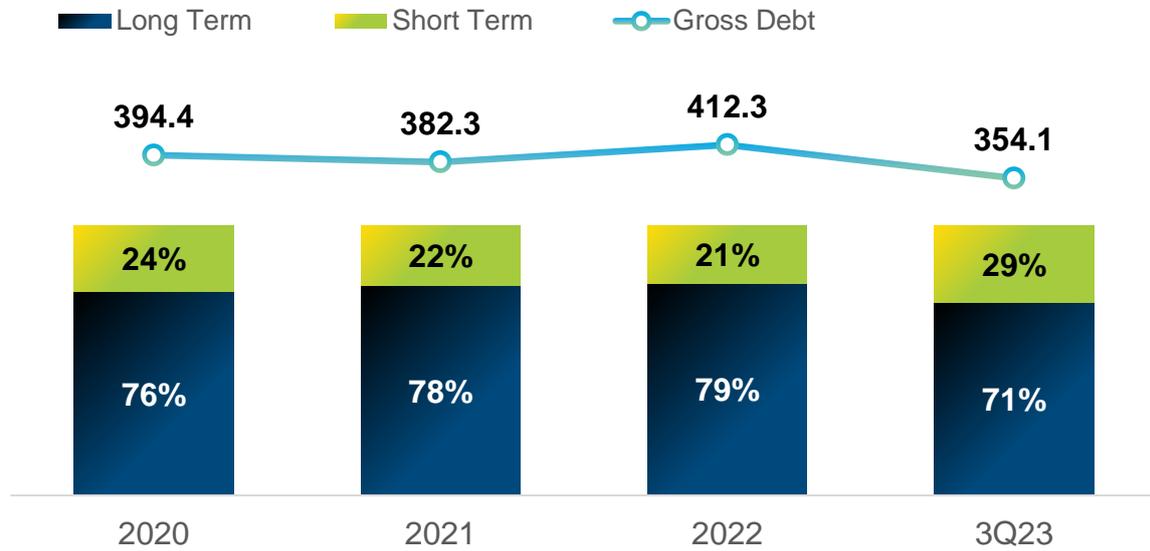


Additionally, the average cost of debt as of September 30, 2023 was 10.0% p.a., reflecting the high SELIC rate at the average of 13.32% p.a. up to September 2023. This cost does not fully match the

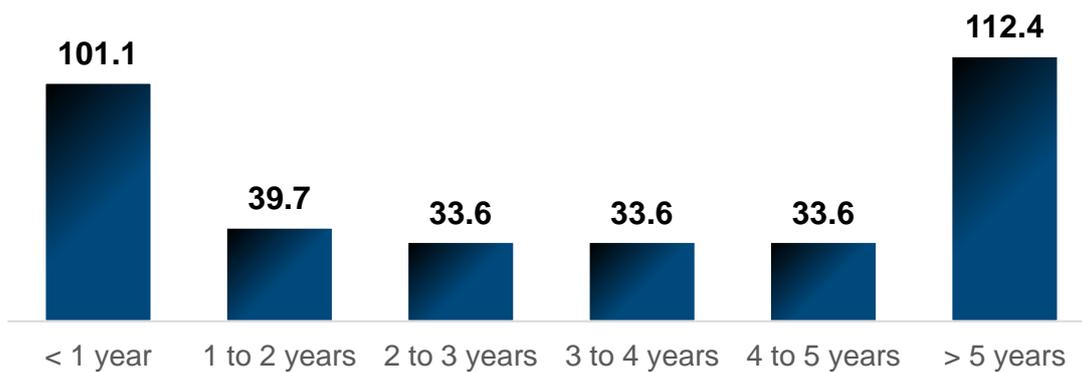


SELIC rate due to the company's debt profile with approximately 67% of the volume pegged to TJLP, which currently stands at 7.0%, while in the same period in 2022, average TJLP was 6.6%.

Aging (R\$ million)



Aging of banking indebtedness
R\$ Million

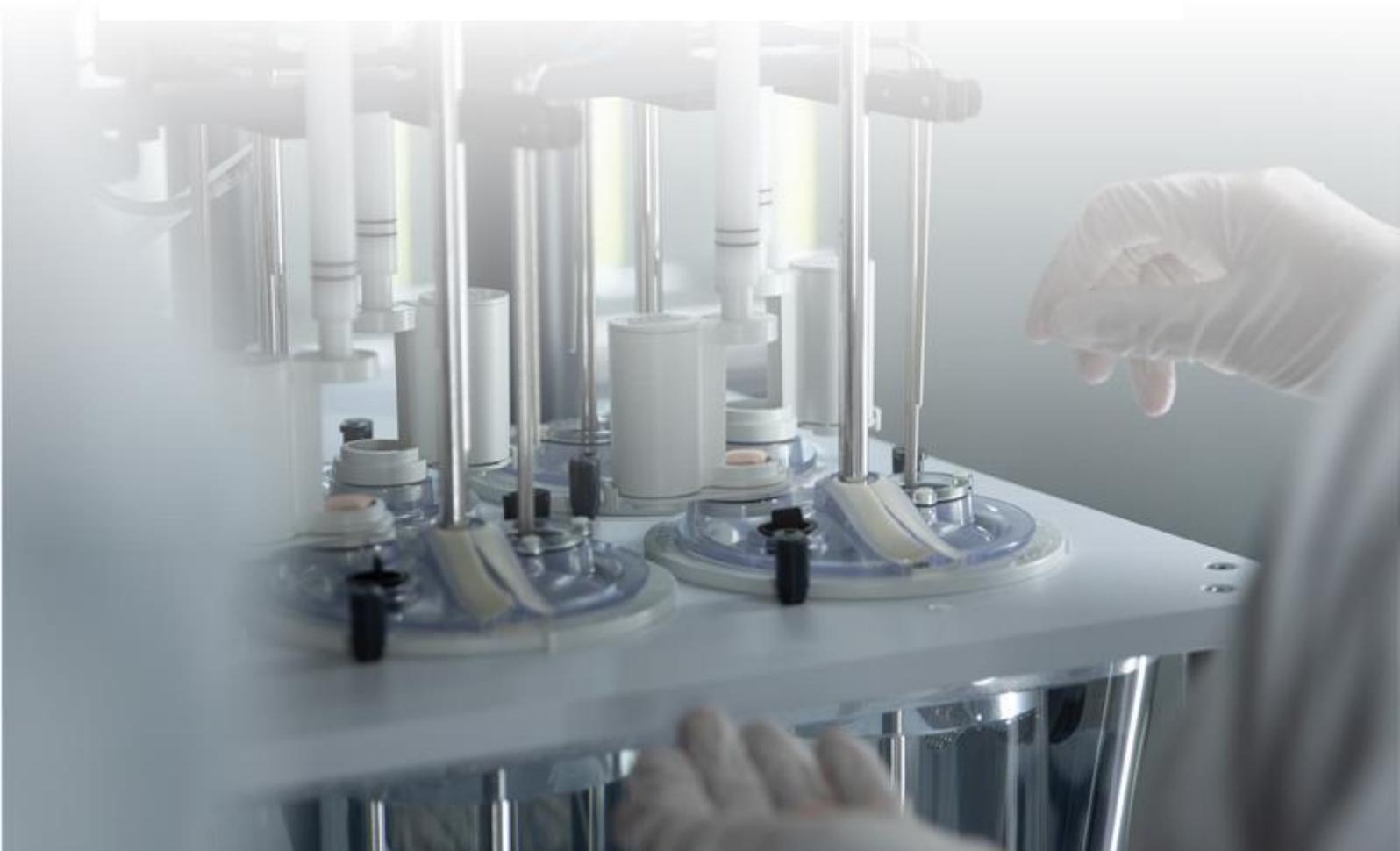
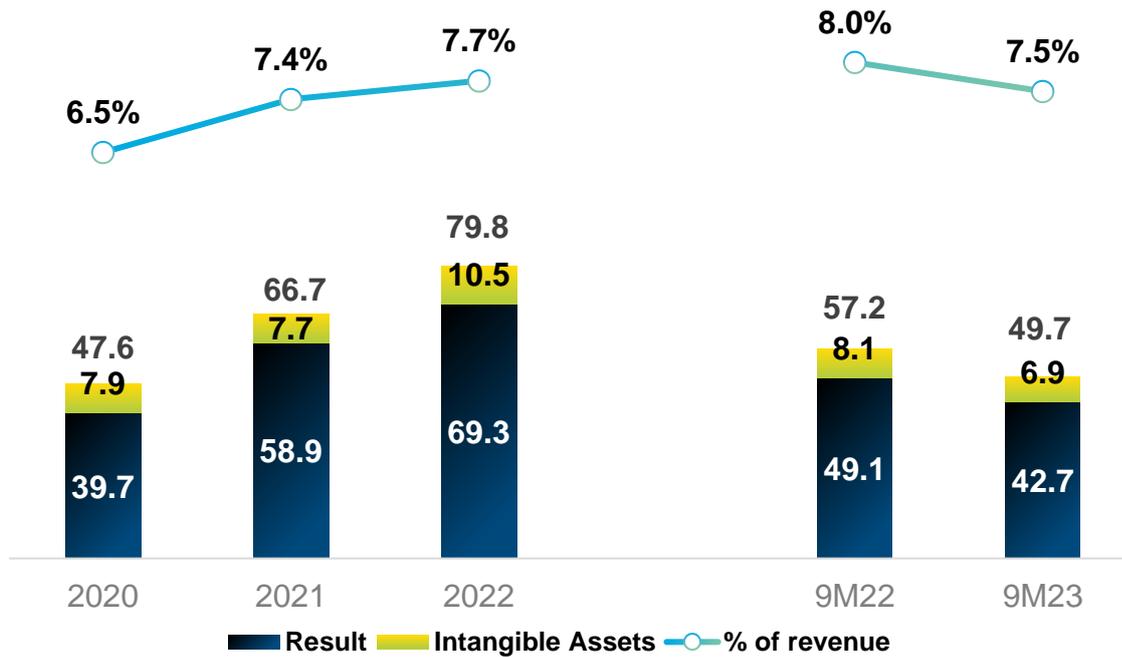




| INVESTMENTS IN RESEARCH AND DEVELOPMENT

In 9M23, 7.5% of net revenue was invested, totaling R\$ 49.7 million Total investment is in line with Ourofino's investment history, showing its commitment to project initiatives that can bring results in the short, medium and long term.

Investments in Research and Development
R\$ Million





| INCOME STATEMENT - ADJUSTED

Income Statement (R\$ thousand)	3Q22	3Q23	9M22	9M23
Revenues	280,718	263,670	718,341	662,685
Cost of sales	(133,971)	(135,286)	(355,153)	(351,465)
Gross profit	146,747	128,384	363,188	311,220
Selling Expenses	(57,085)	(54,840)	(158,255)	(158,905)
Expenses on research and innovation	(18,232)	(13,332)	(49,179)	(42,753)
General and administrative expenses (*)	(15,156)	(13,626)	(43,354)	(42,901)
Other expenses, net (*)	499	(19,001)	1,397	(19,002)
Operating profit	56,773	27,585	113,797	47,659
Financial revenues	5,976	8,387	14,106	21,564
Financial expenses: (*)	(11,915)	(10,112)	(31,204)	(32,324)
Derivative financial instruments, net	87	(396)	87	1,221
Foreign exchange variation, net	(637)	752	(3,735)	703
Finance Result	(6,489)	(1,369)	(20,746)	(8,836)
Earnings before Income tax and social contribution	50,284	26,216	93,051	38,823
Current and deferred income tax and social contribution (*) (1)	(5,817)	(16,014)	(10,442)	(24,278)
Net income for the period	44,467	10,202	82,609	14,545

(*) Excluding non-recurring expenses and their respective tax effects.

(1) On April 26, 2023, the Superior 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 released under 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, for the nine-month period ended September 30, 2023, the amount of R\$ 89.4 million, of which R\$ 74.6 million as principal and R\$ 14.8 million as inflation adjustment. These amounts reflect the benefit calculated between the years 2019 and 2022.

Further details on the subject can be found in Note No. 1.1 (ii) of the Financial Statements ended September 30, 2023.



| INCOME STATEMENT - CORPORATE

Income Statement (R\$ thousand)	3Q22	3Q23	9M22	9M23
Revenues	280,718	263,670	718,341	662,685
Cost of sales	(133,971)	(135,286)	(355,153)	(351,465)
Gross profit	146,747	128,384	363,188	311,220
Selling Expenses	(57,085)	(54,840)	(158,255)	(158,905)
Expenses on research and innovation	(18,232)	(13,332)	(49,179)	(42,753)
General and administrative expenses	(15,368)	(13,626)	(43,733)	(43,118)
Other income (expenses), net	1,207	(18,523)	4,390	(18,524)
Operating profit	57,269	28,063	116,411	47,920
Financial revenues	5,976	8,387	14,106	21,564
Financial expenses	(11,915)	(12,406)	(31,204)	(47,132)
Derivative financial instruments, net	87	(396)	87	1,221
Foreign exchange variation, net	(637)	752	(3,735)	703
Finance Result	(6,489)	(3,663)	(20,746)	(23,644)
Earnings before Income tax and social contribution	50,780	24,400	95,665	24,276
Current and deferred income tax and social contribution	(5,986)	(20,277)	(11,331)	(93,957)
Net income (loss) for the period	44,794	4,123	84,334	(69,681)



| CASH FLOW STATEMENT (1/2)

Cash Flow Statement (R\$ thousands)	9M22	9M23
Cash flows from operating activities	95,665	24,276
Earnings before Income tax and social contribution		
Adjustments for:		
Expected credit gains (losses)	(33)	254
Provision for inventory losses and write-offs	6,201	11,402
Provision for customer bonuses	578	542
Equity in the results of investees		
Depreciation and amortization	23,661	26,785
Provision for impairment of intangible assets		7,353
Write-off of goodwill		18,094
Reversal of obligations on investment acquisition		(5,153)
Gain (loss) on disposal of property, plant and equipment	(2,294)	(1,042)
Gain (loss) on disposal of intangible assets		(486)
Interest and monetary/foreign exchange variations, net	27,276	45,072
Derivative financial instruments	(87)	(1,221)
Provision (reversal) for contingencies	149	(180)
Long-term incentives	3,264	6,820
Fair value adjustment	660	1,119
Changes in working capital		
Trade accounts receivable	(6,758)	76,634
Inventories	(89,151)	38,559
Taxes recoverable	11,145	32,153
Other assets	1,301	927
Trade accounts payable	20,416	(17,613)
Taxes payable	(8,841)	(1,900)
Other liabilities	6,736	(14,612)
Cash provided by operations	89,888	247,783
Interest paid	(26,725)	(28,064)



| CASH FLOW STATEMENT (2/2)

Cash Flow Statement (R\$ thousands)	9M22	9M23
Income tax and social contribution paid	(7,290)	(17,399)
Net cash from operating activities	55,873	202,320
Cash flows from investment activities		
<i>Advances for future capital increase</i>		
Companies' acquisition, net of acquired cash	(14,532)	
Investment in intangible assets	(11,413)	(10,546)
Purchase of property, plant and equipment	(36,992)	(17,854)
Payment of dividends and interest on equity		
Proceeds from sale of property, plant and equipment	4,123	1,726
Amount received from the sale of intangible assets		500
Net cash used in investing activities	(58,814)	(26,174)
Cash flows from financing activities		
<i>Capital increase</i>		
New loans and financing	81,104	4,681
Repayments of loan and financing	(69,419)	(66,446)
Lease payments	(1,388)	(2,196)
Purchase of treasury shares		
Payment of dividends and interest on equity	(12,768)	(10,576)
Realized derivative financial instruments	99	1,749
Net cash used in financing activities	(2,372)	(72,788)
Increase (decrease) in cash and cash equivalents, net	(5,313)	103,358
Cash and cash equivalents at the beginning of the period	161,254	165,036
Foreign exchange gains on cash and cash equivalents	596	221
Cash and cash equivalents at the end of the period	156,537	268,615



| BALANCE SHEET – ASSETS

Balance Sheet (R\$ thousands)	12/31/2022	09/30/2023
Assets		
Current assets	842,904	806,147
Cash and cash equivalents	165,036	268,615
Trade accounts receivable	301,008	225,354
Inventories	324,971	277,528
Taxes recoverable	31,368	15,989
Income tax and social contribution to recover	11,438	10,342
Related parties	414	552
Other assets	8,669	7,767
Non-Current Assets	503,601	463,452
Long-term receivables	55,167	36,683
Taxes recoverable	18,983	613
Deferred income tax and social contribution	34,069	34,169
Inventories	276	
Other assets	1,839	1,901
Permanent	448,434	426,769
Property, plant and equipment	342,358	342,369
Intangible assets	106,076	84,400
Total assets	1,346,505	1,269,599



| BALANCE SHEET - LIABILITIES AND NET EQUITY

Balance Sheet (R\$ thousands)	12/31/2022	09/30/2023
Liabilities and equity		
Current Liabilities	259,425	321,636
Trade accounts payable	85,566	69,821
Derivative financial instruments	64	592
Loans and financing	88,229	101,127
Salaries and payroll charges	47,875	38,347
Taxes payable	7,993	4,942
Income tax and social contribution payable		89,624
Dividends and interest on equity	10,576	
Related parties	414	353
Commissions on sales	6,614	5,729
Other liabilities	12,094	11,101
Non-Current Liabilities	351,111	278,396
Loans and financing	324,140	252,950
Provision for contingencies	5,675	5,653
Obligations on investment acquisition	8,153	3,000
Other liabilities	13,143	16,793
Total liabilities	610,536	600,032
Total Equity	735,950	669,547
Non-controlling interest	19	20
Total liabilities and equity	1,346,505	1,269,599

REIMAGINING ANIMAL HEALTH

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