Interim financial statements

As of June 30, 2024

Austral Seguradora S.A.

Interim financial statements
June 30, 2024

Contents

Management Report

Pursuant to legal and regulatory provisions, we hereby present the interim financial statements for the six-month period ended June 30, 2024.

Operations

Austral Seguradora S.A. (the "Company") obtained approval from Brazil's Private Insurance Supervisory Office (SUSEP) to start up its business on October 25, 2010, and its strategic focus is to provide specialized insurance for special and corporate risks. It operates in the insurance lines of Surety Bond, Oil-Industry Risks, Engineering Risks, Named Perils and Operational Risks, Commercial Multiple Perils, Loss of Profits, General Civil Liability, D&O and E&O.

Aiming at being a competitive Company in the market, the Company's main characteristic is the specialization and customization of its products, promoting differentiated and innovative solutions for its customers and the transfer of risk to its business partners.

On May 15, 2024, AM Best, the global risk assessment agency of the financial segment (Financial Strength Rating - FSR) for insurance and reinsurance, reaffirmed Grupo Austral's rating of Strength "A-" (Excellent) and Long-Term Credit Rating (Long-Term ICR) to "A-" (Excellent). The Group's outlook was highlighted as stable.

In AM Best's assessment, the current rating reflects the high strength of Grupo Austral's consolidated statement of financial position, characterized by Fitch as "strongest". The report also highlights the broad risk management program, the positive results for the six-month period and the reduction in exposure in the business lines that present greater volatility, in addition to the solid reinsurance strategy to protect and mitigate the risks it assumes.

Performance of Operations

Significant numbers and indicators of Austral Seguradora for the six-month periods ended June 30, 2024 and 2023 are as follows:

(In millions of reais, except for the percentages)

Description	06/30/2024	06/30/2023	Variation	Variation (%)
Net Premiums Written	864.5	852.7	11.8	1.4%
Premiums Earned	602.5	598.3	4.2	0.7%
Claims Incurred	(99.6)	(38.7)	(60.9)	157.6%
Administrative Expenses	(20.3)	(20.9)	0.7	-3.3%
Finance Income (Costs)	19.5	17.0	2.5	14.5%
Net income for the six-month period	17.6	14.8	2.8	19.0%
Equity	264.8	236.8	28.0	11.8%
Administrative Expenses Ratio	2.3%	2.5%	(0.2 p.p)	
Loss Ratio	16.5%	6.5%	10.0 p.p	
Combined Ratio	98.3%	98.7%	(0.4 p.p)	

AUSTRAL SEGURADORA

- **Premiums**

The Company's net premiums written reached R$864.5 million in the six-month period ended June 30, 2024, an increase of 1.4% compared to the R$852.7 million recorded in the same period last year. Revenue growth in this six-month period was positively impacted by the higher volume of issues in the following segment: Surety (public and private), with growth of R$38.7 million. This change was softened by the Oil line, which recorded a 2.5% reduction in premiums written between the first half of 2024 and of 2023.

- **Loss ratio**

The Surety line recorded an excellent loss ratio of 0.9% in the six-month period ended June 30, 2024 (7.3% at June 30, 2023). Despite this reduction, the Company recorded a loss ratio of 16.5% in the first half of 2024 (6.5% at June 30, 2023), mainly influenced by a claim in the Oil line with a relevant cession of reinsurance.

- **Administrative Expenses**

The control of administrative expenses continues to be an important pillar for the Company's efficiency, reflecting a slight reduction of 0.2p.p. compared to the same period last year, reaching an administrative expense ratio of 2.3% for the six-month period ended June 30, 2024.

- **Finance Income (Costs)**

In the six-months period ended June 30, 2024, the Company recorded finance income of R$19.5 million (R$17.0 million at June 30, 2023). Although the Selic rate has reduced by more than 20% comparing the first half of 2024 with the same half of 2023, the increase in the balances of Cash and Cash Equivalents and Financial Investments of R$40.6 million (R$372.4 million at June 30, 2024 and R$331.8 million at June 30, 2023) contributed to the nominal increase in finance income together with the Company's constant analysis for the best opportunities in line with its strategy.

The managing officers represent that the Company has financial capacity that supports the prospects for the next years. In addition, they also represent that there is no marketable security classified as "Held to maturity" for this six-month period.

- **Income and Equity**

As a result of the factors highlighted above, the Company recorded a 19.0% growth in net income, reaching R$17.6 million (R$14.8 million in the same period last year). Equity determined was R$264.8 million (R$236.8 million at June 30, 2023), representing a growth of 11.8%, and total assets reached the amount of R$3,196.6 billion at June 30, 2024 (R$2,664.1 billion at June 30, 2023).

The Company's Management reinforces its constant commitment to the improvement of operational processes and the development of controls and the adoption of the best corporate governance practices.

The Company plans to maintain its profitable growth trajectory and relevant presence in the markets in which it operates, maintaining an underwriting policy based on the best techniques, with an adequate capital structure, a qualified team and a focus on efficiency and agility in serving customers and business partners.

Distribution of Dividends

According to its Articles of Incorporation, the Company has a reinvestment policy, whereby it may maintain the statutory income reserve named “Investment Reserve”, which will be intended to finance the expansion of the activities of the Company and/or its subsidiaries and associates, including through the subscription of capital increases or creation of new ventures, which will be formed with up to 100% (one hundred percent) of the net income remaining after legal and statutory deductions, up to the limit of 100% (one hundred percent) of the capital. The balance of this reserve, added to the balances of the other income reserves, except for the unrealized income reserve and the provision for contingencies, may not exceed 100% (one hundred percent) of the Company’s subscribed capital.

Acknowledgements

At last, the Company thanks its team for all effort and dedication, Brazil’s Private Insurance Supervisory Office (SUSEP), as well as its customers, business partners, suppliers and shareholders for the confidence placed in the Company.

Rio de Janeiro, August 29, 2024.

The Management.

AUSTRAL SEGURADORA

Audit Committee Report

To the Members of the Board of Directors of
Austral Participações S.A. and Austral Seguradora S.A.

Rio de Janeiro - RJ

The Audit Committee (“Committee”) of Austral Participações S.A., established under applicable regulations, whose activities comprise Austral Seguradora S.A. (Austral Seguradora or the "Company"), operates in accordance with the Company's bylaws and internal rules approved by the Board of Directors.

The Audit Committee is in charge of assisting the Board of Directors in its audit and inspection functions and expressing their opinion on (i) the quality, adequacy and trustworthiness of the interim financial statements, (ii) the effectiveness of the internal control system, and (iii) the effectiveness of internal and independent audits, including checking compliance with statutory and regulatory provisions applicable to the Company, in addition to internal regulations and policies.

During the course of the semester ended December 30, 2024, the Committee developed its activities based on a work plan developed under its internal rules, which included: (i) holding meetings with Top Management and main managers; (ii) monitoring the work carried out by the departments responsible for the preparation of the interim financial statements, for the internal control system, for risk management activities, and for the compliance function; (iii) assessing the planning, scope and effectiveness of the work performed by the internal audit team; (iv) assessing the scope, performance, effectiveness and independence of the external auditors; and (v) assessing the structure, operation and effectiveness of the internal control and compliance systems, as well as the quality and integrity of the interim financial statements.

Austral Seguradora's Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Brazilian accounting policies applicable to entities supervised by the Superintendence of Private Insurance (SUSEP). Management is also responsible for establishing procedures that ensure the quality of the information and procedures used in the preparation of the interim financial statements, managing operational risks, and implementing and supervising internal control and compliance activities.

The independent auditors are responsible for auditing the interim financial statements and issuing a report on their appropriateness in accordance with the Brazilian standards on auditing established by the Federal Association of Accountants (CFC).

The internal audit is responsible for assessing the effectiveness of the internal control and for managing the risks and processes that ensure compliance with the rules and procedures established by management, and with statutes and regulations applicable to Austral Seguradora's activities.

The Committee’s activities consist of holding meetings to analyze documents and information provided to it, and carrying out other procedures it understands to be necessary. The Committee's evaluations are based on the information received from Management, the independent auditors, the internal audit team, those in charge of risk management and internal control, and on its own analyses based on direct observation.

The Committee communicates regularly with the independent auditors, and therefore has been informed of the work performed by the audit team and its results, including the Independent Auditors' Report, which is being issued on this date. The Committee has also assessed the independent auditors' compliance with the policies and standards applied to maintain and monitor the objectivity and independence required to perform those activities.

The Committee evaluated the preparation of the interim financial statements and discussed with Management and independent auditors the significant accounting policies used and the information disclosed.

The Committee held meetings with the CEO and other Officers of Austral Seguradora and at those meetings had the opportunity to present suggestions and recommendations to Management on matters related to the areas that are within the scope of its operations.

The Committee was not aware of any event, whistleblower allegations, violation of standards, lack of controls, act or omission by Management or evidence of fraud that, because of its materiality, could put the continuity of Austral Seguradora, or the trustworthiness of its interim financial statements, at risk.

Given that its duties were complied with, as described above, the Committee considers that the interim financial statements of Austral Seguradora S.A. for the semester ended June 30, 2024, duly audited by Ernst & Young Auditores Independentes S/S Ltda, can be approved by the Board of Directors.

Rio de Janeiro, August 29, 2024

Laenio Pereira dos Santos
CEO

Jorge Augusto Hirs Saab
Member

Elizabeth Vieira Valente Bartolo
Member

Centro Empresarial PB 370
Praia de Botafogo, 370
8º ao 10º andar - Botafogo
22250-040 - Rio de Janeiro - RJ - Brasil
Tel: +55 21 3263-7000
ey.com.br

Independent auditor's report on interim financial statements

To the Shareholders and Officers
Austral Seguradora S.A.

Opinion

We have audited the interim financial statements of Austral Seguradora S.A. (the "Company"), which comprise the statement of financial position as at June 30, 2024, and the statements of income, of comprehensive income, of changes in equity and of cash flows for the six-month period then ended, and notes to the interim financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying interim financial statements present fairly, in all material respects, the financial position of Austral Seguradora S.A. as at June 30, 2024, its financial performance and its cash flows for the six-month period then ended, in accordance with the accounting practices adopted in Brazil applicable to entities under Superintendence of Private Insurance (SUSEP) supervision.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the interim financial statements" section of our report. We are independent of the Company in accordance 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 matter

Key audit matter is the one that, in our professional judgment, was of most significance in the audit of the interim financial statements of the current six-month period. This matter was addressed in the context of our audit of the interim financial statements taken as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

<u>Measurement and recognition of actuarial technical reserves of insurance contracts and reinsurance assets</u>

As disclosed in Note 13, as at June 30, 2024, the Company has balances consisting of actuarial technical reserves arising from insurance contracts and reinsurance assets arising from ceded risks, estimated based on professional judgment carried out by management upon defining of methodologies and assumptions, such as: expected loss ratio, historical development of claims, discount rate, expenses related to risks assumed, risks assumed and in force of policies under issue process, among others.

The assessment of these methodologies and assumptions was considered a key audit matter due to the materiality of the amounts involved and the subjectivity and complexity of the measurement process related to the reserve for claims incurred but not reported, reserve for unearned premiums on policies in force but not written, and the liability adequacy test.

How our audit addressed this matter

Our audit procedures included, among others: (i) the use of actuarial experts to assist us in assessing and testing the actuarial models and assumptions used to measure the technical reserves of the insurance contracts and reinsurance assets arising from ceded risks entered into by the Company, including those related to the liability adequacy test; (ii) the performance of integrity, completeness and consistency tests, on a sample basis, of the information used in the calculations of technical reserves and of the related reinsurance assets arising from ceded risks; (iii) the realization of independent calculation sensitizing key assumptions used; and (iv) the review of the adequacy of the disclosures included in the interim financial statements.

Other matters

Audit of prior year and six-month period corresponding figures

The figures corresponding to the statement of financial position as at December 31, 2013, and the statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the six-month period ended June 30, 2023, presented for comparison purposes, were previously audited by other independent auditors, who issued an unmodified opinion thereon dated February 26, 2024 and August 29, 2023, respectively.

Other information accompanying the interim financial statements and the auditor's report

Management is responsible for such other information, which comprises the Management Report.

Our opinion on the interim financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

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

Responsibilities of management and those charged with governance for the interim financial statements

Management is responsible for the preparation and fair presentation of the interim financial statements in accordance with the accounting practices adopted in Brazil applicable to entities under Superintendence of Private Insurance (SUSEP) supervision, and for such internal control as the management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the interim financial statements

Our objectives are to obtain reasonable assurance about whether the interim financial statements as a whole are free from 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 interim 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:

- Determined the materiality in accordance with our professional judgment. The concept of materiality is applied in planning and executing our audit, in assessing the effects of misstatements identified throughout the audit, uncorrected misstatements, if any, on the interim financial statements as a whole, and in forming our opinion.
- The determination of materiality is affected by our perception on the needs of financial information by users of the interim financial statements. In this context, it is reasonable for us to assume that users of the interim financial statements (i) have reasonable knowledge of the Company's business, commercial and economic activities and a willingness to analyze the information in the interim financial statements with reasonable diligence; (ii) understand that the interim financial statements are prepared, presented and audited considering materiality levels; (iii) recognize the uncertainties inherent in the measurement of amounts based on the use of estimates, judgment and considering future events; and (iv) make reasonable economic decisions based on the information in the interim financial statements.
- Exercised judgment about misstatements that would be considered material in planning the audit. These judgments provide the basis for determining: (a) the nature, timing and extent of risk assessment procedures; (b) identification and assessment of risks of material misstatement; and (c) the nature, timing and extent of additional audit procedures.
- The determination of materiality for planning involves the exercise of professional judgment. We often apply a percentage to a selected benchmark as a starting point in determining the materiality for the interim financial statements as a whole. The materiality for performing the audit means the amount set by the auditor, lower than that considered significant for the interim financial statements as a whole, to adequately reduce to a low level the probability that the misstatements not corrected and not fount together exceed the materiality for the interim financial statements taken as a whole.

Building a better working world

Centro Empresarial PB 370
Praia de Botafogo, 370
8º ao 10º andar - Botafogo
22250-040 - Rio de Janeiro - RJ - Brasil
Tel: +55 21 3263-7000
ey.com.br

- Identify and assess the risks of material misstatement of the interim financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve override of internal controls, collusion, forgery, intentional omissions or misrepresentations.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's 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 interim 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 conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the interim financial statements, including the disclosures, and whether the interim financial statements represent the 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 identified during our audit.

From the matters communicated with those charged with governance, we determine the matter that was of most significance in the audit of the interim financial statements of the current six-month period and is therefore the key audit matter. We describe this matter 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.

Rio de Janeiro, August 29, 2024.

Ernst & Young
Auditores Independentes S/S Ltda.
CRC SP-015199/F

Marcelo Felipe L. de Sá
Partner
Accountant CRC RJ-094644/O

Statements of financial position

June 30, 2024 and December 31, 2023
(In thousands of real)

	Notes	06/30/2024	12/31/2023
Assets			
Current assets		**2,395,459**	**1,938,061**
Cash and cash equivalents		27,141	9,057
Financial investments	5	170,801	194,250
Receivables from insurance and reinsurance contracts	**7**	**950,466**	**731,720**
Premiums receivable		932,002	703,214
Transactions with insurance companies		857	2,727
Transactions with reinsurance companies		17,607	25,779
Other operating receivables		2,021	1,906
Reinsurance assets	13	1,159,736	933,829
Securities and other receivables	**8**	**33,948**	**17,885**
Tax and social security receivables		17,607	17,607
Court and tax deposits		108	108
Other receivables		170	170
Prepaid expenses		213	213
Deferred acquisition costs	9	49,201	49,201
Non-current assets		**801,188**	**504,349**
Long-term assets		**790,760**	**494,869**
Financial investments	5	174,461	166,757
Receivables from insurance and reinsurance contracts	7	199,747	78,183
Reinsurance assets	13	327,732	170,251
Securities and other receivables	8	10,601	11,803
Other assets		9,072	7,821
Deferred acquisition costs	9	69,147	60,054
Investments		500	500
Property and Equipment		1,173	1,500
Intangible assets		8,755	7,480
Total assets		**3,196,647**	**2,442,410**

The notes are an integral part of these interim financial statements.

AUSTRAL SEGURADORA

Statements of financial position

June 30, 2024 and December 31, 2023
(In thousands of real)

Liabilities	Notes	06/30/2024	12/31/2023
Current liabilities		**2,264,484**	**1,823,523**
Trade and other payables		**60,551**	**43,746**
Obligations payable		1,195	21,181
Taxes and social charges payable	10	53,573	20,438
Payroll and related charges		2,580	2,127
Taxes and contributions		3,203	-
Payables for insurance and reinsurance contracts		**889,021**	**821,469**
Refundable premiums		7,652	10,763
Transactions with insurance companies		22,034	15,660
Transactions with reinsurance companies	11	816,737	634,226
Insurance and reinsurance brokerage firms		41,009	33,849
Other operating payables		1,589	4,936
Third-party deposits	12	9,161	14,055
Technical reserves	13	1,304,604	1,064,983
Other payables		1,147	1,305
Non-current liabilities		**667,391**	**369,132**
Trade and other payables		**-**	**99**
Obligations payable		-	99
Payables for insurance and reinsurance contracts		**68,991**	**62,402**
Transactions with insurance companies		17,771	6,129
Transactions with reinsurance companies	11	137,845	48,333
Insurance and reinsurance brokerage firms		20,580	14,529
Technical reserves	13	482,022	292,403
Other payables		9,173	7,639
Equity	**16**	**264,772**	**249,755**
Share capital		116,125	116,125
Share capital increase (under approval)		17,400	-
Capital Reserve		4,528	4,376
Profit Reserve		116,058	133,458
Security adjustment		(6,838)	(4,204)
Retained earnings		17,499	-
Total equity and liabilities		**3,196,647**	**2,442,410**

The notes are an integral part of these interim financial statements.

Statements of income

Semesters ended June 30, 2024 and 2023

(In thousands of Brazilian real, except earnings per share - in reais)

	Notes	06/30/2024	06/30/2023
Written premiums		864,485	852,737
Changes in premium technical reserves		(262,004)	(254,415)
Earned premiums	**21/22.a**	**602,481**	**598,322**
Incurred losses	22.b	(99,559)	(38,647)
Acquisition costs	22.c	(27,497)	(24,499)
Other operating income (expenses)	22.d	(1,211)	(1,823)
Reinsurance gains (losses)	22.e	(435,586)	(497,612)
Administrative expenses	22.f	(20,251)	(20,934)
Tax expenses	22.g	(8,428)	(7,183)
Net finance income (costs)	22.h	19,476	(38,647)
(=) Profit before taxes and profit sharing		**29,425**	**24,637**
Income tax	19	(7,254)	(6,130)
Social contribution tax	19	(4,392)	(3,706)
Profit sharing		(211)	(41)
(=) Profit for the semester		**17,568**	**14,760**
Number of shares		69,151,585	69,177,394
Earnings per thousand shares - in reais	20	0.2540	0.2134

The notes are an integral part of these interim financial statements.

Statements of comprehensive income

Semesters ended June 30, 2024 and 2023
(In thousands of real)

	Notes	06/30/2024	06/30/2023
Profit for the semester		**17,568**	**14,760**
Financial assets measured at fair value through other comprehensive income			
Change in fair value of financial assets measured at fair value through other comprehensive income	5.c	(4,388)	5,133
Impairment - securities		(1)	-
Effect of income and social contribution taxes	8.b.1	1,755	(2,053)
Total comprehensive income (loss) for the semester, net of taxes		**(2,634)**	**3,080**
Total comprehensive income for the semester		**14,934**	**17,840**

The notes are an integral part of these semester financial statements.

AUSTRAL SEGURADORA

Statements of changes in equity

Semesters ended June 30, 2024 and 2023
(In thousands of real)

				Profit reserves				
	Share capital	Share capital (under approval)	Capital Reserve	Legal Reserve	Profit Reserve	Securities adjustment	Retained earnings	Total
Balances as of December 31, 2022	**107,025**		**3,495**	**12,139**	**103,966**	**(8,334)**	**-**	**218,291**
Increase in capital (Administrative Rule No. 1434 of May 18, 2023)	9,100	-	-	-	(9,100)	-	-	**-**
Unrealized gain on securities measured at fair value through other comprehensive income	-	-	-	-	-	3,080	-	**3,080**
Share-based incentive	-	-	608	-	23	-	-	**631**
Profit for the semester	-	-	-	-	-	-	14,760	**14,760**
Balances as of June 30, 2023	**116,125**	**-**	**4,103**	**12,139**	**94,889**	**(5,254)**	**14,760**	**236,762**
Balances as of December 31, 2023	**116,125**	**-**	**4,376**	**14,260**	**119,198**	**(4,204)**	**-**	**249,755**
Initial adoption of impairment	-	-	-	-	-	-	(69)	(69)
Share capital (under approval)	-	17,400	-	-	(17,400)	-	-	-
Unrealized loss on securities measured at fair value through other comprehensive income	-	-	-	-	-	(2,633)	-	(2,633)
Inpairment - securities	-	-	-	-	-	(1)	-	(1)
Share-based incentive	-	-	152	-	-	-	-	152
Profit for the semester	-	-	-	-	-	-	17,568	17,568
Balances as of June 30, 2024	**116,125**	**17,400**	**4,528**	**14,260**	**101,798**	**(6,838)**	**17,499**	**264,772**

The notes are an integral part of these interim financial statements.

AUSTRAL SEGURADORA

Statements of cash flows

Semesters ended June 30, 2024 and 2023
(In thousands of real)

	06/30/2024	06/30/2023
Cash flows from operating activities		
Profit for the semester	**17,568**	**14,760**
Adjustments for:		
Depreciation and amortization	2,481	1,901
Impairment loss	102	267
Technical reserves net of reinsurance assets	66,552	43,464
Other adjustments	3,619	6,213
	90,322	**66,605**
Changes in statement of financial position accounts		
Financial assets	13,040	(40,006)
Receivables from insurance and reinsurance contracts	(321,410)	(39,157)
Securities and other receivables	(370)	(841)
Third-party deposits	(4,893)	1,265
Deferred acquisition costs	(11,195)	(9,259)
Taxes and contributions	(17,384)	(11,308)
Payables for insurance and reinsurance contracts	277,799	23,867
Obligations payable	36,975	14,181
Court and tax deposits	-	(12)
Other receivables	56	258
Losses paid	(20,710)	(9,217)
Income and social contribution taxes paid	(4,299)	(4,925)
Net cash from/(used in) operating activities	**37,931**	**(8,549)**
Cash flows from investing activities		
Acquisition of property and equipment	(14)	(10)
Acquisition of intangible assets	(2,659)	(2,533)
Net cash used in investing activities	**(2,673)**	**(2,543)**
Cash flows from financing activities		
Payment of interest on equity capital	(15,970)	-
Leases	(1,204)	(932)
Net cash used in financing activities	**(17,174)**	**(932)**
Net increase/(decrease) in cash and cash equivalents	**18,084**	**(12,024)**
Cash and cash equivalents at beginning of semester	9,057	26,332
Cash and cash equivalents at end of semester	27,141	14,308

The notes are an integral part of these interim financial statements.

1. Operations

Austral Seguradora S.A. ("Company"), headquartered in Brazil, with head office at Avenida Bartolomeu Mitre, 336 – 3º floor, Leblon, in the city of Rio de Janeiro, is a privately-held corporation engaged in carrying out insurance and coinsurance transactions in the lines of damage insurance, as set forth by prevailing law, across Brazil. Austral Seguradora S.A. was registered with the Commercial Board of the State of Rio de Janeiro on January 15, 2010.

The Company is controlled by Austral Participações S.A., which holds all the shares.

Moreover, the Company meets all regulatory capital sufficiency, technical reserve guarantee and liquidity requirements.

1.1. Information on operating segment products and services

The Company focuses its transactions on public and private performance and surety bonds, oil & gas insurance, directors and officers (D&O) liability insurance, errors and omissions (E&O) liability insurance, civil liability insurance, and named perils insurance and operational all risks insurance. The Company permanently assesses current and potential lines of business that are aligned with its business strategy and offer proper profitability prospects. To that end, the Company reassessed its operations in the transportation and marine insurance sectors and decided to recognize a run-off reserve for them, always keeping its commitment to the obligations previously assumed.

The Company operates nationwide, primarily in the following lines:

i. Performance and surety bonds – public sector and private sector

Performance bond insurance ensures compliance with the obligations assumed by the contractor (service provider) under the contract entered into with the client (insured). The surety bond protects against possible losses caused by non-compliance with clauses in a contract.

The performance bond replaces other forms of guarantee commonly used in the market, offering some advantages, as follows: (i) does not impair the companies' credit lines, leaving their funds free for their operations; (ii) the policy is quickly taken out and (iii) fewer costs borne by the company.

A performance bond is usually requested by government authorities or private companies to secure compliance with the obligations set forth by construction, supply and service agreements, public service concessions, to allow contractors to take part in public procurement procedures. Surety bonds are widely used in new legal proceedings to allow litigants to place bonds and to replace the court deposits that were formerly made.

Among the types of bond insurance offered by the Company, the following stand out:

- Surety bond insurance: this insurance guarantees amounts being discussed in lawsuits that require deposits in court during proceedings, as a new guarantee or in replacement of the existing guarantee, whether to plead in civil, labor or tax cases or to post appeal bonds, including incident proceedings or provisional remedies, such as injunctions, writs of mandamus, and others.

- Surety bond insurance for tax credits claimed at the administrative level: this insurance certifies the truthfulness of the tax credits reported by the policyholder in administrative proceedings at the federal, state or municipal levels. It is usually used to approve those credits or to cover the policyholder's permanence under special taxation regimes.

- Surety bond insurance for customs obligations: this insurance ensures compliance with the policyholder's obligations set forth by the Statement of Responsibility referred to by Decree No. 6,759 of February 5, 2009, in accordance with the Regulatory Instructions issued by the Brazilian Federal Revenue Service about the matter.

- Bidder's performance bond insurance: this insurance ensures that the winning bidder holds a proposal in public or private procurement procedures and signs the contract under the conditions and within the deadline set by the request for proposals. This insurance is frequently requested in competitive bidding procedures such as auctions, public procurement, price quotes and invitation letters.

- Performance bond insurance for construction, supply and other services: this type of insurance ensures compliance with all obligations assumed under the construction, supply or service agreements and protects the insured from the risk of default by the borrower.

- Performance bond insurance for concessions: this insurance ensures the fulfillment of all obligations assumed under the concession agreement signed to explore an asset or public service, such as roads, sanitation and energy services, among others.

- Bond insurance for advance payments: this insurance ensures that the amounts received as advances under contracts are allocated for the immediate performance of the subject matter of the agreement, i.e. the completion of the expected stage of construction work, for example, until its completion. This type of insurance allows funds to be released to a supplier, without the supplier having to use its cash flows, and for the client it represents a guarantee that advance funds will be invested in supplying the equipment or in carrying out construction work as provided for by contract.

- Performance bond insurance for corrective maintenance: this insurance ensures the performance of corrective actions pointed out by the client and necessary for the solution of problems occurring while the contract is being carried out, under the sole responsibility of the borrower.

ii. Oil & Gas Insurance

Oil & gas insurance ensures coverage for goods, equipment and civil liability arising from the risks posed by the prospection, exploration, drilling and production of oil and/or gas on land (onshore) and on the sea (offshore). Moreover, it ensures coverage for construction work related to the industry, as well as for revenue losses from business shutdowns.

The insured who benefit from this product may be operators, suppliers and/or service providers that operate in the oil and gas industry and oil & gas insurance policies may also cover the risks posed by the construction of offshore equipment.

iii. Directors and Officers Liability Insurance (D&O)

The D&O liability insurance covers amounts due to third parties by officers or executives of the company that acquires the insurance policy in connection with investigations and legal, administrative or arbitration proceedings related to their performance as managers of the contracting company. This includes, but is not limited to, civil, labor, tax, consumer protection or social security proceedings due to the personal, joint or subsidiary liability incurred by the officer or executive.

Among the D&O insurance coverages, the following may be listed: (i) direct damages payable to the insured (for example, manager); (ii) compensation to the acquirer of the insurance policy (for example, company) who covered the costs incurred by the insured; and (iii) damages payable when the company negotiates securities and complaints about management can be insured.

It is important to mention that this insurance product includes the possibility of acquiring a secondary product of environmental impairment liability insurance for directors and officers, covering defense costs and possible damages due by the insured in connection with claims involving environmental damage without including the related cleaning costs.

iv. Errors and Omissions (E&O) Liability Insurance

The E&O liability insurance covers damages resulting from claims from third parties against the insured, who may be an individual or legal entity specified on the policy, due to professional failures for which the policyholder is held liable, leading to judicial, administrative or arbitration proceedings.

This insurance policy is usually taken out by self-employed professionals and service providers who are exposed to complaints about their performance (for example, law firms), covering defense costs and possible damages payable by the insured when the insured is legally liable for a possible professional failure, always as agreed on the policies.

v. Civil Liability Insurance

Civil liability insurance guarantees the insured the payment of indemnities due to third parties when the insured is held liable for damages caused during the performance of their activities, with the purpose of protecting the insured's assets from losses that they may incur because of their civil liability.

This insurance may be taken out by companies that carry out a wide range of economic activities and intend to protect their assets from being exposed when they have caused damages to third parties that operate in a wide range of segments, from commerce to complex industrial activities, including services, construction, events, entertainment, among others.

vi. Named perils insurance and operational all risks insurance

The named perils insurance and operational all risks insurance cover the insured's assets against losses, property damage and loss of profits. They offer coverage for fire, lightning, explosion or implosion, electrical damages, machinery breakage, flood, i.e. damages connected with the operations of manufacturing plants or companies in a broad range of business segments. When the insured amount is lower than the R$100 million limit set by legislation, the Company issues this type of insurance policy in the line of comprehensive business liability insurance.

2. Interim financial statements

The interim financial statements have been prepared in accordance with the provisions of SUSEP Circular Letter No. 648 of November 12, 2021 and its amendments, CNSP Resolution No. 453 of December 19, 2022 and its amendments, technical pronouncements, guidelines and interpretations issued by the Committee of Accounting Pronouncements - CPC, the Committee of Actuarial Pronouncements - CPA, when they are approved by SUSEP and henceforth referred to as a whole as "Brazilian accounting policies applicable to entities supervised by SUSEP".

The authorization to complete the preparation of these interim financial statements was granted by the Company's Board of Directors on August 29, 2024.

2.1. Basis of measurement

The amounts presented in the interim financial statements are expressed in reais - (R$) and have been rounded to the nearest thousand (R$000), except when otherwise indicated. These interim financial statements have been prepared on the historical cost basis, except for lease liabilities, which were recognized at the present value of obligations, and the following items, which were recognized at fair value in the statement of financial position:

- Financial instruments measured at fair value through profit or loss (note 5).
- Financial instruments measured at fair value through other comprehensive income (note 5).

2.2. Functional and presentation currency

The Company's functional and presentation currency is the real (R$). This is the currency of the main economic environment in which the Company operates. Transactions in foreign currencies were translated at exchange rates into the functional currency on the transaction date or on the business day immediately before. Gains and losses from the translation of the balances resulting from the settlement of these transactions were recognized in profit or loss for the semester.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date, and the foreign currency differences arising on translation were recognized directly against profit or loss for the semester.

2.3. Changes in accounting policies and disclosures

As of January 1, 2024, the Company adopted the requirements contained in SUSEP Circular No. 678 of October 10, 2022, which, among other measures, approved the standard issued by the Brazilian Financial Accounting Standards Board (CPC), CPC 48 - Financial Instruments, replacing CPC 38 - Financial Instruments: Recognition and Measurement, with certain adaptations.

CPC 48 - Financial Instruments includes new models for classification and measurement of financial instruments, as well as measurement of expected credit losses on financial assets and contract assets, and also new requirements on hedge accounting.

The changes brought about by Circular No. 678 and the consequent adoption of CPC 48, effective as of January 1, 2024, regarding the classification and measurement of financial assets, measurement and recognition of impairment loss of financial assets, and changes in the terms of financial assets and liabilities, did not materially impact the Company's equity.

In accordance with CPC 48, the Company chose not to restate the prior periods in relation to (i) the classification and measurement of financial assets; (ii) impairment loss of financial assets; and (iii) changes in the terms of financial assets and liabilities. The differences in financial assets and financial liabilities resulting from the adoption of CPC 48 were recognized in retained earnings on January 1, 2024.

In addition to the adoption of CPC 48, SUSEP Circular No. 678 established that, in the preparation of the Liability Adequacy Test (LAT), among other measures, the partial results by groups of contracts may be offset under the terms of the supervised company’s accounting policy.

Each of the main changes brought about by the requirements is presented below:

Changes in expected credit losses

The model established by CPC 48 - Financial Instruments for recognition of impairment is based on expected credit losses, replacing the model established by CPC 38 - Financial Instruments: Recognition and Measurement, which is based on incurred credit loss.

Expected credit losses are estimates weighted by the probability of default of the counterparty, after determining the history of observed losses and the rating assigned by the credit agencies. Credit losses are measured at present value based on all cash shortfalls, i.e., the difference between the cash flows owed to the Company under the contract and the cash flows that the Company expects to receive.

As previously mentioned, the significant changes in relation to the standard issued by the Brazilian FASB (CPC), introduced by Circular No. 678 of October 10, 2022, refer to Premiums receivable and Unearned premium reserve of reinsurance, where:

(a) The impairment of Premiums receivable shall consist of:

- Preferably, based on the experience of historical loss of groups of premiums receivable, exclusively for risks incurred; or
- Based on credit default risk analysis, in situations where this option is more adherent to the supervised company's operation.

(b) The impairment of Unearned premium reserve of reinsurance shall be recorded if:

- There is objective evidence, as a result of an event that occurred after the initial recognition of the asset by a reinsurance contract, that the cedant may not receive all the amount related to it under the terms of the contract; and
- The impact of this event on the amount that the cedant is entitled to receive from the reinsurer can be reliably measured.

(c) Except for the Unearned premium reserve of reinsurance, the impairment of asset accounts whose counterparty is a reinsurer must be calculated based on the default risk of each reinsurer, which shall consider, at least:

- The history of losses with the reinsurer;
- Prospective analysis of the reinsurer's ability to pay; and
- Any divergences or disputes regarding the coverage of the reinsurance contract that may result in amounts receivable by the cedant lower than initially accounted for.

Circular No. 678 of October 10, 2022 establishes that from 2024 onwards, the technical study for impairment test will be required for all supervised companies.

Classification of financial instruments

The following accounting policies are applicable in the subsequent measurement of financial assets:

- Financial assets measured at fair value through profit or loss (FVTPL): these assets are subsequently measured at fair value through profit or loss, with net income, including interest, recognized in profit or loss.

- Financial assets at amortized cost: these assets are measured in a manner subsequent to the amortized cost using the effective interest method and reduced by impairment losses. Interest income, possible foreign exchange gains and losses as well as impairment are recognized in P&L. Any gain or loss upon derecognition is also recognized in P&L.

- Financial assets measured at fair value through other comprehensive income (FVTOCI): these assets are subsequently measured at fair value through other comprehensive income. Upon derecognition, the accumulated P&L in other comprehensive income is recycled to profit or loss.

Note 3 contains additional information on significant accounting policies regarding the recognition and measurement of financial instruments.

The Company tests the reinsurance assets for impairment on a regular basis, and the impairment of asset accounts whose counterparty is a reinsurer is calculated based on the default risk of each reinsurer, according to a technical study of impairment with reinsurers.

SUSEP Circular No. 678 established that, in the preparation of the Liability Adequacy Test (LAT), among other measures, the partial results by groups of contracts may be offset under the terms of the supervised company's accounting policy. Austral Seguradora established the Contract Grouping Policy, thus determining the groups of contracts that are subject to offset, which are closely related to the underwriting and risk management practices and policies of its Portfolio.

- **Tax reform**

The Constitutional Amendment No. 132/2023, also known as the Consumption Tax Reform, was approved in December 2023, which substantially changes the current form of taxation of goods and services, replacing the current indirect taxes with the Value Added Tax (VAT) dual system, composed of the Goods and Services Contribution Tax ("CBS") and the Goods and Services Tax ("IBS"), in addition to the creation of a Selective Tax ("IS").

Through the referred to Constitutional Amendment, the general guidelines of the Brazilian national tax system were defined. For the progress of the Tax Reform, it is necessary to discuss and approve complementary laws and standardize the subject matter. Considering the current phase of the reform, which still lacks regulation, it is not possible to estimate its impacts. The Company continues to monitor the matter.

3. Material accounting policies

The material accounting policies adopted by the Company are summarized below:

3.1. Cash and cash equivalents

Cash and cash equivalents consist of cash balances and positive checking account balances that pose an insignificant risk of changes in their fair value, and are funds used by the Company to manage its short-term commitments.

3.2. Financial instruments

The Company applies CPC 48 Standard - Financial Instruments (equivalent to IFRS 9 Financial Instruments) and accounts for its financial instruments as described below:

- **Derivatives**

  Transactions with derivative financial instruments aim at hedging risks related to changes in interest rates and exchange rates. Derivative transactions are registered and conducted at B3 - Brasil, Bolsa Balcão.

  Subsequent to initial recognition, derivatives are measured at fair value, and the related changes are recognized in profit or loss and are classified as financial assets at fair value through profit or loss.

  For the valuation of derivative financial instruments, market price quotations are used to determine the fair value of those instruments. The fair values of futures contracts are determined according to market price quotations for derivatives traded at the stock exchange.

- **Measured at fair value through profit or loss**

  Held-for-trading securities are measured at fair value and classified as current assets. The Company has its portfolio managed by Vinci Gestora de Recursos Ltda. and its assets are accounted for at fair value according to the mark-to-market prices in an active market.

  The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable data and minimizing the use of unobservable inputs.

  The market values of government bonds were calculated according to prices disclosed by the Brazilian Association of Financial and Capital Market Entities - ANBIMA. Investment fund shares are valued based on the unit value of the share as of the reporting date, as informed by the managers of the related investment funds. The market values of the funds listed in the portfolio were obtained from the prices quoted at B3 S.A – Brazil, Over-the-Counter Stock Exchange.

- **Measured at fair value through other comprehensive income**

  Financial assets other than derivatives that are not designated in the previous category are classified into the available-for-sale category. Subsequent to initial recognition, these assets are measured at fair value, and changes thereon, other than impairment losses, are recognized in other comprehensive income and presented in equity. When an investment is derecognized, the gain or loss accumulated in other comprehensive income is reclassified to profit or loss.

- **Receivables**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets, except those with maturities higher than 12 months from the reporting date (which are classified as non-current assets). Receivables originating from insurance, such as the balance of premiums receivable, are classified into this category and are initially measured at fair value. Subsequently, they are valued at amortized cost, less allowance for impairment.

- **Recognition and initial measurement**

Receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (other than trade receivables without a significant financing component) or financial liabilities are initially measured at fair value plus, for an item not measured at fair value through profit or loss, transaction costs directly attributable to their acquisition or issue. Trade receivables without a significant financing component are initially measured at the transaction price.

- **Derecognition**

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or canceled or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

3.3. Deferred acquisition costs

Commission expenses are recognized when insurance contracts are issued, or at the beginning of their effectiveness, whatever happens first, and recognized in profit or loss according to the elapsed period of the risk covered by the insurance policy. These expenses are deferred according to the same method employed to defer the related insurance premium.

3.4. Reinsurance assets and liabilities

Insurance contracts consist of contracts in which the Company accepts significant insurance risk from another party (the policyholder), thus agreeing to pay indemnities to policyholders if an uncertain specific future event (the insured event) occurs that has an adverse effect on the policyholder. Insurance premiums and selling expenses are recognized when insurance contracts are issued, or at the beginning of their effectiveness, whatever happens first, and the first installment of earned premium and the related commission installments are recognized in profit or loss according to the elapsed period of the term during which the risk is covered.

Reinsurance assets consist of cash receivable expectations from reinsurers for which the Company has transferred part of its exposure, portfolio or businesses. They are recognized in the short and long term depending on the expected term for the realization or collection of assets from the related reinsurers. Reinsurance assets are valued in a manner consistent with the insurance liabilities that were reinsured, and with the terms and conditions of each reinsurance contract. Liabilities payable to reinsurers basically consist of premiums payable under reinsurance contracts.

Ceded reinsurance premiums are recognized when insurance contracts are issued, or at the beginning of their effectiveness, whatever happens first, and are recognized in profit or loss in accordance with the deferral of the ceded reinsurance premium, taking into consideration the type of reinsurance contract in question and the ceding conditions.

The Company analyzes the recovery of reinsurance assets on a regular basis. The impairment of asset accounts whose counterparty is a reinsurer is calculated based on the risk of default of each reinsurer, according to a technical study of impairment with reinsurers.

The Company has used the guidelines established by the National Council of Private Insurance (CNSP), the Superintendence of Private Insurance (SUSEP), the Brazilian Institute of Actuarial Science (IBA), and the CPC 11/IFRS 4 - Insurance Contracts to evaluate its transactions and to recognize technical reserves to guarantee its insurance contracts by applying rules and procedures to measure and monitor its reinsurance contracts.

3.5. Reimbursements

The Company presents a methodology, described in an actuarial technical note, for recognizing a decrease in the reserves for claims related to the expected reimbursements to the insured when the financial risks are grouped.

The estimate consists solely of the expected settlement of claims not yet paid and is recognized in liabilities as a contra account to the reserve for claims and claim adjustment expenses. When a claim is settled (totally or partially) this reimbursement estimate is transferred to the Company's asset.

3.6. Right-of-use assets

The Company recognizes right-of-use assets at the lease commencement date (i.e. the date on which the underlying asset is available for use). Right-of-use assets are measured at cost less accumulated depreciation and impairment losses, and adjusted for a new measurement of lease liabilities. The cost of right-of-use assets includes recognized lease liabilities, initial direct costs incurred by the Company and lease payments made to the date of commencement less possible lease incentives received.

3.7. Intangible assets

Software maintenance costs are expensed as incurred. The costs for developing third-party software that is directly used by the Company are recognized as intangible assets.

Directly attributable costs, which are capitalized as part of the software item, include development costs incurred and a proper portion of applicable direct expenses. Other development costs that do not meet these criteria are recognized as expenses, as incurred. Development costs initially recognized as expenses are not recognized as assets in a subsequent period. Software development costs recognized as assets are amortized over their estimated useful lives. If there are signs of loss, impairment tests are conducted to point out possible needs to adjust the value of intangible assets.

3.8. Technical reserves for insurance contracts

Technical reserves set up to guarantee insurance contracts are recognized in accordance with Brazilian accounting policies applicable to insurance companies and comply with the provisions of the National Council of Private Insurance (CNSP), the Superintendence of Private Insurance (SUSEP) and CPC 11/IFRS 4 - Insurance Contracts.

All methodologies followed to calculate technical reserves are described in the actuarial technical note developed by the actuary in charge.

- **Unearned premium reserve**

The unearned premium reserve is recognized to cover amounts payable for future claims and expenses, over the policy periods to be elapsed, for risks assumed on the calculation base date, complying with the criteria established by the legislation in force.

The portion of unearned premium reserve for risks in force and already written is calculated in accordance with the standard formulation established by the Superintendence of Private Insurance (SUSEP).

The portion of unearned premium reserve for risks in force and not yet written includes the portion actuarially estimated through the development of premiums and the portion related to the individual treatment of specific policies, already known by the underwriters of each line of business, but not yet written.

- **Reserve for claims and claim-adjustment expenses**

The reserve for claims and claim-adjustment expenses is recognized for covering the amounts related to losses reported but not paid up to the calculation base date, including administrative and judicial claims. The reserve for claims and claim-adjustment expenses includes inflation adjustments, interest, foreign exchange gains and losses and contractual fines, when applicable.

The reserve is recognized according to an individual analysis of each claim, corresponding to the best estimate of the amounts payable for losses already reported to the Company.

For claims related to the financial risk group, the Company estimates an expected reimbursement arising from the likelihood of success in the enforcement of its counter-guarantee agreement.

- **IBNR (Incurred But Not Reported Losses) reserve**

The IBNR reserve consists of an actuarial estimate of the amount of administrative and judicial claims that have already occurred, but not yet reported to the Company up to the calculation base date.

The Company estimates its reserve using the methodology based on the Chain Ladder and Bornhuetter-Ferguson methods, analyzing compliance of the estimate by conducting monthly consistency tests.

In addition to the amount determined above, the final amount of the incurred but not reported losses reserve may receive an additional portion arising from the expected loss on financial risk transactions. This portion reflects the estimated loss on reported expectations which have not yet been characterized as claims.

- **Provision for related expenses**

The provision for related expenses is monthly recognized for covering expenses on the payment of indemnities, comprising both the expenses that may be individually attributable to each claim and the expenses that may only be related to the claims as a group.

The Company timely records all expenses incurred with the settlement of reported and expected losses. In addition, the provision includes an estimate of expenses not yet incurred with claims that have already occurred, whether notified or not, using its own methodology based on its expense history to determine an average percentage of expenses.

- **Reserve for technical surpluses**

The reserve for technical surpluses is monthly set up to guarantee the obligations arising from possible reductions in reinsurance commissions for contracts that include a sliding scale commission clause.

- **Liability Adequacy Test - LAT**

Semiannually, the Company assesses liabilities deriving from insurance and reinsurance contracts in effect on the reporting date by conducting liability adequacy tests. Liability adequacy tests are based on statistical and actuarial methods and updated data consistent with financial market information. The Company applies methodologies to the portions of liabilities to obtain the best estimates of future cash flows. The Company estimates its cash flows in local currency and US dollar. Specifically for transactions in local currency, the Company uses the ETTJ (Forward Interest Rate Framework – evolution of the rates paid on fixed-rate investments in Brazil) that are free from fixed-rate risks issued by the Brazilian Association of Financial and Capital Market Entities - AMBIMA and published on SUSEP's website for the estimated cash flows in nominal values. Likewise, for estimates deriving from cash flows in US dollar, the Company uses the exchange coupon rate curve provided by SUSEP.

The loss ratio assumptions used for forecasting future losses arising from the businesses in effect on the base date of the study are based on a careful analysis of the portfolio, and internal historical and market results in each line of business. The flow of expenses related to future losses is the result of an analysis of historical percentage metrics. In this study, a cash flow from administrative expenses was forecast for maintaining the current businesses up to the end of the run-off.

SUSEP Circular Letter No. 678 established that, in the preparation of the Liability Adequacy Test (LAT), among other measures, the partial results by groups of contracts may be offset under the terms of the supervised company's accounting policy. Austral Seguradora established the Contract Split Policy, thus determining the groups of contracts that are subject to compensation, which are closely related to the underwriting and risk management practices and policies of its Portfolio.

The comparison between the unearned premium reserve recognized, less deferred acquisition costs and directly related intangible assets, against the present value of the Company's flow of losses to be incurred, did not show the need for recognizing an additional reserve to cover risks on June 30, 2024 and on December 31, 2023.

3.9. Lease liabilities

At the lease commencement date, the Company recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under a residual value guarantee.

The Company uses as incremental rates the interest rate that it would have to pay when borrowing the funds required to obtain the asset with a value similar to the leased asset, under terms, security provisions, and similar economic scenarios applied individually to each lease according to estimates projected as the lease term.

3.10. Provisions for legal proceedings

Provisions are recognized after a series of individual analyses by the Company's in-house legal department and external legal counselors of ongoing legal proceedings on which future disbursements are likely to be made. Changes in estimates of proceedings and costs of loss of suit are recognized respectively as reported indemnities and claim expenses and the adjustments for inflation are recognized in finance income (costs).

Possible contingent assets are not recognized until the lawsuits are definitely decided favorably to the Company, and when the asset's realization is probable.

3.11. Employee benefits

- **Post-employment and conventional**

The Company does not offer post-employment benefits, and only offers the benefits provided for in collective labor agreements, such as the profit sharing plan, which is linked to the attainment of global, departmental and individual goals that are established and agreed for each year.

- **Share-based incentive plan**

Share-based incentives are measured and recognized at fair value on the date on which the options were granted, in a specific account in equity and in profit or loss, according to contractual conditions. The cost of equity-settled transactions is recognized over the period in which service conditions are complied with, and ends on the date the beneficiary is fully vested in the share (date of acquisition).

3.12. Income and contribution taxes

- **Current and deferred income tax and social contribution**

Provisions for current and deferred income and social contribution taxes are accrued at rates in effect on the reporting date of the interim financial statements.

Deferred tax assets and liabilities are recognized as a result of temporary differences, taking into account Management's expectation about the existence of future taxable profit for temporary differences to be realized.

Current and deferred tax assets and liabilities are offset when, and only when, the Company has the legally enforceable right to offset the amounts recognized and relate to taxes on profit, levied by the same tax authority.

- **Tax reform**

The Constitutional Amendment No. 132/2023, also known as the Consumption Tax Reform, was approved in December 2023, which substantially changes the current form of taxation of goods and services, replacing the current indirect taxes with the Value Added Tax (VAT) dual system, composed of the Goods and Services Contribution Tax (“CBS”) and the Goods and Services Tax (“IBS”), in addition to the creation of a Selective Tax (“IS”).

Through the referred to Constitutional Amendment, the general guidelines of the Brazilian national tax system were defined. For the progress of the Tax Reform, it is necessary to discuss and approve complementary laws and standardize the subject matter. Considering the current phase of the reform, which still lacks regulation, it is not possible to estimate its impacts. The Company continues to monitor the matter.

3.13. Impairment loss

- **Receivables**

The Company monthly assesses whether there is evidence of default on premiums receivable, by conducting an individual analysis of the counterparties involved and their related insurance policies overdue for 60 days, and of the fully recoverable claims. The method used to determine risk considers the maturity date, the flow of payments by the counterparties involved, the quality of their credit score, the history of losses and the reserves for premiums already received that allow the offsetting of their policies. If, in subsequent periods, the allowance for impairment is reduced, the amount of the write-down is recognized in profit or loss.

- **Marketable securities measured at fair value through other comprehensive income**

For impairment of financial assets measured at fair value through other comprehensive income, it considers expected credit losses, which are a probability-weighted estimate of credit losses based on the rating, over the expected life of the financial instrument.
The cash shortfalls refer to the difference between the cash flows owed to the Company under the contract and the cash flows that the Company expects to receive. The impairment amount is recognized in the Company’s equity.

- **Reinsurance assets**

The methodology used in the calculation of impairment of the asset accounts, whose counterparty is a reinsurer, consists of the expected loss value of exposure by base date, segregated by reinsurer, taking into consideration not only the quantitative aspects of the default risk assessment, but also the qualitative aspects inherent to the operations to which the Company is exposed. The credit risk with the reinsurer is mostly analyzed by the prospective analysis of the reinsurer's ability to pay. The main variables considered are as follows: Exposure, Probability of Loss (Default) and Loss Given Default (LGD).

- **Other assets**

When there is objective evidence that an impairment loss has been incurred on assets measured at amortized cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding expected future credit losses not yet incurred), discounted at the original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in profit or loss.

3.14. Results of operations

Income and expenses are recorded on the accrual basis and consider:

- **Premiums and commissions**

Insurance premiums are recognized on the date insurance contracts are issued, or at the beginning of their effectiveness, whatever happens first.

Insurance premiums and related selling expenses are recognized in profit or loss on a straight-line basis over policy periods by recognizing and reversing the unearned premium reserve.

Premiums related to reinsurance contracts are recorded as ceded reinsurance premiums in profit or loss and the Company defers their recognition by recognizing and reversing the unearned premium reserve, according to the methodology described in an actuarial technical not.

- **Claims**

Claims deriving from insurance include all events occurring during the course of the periods, whether or not reported, the related internal and external costs incurred with claims directly and related to the adjustment and settlement of the latter, the impaired amount consisting of salvage charges and reimbursements and other amounts recovered and possible adjustments in claims payable from previous periods.

3.15. Significant accounting judgments, estimates and assumptions

The preparation of the interim financial statements requires the use of certain accounting estimates and the exercise of Management's judgment in the use of certain accounting policies. However, uncertainty about those assumptions and estimates can lead to different results in subsequent periods.

In applying accounting policies, Management made the following judgments, in addition to those that involved estimates and assumptions, which had their main effects on the amounts recognized in the interim financial statements.

- Fair value of financial instruments measured at fair value through profit or loss and through other comprehensive income (note 5);
- Valuation of the assets and liabilities of insurance and reinsurance contracts (note 4 and 13);
- Tax credits (note 8);
- Deferred acquisition costs (note 9);
- Salvage charges and reimbursements (note 8);
- Provisions for legal proceedings (note 15); and
- Impairment - expected loss (note 2.3).

3.16. Dividends

Dividends are recognized when they are actually distributed or when their distribution is approved by the shareholders, whichever occurs first.

The Company's Articles of Incorporation sets a minimum dividend of 25% on net income for the year, adjusted as provided for by article 202 of Law 6404/76.

When assessing the interim financial statements, the Board of Directors presents at the Meeting of Shareholders its proposal for distributing the period's profit. The dividends proposed by the Board of Directors are reflected in sub-accounts in equity, and only the portion corresponding to the non-discretionary dividends is recognized as a liability in the financial statements.

3.17. Earnings (loss) per share

Basic earnings per share are calculated by dividing the profit attributable to shareholders by the weighted average number of shares issued during the period, excluding any treasury shares that have been repurchased during the semester.

The purpose of diluted earnings per share is to provide a measure of the participation of each and every ordinary and preference share in the Company's performance and, at the same time, to reflect the effects of all dilutive potential ordinary shares outstanding during the semester.

The calculation of the ordinary shares' weighted average considers:

- Number of outstanding shares (net of treasury shares); and
- Exercisable share options.

3.18. Standards, interpretations and new and revised guidelines

The following amendments to standards were issued by the Brazilian FASB (CPC), but are not yet effective for the six-month period ended June 30, 2024:

- CPC 50 - Insurance Contracts (equivalent to IFRS 17 - Insurance Contracts)

  CPC 50 establishes principles for recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires that similar principles are applied to reinsurance contracts held and investment contracts with discretionary participation characteristics issued. The purpose is to ensure that entities provide relevant information in a way that faithfully represents these contracts. CPC 50 became effective as of January 1, 2023.

  CPC 50 will be applicable to the Company when adopted by Superintendence of Private Insurance (SUSEP). There are no other standards or interpretations not yet effective which could have significant impact on the Company's interim financial statements.

  The Company has not completed its analyses of the impacts of CPC 50.

The following rule shall not have a material impact on the Company's interim financial statements or are not applicable to its operations:

- Conceptual Financial Reporting Framework – CPC 00 (R2).

Early adoption of standards, although encouraged by IASB, is not allowed in Brazil by the Committee of Accounting Pronouncements (CPC) which has not yet issued an accounting pronouncement or amended the existing pronouncements related to those new IFRSs. Therefore, earlier application of those IFRSs is not allowed for entities that disclose their interim financial statements in accordance with Brazilian accounting policies.

4. Insurance risk and financial risk management

The Company adopts as definition that the risk management framework consists of a set of components that provide the grounds and the organizational arrangement that enable the conception, implementation, monitoring, critical analysis and continued improvement of risk management across the organization as a whole.

(In thousands of real)

Risk management procedures are based on the best practices set on the 2017 edition of the Committee of Sponsoring Organizations of the Treadway Commission - COSO and Enterprise Risk Management - ERM, whose control environment evaluation stages are the following: (i) risk assessment; (ii) control activities; (iii) monitoring activities; information and (iv) communication. These stages take into consideration the nature, scale and complexity of our transactions. COSO is recognized as an international benchmark on the topic and this version is in line with the best practices, aligning risk management with the Company's strategy.

The Company also uses the three-line concept, updated by the Internal Auditors Institute - IIA, to establish roles, responsibilities and governance functions within the whole risk management process.

Risk management is directly related to the Company's objectives, aligning with business strategies, the definition of its internal operational controls and the pursuit of excellence in business management.

The tables below show the concentration of business risk by region, based on the amount of gross reinsurance premium, net of the Company's reinsurance premium.

	Distribution of gross reinsurance premium	
Geographical region	**06/30/2024**	**06/30/2023**
Midwest	805	1,067
Northeast	4,639	12,960
North	2,275	572
Southeast	850,793	831,808
South	5,974	6,330
Total	**864,486**	**852,737**

	Distribution of the net reinsurance premium	
Geographical region	**06/30/2024**	**06/30/2023**
Midwest	533	637
Northeast	2,796	7,135
North	1,378	379
Southeast	101,122	86,560
South	3,519	3,645
Total	**109,348**	**98,356**

a) Underwriting risk management

One of the main risks posed by insurance and reinsurance transactions is the possibility that the acceptance conditions set forth by the insurer or reinsurer for a certain risk are improper given the responsibilities actually assumed or the possible insufficiency of the technical reserves. One of the most relevant related risk factors is the frustration of expectations with respect to the frequency and/or amounts payable for claims, which would cause an understatement of the premiums and/or provisions accrued to cover financial expenses on the payment of the obligations assumed to clients and/or the increase in reserves to make the accrued amounts sufficient to cover these obligations.

(In thousands of real)

Austral Seguradora mitigates its exposure to risk by diversifying its portfolio and making an analytical selection of underwritten risks, implementing healthy and prudent underwriting strategy guidelines, as well as constantly monitoring internal and market indicators to make possible adjustments.

For risk pricing purposes, aiming at obtaining consistent, stable and positive results, individually and for the portfolio, the Company adopts an underwriting policy and defines operational procedures for assessing risks, as well as a pricing model that follows risk management assumptions. Among the procedures followed by the Company are authorization levels to support technical decisions. These documents are formally approved, periodically reviewed and duly disclosed to all those involved.

Moreover, reinsurance is part of the risk management program. Ceded reinsurance is acquired on a proportional and unproportional basis.

From the point of view of business concentration, Company's performance and surety bond insurance portfolio accounts for 64% of the total technical profit reported by the Company, i.e. R$25,107 (64% and R$57,300 as of December 31, 2023).

Sensitivity analysis

In order to carry out the sensitivity analysis for the loss ratio, the Company adopted as assumption a 10% increase in the loss ratio incurred by line of insurance in the current year. Moreover, for all groupings in which the loss ratio was negative for the semester, we used the assumed loss ratio of 10% for our analysis.

The tables below show variations in the amounts of incurred losses, gross and net of reinsurance effects, taking into consideration the following loss ratios:

			06/30/2024
Gross reinsurance effects	**Base**	**Scenario of 10.0%**	**Impact**
Equity	264,772	252,471	(12,301)
Profit for the semester	17,568	5,267	(12,301)
% impact on profit or loss for the semester			(70.0%)
% impact on equity			(4.6%)
Net reinsurance effects			
Equity	264,772	262,678	(2,094)
Profit for the semester	17,568	15,474	(2,094)
% impact on profit or loss for the semester			(11.9%)
% impact on equity			(0.8%)

(In thousands of real)

			06/30/2023
Gross reinsurance effects	**Base**	**Scenario of 10.0%**	**Impact**
Equity	236,762	194,491	(42,271)
Profit for the semester	14,760	(27,511)	(42,271)
% impact on profit or loss for the semester			(286.4%)
% impact on equity			(17.9%)
Net reinsurance effects			
Equity	236,762	234,906	(1,856)
Profit for the semester	14,760	12,904	(1,856)
% impact on profit or loss for the semester			(12.6%)
% impact on equity			(0.8%)

b) Financial risk management

The Company's investment policy sets the guidelines for allocating funds to securities, and for monitoring the risks inherent in its investment portfolio.

Investments are based on analyses of short-, medium-term and long-term macroeconomic scenarios, and the main variables in the Brazilian and global economy are taken into account, such as expected evolution of interest, inflation, exchange, economy growth rates, among others.

In its investment decisions, the Company considers its cash needs and the management of its assets and liabilities, following a conservative approach with respect to the credit standing of its counterparties and the investments made. The Company manages financial investment risks by analyzing and monitoring its portfolio daily.

The Company's Investment Committee gathers regularly to analyze the portfolio's performance, outline prospective scenarios and, therefore, set the overall investment guidelines.

Financial risks can be divided into four main risk categories: market, credit, liquidity and exchange rate. The information below will be presented according to each category mentioned above.

1) Market risk

Market risk is the risk that changes in the market prices of the Company's assets and liabilities will cause losses to the Company.

Market risk control is based on the Value-at-Risk (VaR) model, one of the most traditional methods for managing this risk. It consists of a statistical assessment metric that estimates the maximum potential loss that the portfolio could undergo, within a certain period of time and a certain confidence interval, considering normal market conditions.

(In thousands of real)

Sensitivity analysis

The Company daily monitors the market and system risk of its investment portfolio by applying the Value-at-Risk (VaR) model with confidence intervals of 95% and 99%, in simulation models with historical and parametric data within a time frame of one day and 252 business days.

In addition, the Company performs stress tests on the interest variable, the largest component of the investment portfolio, as well as on the exchange rate, to be seen in item 4) of this note, foreign exchange risk.

(i) Investment portfolio

According to the VaR analysis, these investments could generate, using the historical method and a window of observation of 252 business days, *a* "holding period" of one day and a 95% confidence level, a loss of 0.10% of the total portfolio's assets as of June 30, 2024 (0.13% as of December 31, 2023), which amounts to R$373. With a 99% confidence level, a loss of 0.19% was reported for the total portfolio's assets as of June 30, 2024 (0.33% as of December 31, 2023), which is equivalent to R$708.

	06/30/2024		06/30/2023	
	Historical	Impact	Historical	Impact
VaR 95%	(0.10%)	(373)	(0.13%)	(470)
VaR 99%	(0.19%)	(708)	(0.18%)	(651)

When using the parametric method, considering the VaR analysis with a window of observation of 252 business days, *a* "holding period" of one day and a 95% confidence level, a 0.11% loss was reported for the total portfolio's assets as of June 30, 2024 (0.13% as of December 31, 2023), which amounts to R$410. With a 99% confidence level, a loss of 0.16% was reported for the total portfolio's assets as of June 30, 2024 (0.19% as of December 31, 2023), which is equivalent to R$596.

	06/30/2024		06/30/2023	
	Parametric	Impact	Parametric	Impact
VaR 95%	(0.11%)	(410)	(0.13%)	(470)
VaR 99%	(0.16%)	(596)	(0.19%)	(687)

In addition to the VaR analyses, for the performance and allocation of assets to the investment portfolio, the Company also takes into consideration stressed scenarios of the implicit rate of the securities indexed to the inflation rate. To that end, the following base, probable and stressed scenarios were considered (positive and negative variation of 100bps and 200bps in the fixed rate applied to the securities indexed to the inflation rate):

(In thousands of real)

i. Base scenario: the same scenario was considered as probable. This is the scenario in which the IPCA curve is the same as the implicit curve of the securities indexed to the inflation rate;
ii. Scenario I: decrease by 200bps in relation to the base scenario rate;
iii. Scenario II: decrease by 100bps in relation to the base scenario rate;
iv. Scenario III: 100bps increase in relation to the base scenario rate; and
v. Scenario IV: 200bps increase in relation to the base scenario rate.

		06/30/2024
Scenario	Shock	Impact on gross profit (loss) before taxes
I	(200 bps)	8.2MM
II	(100 bps)	4.1MM
III	100 bps	(4.1MM)
IV	200 bps	(8.2MM)

		06/30/2023
Scenario	Crash	Impact on gross profit (loss) before taxes
I	(200 bps)	11.3MM
II	(100 bps)	5.7MM
III	100 bps	(5.7MM)
IV	200 bps	(11.3MM)

2) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial obligation fails to meet its contractual obligations, and/or receivables are devalued because of a decrease in the borrower's or counterparty's risk rating.

The Company understands that the main origin of its credit risk is the reinsurance exposure of the Insurance Company's transactions. In order to mitigate this risk, credit rating is evaluated, according to an assessment by risk rating agencies. As an additional underwriting procedure, the Company's rating is considered for accepting and pricing risks and setting approval levels. Moreover, the Company monitors exposures by reinsurer and monitors and evaluates the changes and trends in the insurance and reinsurance markets, as well as in the financial market.

The credit risk posed by funds and financial instruments, components of the investment portfolio in addition to federal government bonds, is limited because counterparties consist of issuers with a high credit rating assessed by risk rating agencies.

The table below shows the total credit risk exposure for the several categories of the Company's assets. Moreover, the terms of overdue assets are presented.

(In thousands of real)

Breakdown of the portfolio per accounting category and class	06/30/2024 Falling due assets	Overdue up to 30 days	Overdue from 31 to 60 days	Overdue from 61 to 120 days	Overdue from 121 to 180 days	Overdue from 181 to 365 days	More than 365 days	Carrying value
Available	27,141	-	-	-	-	-	-	27,141
Measured at fair value through profit or loss								
Private	50,500	-	-	-	-	-	-	50,500
Public	95,286	-	-	-	-	-	-	95,286
Foreign	25,015	-	-	-	-	-	-	25,015
Measured at fair value through other comprehensive income								
Private	20,188	-	-	-	-	-	-	20,188
Public	154,273	-	-	-	-	-	-	154,273
Receivables from insurance and reinsurance operations (*)	1,130,866	15,113	1,056	2,121	742	1,145	6,688	1,157,731
Total financial assets and insurance contract assets	**1,503,269**	**15,113**	**1,056**	**2,121**	**742**	**1,145**	**6,688**	**1,530,134**

Breakdown of the portfolio per accounting category and class	12/31/2023 Falling due assets	Overdue up to 30 days	Overdue from 31 to 60 days	Overdue from 61 to 120 days	Overdue from 121 to 180 days	Overdue from 181 to 365 days	More than 365 days	Carrying value
Available	9,057	-	-	-	-	-	-	9,057
Measured at fair value through profit or loss								
Private	43,456	-	-	-	-	-	-	43,456
Public	72,484	-	-	-	-	-	-	72,484
Foreign	78,310	-	-	-	-	-	-	78,310
Measured at fair value through other comprehensive income								
Private	10,929	-	-	-	-	-	-	10,929
Public	155,828	-	-	-	-	-	-	155,828
Receivables from insurance and reinsurance operations (*)	820,664	1,572	2,820	2,904	1,328	1,337	6,594	837,219
Total financial assets and insurance contract assets	**1,190,728**	**1,572**	**2,820**	**2,904**	**1,328**	**1,337**	**6,594**	**1,207,283**

* The amounts of receivables from insurance and reinsurance operations are presented gross of the provision for impairment in the total of R$1,150,213 as of June 30, 2024 (R$809,903 as of December 31, 2023).

The table below presents the credit risk the Company is exposed to in connection with its reinsurance transactions segregated by the rating assigned by Standard & Poor's, AM Best, Moody's and Fitch. The concept of exposure takes into consideration provisions for claims, unearned premiums already passed on to reinsurers and recoverable credits in accordance with the Superintendence of Private Insurance (SUSEP)'s guidance. This exposure is rated according to the best leveling per rating, according to the table shown below.

Moreover, as presented below, the Company is exposed only to minimum level reinsurers: BBB+ and B++, according to the assessments of Standard & Poor's and AM Best risk rating agencies, respectively.

				06/30/2024		12/31/2023	
Standard & Poor's Co	Moody's Investor Services	Fitch Ratings	AM Best	Exposure (in R$)	Exposure (in %)	Exposure (in R$)	Exposure (in %)
AAA	Aaa	AAA	A++	18,863	3.0	21,867	4.0
AA+	Aa1	AA+	A+	124,270	19.6	124,842	22.9
AA	Aa2	AA	A+	17	-	49	-
AA-	Aa3	AA-	A+	91,463	14.4	43,401	8.0
A+	A1	A+	A	141,078	22.2	69,372	12.7
A	A2	A	A-	257,457	40.5	284,900	52.3
A-	A3	A-	A-	-	-	-	-
BBB+	Baa1	BBB+	B++	1,708	0.3	408	0.1
Total				**634,856**	**100.0**	**544,839**	**100.0**

(In thousands of real)

3) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet the expected or non-expected obligations associated with its financial liabilities at the moment they fall due, whether because it cannot realize its assets in a timely manner or because such realization leads to significant losses and/or failure to comply with regulatory requirements.

Management monitors the portfolio daily and regularly discusses at its regular or extraordinary meetings, when necessary, the position of investments taking into account their expected liquidity and profitability.

The Company adopts a conservative approach with respect to its financial assets, understood as the sum of the Company's cash and cash equivalents plus its financial investments, always prioritizing liquidity when choosing its financial assets, according to its liabilities to counterparties.

Currently, the Company has 89.0% (90.8% as of December 31, 2023) of its portfolio made up of assets and instruments with daily liquidity, consisting of bank deposits, LFT, NTN-B and other securities which have daily liquidity irrespective of their maturity. In addition, 4.6% (3.0% as of December 31, 2023) of the financial assets consist of investment funds with redemption terms of up to 120 days, and 6.5% (6.2% as of December 31, 2023) of the portfolio consists of an investment fund with redemption period of more than 120 days.

						06/30/2024
Assets and liabilities	**Within one year**	**Over one year**	**Curve Value/Cost**	**Market Value**	**Gain/Loss**	**Carrying value**
Cash and cash equivalents	27,141	-	-	-	-	27,141
Financial assets at fair value through profit or loss	148,393	22,408	170,801	170,678	123	170,801
Financial assets at fair value through other comprehensive income (*)	174,461	-	174,465	185,860	(11,395)	174,461
Receivables from insurance and reinsurance contracts	950,466	199,747	-	-	-	1,150,213
Other operating receivables	2,021	-	-	-	-	2,021
Securities and other receivables	33,948	10,601	-	-	-	44,549
Total assets	**1,336,430**	**232,756**	**345,266**	**356,538**	**(11,272)**	**1,569,186**

(*) The book value is the market value minus the impairment of R$4.

Trade and other payables	60,551	-	-	-	-	60,551
Insurance contract liabilities (net of reinsurance)	144,868	154,290	-	-	-	299,158
Payables for insurance and reinsurance contracts	889,021	176,196	-	-	-	1,065,217
Third-party deposits	9,161	-	-	-	-	9,161
Other payables	1,147	9,173	-	-	-	10,320
Total liabilities	**1,104,748**	**339,659**	**-**	**-**	**-**	**1,444,407**

(In thousands of real)

						12/31/2023
Assets and liabilities	**Within one year**	**Over one year**	**Curve Value/Cost**	**Market Value**	**Gain/Loss**	**Carrying value**
Cash and cash equivalents	9,057	-	-	-	-	9,057
Financial assets at fair value through profit or loss	179,405	14,845	194,250	194,226	24	194,250
Financial assets at fair value through other comprehensive income	166,757	-	166,757	173,764	(7,007)	166,757
Receivables from insurance and reinsurance contracts	731,720	78,183	-	-	-	809,903
Other operating receivables	1,906	-	-	-	-	1,906
Securities and other receivables	17,885	11,803	-	-	-	29,688
Total assets	**1,106,730**	**104,831**	**361,007**	**367,990**	**(6,983)**	**1,211,561**
Trade and other payables	43,746	99	-	-	-	43,845
Insurance contract liabilities (net of reinsurance)	131,154	122,152	-	-	-	253,306
Payables for insurance and reinsurance contracts	699,434	68,991	-	-	-	768,425
Third-party deposits	14,055	-	-	-	-	14,055
Other payables	1,305	7,639	-	-	-	8,944
Total liabilities	**889,694**	**198,881**	**-**	**-**	**-**	**1,088,575**

4) Foreign currency risk

The Company operates a portfolio of investments in US dollars. Therefore, any changes in R$/US$ exchange rates will affect the Company's statement of profit or loss and its statement of financial position.

Sensitivity analysis

The sensitivity analysis of fluctuations in R$/US$ exchange rates in the portfolio of foreign currency investments was based on the following scenarios:

i. Base scenario: PTAX exchange rate of R$/US$5.56 as of June 30, 2024;
ii. Probable scenario: exchange rate of R$/US$5.16 estimated for June 30, 2025 by the Central Bank of Brazil's Market Expectation System as of June 30, 2024;
iii. Scenario I: 50,0% decrease in relation to the base scenario rate (R$/US$2.78);
iv. Scenario II: 25,0% decrease in relation to the base scenario rate (R$/US$4.17);
v. Scenario III: 25,0% increase in relation to the base scenario rate (R$/US$6.95); and
vi. Scenario IV: 50,0% increase in relation to the base scenario rate (R$/US$8.34).

Notes to the interim financial statements
As of June 30,2024 and December 31, 2023 and semesters ended June 30,2024 and 2023
(In thousands of real)

06/30/2024		
Scenario	**Exchange rate fluctuations**	**Impact on profit (loss) gross of taxes (*)**
Probable	(7.2%)	(1.3MM)
I	(50.0%)	(8.9MM)
II	(25.0%)	(4.5MM)
III	25.0%	4.5MM
IV	50.0%	8.9MM

06/30/2023		
Scenario	**Exchange rate fluctuations**	**Impact on profit (loss) gross of taxes (*)**
Probable	4.0%	0.4MM
I	(50.0%)	(4.1MM)
II	(25.0%)	(2.0MM)
III	25.0%	2.0MM
IV	50.0%	4.1MM

(*) Impact on gross tax income on the dates of 06/30/2024 and 06/30/2023.

5. Financial investments

a) Classification by category and aging

	06/30/2024									
	Agreed fees	**Without maturity**	**Within 12 months**	**From 13 to 60 months**	**Over 60 months**	**Carrying market value**	**Book value (*)**	**Curve Value**	**Accounting percentage of investments**	**Percentage of the curve of investments**
I. Securities measured at fair value through profit or loss:		**41,124**	**48,093**	**78,824**	**2,760**	**170,801**	**170,801**	**170,678**	**49.5%**	**47.9%**
Financial Treasury Bills - LFTs	SELIC	-	23,078	72,208	-	95,286	95,286	95,257	27.6%	26.7%
Certificates of deposit abroad	5.30%	-	25,015	-	-	25,015	25,015	25,015	7.3%	7.0%
Debentures	CDI + 1.53%	-	-	6,616	2,760	9,376	9,376	9,282	2.7%	2.6%
Investment fund shares (i)	-	41,124	-	-	-	41,124	41,124	41,124	11.9%	11.5%
II. Securities measured at fair value through other comprehensive income:		**-**	**-**	**157,665**	**16,800**	**174,465**	**174,461**	**185,860**	**50.5%**	**52.1%**
National Treasury Notes - NTN-Bs	IPCA + 3.74%	-	-	142,885	11,388	154,273	154,273	165,738	44.6%	46.5%
Debentures	CDI + 1.49%	-		13,040	4,170	17,210	17,209	17,104	5.0%	4.8%
Debentures IPCA	IPCA + 7.10%	-		-	1,242	1,242	1,240	1,288	0.4%	0.5%
Financial bills – LF	CDI + 0.92%	-	-	1,740	-	1,740	1,739	1,730	0.5%	0.5%
Total		**41,124**	**48,093**	**236,489**	**19,560**	**345,266**	**345,262**	**356,538**	**100.0%**	**100.0%**

(*) The book value is the market value minus the impairment of R$4.

	12/31/2023									
	Agreed fees	**Without maturity**	**Within 12 months**	**From 13 to 60 months**	**Over 60 months**	**Carrying market value**	**Book value**	**Curve Value**	**Accounting percentage of investments**	**Percentage of the curve of investments**
I. Securities measured at fair value through profit or loss:		**34,140**	**102,248**	**55,098**	**2,764**	**194,250**	**194,250**	**194,226**	**53.8%**	**52.8%**
Debentures	CDI+	-	-	6,566	2,750	9,316	9,316	9,310	2.6%	2.5%
Financial Treasury Bills - LFTs	SELIC	-	12,443	48,532	14	60,989	60,989	60,972	16.9%	16.6%
Certificates of deposit abroad	5.3%	-	78,310	-	-	78,310	78,310	78,310	21.7%	21.3%
National Treasury Bills - LTN	PRÉ	-	11,495	-	-	11,495	11,495	11,494	3.2%	3.1%
Investment fund shares (i)	-	34,140	-	-	-	34,140	34,140	34,140	9.5%	9.3%

(In thousands of real)

II. Securities measured at fair value through other comprehensive		**-**	**-**	**149,719**	**17,038**	**166,757**	**166,757**	**173,764**	**46.2%**	**47.2%**
National Treasury Notes - NTN-Bs	IPCA	-	-	143,199	12,629	155,828	155,828	162,816	43.2%	44.2%
Debentures	CDI+	-		5,717	4,409	10,126	10,126	10,145	2.8%	2.8%
Financial bills – LF	CDI+	-	-	803	-	803	803	803	0.2%	0.2%
Total		**34,140**	**102,248**	**204,817**	**19,802**	**361,007**	**361,007**	**367,990**	**100.0%**	**100.0%**

(i) The balances of investment fund shares consist of the following types of funds, as follows: (i) private credit fund R$6,806 (R$8,009 as of December 31, 2023), (ii) equity investment fund R$26,845 (R$22,396 as of December 31, 2023), (iii) multimarket funds R$4,765 (R$3,082 as of December 31, 2023),(iv) real estate investment fund R$2,022 and fixed-rate fund R$686 (R$653 as of December 31, 2023).

The market values of government bonds were calculated according to prices disclosed by the Brazilian Association of Financial and Capital Market Entities - ANBIMA.

Investment fund shares are valued based on the unit value of the share as of the reporting date informed by the related managers.

The market value of the funds listed in the portfolio was obtained according to the price traded on B3 S.A.

b) Fair value hierarchy

The table below shows financial instruments stated at fair value and their related valuation methods. Different levels were defined in accordance with CPC 46 – Measured at fair value as follows:

- Level 01: quoted prices (unadjusted) in active markets for identical assets or liabilities, for example: listed shares, listed investment funds, Brazilian federal government bonds issued in Brazil and abroad and corporate securities issued by Brazilian companies abroad; and

- Level 02: final prices are obtained based on other information, except quoted prices included within Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (i.e. derived from prices), for example: unlisted investment funds, debentures, financial bills and certificates of bank deposit.

	06/30/2024			12/31/2023		
	Level 1	Level 2	Total	Level 1	Level 2	Total
I. Securities measured at fair value through profit or loss:						
Investment funds:						
Investment fund shares	6,459	32,643	**39,102**	7,551	26,589	**34,140**
Real estate fund shares	2,022	-	**2,022**	-	-	**-**
Fixed-rate securities - private securities:						
Certificates of deposit abroad	-	25,015	**25,015**	-	78,310	**78,310**
Debentures	-	9,376	**9,376**	-	9,316	**9,316**
Fixed-rate securities - government bonds:						
Financial Treasury Bills - LFTs	95,286	-	**95,286**	60,989	-	**60,989**
National Treasury Bills - LTN	-	-	**-**	11,495	-	**11,495**

(In thousands of real)

II. Securities measured at fair value through other comprehe incomes:						
Fixed-rate securities – private securities:						
Debentures	-	18,452	**18,452**	-	10,126	**10,126**
Financial bills	-	1,740	**1,740**	-	803	**803**
Fixed-rate securities - government bonds:						
National Treasury Notes - NTN-Bs	154,273	-	**154,273**	155,828	-	**155,828**
Total	**258,040**	**87,226**	**345,266**	**235,863**	**125,144**	**361,007**

c) Changes in financial investments

Changes in financial investments are shown in the table below:

	Fair value through profit or loss	Fair value through other comprehensive income	Total
Closing balance as of December 31, 2022	**128,768**	**145,648**	**274,416**
(+) Investments	1,743,075	9,503	1,752,578
(-) Redemptions	(1,689,627)	(8,784)	(1,698,411)
(+) Income	22,851	13,506	36,357
(+/-) Exchange rate fluctuations	(10,820)	-	(10,820)
(+/-) Fair value adjustment	3	6,884	6,887
Closing balance as of December 31, 2023	**194,250**	**166,757**	**361,007**
(+) Investments	745,625	10,224	755,849
(-) Redemptions	(787,431)	(6,392)	(793,823)
(+) Income	10,178	8,268	18,446
(+/-) Exchange rate fluctuations	8,195	-	8,195
(+/-) Fair value adjustment	(16)	(4,388)	(4,404)
(+/-) Impairment	-	(4)	(4)
Closing balance as of June 30, 2024	**170,801**	**174,465**	**345,266**

d) Derivatives

d.1) Exposure

Description	Maturity	Exposure 06/30/2024	Amount payable/receivable 06/30/2024
Futures contracts			
Sales commitment			
Exchange rate - US dollar futures contracts - DOL	01/08/2024	33,631	(467)
Exchange rate - US dollar futures contracts - WDOL	01/08/2024	897	(12)

(In thousands of real)

Description	Maturity	Exposure 12/31/2023	Amount payable 12/31/2032
Futures contracts			
Sales commitment			
Exchange rate - US dollar futures contracts - DOL	01/02/2024	52,342	-
Exchange rate - US dollar futures contracts - WDOL	01/02/2024	3,631	-

d.2) Margins pledged as security

Assets	Maturity	Amount	06/30/2024 Value
NTN-B	15/08/2026	59	256
NTN-B	15/08/2050	541	2.241
Total		**600**	**2.497**

Assets	Maturity	Amount	Value
LFT	01/09/2024	20	300
LFT	01/09/2025	35	526
LFT	01/03/2026	34	510
LFT	01/09/2026	41	615
LFT	01/03/2027	13	195
LFT	01/09/2028	36	537
LFT	01/03/2029	1	15
Total		**180**	**2,698**

Assets	Maturity		12/31/2023 Amount
NTN-B	15/08/2026	59	257
NTN-B	15/08/2050	541	2,485
Total		**600**	**2,742**

Assets	Maturity	Amount	Value
LFT	01/03/2024	44	628
LFT	01/09/2026	41	584
LFT	01/03/2028	143	2,029
LFT	01/09/2028	36	510
LFT	01/03/2029	1	14
Total		**265**	**3,765**

6. Guarantees for technical reserves

The Central Bank of Brazil (BACEN), through Resolution No. 4,993 of March 24, 2022, and the National Council of Private Insurance (CNSP), through the CNSP Resolution No. 453 of

(In thousands of real)

December 19, 2022, and its related changes, regulated the standards set for insurance companies to invest funds that guarantee the technical reserves established by local insurance companies. In the periods ended June 30, 2024 and December 31, 2023, the Company had the following coverages taken out:

	06/30/2024	12/31/2023
Unearned premium reserve	1,472,992	1,149,928
Reserve for claims and claim adjustment expenses	265,090	159,457
Incurred but not reported losses (IBNR) reserve	39,392	39,136
Provision for related expenses	8,986	8,699
Reserve for technical surpluses	166	166
Total technical reserves	**1,786,626**	**1,357,386**
Receivables	(971,248)	(679,698)
Valuation allowances for deferred acquisition costs	(61,189)	(48,558)
Valuation allowances for the unearned premium reserve - reinsurance assets	(302,445)	(300,142)
Valuation allowances for the reserve for claims and claim adjustment expenses - reinsurance assets	(249,013)	(147,690)
Valuation allowances for Incurred but Not Reported Losses - reinsurance assets	(33,657)	(34,422)
Valuation allowances for the reserve for related expenses - reinsurance assets	(7,306)	(7,325)
Total deductions	**(1,624,858)**	**(1,217,836)**
Total technical reserves for coverage	**161,768**	**139,550**
Breakdown of assets linked to the coverage of technical reserves:		
Financial Treasury Bills - LFTs	40,538	21,100
National Treasury Notes - NTN-Bs	151,776	153,068
Investment fund shares	21,587	21,430
Total assets linked to coverage for technical reserves	**213,901**	**195,597**
Excess restricted assets	**52,133**	**56,047**

7. Receivables from insurance and reinsurance contracts

	06/30/2024	12/31/2023
Premiums receivable from the insured	1,131,749	781,397
Transactions with insurance companies	857	2,727
Transactions with reinsurers	17,607	25,779
Total	**1,150,213**	**809,903**
Total Current	**950,466**	**731,720**
Total non-current	**199,747**	**78,183**

a) Aging schedule of premiums receivable:

	06/30/2024	12/31/2023
Falling due premiums		
Within 1-30 days	115,916	284,071
Within 31-60 days	254,572	91,134
Within 61-120 days	432,328	134,657
Within 121-180 days	33,894	82,191
Within 181-365 days	75,936	121,922
Within more than 365 days	199,756	78,183
Total falling due premiums	**1,112,402**	**792,158**

(In thousands of real)

Overdue premiums		
1-30 days	15,113	1,572
31-60 days	1,056	2,820
61-120 days	2,121	2,904
121-180 days	742	1,328
181-365 days	1,145	1,337
More than 365 days	6,688	6,594
Total overdue premiums	**26,865**	**16,555**
Allowance for impairment loss	**(7,518)**	**(27,316)**
Total premiums receivable	**1,131,749**	**781,397**

b) Changes in receivable premiums

	06/30/2024	12/31/2023
Opening balance	**781,397**	**911,893**
(+) Written premiums (*)	1,220,467	1,435,594
(+/-) Risks in force and not yet issued	(244,323)	105,154
(+) Tax on financial transactions	72,740	134,718
(+) Fractional premium surcharge	-	6
(-) Proceeds	(718,330)	(1,785,741)
(+/-) Impairment loss	19,798	(20,227)
Closing Balance	**1,131,749**	**781,397**

(*) The amount includes exchange rate fluctuations and cancellations.

According to the premium receipt and payment schedule flows for the semester ended June 30, 2024, the Company has been reported to operate with an average of two installments in the payment schedule.

Part of the overdue premium amounts was recorded as an impairment loss, given that the company considers that there is a risk on the collection of those amounts, according to an individual credit risk assessment for each client.

8. Notes and credits receivable

	06/30/2024	12/31/2023
Securities and other receivables	2,284	2,348
Reimbursements receivable (a)	2,284	2,348
Tax and social security receivables (b)	108	108
Court deposits	604	170
Other receivables	2,284	2,348
Total	**44,549**	**29,688**
Total Current	**33,948**	**17,885**
Total non-current	**10,601**	**11,803**

a) Aging schedule of reimbursements receivable (effective and estimated) by line of insurance group:

(In thousands of real)

Aging schedule - permanence	06/30/2024	12/31/2023
Guarantee		
Within 1-30 days	366	-
More than 365 days	38,179	38,243
Impairment loss	(36,261)	(35,895)
Total aging schedule	**2,284**	**2,348**

Expected realization	06/30/2024	12/31/2023
Guarantee		
More than 365 days	38,545	38,243
Impairment loss	(36,261)	(35,895)
Total aging schedule	**2,284**	**2,348**

b) Tax and social security receivables:

Below is a table including tax receivables and payables and deferred tax assets at their net amounts, when they have the same nature and are in the same jurisdiction:

	06/30/2024	12/31/2023
Taxes to be offset/recovered (i)	17,851	16,978
Taxes withheld at source (ii)	14,539	-
PIS and COFINS tax credits (iii)	846	629
Deferred corporate income and social contribution taxes (iv) (b.1)	8,317	9,455
Total	**41,553**	**27,062**
Total current	**33,236**	**17,607**
Total non-current	**8,317**	**9,455**

(i) Credits from corporate income and social contribution tax losses; from PIS (Contribution to the Social Integration Program), COFINS (Contribution for Social Security Contribution), IOF (Financial Transactions Tax), IR (Income Tax) and CSLL (Social Contribution Tax) overpaid;
(ii) Taxes withheld at source on policies issued for government agencies and mixed-capital companies;
(iii) PIS and COFINS tax credits calculated on the balance of reserve for claims and claim adjustment expenses and the incurred but not reported losses (IBNR) reserve; and
(iv) Tax credits on temporary differences.

b.1) Changes in deferred taxes:

	12/31/2023	Additions	Write-off	Recognized in profit or loss	Recognized in OCI	06/30/2024
Deferred taxes on temporary differences	**9,455**	**3,773**	**(4,911)**	**(2,893)**	**1,755**	**8,317**
Market value adjustment - held-for-trading	3,292	495	(1,319)	(824)	-	2,468
Market value adjustment - available-for-sale	2,802	1,957	(202)	-	1,755	4,557
Other provisions	3,097	1,259	(3,378)	(2,119)	-	978
CPC 06 (R2) - Leases	264	62	(12)	50	-	314
Total	**9,455**	**3,773**	**(4,911)**	**(2,893)**	**1,755**	**8,317**

(In thousands of real)

	12/31/2022	Additions	Write-off	Recognized in profit or loss	Recognized in OCI	12/31/2023
Deferred taxes on temporary differences	**14,519**	**11,355**	**(16,419)**	**(2,310)**	**(2,754)**	**9,455**
Market value adjustment - held-for-trading	4,100	1,462	(2,270)	(808)	-	3,292
Market value adjustment - available-for-sale	5,556	1,539	(4,293)	-	(2,754)	2,802
Other provisions	4,719	8,225	(9,847)	(1,622)	-	3,097
CPC 06 (R2) - Leases	144	129	(9)	120	-	264
Total	**14,519**	**11,355**	**(16,419)**	**(2,310)**	**(2,754)**	**9,455**

9. Deferred acquisition costs

The Company has a balance of deferred acquisition costs, as shown in the table below:

Groups / Lines of insurance	06/30/2024	12/31/2023
Surety and performance bond insurance	116,446	103,141
Oil & Gas insurance	1,232	3,070
D&O liability insurance	1,113	1,047
General liability insurance	757	606
Professional liability insurance	784	897
Other	118	494
Total	**120,450**	**109,255**
Total current	**51,303**	**49,201**
Total non-current	**69,147**	**60,054**

The Company had changes in deferred acquisition costs, as shown in the table below:

	12/31/2023	Recognition	Deferral / Cancellation	06/30/2024
Surety and performance bond insurance	103,141	621,964	(608,659)	116,446
Oil & Gas insurance	3,070	12,320	(14,158)	1,232
D&O liability insurance	1,047	6,592	(6,526)	1,113
General liability insurance	606	4,131	(3,980)	757
Professional liability insurance	897	5,025	(5,138)	784
Other	494	1,521	(1,897)	118
Total	**109,255**	**651,553**	**(640,358)**	**120,450**

(In thousands of real)

	12/31/2022	Recognition	Deferral / Cancellation	12/31/2023
Surety and performance bond insurance	86,808	1,085,465	(1,069,132)	103,141
Oil insurance	1,299	42,646	(40,875)	3,070
D&O liability insurance	996	12,752	(12,701)	1,047
General liability insurance	493	7,014	(6,901)	606
Professional liability insurance	882	10,275	(10,260)	897
Other	1,655	13,223	(14,384)	494
Total	**92,133**	**1,171,375**	**(1,154,253)**	**109,255**

10. Taxes and social charges payable

	06/30/2024	12/31/2023
Withholding income tax	257	2,873
Withholding service tax	65	104
Tax on financial transactions	52,751	16,947
Social security contributions	358	304
Other taxes and social charges	142	210
Total	**53,573**	**20,438**

11. Payables from insurance and reinsurance contracts

- ### Transactions with reinsurers

	06/30/2024	12/31/2023
Ceded reinsurance premiums	1,070,906	787,058
Commission	(119,261)	(107,456)
Reimbursement benefit on-lending	2,937	2,957
Total	**954,582**	**682,559**
Total current	**816,737**	**634,226**
Total non-current	**137,845**	**48,333**

12. Third-party deposits

Third-party deposits basically consist of direct insurance premiums, and accepted coinsurance premiums, whose policies have not yet been identified. They are classified as current liabilities. The aging schedule of third-party deposits is as follows:

(In thousands of real)

	06/30/2024	12/31/2023
Within 1-30 days	469	6,110
Within 31-60 days	697	2,172
Within 61-120 days	934	2,070
Within 121-180 days	2,531	179
Within 181-365 days	1,232	603
More than 365 days	3,298	2,921
Total	**9,161**	**14,055**

13. Technical reserves

a) Composition of technical reserves

	06/30/2024			12/31/2023		
	Gross	Ceded	Retained	Gross	Ceded	Retained
Reserves for claims						
Reserve for claims and claim-adjustment expenses	265,090	(248,951)	16,139	159,457	(147,690)	11,767
Incurred but not reported losses (IBNR) reserve	39,392	(33,645)	5,747	39,136	(34,422)	4,714
Provision for related expenses	8,986	(7,305)	1,681	8,699	(7,324)	1,375
Total	**313,468**	**(289,901)**	**23,567**	**207,292**	**(189,436)**	**17,856**
Premium reserves						
Unearned premium reserve	1,472,992	(1,197,567)	275,425	1,149,928	(914,644)	235,284
Reserve for technical surpluses	166	-	166	166	-	166
Total	**1,473,158**	**(1,197,567)**	**275,591**	**1,150,094**	**(914,644)**	**235,450**
Total reserves	**1,786,626**	**(1,487,468)**	**299,158**	**1,357,386**	**(1,104,080)**	**253,306**
Current	**1,304,604**	**(1,159,736)**	**144,868**	**1,064,983**	**(933,829)**	**131,154**
Non-current	**482,022**	**(327,732)**	**154,290**	**292,403**	**(170,251)**	**122,152**

b) Changes

Changes in technical reserves are shown in the table below:

	06/30/2024			12/31/2023		
	Gross	Ceded	Retained	Gross	Ceded	Retained
Development of the reserve for claims and claim adjustment expenses						
Balance at January 1	159,457	(147,690)	11,767	146,258	(138,833)	7,425
Losses incurred in the semester	95,607	(82,063)	13,544	45,257	(25,523)	19,734
Losses paid in the semester	(17,106)	6,701	(10,405)	(30,768)	14,902	(15,866)
Foreign exchange gain (loss)	25,721	(24,963)	758	(3,759)	3,510	(249)
Adjustment for inflation	1,411	(998)	413	2,469	(1,746)	723
Impairment	-	62	62	-	-	-
At the end of the semester	**265,090**	**(248,951)**	**16,139**	**159,457**	**(147,690)**	**11,767**

(In thousands of real)

Development of the Incurred But Not Reported Losses reserve						
Balance at January 1	39,136	(34,422)	4,714	36,053	(31,631)	4,422
Changes in the IBNR reserve	256	766	1,022	3,083	(2,791)	292
Impairment	-	11	11	-	-	-
At the end of the semester	**39,392**	**(33,645)**	**5,747**	**39,136**	**(34,422)**	**4,714**
Development of the provision for related expenses						
Balance at January 1	8,699	(7,324)	1,375	9,023	(7,573)	1,450
Expenses incurred in the semester	3,697	(2,796)	901	3,008	(2,370)	638
Expenses paid in the semester	(3,604)	2,957	(647)	(3,511)	2,760	(751)
Foreign exchange gain (loss)	23	(22)	1	(2)	2	-
Adjustment for inflation	171	(121)	50	181	(143)	38
Impairment	-	1	1	-	-	-
At the end of the semester	**8,986**	**(7,305)**	**1,681**	**8,699**	**(7,324)**	**1,375**
Development of premium reserves - unearned premium reserve						
Balance at January 1	1,149,928	(914,644)	235,284	988,346	(786,292)	202,054
Premiums written in the semester	864,486	(755,138)	109,348	1,433,480	(1,264,002)	169,478
Premiums earned in the semester	(602,481)	531,553	(70,928)	(1,258,068)	1,121,667	(136,401)
Foreign exchange gain (loss)	61,059	(59,338)	1,721	(13,830)	13,983	153
At the end of the semester	**1,472,992**	**(1,197,567)**	**275,425**	**1,149,928**	**(914,644)**	**235,284**
Development of premium reserves - reserve for technical surpluses						
Balance at January 1	166	-	166	563	-	563
Changes in technical surpluses	-	-	-	(397)	-	(397)
At the end of the semester	**166**	**-**	**166**	**166**	**-**	**166**
Total technical reserves	**1,786,626**	**(1,487,468)**	**299,158**	**1,357,386**	**(1,104,080)**	**253,306**

14. Loss development

Table for the development of administrative losses gross of reinsurance.

Year of reporting (**)	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
By the reporting date	123,881	4,441	89,281	264,616	30,396	19,170	111,583	60,862	122,403	5,964
One year later	86,059	39,251	110,838	266,906	109,338	25,155	108,028	65,886	198,024	-
Two years later	88,602	47,754	103,413	255,142	113,810	25,628	30,165	68,034	-	-
Three years later	88,601	14,259	103,779	210,089	88,082	23,157	24,542	-	-	-
Four years later	88,601	5,906	104,719	183,879	86,474	24,571		-	-	-
Five years later	88,607	5,855	104,579	176,926	86,471	-	-	-	-	-
Six years later	88,607	5,855	104,579	176,985	-	-	-	-	-	-
Seven years later	88,590	5,855	104,579	-	-	-	-	-	-	-
Eight years later	88,590	47,547	-	-	-	-	-	-	-	-
Nine years later	88,590	-	-	-	-	-	-	-	-	-
Position on 06/30/2024	**88,590**	**47,547**	**104,579**	**176,985**	**86,471**	**24,571**	**24,542**	**68,034**	**198,024**	**5,964**
Accumulated gap (*)	(35,291)	43,106	15,298	(87,631)	56,075	5,401	(87,041)	7,172	75,621	-
Accumulated gap (%)	(28%)	971%	17%	(33%)	184%	28%	(78%)	12%	62%	-

(In thousands of real)

AUSTRAL
SEGURADORA

Year of payment	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
By the reporting date	686	2,083	76,050	25,983	7,212	217	6,660	47,903	18,862	321
One year later	80,376	2,905	89,248	162,774	19,953	1,905	21,584	56,211	23,806	-
Two years later	88,590	2,905	100,241	173,750	23,471	5,428	22,795	67,994	-	-
Three years later	88,590	2,905	100,241	174,263	84,705	6,086	22,795	-	-	-
Four years later	88,590	5,905	101,760	174,493	85,810	6,086		-	-	-
Five years later	88,590	5,855	104,413	175,117	85,810	-	-	-	-	-
Six years later	88,590	5,855	104,413	175,122	-	-	-	-	-	-
Seven years later	88,590	5,855	104,413	-	-	-	-	-	-	-
Eight years later	88,590	5,855	-	-	-	-	-	-	-	-
Nine years later	88,590	-	-	-	-	-	-	-	-	-
Position on 06/30/2024	**88,590**	**5,855**	**104,413**	**175,122**	**85,810**	**6,086**	**22,795**	**67,994**	**23,806**	**321**

Reserve for claims	123,605	8,342	49,888	305,082	141,853	196,285	257,315	132,532	140,296	244,514
Incurred but not reported losses (IBNR) reserve	10,167	12,732	49,278	51,866	31,485	32,094	37,766	33,866	39,136	39,216
Provision for related expenses	-	-	-	5,201	5,465	7,165	10,174	7,285	6,372	6,486
Total liabilities	**133,772**	**21,074**	**99,166**	**362,149**	**178,803**	**235,544**	**305,255**	**173,683**	**185,804**	**290,216**

Year of reporting (**)	2016	2017	2018	2019	2020	2021	2022	2023
By the reporting date	4,441	89,281	264,616	30,396	19,170	111,583	60,862	122,403
One year later	39,251	110,838	266,906	109,338	25,155	108,028	65,886	-
Two years later	47,754	103,413	255,142	113,810	25,628	30,165	-	-
Three years later	14,259	103,779	210,089	88,082	23,157	-	-	-
Four years later	5,906	104,719	183,879	86,474	-	-	-	-
Five years later	5,855	104,579	176,926	-	-	-	-	-
Six years later	5,855	104,579	-	-	-	-	-	-
Seven years later	5,855	-	-	-	-	-	-	-
Position on 12/31/2023	**5,855**	**104,579**	**176,926**	**86,474**	**23,157**	**30,165**	**65,886**	**122,403**
Accumulated gap (*)	1,414	15,298	(87,690)	56,078	3,987	(81,418)	5,024	-
Accumulated gap (%)	32%	17%	(33%)	184%	21%	(73%)	8%	-

Year of payment	2016	2017	2018	2019	2020	2021	2022	2023
By the reporting date	2,083	76,050	25,983	7,212	217	6,660	47,903	18,862
One year later	2,905	89,248	162,774	19,953	1,905	21,584	56,211	-
Two years later	2,905	100,241	173,750	23,471	5,428	22,795	-	-
Three years later	2,905	100,241	174,263	84,705	6,086	-	-	-
Four years later	2,905	101,760	174,493	85,810	-	-	-	-
Five years later	5,855	104,413	175,117	-	-	-	-	-
Six years later	5,855	104,413	-	-	-	-	-	-
Seven years later	5,855	-	-	-	-	-	-	-
Position on 12/31/2023	**5,855**	**104,413**	**175,117**	**85,810**	**6,086**	**22,795**	**56,211**	**18,862**

Reserve for claims	8,342	49,888	305,082	141,853	196,285	257,315	132,532	140,295
Incurred but not reported losses (IBNR) reserve	12,732	49,278	51,866	31,485	32,094	37,766	33,866	39,136
Provision for related expenses	-	-	5,201	5,465	7,165	10,174	7,285	6,371
Total liabilities	**21,074**	**99,166**	**362,149**	**178,803**	**235,544**	**305,255**	**173,683**	**185,802**

(*) Difference between initial and final estimates
(**) Reported losses include adjustment for inflation, net of expected reimbursement.

(In thousands of real)

Table for the development of judicial losses, gross of reinsurance.

Year of reporting (**)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
By the reporting date	7,125	-	28,476	-	-	-	-	221	-	39
One year later	8,636	55	29,362	587	-	-	-	3,797	-	-
Two years later	11,042	2,482	29,325	1,678	-	-	27	4,123	-	-
Three years later	25,495	3,244	29,326	1,936	-	-	29	-	-	-
Four years later	114,625	5,758	29,327	2,316	-	-	-	-	-	-
Five years later	117,462	5,745	29,328	2,646	-	-	-	-	-	-
Six years later	118,265	5,816	29,329	2,871	-	-	-	-	-	-
Seven years later	119,036	6,665	29,330	-	-	-	-	-	-	-
Eight years later	119,689	7,165	-	-	-	-	-	-	-	-
Nine years later	120,066	-	-	-	-	-	-	-	-	-
Position on 06/30/2024	**120,066**	**7,165**	**29,330**	**2,871**	**-**	**-**	**29**	**4,123**	**-**	**39**
Accumulated gap (*)	112,941	7,165	854	2,871	-	-	29	3,902	-	-
Accumulated gap (%)	1.585%	-	3%	-	-	-	-	1.766%	-	-

Year of payment	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
By the reporting date	-	-	-	-	-	-	-	-	-	-
One year later	-	-	29,320	-	-	-	-	53	-	-
Two years later	-	-	29,320	-	-	-	-	-	-	-
Three years later	-	-	29,320	-	-	-	-	-	-	-
Four years later	112,500	-	29,320	-	-	-	-	-	-	-
Five years later	113,670	-	29,320	-	-	-	-	-	-	-
Six years later	113,670	-	29,320	-	-	-	-	-	-	-
Seven years later	113,670	-	29,320	-	-	-	-	-	-	-
Eight years later	113,670	-	-	-	-	-	-	-	-	-
Nine years later	113,670	-	-	-	-	-	-	-	-	-
Position on 06/30/2024	**113,670**	**-**	**29,320**	**-**	**-**	**-**	**-**	**53**	**-**	**-**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Reserve for claims	7,156	8,672	39,613	29,068	5,961	11,234	12,283	13,726	19,163	20,576
Incurred but not reported losses (IBNR) reserve	-	-	-	-	-	-	-	2,187	-	176
Provision for related expenses	3	1,155	1,486	1,161	664	1,443	1,565	1,736	2,329	2,500
Total liabilities	**7,159**	**9,827**	**41,099**	**30,229**	**6,625**	**12,677**	**13,848**	**17,649**	**21,492**	**23,252**

Year of reporting (**)	2015	2016	2017	2018	2019	2020	2021	2022	2023
By the reporting date	7,125	-	28,476	-	-	-	-	221	-
One year later	8,636	55	29,362	587	-	-		3,797	-
Two years later	11,042	2,482	29,325	1,678	-	-	27	-	-
Three years later	25,495	3,244	29,326	1,936	-	-	-	-	-
Four years later	114,625	5,758	29,327	2,316	-	-	-	-	-
Five years later	117,462	5,745	29,328	2,646	-	-	-	-	-
Six years later	118,265	5,816	29,329	-	-	-	-	-	-
Seven years later	119,035	6,665	-	-	-	-	-	-	-
Eight years later	119,689	-	-	-	-	-	-	-	-
Position on 12/31/2023	**119,689**	**6,665**	**29,329**	**2,646**	**-**	**-**	**27**	**3,797**	**-**
Accumulated gap (*)	112,564	6,665	853	2,646	-	-	27	3,576	-
Accumulated gap (%)	1.580%	-	3%	-	-	-	-	1.618%	-

(In thousands of real)

Year of payment	2015	2016	2017	2018	2019	2020	2021	2022	2023
By the reporting date	-	-	-	-	-	-	-	-	-
One year later	-	-	29,320	-	-	-	-	-	-
Two years later	-	-	29,320	-	-	-	-	-	-
Three years later	-	-	29,320	-	-	-	-	-	-
Four years later	112,500	-	29,320	-	-	-	-	-	-
Five years later	113,670	-	29,320	-	-	-	-	-	-
Six years later	113,670	-	29,320	-	-	-	-	-	-
Seven years later	113,670	-	-	-	-	-	-	-	-
Eight years later	113,670	-	-	-	-	-	-	-	-
Position on 12/31/2023	**113,670**	**-**	**29,320**	**-**	**-**	**-**	**-**	**-**	**-**
Reserve for claims	7,156	8,672	39,613	28,068	5,961	11,234	12,283	13,726	19,162
Incurred but not reported losses (IBNR) reserve	-	-	-	-	-	-	-	2,187	-
Provision for related expenses	3	1,155	1,486	1,161	664	1,443	1,565	1,736	2,328
Total liabilities	**7,159**	**9,827**	**41,099**	**29,229**	**6,625**	**12,677**	**13,848**	**17,649**	**21,490**

(*) Difference between initial and final estimates
(**) Reported losses include adjustment for inflation, net of expected reimbursement.

15. Provisions for legal proceedings

On June 30, 2024 and December 31, 2023, civil lawsuits that originated from claims, in which the Company is a defendant, are provided for under the caption "Unsettled legal claims". Changes in accrued amounts are shown in the table below:

	06/30/2024	12/31/2023
Opening Balance	**19,162**	**13,726**
Additions	1,817	8,802
Write-off	(403)	(3,366)
Total	**20,576**	**19,162**

The Company is party to civil lawsuits as defendant, of which 44 are considered to have a possible unfavorable outcome (44 as of December 31, 2023) and amounts in risk totaling R$35,779 (R$33,341 as of December 31, 2023).

16. Equity

a) Share capital

On June 30, 2024 and December 31, 2023, the subscribed and paid-in share capital is R$116,125, consisting of 69,151,585 registered common shares with no par value.

At the Special General Meeting held on March 28, 2024, the Company’s shareholder approved the capital increase amounting to R$17,400, without issue of new shares, through the capitalization of part of the Company's income reserves. The capital increase was approved by Brazil's Private Insurance Supervisory Office (SUSEP) through an administrative ruling published on July 26, 2024.

(In thousands of real)

b) Profit reserves

Profit reserves comprise the legal reserve and the appropriated retained earnings. The legal reserve is recognized at year-end at an amount corresponding to 5% of the profit earned by the Company, subsequent to the absorption of accumulated losses. The remaining amount is allocated to appropriated retained earnings, according to criteria pre-established by the Brazilian Corporation Law.

c) Details of the adjusted equity and capital requirement

	06/30/2024	12/31/2023
Equity	264,772	249,755
Accounting adjustments	(9,544)	(9,933)
Adjustments associated with changes in economic values	18,126	16,438
Adjustment of the level 2 adjusted equity surplus and the level 3 adjusted equity surplus	-	(500)
Adjusted equity	**273,354**	**255,761**
Core capital (a)	**15,000**	**15,000**
Additional underwriting risk-based capital	26,207	23,225
Additional operational risk-based capital	8,457	8,595
Additional credit risk-based capital	33,988	24,254
Additional market risk-based capital	12,115	11,736
Diversification benefit	(15,353)	(13,309)
Risk-based capital (b)	**65,414**	**54,501**
Minimum equity capital - higher of (a) and (b)	**65,414**	**54,501**
Adjusted equity	273,354	255,761
(-) Capital requirement	65,414	54,501
Capital sufficiency - R$	**207,940**	**201,260**
Capital sufficiency (% adjusted equity /minimum equity capital)	**417.9%**	**469.3%**

The minimum equity capital that the supervised company must maintain at any time in order to operate should be the higher of core capital and risk-adjusted capital.

17. Share-based incentive

At an Extraordinary General Meeting held on March 18, 2016, shareholders approved the second stock option plan of Austral Participações, the Company's parent company. The general conditions of the grant were the same in relation to the first stock option plan that are disclosed below.

The first plan sets general conditions for Austral Participações to grant options for the purchase of Austral Participações preference shares to eligible professionals, members of the management team and employees of Austral Participações and its affiliates and/or subsidiaries, for the services rendered. The terms and conditions of the grant are defined and managed by the management committee, according to the guidelines and conditions set by the stock option plan. The plan will be settled in Austral Participações shares if and when options are exercised by the participant by paying the exercise price.

At meetings of the management committee held on October 1 and 2, 2013, shareholders approved the first and the second stock option plans, whereby Austral Participações granted call options to beneficiaries totaling 4,500,000 options.

At a meeting of the management committee held on December 19, 2014, shareholders approved the third stock option program, whereby Austral Participações granted call options to beneficiaries totaling 4,832,137 options.

At a meeting of the management committee held on April 1, 2016, shareholders approved the fourth stock option program, whereby Austral Participações granted call options to beneficiaries totaling 76,616 options.

At an Extraordinary General Meeting held on March 18, 2016 shareholders approved the second stock option plan of Austral Participações, parent company of the Company.

The second plan sets general conditions for Austral Participações to grant options for the purchase of Austral Participações preference shares to eligible professionals, members of the management team and employees of Austral Participações and its affiliates and/or subsidiaries, for the services rendered. The terms and conditions of the grants are defined and managed by the management committee, according to the guidelines and conditions set by the stock option plan. The plan will be settled in Austral Participações shares if and when options are exercised by the participant by paying the exercise price.

At a meeting of the management committee held on April 1, 2016, shareholders approved the first stock option program of the second plan, whereby Austral Participações granted call options to beneficiaries totaling 1,884,307 options.

At a meeting of the management committee held on September 5, 2016, shareholders approved the second stock option program of the second plan, whereby Austral Participações granted call options to beneficiaries totaling 75,748 options.

Austral Participações S.A. grants to each beneficiary the option to sell the shares acquired as a result of the exercise of the call option by the participant, who is also granted the option to repurchase such shares. The term and exercise price of such options are set forth on individual contracts entered into between Austral Participações and participants.

Should the beneficiary have their employment contract voluntarily or involuntarily terminated, without cause, the options which have not yet been exercisable are automatically terminated, with no right to indemnification or compensation, and the exercisable options may be exercised within a determined time frame, as provided for in each individual contract.

(In thousands of real)

If the beneficiary's employment contract is terminated with cause, all options that may be exercised, and those that may not yet be exercised, are automatically terminated, regardless of notice period or indemnity.

At an Extraordinary General Meeting held on March 28, 2022 shareholders approved the third stock option plan of Austral Participações, parent company of the Company.

The third plan established the general terms and conditions of the grant of options for the purchase of ordinary and/or preference shares (if they exist at the moment of the delivery of each share) issued by Austral Participações to the managers, employees and/or individuals who provide services to Austral Participações, and other companies that are controlled, directly or indirectly, by Austral Participações and/or other companies of the economic group. According to the guidelines and conditions set forth on the plan, it will be settled in shares of Austral Participações, if and when options are exercised, upon payment of the exercise price to be made by the beneficiary.

At a meeting of the Board of Directors held on March 28, 2022, the grant of 21,538,172 share options was approved under the third plan. The term and exercise price of these options are determined in individual contracts entered into between Austral Participações and beneficiaries as of April 1, 2022.

The 25,538,209 options in force represent a dilution of up to 8.1% on a total of 291,233,306 shares of Austral Participações.

The effect of this incentive based on the options for the purchase of shares by the Company's employees, who were entitled to Austral Participações' options, is recorded in the Company's equity as capital reserve for the semester ended June 30, 2024, in the amount of R$4,528 (R$4,103 as of December 31, 2023).

18. Related party transactions

The main balances, revenues and expenses resulting from related party transactions consist of:

	Assets	
	06/30/2024	12/31/2023
Austral Resseguradora S.A.- Associate (a)	32,186	25,539
Total	**32,186**	**25,539**

	Liabilities	
	06/30/2024	12/31/2023
Austral Participações S.A. - Parent Company (b)	-	15,970
Austral Resseguradora S.A. - Associate (a)	58,579	55,265
Vinci Gestora de Recursos - Associate (c)	32	31
Total	**58,611**	**71,266**

(In thousands of real)

	Income	
	06/30/2024	06/30/2023
Austral Resseguradora S.A. - Associate (a)	11,080	9,755
Managers (Other) (d)	468	-
Total	**11,548**	**9,755**

	Expense	
	06/30/2024	06/30/2023
Austral Resseguradora S.A.- Associate (a)	(29,931)	(27,349)
Vinci Gestora de Recursos - Associate (c)	(204)	(189)
Managers - Other (d)	(5,497)	(5,282)
Total	**(35,632)**	**(32,820)**

(a) Premiums and recovered claims related to reinsurance contracts;
(b) Amount related to the interest on equity capital payable to Austral Participações S.A.;
(c) Transactions involving the payment of investment portfolio management fees to the Company; and
(d) Amount consisting of stock options, remuneration paid and payable to Management (Management members as per the Company's by-laws) and insurance issued (key personnel).

19. Income and social contribution taxes

Income and social contribution taxes, calculated according to the official rates in effect in the semesters ended June 30, 2024 and 2023, are reconciled, as follows:

	IRPJ	CSLL	IRPJ	CSLL
	06/30/2024	06/30/2024	06/30/2023	06/30/2023
Profit (loss) before taxes and after profit sharing (*)	**29,214**	**29,214**	**24,597**	**24,597**
Statutory nominal rate	25%	15%	25%	15%
Total income and social contribution tax charges at effective rates	**(7,304)**	**(4,382)**	**(6,149)**	**(3,689)**
Temporary add-backs and deductions:				
Foreign exchange gain (loss)	560	560	(884)	(884)
Market value adjustment	(2,058)	(2,058)	(47)	(47)
Profit sharing	(6,477)	(6,477)	(6,860)	(6,860)
Other provisions	744	744	1,040	1,040
Total	**(7,231)**	**(7,231)**	**(6,751)**	**(6,751)**
Permanent add-backs and deductions:				
Non-deductible expenses	**68**	**68**	**116**	**116**

(In thousands of real)

Current income and social contribution taxes	(5,446)	(3,307)	(4,442)	(2,694)
Deferred income and social contribution taxes	(1,808)	(1,085)	(1,688)	(1,012)
Total corporate income and social contribution tax expenses	**(7,254)**	**(4,392)**	**(6,130)**	**(3,706)**
Effective rate	**24.8%**	**15.0%**	**24.9%**	**15.1%**

(*) Profit before taxes includes expenses on profit sharing, which as of June 30, 2024 were R$211 (R$41 as of June 30, 2023).

20. Basic and diluted earnings (loss) per share

The tables below reconcile profit for the semesters to the amounts used to calculate basic and diluted earnings per share:

	06/30/2024	06/30/2023
Profit for the semester	17,568	14,760
Weighted-average number of shares	69,152	69,177
Earnings per share in R$ - basic and diluted	**0.2540**	**0.2134**

Basic earnings per share are calculated by dividing the profit (loss) attributable to holders of shares by the weighted average number of outstanding ordinary and preference shares in the year.
Diluted earnings per share are calculated by dividing the profit (loss) attributable to holders of shares by the adjusted weighted average number of outstanding ordinary and preference shares during the year, excluding the weighted-average number of treasury shares. In the semesters ended June 30, 2024 and 2023, the Company did not have dilutive factors.

21. Lines of insurance

The lines of insurance in which the Company operates and their performance indicators in the semesters ended June 30, 2024 and 2023 are as follows:

(In thousands of real)

	Earned premiums		Loss ratio % (a)		Marketing ratio % (b)	
Lines of insurance	**06/30/2024**	**06/30/2023**	**06/30/2024**	**06/30/2023**	**06/30/2024**	**06/30/2023**
Performance and surety bond insurance	101,580	86,879	0.9	7.3	22.1	21.2
Civil liability insurance	3,107	2,338	32.8	10.6	20.1	19.4
Directors and officers liability insurance	10,294	11,389	(2.0)	34.1	9.5	8.5
Environmental impairment liability insurance	307	294	(18.8)	(10.4)	15.9	15.7
Errors and omissions liability insurance	3,615	3,074	24.6	23.8	21.5	22.0
Engineering all risks insurance	-	64	-	148.8	-	11.6
Oil & gas insurance	447,734	432,374	21.4	(4.2)	0.5	0.6
Loss of profit insurance	8	3,506	(489.9)	(17.8)	15.1	3.9
Named perils and operational all risks insurance	33,101	40,655	4.2	(0.1)	-	-
Comprehensive liability insurance	35	85	-	-	15.0	15.2
Hull marine insurance	2,700	17,184	(8.8)	269.8	11.9	7.2
Transportation insurance	-	480	-	3.6	-	3.0
Total earned premiums	**602,481**	**598,322**	**16.5**	**6.5**	**4.6**	**4.1**

(a) Loss ratio = {reported indemnities + claim expenses – salvage charges and reimbursements + changes in the incurred but not reported losses (IBNR) reserve} / earned premium.

(b) Marketing ratio = acquisition cost / earned premium.

The composition of direct premiums written before and after the cession of reinsurance is shown below for the semesters ended June 30, 2024 and 2023:

	Net direct premium from ceded coinsurance		Ceded reinsurance premium		Insurance (-) reinsurance = retained premium		Retention percentage		Reinsurance percentage	
Lines	**06/30/2024**	**06/30/2023**	**06/30/2024**	**06/30/2024**	**06/30/2024**	**06/30/2023**	**06/30/2024**	**06/30/2023**	**06/30/2024**	**06/30/2023**
Performance and surety bond insurance	118,235	78,726	(52,382)	(35,326)	65,853	43,400	55.7	55.1	44.3	44.9
Directors and officers liability insurance	8,172	6,004	(3,420)	(2,710)	4,752	3,294	58.2	54.9	41.9	45.1
Environmental impairment liability insurance	243	255	(84)	(107)	159	148	65.4	58.0	34.6	42.0
Civil liability insurance	3,521	3,012	(66)	(75)	3,455	2,937	98.1	97.5	1.9	2.5
Errors and omissions liability insurance	2,953	2,813	(1,026)	(1,146)	1,927	1,667	65.2	59.3	34.7	40.7
Oil & gas insurance	938,702	801,616	(920,863)	(771,781)	17,839	29,835	1.9	3.7	98.1	96.3
Named perils and operational all risks insurance	(1,002)	122,883	1,008	(118,792)	6	4,091	(0.6)	3.3	100.6	96.7
Comprehensive liability insurance	14	65	(9)	(43)	5	22	35.7	33.8	64.3	66.2
Hull marine insurance	(56)	8,737	20	(5,598)	(36)	3,139	64.3	35.9	35.7	64.1
Transportation insurance	-	(23)	-	(382)	-	(405)	-	1.760.9	-	(1.660.9)
Total	**1,070,782**	**1,024,088**	**(976,822)**	**(935,960)**	**93,960**	**88,128**	**8.8**	**8.6**	**91.2**	**91.4**

(In thousands of real)

Lines	Written premium Accepted coinsurance		Ceded reinsurance premium		Coinsurance (-) reinsurance = retained premium		Retention percentage		Reinsurance percentage	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023	06/30/2024	06/30/2023	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Performance and surety bond insurance	31,222	31,950	(13,582)	(14,161)	17,640	17,789	56.5	55.7	43.5	44.3
Directors and officers liability insurance	6,343	10,028	(4,550)	(8,290)	1,793	1,738	28.3	17.3	71.7	82.7
Environmental impairment liability insurance	66	63	(36)	(35)	30	28	45.5	44.4	54.5	55.6
Errors and omissions liability insurance	-	50	-	(20)	-	30	-	60.0	-	40.0
Hull marine insurance	4	937	(2)	(626)	2	311	50.0	33.2	50.0	66.8
Total	**38,027**	**43,037**	**(18,310)**	**(23,132)**	**19,717**	**19,905**	**51.9**	**46.3**	**48.1**	**53.8**

Lines	Premium - risks in force not yet written		Ceded premium Reinsurance of risks in force not yet written		Coinsurance (-) reinsurance = retained premium		Retention percentage		Reinsurance percentage	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023	06/30/2024	06/30/2023	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Performance and surety bond insurance	558	616	(147)	(532)	411	84	73.7	13.6	26.3	86.4
Directors and officers liability insurance	(7,820)	(8,400)	6,741	7,603	(1,079)	(797)	13.8	9.5	86.2	90.5
Environmental impairment liability insurance	(20)	(3)	13	4	(7)	1	35.0	(33.3)	65.0	133.3
Civil liability insurance	12	(429)	46	4	58	(425)	483.3	99.1	(383.3)	0.93
Errors and omissions liability insurance	(203)	(392)	194	245	(9)	(147)	4.4	37.5	95.6	62.5
Oil & gas insurance	(236,362)	(80,752)	232,759	76,428	(3,603)	(4,324)	1.5	5.3	98.5	94.7
Loss of profit insurance	-	(107)	-	91	-	(16)	-	14.9	-	85.1
Named perils and operational all risks insurance	-	(124,549)	-	120,538	-	(4,011)	-	3.2	-	96.8
Hull marine insurance	(489)	(372)	389	331	(100)	(41)	20.5	11.0	79.6	89.0
Total	**(244,324)**	**(214,388)**	**239,995**	**204,712**	**(4,329)**	**(9,676)**	**1.8**	**4.5**	**98.2**	**95.5**

Reinsurance premium per class of reinsurance company:

	06/30/2024	06/30/2023
Local reinsurance company	(370,690)	(588,430)
Allowed reinsurance company	(207,797)	(126,852)
Possible reinsurance company	(176,651)	(39,098)
Total	**(755,138)**	**(754,380)**

(In thousands of real)

22. Breakdown of profit or loss accounts

a) Premiums	06/30/2024	06/30/2023
Direct written premiums	1,106,912	1,046,194
Coinsurance premiums accepted by counterparties	38,027	43,037
Coinsurance premium ceded to counterparties	(36,130)	(22,106)
Premium - risks in force not yet written	(244,324)	(214,388)
Changes in technical reserves	(262,004)	(254,415)
Earned premiums	**602,481**	**598,322**

b) Incurred losses	06/30/2024	06/30/2024
Direct indemnities	(100,252)	(44,817)
Direct expenses	(4,296)	(2,274)
Recovery of losses	5,245	8,097
Incurred but not reported losses reported directly	(256)	347
Total	**(99,559)**	**(38,647)**

c) Acquisition cost	06/30/2024	06/30/2023
Commissions on written premiums	(43,948)	(34,036)
Recovery of coinsurance commission	6,127	2,191
Changes in deferred selling expenses	11,027	9,469
Other acquisition costs	(703)	(2,123)
Total	**(27,497)**	**(24,499)**

d) Other operating income (expenses)	06/30/2024	06/30/2023
Banking fees	(14)	(11)
Risk inspection	(68)	(52)
Allowance for impairment loss - insurance	(528)	(838)
Allowance for impairment loss - reinsurance	153	571
Insurance policy issue expenses	(5)	(4)
Expenses on insurance transactions	(747)	(1,400)
Other expenses	(2)	(89)
Total	**(1,211)**	**(1,823)**

e) Reinsurance gains (losses)	06/30/2024	06/30/2023
Indemnity recovery	93,865	30,710
Recovery of indemnity expenses	3,309	1,630
Recovery of incurred but not reported losses	(1,275)	979
Ceded reinsurance premium	(755,138)	(754,380)
Salvage charges and reimbursements passed on	(283)	-
Unearned premium reserve	223,585	223,508
Impairment - losses	273	-
Other gains (losses) on reinsurance transactions	78	(59)
Total	**(435,586)**	**(497,612)**

(In thousands of real)

f) Administrative expenses	06/30/2024	06/30/2023
Own personnel and social charges	(12,292)	(12,274)
Share-based incentive	(153)	(630)
Location and operations	(966)	(1,116)
Third-party service	(3,992)	(4,090)
Depreciation and amortization	(2,481)	(1,901)
Other expenses	(367)	(923)
Total	**(20,251)**	**(20,934)**

g) Tax expenses	06/30/2024	06/30/2023
COFINS expenses	(6,418)	(5,496)
PIS expenses	(1,226)	(1,037)
Inspection fee	(551)	(477)
Other expenses	(233)	(173)
Total	**(8,428)**	**(7,183)**

h) Net finance income (costs)	06/30/2024	06/30/2023
Income		
Securities measured at fair value through profit or loss	19,621	18,064
Securities measured at fair value through other comprehensive income	12,102	9,570
Insurance contracts	64,244	53,319
Foreign exchange gain on cash and cash equivalents	2,564	2,358
Derivative adjustments - future	11,255	11,724
Other income	892	219
Total income	**110,678**	**95,254**
Expenses		
Securities measured at fair value through profit or loss	(1,264)	(14,492)
Securities measured at fair value through other comprehensive income	(3,834)	(1,394)
Insurance contracts	(68,727)	(41,892)
Charges on liabilities	(342)	(207)
Foreign exchange loss on cash and cash equivalents	(233)	(10,700)
Derivative adjustments - future	(15,878)	(8,648)
Other expenses	(924)	(907)
Total expenses	**(91,202)**	**(78,240)**
Total	**19,476**	**17,014**

23. People in charge

Board Members:
Bruno Augusto Sacchi Zaremba
Gabriel Felzenszwalb
Michel Cukierman

Chief Executive Officer:
Carlos Frederico da Costa Leite Ferreira

Management Team:
Rodrigo Ferreira de Campos
Claudia Novello Ribeiro
Rodolfo Arashiro Rodriguez

Controller:
André Machado Caldeira

Accountant:
Ana Carolina Gonçalves Schaefer
CRC RJ - 113827/O-0

Actuary:
Rafael Santos Calzavara
MIBA No. 2582