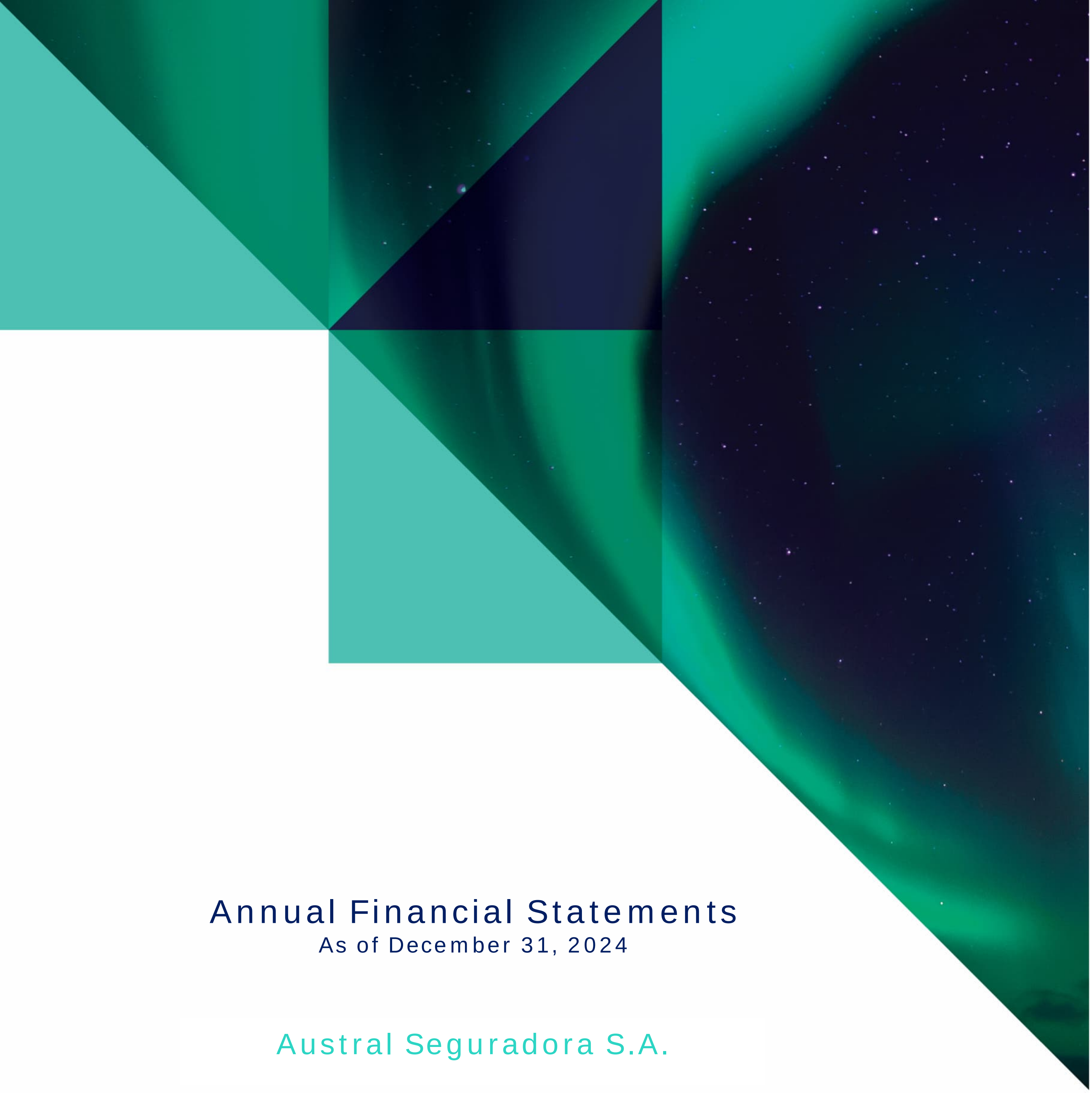

Annual Financial Statements

As of December 31, 2024

Austral Seguradora S.A.

AUSTRAL SEGURADORA

AUSTRAL
SEGURADORA

Annual Financial Statements
December 31, 2024

Summary

AUSTRAL SEGURADORA

Management Report

In compliance with legal and regulatory provisions, we present the financial statements for the year ended December 31, 2024.

Organizational Context

Austral Seguradora S.A. ("Company") obtained approval from the Brazil's Private Insurance Supervisory Office - SUSEP to start its operations on October 25, 2010 and its strategic focus the operation of corporate insurance specialized in the areas of Surety Bond, Oil-Industry Risks, Engineering Risks, Named Perils and Operational Risks, Loss of Profits, General Civil Liability, Civil Liability Administrators and Directors (D&O), Civil Liability - Environmental Risks, Professional Civil Liability (E&O).

Aiming of 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 partners.

On May 15, 2024, AM Best, the global risk assessment agency of the Financial (FSR) segment for insurance and reinsurance, reaffirmed Grupo Austral rating to 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 balance sheet, characterized by Fitch as "strongest". The report also highlights the broad risk management program, the positive results in the 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.

Operations Performance

The following are the main numbers and indicators of Austral Seguradora, in the years ended December 31, 2024 and 2023:

(Amounts in millions of reais, except for percentages)

Description	12/31/2024	12/31/2023	Variation	Variation (%)
Net Premiums Written	1,161.8	1,433.5	(271.7)	(18.9%)
Premiuns earned	1,181.4	1,258.1	(76.7)	(6.1%)
Claims Occurred	(299.8)	(51.4)	(248.5)	483.9%
Administrative Expenses	(44.3)	(42.1)	(2.2)	5.2%
Financial income (Costs)	15.9	16.4	(0.5)	(3.1%)
Net income for the year	43.4	42.4	1.0	2.3%
Equity	270.0	249.8	20.3	8.1%
Administrative Expenses Ratio	3.8%	2.9%	0.9	p.p
Loss Ratio	25.4%	4.1%	21.3	p.p
Combined Ratio	97.2%	97.3%	(0.2	p.p)

Premiums

The Company's net written premiums reached R$1,161.8 million in the year ended December 31, 2024, a reduction of 19.0% compared to the R$1,433.5 million recorded in the same period in 2023. The main reduction in revenues in this period came from the Oil sector, with a reduction of 27.0%. Despite this drop, Austral remains the market leader in this segment for the 6th consecutive year. This drop was softened by the higher volume of issuances in the Surety line (public and private), with growth of 20.0% or R$47.9 million and 2% or R$0.7 in the *Financial Lines* that comprise the lines of the Liability group.

Loss Ratio

The highlight was the best loss ratio in the Garantia branch, which recorded an impact of only 0.3% in the year ended December 31, 2024 (1.1% as of December 31, 2023). The company recorded a loss ratio of 25.4% in the 2024 fiscal year, within planning expectations and with significant assignment to first-tier reinsurers.

Administrative Expenses

The control of administrative expenses continues to be an important pillar for the Company's efficiency, in 2024 the company kept administrative expenses controlled and recorded an increase of 5.2p.p. compared to the same period in 2023, close to the IPCA index for the period. The administrative expense ratio for the year ended December 31, 2024 was 3.8%.

Financial Income (costs)

During the year ended December 31, 2024, the Company achieved a financial result of R$ 15.9 million, compared to R$ 16.4 million in the same period of 2023. Excluding the effect of Interest on Equity (JCP) in this category, Austral reported a financial result of R$33.4 million for the 2024 fiscal year, surpassing the R$32.4 million recorded in 2023.

The Management declares that the Company has the financial capacity that enables the prospects for the coming years. In addition, they declare that there is no security classified in the "held to maturity" category in this year.

Income and Equity

As a result of the factors highlighted above, the Company posted a 2.3% growth in net income, reaching R$ 43.4 million (R$ 42.4 million in the same period in 2023). Shareholders' equity was R$270.0 million (R$249.8 million on December 31, 2023), representing a growth of 8.1%, and total assets reached the amount of R$2,868.2 billion on December 31, 2024 (R$2,442.4 billion on December 31, 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

In accordance with its Bylaws, the company has a reinvestment policy, where it may maintain the statutory profit reserve called "Investment Reserve", which will be intended to finance the expansion of the digitalization of the Company's activities, as well as the development of new digital processes.

Acknowledgements

Finally, the Company thanks its team for their commitment and dedication, the Superintendence of Private Insurance - SUSEP, as well as customers, partners, suppliers and shareholders for the trust placed in them.

Rio de Janeiro, February 26, 2025.

The Management.

Audit Committee Report

To the Members of the Boards 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 the terms of the applicable regulations, and whose activities include Austral Seguradora S.A. (Austral Seguradora or "Company"), operates in accordance with the Company's bylaws and the internal regulations approved by the Board of Directors.

It is incumbent upon the Audit Committee to advise the Board of Directors in its audit and inspection functions and to express its opinion on (i) the quality, adequacy and reliability of the interim financial statements, (ii) the effectiveness of the internal control system, and (iii) the effectiveness of internal and independent audits, including the verification of compliance with legal and regulatory provisions applicable to the Company, in addition to internal regulations and policies.

During the year ended December 31, 2024, the Committee developed its activities based on a work plan prepared under the terms of its internal regulations, which mainly included: (i) meetings with Senior Management and with the main managers; (ii) follow-up and monitoring of the work of the areas responsible for the preparation of interim financial statements, the internal control system, risk management activities and the compliance function; (iii) evaluation of the planning, scope and effectiveness of the work carried out by the internal audit; (iv) evaluation of the scope, performance, effectiveness and independence of the independent auditors; and (v) evaluation of the structure, operation and effectiveness of the internal controls and compliance and risk management systems, as well as the quality and integrity of the interim financial statements.

The responsibility for the preparation of the interim financial statements, in accordance with the accounting practices adopted in Brazil, applicable to the entities supervised by the Superintendence of Private Insurance - SUSEP, is the responsibility of the Management of Austral Seguradora. It is also responsible for establishing procedures that ensure the quality of the information and processes used in the preparation of interim financial statements, managing the risks of operations, and implementing and supervising internal control and compliance activities.

The independent auditor is responsible for examining the interim financial statements and issuing a report on their adequacy in accordance with the Brazilian auditing standards established by the Federal Accounting Council (CFC).

The internal audit is responsible for evaluating the effectiveness of internal controls and risk management and the processes that ensure adherence to the rules and procedures established by the Management and the legal and regulatory standards applicable to the activities of Austral Seguradora.

The Committee acts through meetings, in which it conducts analyses based on documents and information submitted to it, in addition to other procedures it deems necessary.

The Committee's evaluations are based on information received from Management, independent auditors, internal audit, those responsible for risk management and internal controls, and on its own analyses resulting from direct observation.

The Committee has established a regular channel of communication with the independent auditors, having become aware of the annual work plan and the work carried out and its results, including the Independent Auditors' Report that is being issued on this date. The Committee also evaluated the adherence of independent auditors to the policies and standards that deal with the maintenance and monitoring of the objectivity and independence with which these activities must be carried out.

The Committee evaluated the processes for preparing the interim financial statements and discussed with Management and the independent auditors the relevant accounting practices used, and the information disclosed.

The Committee held regular meetings with the Chief Executive Officer and other Directors of Austral Seguradora and, in these meetings, had the opportunity to present suggestions and recommendations to Management on matters related to the areas within its scope of operation.

The Committee was not aware of the occurrence of an event, complaint, non-compliance with rules, absence of controls, act or omission on the part of Management or evidence of fraud that, due to its relevance, would jeopardize the continuity of Austral Seguradora or the reliability of its interim financial statements.

Having fulfilled its duties, as described above, the Committee is of the opinion that the interim financial statements of Austral Seguradora S.A., corresponding to the year ended December 31, 2024, duly audited by Ernst & Young Auditores Independentes S/S Ltda, are in a position to be approved by the Board of Directors.

Rio de Janeiro, February 26, 2025.

Laenio Pereira dos Santos
President

Jorge Augusto Hirs Saab
Member

Elizabeth Vieira Valente Bartolo
Member

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Independent auditor's report on annual financial statements

To the Officers and Shareholders of
Austral Seguradora S.A.

Opinion

We have examined the financial statements of Austral Seguradora S.A. (Company), which comprise the balance sheet as of December 31, 2024, and the respective statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year ended on that date, as well as the corresponding explanatory notes, including material accounting policies and other insight.

In our opinion, the above-mentioned financial statements present fairly, in all material respects, the equity and financial position of Austral Seguradora S.A. as of December 31, 2024, the performance of its operations and its cash flows for the year ended on that date, in accordance with the accounting practices adopted in Brazil, applicable to entities supervised by the Superintendence of Private Insurance (SUSEP).

Basis for opinion

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities in accordance with such standards are described in the following section entitled "Auditor's Responsibilities for Auditing Financial Statements". We are independent from the Company, in accordance with the relevant ethical principles set forth in the Accountant's Code of Professional Ethics and in the professional standards issued by the Federal Accounting Council, and we comply with other ethical responsibilities in accordance with these standards. We believe that the audit evidence obtained is sufficient and appropriate to support our opinion.

Key Audit Matter

The main audit subject is the one that, in our professional judgment, was the most significant in our audit of the current year. This matter has been dealt with in the context of our audit of the financial statements as a whole and in forming our opinion on these financial statements and we therefore do not express a separate opinion on this matter.

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

As disclosed in Explanatory Note No. 13, on December 31, 2024, the Company has balances consisting of actuarial technical provisions arising from insurance contracts and reinsurance assets arising from the risks assigned, estimated based on professional judgment carried out by the board of directors in the definition 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 in the process of being issued, among others.

The evaluation of these methodologies and assumptions was considered the main subject of the audit due to the magnitude of the amounts involved, the subjectivity and complexity of the measurement process related to the provision of claims that occurred and were not reported, the provision of premiums not earned from risks in force and not issued, and the adequacy test of liabilities.

How our audit handled this issue

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

Other subjects

Audit of the corresponding values

The Company's financial statements for the year ended December 31, 2023, were audited by another independent auditor who issued a report dated February 26, 2024, without modification.

Other information accompanying the financial statements and auditor's report

The Company's executive board is responsible for this other information that comprises the Management Report.

Our opinion on the financial statements does not cover the Management Report and we do not express any form of audit conclusion on this report.

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

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

The board of directors is responsible for the preparation and proper presentation of the financial statements in accordance with the accounting practices adopted in Brazil, applicable to the entities supervised by the Superintendence of Private Insurance (SUSEP) and for the internal controls that it has determined as necessary to allow the preparation of financial statements free of material misstatement, regardless of whether caused by fraud or error.

In the preparation of the financial statements, the board of directors is responsible for assessing the Company's ability to continue operating, disclosing when applicable matters related to its operational continuity and the use of this accounting basis in the preparation of the financial statements, unless the board intends to liquidate the Company or cease its operations, or has no realistic alternative to avoid the closure of operations.

Those responsible for the Company's governance are those responsible for supervising the process of preparing the financial statements.

Auditor's responsibilities for auditing financial statements

Our objectives are to obtain reasonable assurance that the financial statements, taken together, are free from material misstatement, whether caused by fraud or error, and to issue an audit report containing our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that the audit carried out in accordance with Brazilian and international auditing standards always detects any material misstatements that exist. Misstatements may be due to fraud or error and are considered material when, individually or in combination, they may influence, within a reasonable perspective, the economic decisions of users made based on such financial statements.

As part of the audit conducted in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition:

- We determine materiality according to our professional judgment. The concept of materiality is applied in the planning and execution of our audit, in the assessment of the effects of the misstatements identified throughout the audit, of the uncorrected misstatements, if any, on the financial statements as a whole and in the formation of our opinion.
- The determination of materiality is affected by our perception of the financial information needs of users of financial statements. In this context, it is reasonable for us to assume that the users of the financial statements (i) have reasonable knowledge of the Company's business, commercial and economic activities and the willingness to analyze the information in the financial statements with reasonable diligence; (ii) understand that the financial statements are prepared, presented and audited considering levels of materiality; (iii) recognize the uncertainties inherent in the measurement of values based on the use of estimates, judgment and consideration of future events; and (iv) make reasonable economic decisions based on the information in the financial statements.
- When planning the audit, we exercised judgment on the misstatements that would be considered material. These judgments provide the basis for determining: (a) the nature, timing, and extent of risk assessment procedures; (b) the identification and assessment of the 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 for determining materiality for the financial statements as a whole. Materiality for audit performance means the amount set by the auditor that is less than what is considered relevant for the financial statements as a whole to adequately reduce to a low level the likelihood that misstatements, not corrected and not detected as a whole, will exceed materiality for the financial statements as a whole.

Shape the future
with confidence

- We identify and assess the risks of material misstatement in the financial statements, regardless of whether caused by fraud or error, plan and execute audit procedures in response to such risks, and obtain sufficient appropriate audit evidence to support our opinion. The risk of not detecting material misstatement resulting from fraud is greater than that arising from error, as fraud may involve the act of circumventing internal controls, collusion, falsification, omission, or intentional misrepresentation.

- We obtain an understanding of the internal controls relevant to the audit in order to plan audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.

- We evaluate the adequacy of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by the board of directors.

- We conclude on the adequacy of the management's use of the operating continuity accounting basis and, based on the audit evidence obtained, whether there is material uncertainty regarding events or conditions that may raise significant doubt regarding the Company's ability to continue operating. If we conclude that there is material uncertainty, we shall draw attention in our audit report to the respective disclosures in the financial statements or include a modification in our opinion if the disclosures are inadequate. Our conclusions are based on the audit evidence obtained as of the date of our report. However, future events or conditions may lead the Company to no longer maintain operational continuity.

- We evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the corresponding transactions and events in a manner consistent with the objective of fair presentation.

We communicate with those responsible for governance about, among other aspects, the Planned scope, the timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our engagement.

Of the matters that were the subject of communication with those responsible for governance, we determined the one that was considered to be the most significant in the audit of the financial statements for the current year, and which, therefore, constitutes the main subject of audit. We describe this matter in our audit report unless law or regulation has prohibited public disclosure of the matter, or when, in extremely rare circumstances, we determine that the matter should not be communicated in our report because the adverse consequences of such communication may, within a reasonable perspective, outweigh the benefits of the communication to the public interest.

Rio de Janeiro, February 26, 2025.

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

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

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Actuarial auditor's report on the annual financial statements

To the Shareholders and Officers of
Austral Seguradora S.A.
Rio de Janeiro - RJ
CNPJ: 11.521.976/0001-26

We examined the technical reserves and reinsurance assets recorded in the financial statements, as well as the statements of the minimum capital required, the amounts reducing the need to cover technical provisions, the claims with reinsurers related to claims and claims expenses, the analysis of regulatory solvency indicators, including the adjustments associated with the economic variation of adjusted shareholders' equity and the limits of withholding of Austral Seguradora S.A. ("Company"), on December 31, 2024, prepared under the responsibility of its Management, in accordance with the actuarial principles disclosed by the Brazilian Institute of Actuaries – IBA and with the rules of the Superintendence of Private Insurance – Susep and the National Council of Private Insurance – CNSP.

Responsibility of the Administration

The Company's Management is responsible for the preparation of the audited items defined in the first paragraph above, prepared in accordance with the actuarial principles disclosed by the Brazilian Institute of Actuaries (IBA) and with the rules of the Superintendence of Private Insurance (SUSEP) and the National Council of Private Insurance (CNSP), and for the databases and respective internal controls that it has determined as necessary to allow its preparation free of material distortion. regardless of whether caused by fraud or error.

Responsibility of independent auditor actuaries

Our responsibility is to express an opinion strictly on the audited items listed in the introduction paragraph to this opinion, based on our actuarial audit, conducted in accordance with the general principles issued by the Brazilian Institute of Actuaries – IBA and also based on our accumulated knowledge and experience on appropriate actuarial practices. These actuarial principles require that the actuarial audit be planned and performed with the objective of obtaining reasonable assurance that the respective audited items are free from material misstatement.

In particular with regard to the Company's solvency aspect, our responsibility to express an opinion refers strictly to the adequacy of the constitution of the technical provisions and their related assets reducing financial coverage, in accordance with the aforementioned regulations and principles, as well as to the compliance by the audited Company with the capital requirements in accordance with the minimum limits stipulated by the current rules of the Superintendence of Private Insurance – SUSEP and the National Council of Private Insurance – CNSP, and does not refer to the quality and valuation of the financial coverage of both technical provisions, net of reducing assets, and regulatory capital requirements.

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An actuarial audit involves the execution of selected procedures to obtain evidence regarding the aforementioned items defined in the first paragraph above. The procedures selected depend on the actuary's judgment, including the assessment of the risks of material misstatement regardless of whether caused by fraud or error. In these risk assessments, the actuary considers that the Company's internal controls are relevant to planning actuarial audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those internal controls.

We believe that the audit evidence obtained is sufficient and appropriate to support our actuarial audit opinion.

Opinion

In our opinion, the technical reserves and reinsurance assets recorded in the financial statements and the statements of the minimum required capital, the amounts reducing the need to cover the technical provisions, the credits with reinsurers related to claims and claims expenses, the analysis of regulatory solvency indicators, including the adjustments associated with the economic variation of adjusted shareholders' equity and the retention limits of the Austral Seguradora S.A. on December 31, 2024, were prepared, in all relevant aspects, in accordance with the rules and guidelines issued by the Superintendence of Private Insurance – SUSEP, the National Council of Private Insurance – CNSP and the Brazilian Institute of Actuaries – IBA.

Other Matters

In the context of our responsibilities described above, considering the assessment of risks of material misstatement in the items that are part of the scope defined in the first paragraph, we also apply selected procedures on the databases provided by the Company and used in our actuarial audit, based on tests applied to samples. We consider that the data selected in our work are capable of providing reasonable security to allow the aforementioned items that are part of the scope defined in the first paragraph to be free from material distortion. Additionally, also based on selected procedures, based on tests applied to samples, we observed that there is a correspondence of these data, which served as a basis for calculating the items that are part of the scope defined in the first paragraph, with those sent to SUSEP through the respective Statistical Tables and FIP (exclusively in the tables concerning the scope of the actuarial audit), for the audited year, in its most relevant aspects.

São Paulo, February 26, 2025.

ERNST & YOUNG Serviços Actuariais S/S Ltda., CIBA 57
CNPJ 03.801.998/0001-11

FernandaGama

Fernanda Gama
Actuarial - MIBA 947

Balance Sheets
On December 31, 2024, and 2023
(In thousands of reais)

	Notes	12/31/2024	12/31/2023
Assets			
Current Assets		**1,977,802**	**1,938,061**
Cash and cash equivalents		2,967	9,057
Financial Investments	5	181,592	194,250
Receivables from insurance and reinsurance contracts	**7**	**581,311**	**731,720**
Premiums receivable		544,737	703,214
Transactions with insurance companies		5,710	2,727
Transactions with reinsurance companies		30,864	25,779
Other operating credits		1,969	1,906
Reinsurance assets	13	1,124,030	933,829
Securities and other receivables	**8**	**31,358**	**17,885**
Tax and social security receivables		30,936	17,607
Court and tax deposits		108	108
Other receivables		314	170
Prepaid expenses		309	213
Deferred acquisition costs	9	54,266	49,201
Non-current Assets		**890,413**	**504,349**
Long-term Assets		**878,523**	**494,869**
Financial investments	5	212,074	166,757
Receivables from insurance and reinsurance Contracts	7	231,240	78,183
Reinsurance assets	13	335,763	170,251
Securities Other receivables	8	18,789	11,803
Other assets		9,022	7,821
Deferred acquisition costs	9	71,635	60,054
Investments		500	500
Property and Equipment		888	1,500
Intangible Assets		10,502	7,480
Total assets		**2,868,215**	**2,442,410**

The explanatory notes are an integral part of the annual financial statements.

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Austral Insurance Ombudsman: 0800 202 2400
www.australseguradora.com

Balance Sheets
On December 31, 2024 and 2023
(In thousands of reais)

Liabilities	Notes	12/31/2024	12/31/2023
Current Liabilities		**1,893,587**	**1,823,523**
Accounts Payable		**60,938**	**43,746**
Obligations Payables		23,693	21,181
Taxes and social charges payable	10	33,945	20,438
Payroll and related charges		2,199	2,127
Taxes and contributions		1,101	-
Payables from insurance and reinsurance contracts		**535.772**	**699,434**
Refundable premiums		16,371	10,763
Transactions with insurance companies		18,885	15,660
Transactions with reinsurance companies	11	452,596	634,226
Insurance and reinsurance brokerage firms		43,775	33,849
Other operating payables		4,145	4,936
Third-party deposits	12	27,501	14,055
Technical Provisions	13	1,268,075	1,064,983
Other debts		1,301	1,305
Non-current liabilities		**704,598**	**369,132**
Trades and Other Payables		**-**	**99**
Obligations payables		-	99
Payables for insurance and reinsurance contracts		**201.599**	**68,991**
Transactions with insurance companies		23,247	6,129
Transactions with reinsurance companies	11	154,804	48,333
Insurance and reinsurance brokerage firms		23,548	14,529
Technical Reservs	13	493,846	292,403
Other Payables		9,153	7,639
Equity	**16**	**270,030**	**249,755**
Share capital		133,525	116,125
Capital reserve		4,483	4,376
Profit Reserves		141,923	133,458
Security adjustment		(9,901)	(4,204)
Total liabilities and stockholders' equity		**2,868,215**	**2,442,410**

The explanatory notes are an integral part of the annual financial statements.

Income Statements

Fiscal years ended December 31, 2024 and 2023
(In thousands of reais, except net income per share - in reais)

	Notes	12/31/2024	12/31/2023
Written Premiums		1,161,817	1,433,480
Changes in premium technical reserves		19,533	(175,412)
Earned Premiums	**21/22.a**	**1,181,350**	**1,258,068**
Incurred Losses	22.b	(299,818)	(51,348)
Acquisition costs	22.c	(58,284)	(50,099)
Other operating income (expenses)	22.d	(1,156)	(2,103)
Reinsurance Gains (Losses)	22.e	(728,374)	(1,065,717)
Administrative expenses	22.f	(44,282)	(42,103)
Tax expenses	22.g	(16,201)	(13,238)
Net Finance Income (costs)	22.h	15,906	16,419
Equity result	22.i	17,491	15,970
(=) Profit before taxes and profit sharing		**66,632**	**65,849**
Income tax	19	(9,601)	(10,614)
Social contribution Tax	19	(6,090)	(6,676)
Profit Sharing		(7,561)	(6,136)
(=) Profit for the year		**43,380**	**42,423**
Number of shares		69,151,585	69,177,394
Earnings per Thousand Shares - in reais	20	0.6273	0.6132

The explanatory notes are an integral part of the annual financial statements.

Statements of Comprehensive Income

Fiscal years ended December 31, 2024 and 2023
(In thousands of reais)

	Notes	12/31/2024	12/31/2023
Proft for the year		**43,380**	**42,423**
Financial assets measured at fair value through other comprehensive income			
Change in the fair value of financial assets measured at fair value through other comprehensive income	5.c	(9,494)	6,884
Impairment – securities		(1)	-
Effect of income tax and social contribution taxes	8.b.1	3,798	(2,754)
Total comprehensive Income (loss) for the year, net of taxes		**(5,697)**	**4,130**
Total comprehensive income for the year		**37,683**	**46,553**

The explanatory notes are an integral part of the annual financial statements.

AUSTRAL SEGURADORA

Statements of Changes in Shareholders' Equity

On December 31, 2024 and 2023
(In thousands of reais)

	Notes	Share capital	Capital reserve	Profit reserves	TVM Adjustment	Retained earnings	Total
Balance as of December 31, 2022		**107,025**	**3,495**	**116,105**	**(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		-	-	-	4,130	-	4,130
Share-based incentive	17	-	881	-	-	-	881
Profit for the year		-	-	-	-	42,423	42,423
Proposal for distribution of the result:	**16c**						
Distribution of interest on equity		-	-	-	-	(15,970)	(15,970)
Constitution of a legal reserve		-	-	2,121	-	(2,121)	-
Constitution of other profit reserves		-	-	24,332	-	(24,332)	-
Balance as of December 31, 2023		**116,125**	**4,376**	**133,458**	**(4,204)**	**-**	**249,755**
Balance as of December 31, 2023		**116,125**	**4,376**	**133,458**	**(4,204)**	**-**	**249,755**
Initial adoption of impairment		-	-	(69)	-	-	(69)
Increase in capital – (Administrative rule NO. 1434 of July 26, 2024)		17,400	-	(17,400)	-	-	-
Unrealized loss on securities measured at fair value through other comprehensive income (VJORA)		-	-	-	(5,697)	-	(5,697)
Share-based incentive	17	-	107	45	-	-	152
Profit for the year		-	-	-	-	43,380	43,380
Proposal for distribution of the result:	**16c**						
Distribution of interest on equity		-	-	-	-	(17,491)	(17,491)
Constitution of a legal reserve		-	-	2,169	-	(2,169)	-
Constitution of other profit reserves		-	-	23,720	-	(23,720)	-
Balance as of December 31, 2024		**133,525**	**4,483**	**141,923**	**(9,901)**	**-**	**270,030**

Explanatory notes are an integral part of the annual financial statements.

AUSTRAL SEGURADORA

Statements of Cash Flows

On December 31, 2024 and 2023
(In thousands of reais)

	12/31/2024	12/31/2023
Cash flow from operating activities		
Profit for the year	**43,380**	**42,423**
Adjustments for:		
Depreciation and amortization	4,781	4,015
Impairment loss	157	441
Technical reserves net of reinsurance assets	108,438	71,671
Other adjustments	(1,422)	7,409
	155,334	**125,959**
Changes in statement of financial position accounts		
Financial assets	(42,160)	(82,460)
Receivables from insurance and reinsurance contracts	16,101	118,760
Securities and receivables	(22,136)	(13,156)
Third-party deposit	13,447	7,235
Deferred acquisition costs	(16,645)	(17,121)
Payables for insurance and reinsurance contracts	(49,962)	(94,963)
Obligations payables	37,498	(5,053)
Court and tax deposits	-	(108)
Other receivables	(158)	997
Losses paid	(59,682)	(34,279)
Income tax and social contribution taxes paid	(13,129)	(15,807)
Net cash generated (consumed) by operating activities	**18,508**	**(9,996)**
Cash flow from investing activities		
Acquisition of property and equipment	(45)	(127)
Acquisition of intangible assets	(6,104)	(5,056)
Net cash used in investing activities	**(6,149)**	**(5,183)**
Cash flow from financing activities		
Payment of interest on equity capital	(15,970)	-
Leases	(2,479)	(2,096)
Net cash consumed by financing activities	**(18,449)**	**(2,096)**
Net decrease in cash and cash equivalents	**(6,090)**	**(17,275)**
Cash and cash equivalents at the beginning of the year	9,057	26,332
Cash and cash equivalents at year-end	2,967	9,057

The explanatory notes are an integral part of the annual financial statements.

1. Operations

Austral Seguradora S.A. ("Company") headquartered in Brazil and headquartered at Avenida Bartolomeu Mitre, 336 – 3rd floor, Leblon, in the city of Rio de Janeiro, is a privately held company, registered with the Board of Trade of the State of Rio de Janeiro on January 15, 2010. The Company's purpose is to operate insurance and coinsurance operations in the areas of damage, as defined in the legislation in force, operating throughout the national territory.

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

1.1. Information on operating segment products and services

Insurance contracts are those contracts in which the Company accepts the significant insurance risk of another party by agreeing to pay insurance indemnity to the policyholders in the event of the occurrence of a specified uncertain future event with an adverse effect on the policyholder. Insurance premiums and marketing expenses are recorded at the time of the issuance or beginning of the risk, whichever occurs first, and the portion of the premium earned, as well as the respective commission installments, are recognized in the income statement according to the elapsed period of validity of the covered risk.

The Company concentrates its operations in the following lines of insurance: surety, both public and private, oil risks, directors' and directors' liability (D&O), professional liability (E&O), general liability (RCG) and named and operational risks. The Company permanently evaluates current and potential business lines that are aligned with its business strategy and adequate profitability prospects. In this sense, the Company reevaluated its operation in the maritime transport and risks segment (hull) and decided to place them in *run-off*, always maintaining the commitment to the obligations previously assumed.

The Company operates throughout the national territory, predominantly in the following lines:

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

This insurance guarantees the fulfillment of contractual obligations assumed by the policyholder, with the insured, protecting against any losses caused by non-compliance with contractual clauses.

Surety Bonds replace other forms of guarantee commonly used in the market, presenting some advantages, the main ones being: (i) it does not compromise the companies' credit lines, leaving their financial resources free for their operational activity; (ii) agility in contracting; and (iii) lower economic burden.

Surety Bonds are usually required in contracts of the Public Administration or the private sector, to ensure the fulfillment of obligations in construction, supply, service provision, public service concessions, participation in bids, in addition to being widely used in legal proceedings, aiming to guarantee judgment.

Among the types of Surety Bonds offered by the Company, the following stand out:

- **Surety bond insurance:** this insurance guarantees amounts in dispute in lawsuits that require deposit in court throughout the proceedings, as a new guarantee or in replacement of the previously existing guarantee, whether in the civil, labor, tax or appeal deposits, including in incidentals procedures or urgent measures, such as precautionary measures, writs of mandamus, and others.

- **Surety bond insurance for tax credits claimed at the administrative:** level this insurance attests to the veracity of the tax credits informed by the policyholder in administrative proceedings at the federal, state or municipal levels, and is generally used to release such credits or to cover the policyholder's permanence in special tax regimes.

- **Surety bond insurance for customs obligations:** this insurance guarantees the fulfillment of the obligations of the policyholder linked to the Term of Responsibility referred to in Decree No. 6,759, of February 5, 2009, in accordance with the Normative Instructions of the Federal Revenue Service on the subject.

- **Bidder's performance bond insurance:** this insurance ensures that in public or private bids, the winning policyholder maintains its proposal and signs the contract under the conditions presented and within the deadline established in the notice. This insurance is often requested in bidding procedures such as auctions, public tenders, price takings, and invitation letters.

- **Performance bond insurance for construction, supply and other services:** this modality guarantees the fulfillment of all obligations assumed in the contract for construction, supply or provision of services, protecting the insured against the risk of default by the policyholder.

- **Performance bond insurance for concessions:** this insurance guarantees the fulfillment of all obligations assumed in the concession contract for the exploitation of a public good or service such as highways, sanitation, energy, among others.

- **Bond insurance for advance payments:** this insurance ensures that the amounts received as advances in contracts are intended for the immediate execution of the contractual object, that is, the completion of the planned stage of a work, for example, until its completion. This type of insurance allows, for example, the release of funds to a supplier, without the latter having to use its cash flow and, for the contractor, represents a guarantee that the advanced resources will be applied in the supply of equipment or in the execution of the works as contractually foreseen.

- **Performance bond insurance for corrective maintenance:** this insurance guarantees the execution of corrective actions pointed out by the contractor and necessary for the repair of problems that occurred during the contractual performance, under the sole responsibility of the policyholder.

ii. Oil & Gas Insurance

This insurance guarantees coverage for goods, equipment and civil liability, arising from the risks related to oil and/or gas prospecting, exploration, drilling and production operations, *onshore* and *offshore*. In addition, it also guarantees coverage for works and constructions related to the sector, as well as for revenue losses derived from business interruption.

The insured persons of this product may be operators, suppliers and/or service providers operating in the oil and gas industry and for coverage of risks of construction of *offshore equipment*.

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

D&O Liability insurance covers the amounts owed to third parties by directors or officers of the company contracting the insurance as a result of investigations and judicial, administrative or arbitration proceedings related to their performance in their capacity as managers of the contracting company. This includes, but is not limited to, civil, labor, tax, consumer, or social security lawsuits, due to the personal, joint or subsidiary liability of the director or officer.

Among the D&O insurance coverages, the following may be listed: (i) direct indemnity to the insured (former administrator); (ii) indemnification to the policyholder (e.g. company) that has advanced the costs to the insured; and (iii) indemnity applied in cases where the company has securities trading, in which cases of management-related claims may be insured, for example.

It is important to mention that this product presents as a possibility the contracting of a secondary environmental civil liability product for directors and administrators, covering the defense costs and any indemnities due by the insured in claims involving damage caused to the environment without covering the cleaning costs due.

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

E&O insurance has coverage for indemnification arising from third-party claims against the insured, who may be an individual or legal entity specified in the policy, for professional failures for which the insured is held responsible, resulting in judicial, administrative or arbitration proceedings.

This insurance is usually used by liberal professionals and service providers who are subject to complaints about the performance of their activity (e.g., law firms), covering the costs of defense and any indemnities owed by the insured when there is legal liability due to any professional failure, always according to the terms agreed upon in the policies.

v. Civil Liability Insurance

The RCG Insurance guarantees the insured the payment of indemnities due to third parties when held liable for damages caused in the performance of their activities, with the objective of protecting the insured's assets from the losses they may incur due to their civil liability.

This insurance can be contracted by companies that perform the most diverse economic activities and are interested in protecting their assets from exposure to causing damage to third parties, from commerce to the most complex industrial activities, including the services sector, civil construction, events, entertainment, among others.

vi. Named perils insurance and operational all risks insurance

Named and Operational Risk Insurance are those that guarantee property losses and damages and loss of profits to the insured assets. In general, they offer coverage for fire, lightning strike, explosion or implosion, electrical damage, machinery breakdown, flooding, that is, damage related to the operations of industrial plants or companies in the most diverse segments of the economy.

For cases in which the insured amount is below the limit established by law of R$ 100 million, the Company issues this type of insurance in the Business Comprehensive line.

2. Annual financial statements

The annual financial statements were prepared in accordance with the provisions of SUSEP Circular No. 648, of November 12, 2021, and its updates, CNSP Resolution No. 453, of December 19, 2022, and its amendments, technical pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee - CPC, the Actuarial Pronouncements Committee - CPA, when endorsed by SUSEP, hereinafter referred to, as a whole, "accounting practices adopted in Brazil applicable to entities supervised by SUSEP".

The authorization to issue these annual financial statements was granted by the Company's Board of Directors on February 26, 2025.

2.1. Basis of measurement

The amounts presented in the annual financial statements are expressed in reais - (R$), and have been rounded to thousands of reais (R$ 000), except when otherwise indicated. These annual financial statements were prepared on a historical cost basis, with the exception of lease liabilities, which were recognized at the present value of the obligations, and the following items, which were recognized in the balance sheet at fair value:

- Financial instruments measured at fair value through profit or loss (Note 5); and
- 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 currency were translated at the exchange rate into the functional currency on the date of the transaction or the immediately preceding business day. Gains or losses from the conversion of balances resulting from the settlement of such transactions were recognized in profit or loss for the year. Monetary assets and liabilities denominated in foreign currency were converted to functional currency based on the exchange rate prevailing on the balance sheet closing date, and the differences resulting from the translation were posted directly against profit or loss for the year.

The exposure to foreign exchange risk arising from foreign currency operations, as well as their management, is detailed in Note 4.

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 rule issued by the Accounting Pronouncements Committee CPC 48 - Financial Instruments, replacing CPC 38 - Financial Instruments: Recognition and Measurement, with some adaptations.

CPC 48 - Financial Instruments includes new models for the classification and measurement of financial instruments and the measurement of expected credit losses for financial and contractual assets, as well as 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 (RVR) of financial assets, and modifications in the terms of financial assets and liabilities, did not materially impact the Company's shareholders' 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) modifications in terms of financial assets and liabilities. The differences in financial assets and financial liabilities resulting from the adoption of CPC 48 were recognized in shareholders' equity 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 (TAP), among other measures, the partial results by groups of contracts may be offset under the terms of the supervised company's accounting policy.

The following are presented each of the main changes brought about by the requirements:

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 credit losses incurred.

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 mentioned earlier, the main changes in relation to the rule issued by the Accounting Pronouncements Committee introduced by Circular No. 678, of October 10, 2022, concern the item of Premiums receivable and Provision for non-earned reinsurance premiums, 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
- From the analysis of the risk of credit default, in situations where this option is more adherent to the supervised company's operation.

(b) The impairment of the Provision for non-reinsurance premiums shall be constituted if:

- There is objective evidence, as a result of an event that occurred after the initial recognition of the asset by insurance contract, that the assignor 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 has to receive from the reinsurer can be reliably measured.

With the exception of the Reinsurance Non-Earned Premium Allowance account, the impairment of asset accounts whose counterparty is a reinsurer shall 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 those initially accounted for.

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

Classification of financial instruments

The following accounting policies apply to the subsequent measurement of financial assets:

- Financial assets measured at fair value through profit or loss (VJR): These assets are subsequently measured at fair value through profit or loss, with net income, including interest, recognised 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, and *impairment* are recognized in the income statement. Any gain or loss in derecognition is recognized in the result.

- Financial assets measured at fair value through other comprehensive income (VJORA): These assets are measured in a manner subsequent to fair value through other comprehensive income. In derecognition, the result accumulated in other comprehensive results is reclassified to the result.

Note 3 contains additional information on the main accounting policies related to the recognition and measurement of financial instruments.

3. Material accounting policies

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

3.1. Cash and cash equivalents

Refers to cash on hand and positive balances in the current account, with negligible risk of a change in fair value, and refers to resources used by the Company to manage its short-term commitments.

3.2. Financial instruments

The Company applies CPC 48 – Financial Instruments and accounts for its financial instruments as described below:

- **Derivatives**

  These are operations involving derivative financial instruments intended to hedge risks associated with the variation of interest rates and exchange rates. Derivative transactions are registered and traded at B3 S.A. - Brasil, Bolsa Balcão.

  After initial recognition, derivatives are measured at fair value and the respective changes are recorded in profit or loss and are classified in the category of financial assets measured at fair value through profit or loss.

  For the valuation of derivative financial instruments, market price quotes are used to determine the fair value of these instruments. The fair value of futures contracts is determined based on market price quotes for exchange-traded derivatives.

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

  Securities acquired for the purpose of being frequently traded are accounted for at fair value and classified in current assets. The Company's portfolio is managed by Vinci Gestora de Recursos Ltda. and its assets are recorded at fair value based on the marking of prices in the active market.

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

For government securities, the market values were determined based on the quotations published by the Brazilian Association of Financial and Capital Markets Entities - ANBIMA. The shares of the investment funds are valued based on the unit value of the share on the balance sheet closing date, as informed by the Directors of the respective investment funds. The market value of the funds listed in the portfolio was obtained from the price traded on B3 S.A. - Brasil, Bolsa Balcão.

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

All non-derivative financial assets that are not designated in the previous category are classified in this category. After initial recognition, these assets are measured at fair value and changes that are not due to impairment losses are recognized in other comprehensive income and presented in equity. When an investment is retired, the result accumulated in other comprehensive income is transferred to the profit and loss.

- **Receivables**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included as current assets, except for those with a maturity of more than twelve months from the base date of the balance sheet (these are classified as non-current assets). Receivables arising from insurance contracts, such as the balance of premiums receivable, are classified in this category and are initially measured at fair value and subsequently valued at amortized cost, less the impairment provision.

- **Initial recognition and measurement**

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

A financial asset (other than customer receivables with no significant financing component) or financial liability is initially measured at fair value, plus, for an item not measured at fair value through profit or loss, transaction costs directly attributable to its acquisition or issuance. Accounts receivable from customers without a significant financing component are initially measured at the price of the transaction.

- **Derecognition**

Financial assets

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

Financial liabilities

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

In the derecognition of a financial liability, the difference between the extinguished book value and the consideration paid (including transferred assets that do not carry over cash or assumed liabilities) is recognized in profit or loss.

3.3. Deferred acquisition costs

Insurance commission expenses are recorded at the time of the issuance or commencement of the risk, whichever occurs first, and appropriated to the result according to the elapsed period of validity of the covered risk. The deferral of these expenses is carried out through the same methodology used for the deferral of the related insurance premium.

3.4. Reinsurance assets and liabilities

Reinsurance assets are represented by expectations of receivables from reinsurers to which the Company has transferred part of its exposure, portfolio or business, and are recorded in the short and long-term depending on the expected period of realization or receipt of the assets from the respective reinsurers. Reinsurance assets are valued in a manner consistent with the insurance liabilities that have been reinsured and in accordance with the terms and conditions of each reinsurance contract. The liabilities to be paid to reinsurers are substantially composed of premiums payable in reinsurance contracts.

The ceded reinsurance premiums are recorded at the time of the issuance or entry into force of the risk, whichever occurs first, and are appropriate to the result in accordance with the deferral characteristics of the ceded reinsurance premium, observing the type of reinsurance contract in question and its respective basis of assignment.

The Company analyzes the recoverability of reinsurance assets on a regular basis, and 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 used the guidelines established by the National Council of Private Insurance - CNSP, Superintendence of Private Insurance - SUSEP, Brazilian Institute of Actuaries - IBA and CPC 11 - Insurance Contracts to evaluate its operations and constitute technical provisions to guarantee its insurance contracts, applying rules and procedures for measuring and monitoring its reinsurance contracts.

3.5. Reimbursements

The Company presents a methodology, described in an actuarial technical note, for the constitution of a reduction in claims provisions related to the expectation of reimbursement from the insured in the operations of the financial risk group.

The estimate corresponds exclusively to the expectation of receiving reimbursement for claims not yet paid and is recorded in the liabilities as a reduction in the provision for claims to be settled. When a claim is settled (in whole or in part), this estimate of compensation is transferred to the Company's assets.

3.6. Right-of-use assets

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

3.7. Intangible

Costs associated with software maintenance are recognized as an expense, as incurred. The costs of developments implemented in third-party software that are directly used by the Company are recognized as intangible assets.

Directly attributable costs, which are capitalized as part of the *software* product, include costs incurred in development and an appropriate portion of applicable direct expenses. Other development expenditures that do not meet these criteria are recognized as expenditure as incurred.

Development costs initially recognized as expenditure are not recognized as an asset in a subsequent period. Software development costs that are recognized as assets are amortized over their estimated useful life. If there is an indication of loss of recoverable value, *impairment* tests are applied in order to indicate any need to adjust the value of the intangible asset.

3.8. Technical provisions of insurance contracts

The technical provisions for the guarantee of insurance contracts are constituted in accordance with the accounting practices adopted in Brazil, applicable to insurance companies and are in accordance with the determinations of the National Council of Private Insurance - CNSP, the Superintendence of Private Insurance - SUSEP and CPC 11 - Insurance Contracts.

All methodologies adopted for calculating technical provisions are described in an actuarial technical note developed by the actuary in charge of the technical provisions.

- **Unearned Premiums Reserve**

Provision constituted for the coverage of amounts payable related to claims and expenses to occur, over the periods to be elapsed, referring to the risks assumed on the base date of calculation, in compliance with the criteria established in current legislation.

The portion of the provision for unearned premiums related to current and already issued risks - PPNG-RVE is calculated according to the standard formulation established by the Superintendence of Private Insurance - SUSEP.

The portion of the provision for unearned premiums related to current and unissued risks - PPNG-RVNE 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 issued.

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

Provision constituted to cover the indemnity amounts related to claims notified and not paid up to the base date of the calculation, including administrative and judicial claims. The allowance for claims to be settled includes monetary adjustments, interest, exchange rate variations and contractual fines, when applicable.

The provision is based on an individualized analysis of each claim, corresponding to the best estimate of the amounts payable for claims already notified to the Company.

For claims in the financial risk group, the Company estimates an expectation of reimbursement arising from the probability of success in the execution of its counter-guarantee contracts.

- **IBNR (incurred but not reported losses) reserve**

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

The Company estimates its provision using the triangle methodology of claims development through the *Chain Ladder* and *Bornhuetter-Ferguson methods* and analyzes the adherence of the estimate through monthly consistency tests.

In addition to the amount calculated above, the final amount of the provision for claims that occurred and were not reported may be increased by an additional portion arising from the expectation of a claim from financial risk operations. This portion reflects the estimated loss of the expectations warned that have not yet been characterized as claims.

- **Provision for related expenses**

Provision constituted monthly to cover expenses related to the payment of indemnities, covering both expenses that can be attributed individually to each claim and expenses that can only be related to claims in a grouped manner.

The Company records in a timely manner all expenses related to the process of adjusting notified claims and claims expectations. 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**

Provision set up monthly to guarantee the obligations arising from possible reductions in the reinsurance commission in contracts that provide for the tiered commission system.

- **Liability adequacy test – LAT**

Every six months, the Company evaluates the obligations arising from the insurance and reinsurance contracts in force on the base date through the liability adequacy test. The liability adequacy test is carried out using statistical and actuarial methods, based on up-to-date data consistent with the information present in the financial market. The Company applies methodologies corresponding to the portions of liabilities in order to obtain the best estimate of projected future cash flows. The Company presents estimates of cash flows in national currency and U.S. dollars. Specifically for operations in national currency, the ETTJ (Term Structure of Interest Rates - evolution of interest rates paid on fixed income investments in Brazil) free of pre-fixed risk of the Brazilian Association of Financial and Capital Market Entities - AMBIMA available on the SUSEP website is used for estimates of cash flows in nominal values. Likewise, for the estimates arising from cash flows in dollars, the exchange coupon curve made available by SUSEP is used.

The loss ratio assumptions used to project future claims arising from the businesses in force on the base date of the study are based on a careful analysis of the portfolio, internal historical and market results in each line of business. The flow of expenses related to future claims is the result of the analysis of historical percentage metrics. This study projects a flow of administrative expenses to maintain the business in force until the end of the obligation.

SUSEP Circular No. 678 established that, in the preparation of the Liability Adequacy Test (TAP), 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 result of the liability adequacy test indicated that the provisions constituted less deferred acquisition costs and related intangible assets are sufficient to guarantee the expected present value of cash flows arising from the performance of insurance contracts in force on December 31, 2024 and 2023.

The comparison between the provision for unearned premiums constituted, less deferred acquisition costs and directly related intangible assets, with the present value of the Company's claims flows to occur, did not demonstrate the need to constitute the supplementary coverage provision on December 31, 2024 and 2023.

3.9. Lease liabilities

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

The Company uses as an incremental rate the interest rate that it would have to pay when borrowing the resource necessary to obtain the asset with a value similar to the asset subject to the lease, by term, guarantee and similar economic scenarios applied individually to each contract according to the estimates projected as lease term.

3.10. Provisions for legal proceedings

The provisions are constituted based on individualized analyses, carried out by the internal legal department and by the external legal counsel, of the ongoing legal proceedings with probable future disbursement. Changes in the estimates of the lawsuits and the loss fees are recorded respectively in the lines of notified indemnities and claims expenses, and the monetary updates in the financial result.

Any active contingencies are not recognized until the shares are judged favorably on a definitive basis, and when the probability of realization of the asset is probable.

3.11. Employee Benefits

- **Post-employment and conventional**

The Company does not have benefits in the post-employment modality, maintaining only the benefits provided for in the union collective agreements, such as the profit sharing plan (PLR), which is linked to the achievement of global, departmental and individual goals that are established and agreed upon for each fiscal year.

- **Share-based incentive plan**

Share-based incentives are measured and recognized at fair value on the date the options were granted, in a specific account in shareholders' equity and in the income statement, in accordance with contractual conditions. The cost of transactions settled with equity securities is recognized throughout the fiscal year in which the terms of service are met, ending on the date on which the beneficiary acquires the full right to the share (vesting date).

3.12. Income and contributions taxes

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

The provisions for current and deferred income tax and social contribution are constituted based on the rates in force on the base date of the annual financial statements.

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

Current and deferred tax assets and liabilities are offset, when there is a legally enforceable right to offset the recognized amounts and are related to taxes on profit, levied by the same tax authority.

3.13. Impairment

- **Receivables**

The Company evaluates on a monthly basis whether there is evidence of risk of default in the amounts of premiums receivable, through an individualized analysis of the counterparties involved and their respective policies overdue from 60 days and claims to be recovered in their entirety. The methodology used to determine risk considers the maturity date, the flow of payments from the counterparties involved, the quality of their credit score, loss history and provisions for premiums already received that enable them to offset their policies. If in subsequent periods there is a reduction in the impairment allowance, the amount of the reduction is recognized in profit or loss.

- **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 deficit is the difference between the cash flows owed to the Company under the contract and the cash flows that the Company expects to receive. The amount of the impairment is recognized in the Company's shareholders' equity.

- **Reinsurance assets**

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

- **Other assets**

When there is clear evidence of the occurrence of impairment of assets accounted for at amortized cost, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of the 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 the income statement.

3.14. Result

The result is calculated on an accrual basis and considers:

- **Premiums and commissions**

Insurance premiums are accounted for on the date of issuance or effective date of the risk, whichever comes first.

Insurance premiums and related marketing expenses are appropriated in profit or loss, on a straight-line basis, during the term of the policies, through the constitution and reversal of the provision for unearned premiums.

Premiums related to reinsurance contracts are recorded as reinsurance premiums ceded in income and deferred for appropriation through the constitution and reversal of the provision for unearned premiums, according to the methodology described in an actuarial technical note.

- **Claims**

Insurance claims include all events that occur during the periods, whether notified or not, the respective internal and external costs with the treatment of claims directly related to the processing and settlement of the same, deducted from salvage and reimbursement and other amounts recovered, in addition to any adjustments of claims to be settled from previous periods.

3.15. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the annual financial statements requires the use of certain accounting estimates and the exercise of judgment by management in the use of certain accounting policies. However, the uncertainty regarding these assumptions and estimates may lead to different results in subsequent periods.

In the process of applying accounting policies, Management made the following judgments, in addition to those involving estimates and assumptions, which had the main effects on the amounts recognized in the annual financial statements.

- Fair value of financial instruments measured at VJR and through VJR (Note 5);
- Valuation of assets and liabilities of insurance and reinsurance contracts (Notes 4 and 13);
- Tax credits (Note 8);
- Deferred acquisition costs (Note 9);
- reimbursements (Note 8);
- Judicial provisions (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 bylaws establish a minimum dividend of 25%, calculated on annual net income, adjusted as provided for in article 202 of Law No. 6,404/76.

The Board of Directors, when assessing the financial statements, presents to the General Meeting its proposal for the distribution of the result. The amount of dividends proposed by the Board of Directors is reflected in sub-accounts in shareholders' equity, and only the portion corresponding to the minimum mandatory dividend is recognized as a liability in the financial statements.

3.17. Result per share

Basic earnings per share are calculated by dividing earnings attributable to shareholders by the weighted average number of shares issued during the year, excluding any treasury shares that were repurchased during the year.

The purpose of diluted earnings per share is to provide a measure of each common and preferred share's share of performance while reflecting the effects of all potential diluting common shares outstanding during the year.

The calculation of the weighted average of common shares considers:

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

3.18. New and revised standards, interpretations and guidance

The following rule changes were issued by the CPC but are not in force for the year ended December 31, 2024:

- CPC 50 - Insurance Contracts

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

  CPC 50 will be applicable to the Company when adopted by the Superintendence of Private Insurance - SUSEP. The Company has not completed its analysis of the impacts of CPC 50.

  There are no other rules or interpretations that have not yet come into force that could have a material impact on the Company's annual financial statements

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

- Conceptual framework for financial reporting – CPC 00 (R2).

4. Insurance risk management and financial risk

The Company adopts as the definition of the risk management structure the set of components that provide the fundamentals and organizational arrangements that make it possible: the design, implementation, monitoring, critical analysis and continuous improvement of risk management throughout the organization.

The risk management procedures are based on the best practices defined in the *Committee of Sponsoring Organizations of the Treadway Commission - COSO* and *Enterprise Risk Management - ERM*, in its 2017 version, whose stages of evaluation of the control environment are (i) risk assessment; (ii) control activities; (iii) monitoring activities; and (iv) information and communication activities. These are carried out considering the nature, scale and complexity of our operations. COSO is recognized as an international reference on the subject and this version meets the best practices, aligning risk management with the Company's strategy.

(In thousands of reais)

The Company also uses the concept of three lines of defense, updated by the Institute of Internal Auditors - IIA, to determine roles, responsibilities and governance within the entire 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 risk within the business by region, based on the Company's gross reinsurance premium and net reinsurance premium.

	Distribution of gross reinsurance premium	
Geographic region	**12/31/2024**	**12/31/2023**
Midwest	2,831	7,598
Northeast	8,824	16,542
North	2,993	7,101
Southeast	1,124,945	1,387,327
South	22,224	14,912
Total	**1,161,817**	**1,433,480**

	Distribution of net reinsurance premium	
Geographic region	**12/31/2024**	**12/31/2023**
Midwest	1,780	4,403
Northeast	5,517	9,406
North	1,796	4,063
Southeast	165,404	142,788
South	13,194	8,818
Total	**187,691**	**169,478**

a) Underwriting risk management

One of the main risks in insurance and reinsurance operations is the possibility that the acceptance conditions established for a given risk are inadequate in view of the responsibilities assumed or the technical provisions are insufficient. One of the most relevant associated risk factors is the frustration of expectations regarding the frequency and/or amounts to be paid of claims, which would imply in a possible insufficiency of premiums and/or provisions to meet the financial expenditures with the payment of obligations assumed towards customers and/or in the increase in the constitution of reserves so that the amounts provisioned are sufficient to cover these obligations.

(In thousands of reais)

Risk exposure is mitigated through portfolio diversification and analytical selectivity of underwritten risks, with the implementation of healthy and prudent guidelines on the underwriting strategy, as well as constant monitoring of internal and market indicators to make any adjustments.

For the purposes of risk pricing, in order to obtain consistent, stable, positive results individually and for the portfolio, an underwriting policy is adopted and operational procedures for risk assessment are defined, as well as a pricing model that follows risk management assumptions. Among the procedures carried out, the regime of decision-making powers is contemplated as support for technical decisions, and these documents are formally approved, periodically reviewed and duly disclosed to all those involved.

In addition, reinsurance is used as part of the risk management program. The ceded reinsurance is contracted on a proportional and non-proportional basis.

From the point of view of business concentration, the portfolio of the Surety Bond line corresponds to 72% of the total technical result of the insurance segment, that is, R$67,911 (64% and R$57,300 as of December 31, 2023).

Sensitivity analysis

To carry out the sensitivity analysis of the loss ratio, the premise was adopted as an aggravation of 5 p.p. in relation to the loss ratio incurred by branch in the current year. The tables below show the variation values of gross and net reinsurance claims, considering the following claims:

			12/31/2024
Gross effects of reinsurance	**Base**	**Scenario 5 p.p.**	**Impact**
Equity	270,030	235,689	(34,341)
Net income for the year	43,380	9,039	(34,341)
Impact (%) on the result of the year			(79.2%)
Impact (%) on equity			(12.7%)
Net reinsurance effects			
Equity	270,030	268,186	(1,844)
Net income for the year	43,380	41,536	(1,844)
Impact (%) on the result of the year			(4.3%)
Impact (%) on equity			(0.7%)

(In thousands of reais)

			12/31/2023
Gross effects of reinsurance	**Base**	**Scenario 5 p.p.**	**Impact**
Equity	249,755	213,255	(36,500)
Net income for the year	42,423	5,923	(36,500)
Impact (%) on the result of the year			(86.0%)
Impact (%) on equity			(14.6%)
Net reinsurance effects			
Equity	249,755	247,828	(1,927)
Net income for the year	42,423	40,496	(1,927)
Impact (%) on the result of the year			(4.5%)
Impact (%) on equity			(0.8%)

b) Financial Risk Management

The Company's investment policy defines the guidelines for the allocation of resources in securities, as well as the monitoring of the risks inherent to the investment portfolio.

The investments are based on analysis of short, medium and long-term macroeconomic scenarios, observing the main variables of the Brazilian and world economy, such as: expectations of interest rate evolution, inflation, exchange rate, economic growth, among others.

In its investment decisions, the Company considers the need for cash and the management of its assets and liabilities, following a conservative stance with respect to the credit of its counterparties and the investments made. The risk management of financial investments is carried out daily through portfolio analysis and monitoring.

The Company's investment committee meets frequently to analyze the performance of the portfolio, discuss prospective scenarios and, thus, define the general guidelines for the allocation of investments.

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

1) Market risk

It is defined as the possibility of losses resulting from the variation in market prices of the Company's assets and liabilities.

The control of market risk is based on the *Value-at-Risk* (VaR) model, one of the most traditional methods in managing this risk, which consists of a statistical valuation metric that estimates the maximum potential loss that the portfolio could suffer, in a given period, with a certain confidence interval, if normal market conditions are considered.

(In thousands of reais)

Sensitivity analysis

The Company monitors, on a daily basis, the market and systemic risk of its investment portfolio, through *Value-at-Risk* (VaR) with confidence intervals of 95% and 99%, in simulation models with historical and parametric data, in the time horizon of 1 day and 252 business days.

In addition, the Company conducts a stress test 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, exchange rate risk.

(i) Investment portfolio

According to the VaR analysis, such investments could be generated by the historical method, with an observation window of 252 business days, a holding *period* of one day and with a confidence level of 95%, a loss of 0.14% of the total assets in the portfolio was observed on December 31, 2024 (0.13% on December 31, 2023), which is equivalent to R$ 529. With a confidence level of 99%, there was a loss of 0.35% of the total assets in the portfolio on December 31, 2024 (0.18% on December 31, 2023), which is equivalent to R$1,322.

	12/31/2024		12/31/2023	
	Historic	**Impact**	**Historic**	**Impact**
VaR 95%	(0.14%)	(529)	(0.13%)	(470)
VaR 99%	(0.35%)	(1,322)	(0.18%)	(651)

When using the parametric method, considering the VaR with an observation window of 252 business days, a holding *period* of one day and a confidence level of 95%, a loss of 0.15% of the total assets of the portfolio was observed on December 31, 2024 (0.13% on December 31, 2023), which is equivalent to R$ 566. With a confidence level of 99%, there was a loss of 0.21% of the total assets in the portfolio on December 31, 2024 (0.19% on December 31, 2023), which is equivalent to R$793.

	12/31/2024		12/31/2023	
	Parametric	**Impact**	**Parametric**	**Impact**
VaR 95%	(0.15%)	(566)	(0.13%)	(470)
VaR 99%	(0.21%)	(793)	(0.19%)	(687)

In addition to VaR assessments, stressed scenarios of the implicit rate of inflation-indexed securities are also taken into account in the performance and allocation of assets in the investment portfolio. To this end, the following base, probable and stressed scenarios were considered (positive and negative variation of 100bps and 200bps of the pre-fixed rate of inflation-indexed securities):

(In thousands of reais)

i. Base scenario: It was considered the same as the probable scenario. It is the scenario where the IPCA curve is equal to the implicit curve of inflation-indexed securities;
ii. Scenario I: reduction of 200bps, compared to the base scenario rate;
iii. Scenario II: reduction of 100bps, in relation to the base scenario rate;
iv. Scenario III: 100bps increase over the base case rate; and
v. Scenario IV: 200bps increase from the base case rate.

		12/31/2024
Scenario	**Shock**	**Impact on gross tax income (*)**
I	(200 bps)	6,530
II	(100 bps)	3,210
III	100 bps	(3,210)
IV	200 bps	(6,530)

		12/31/2023
Scenario	**Shock**	**Impact on gross tax income (*)**
I	(200 bps)	10,000
II	(100 bps)	5,000
III	100 bps	(5,000)
IV	200 bps	(10,000)

(*) Impact on gross tax income on the dates of 12/31/2024 and 12/31/2023.

2) Credit risk

It consists of the possibility of losses associated with the non-compliance by counterparties with their financial obligations under the agreed terms, and/or the devaluation of receivables resulting from the reduction in the risk rating of the borrower or counterparty.

The Company understands that the main source of its credit risk is the exposure of reinsurance to the Insurer's operations. In order to mitigate this risk, an analysis of the *Credit Rating* was adopted, determined by risk rating agencies. As a complementary part of the underwriting process, the *rating* is observed in the acceptance, pricing and authority process. In addition, the Company monitors exposures by reinsurer, as well as monitors and evaluates changes and trends in the insurance and reinsurance market, as well as in the financial market.

Credit risk in funds and financial instruments, components of the investment portfolio in addition to federal government securities, is limited because counterparties are represented by issuers with high credit *ratings* evaluated by risk rating agencies.

The table below shows the total exposure to credit risk for the Company's various asset classes. In addition, it presents the term of overdue assets.

(In thousands of reais)

Portfolio composition by class and by accounting category	Unexpired assets	Overdue up to 30 days	Overdue between 31 and 60 days	Overdue between 61 and 120 days	Overdue between 121 and 180 days	Overdue between 181 and 365 days	More than 365 days	Book value
								12/31/2024
Available	2,967	-	-	-	-	-	-	2,967
Measured at fair value through profit or loss								
Private	48,725	-	-	-	-	-	-	48,725
Public	93,815	-	-	-	-	-	-	93,815
Abroad	38,149	-	-	-	-	-	-	38,149
Measured at fair value through other comprehensive income								
Private	19,623	-	-	-	-	-	-	19,623
Public	193,354	-	-	-	-	-	-	193,354
Receivables from insurance transactions (*)	787,651	16,111	4,261	2,232	2,327	1,563	6,985	821,130
Total financial assets and insurance contract assets	**1,184,284**	**16,111**	**4,261**	**2,232**	**2,327**	**1,563**	**6,985**	**1,217,763**

Portfolio composition by class and by accounting category	Unexpired assets	Overdue up to 30 days	Overdue between 31 and 60 days	Overdue between 61 and 120 days	Overdue between 121 and 180 days	Overdue between 181 and 365 days	More than 365 days	Book value
								12/31/2023
Available	9,057	-	-	-	-	-	-	9,057
Measured at fair value through profit or loss								
Private	43,456	-	-	-	-	-	-	43,456
Public	72,484	-	-	-	-	-	-	72,484
Abroad	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 transactions (*)	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 credits with insurance and reinsurance operations are presented gross of the provision for impairment in the total of R$812,551 as of December 31, 2024 (R$809,903 as of December 31, 2023).

The following table shows the credit risk in the reinsurance operations to which the Company is exposed, segregated by the *rating* defined by Standard & Poor's, AM Best, Moody's and Fitch. The concept of exposure takes into account the provisions for claims, unearned premiums already passed on to reinsurers and credits to be recovered according to the guidance of the Superintendence of Private Insurance - SUSEP. The classification of this exposure is given according to the best rating leveling, following the table presented below

In addition, as presented, the Company has exposure only to reinsurers of minimum levels: BBB+ and B++, in the risk agencies Standard & Poor's and AM Best, respectively.

(In thousands of reais)

Standard & Poor's Co	Moody's Investor Services	Fitch Ratings	AM Best	12/31/2024 Exhibition (in R$)	12/31/2024 Exposure (in %)	12/31/2023 Exhibition (in R$)	12/31/2023 Exposure (in %)
AAA	Aaa	AAA	A++	38,415	3.9	21,867	4.0
AA+	Aa1	AA+	A+	277,741	28.6	124,842	22.9
AA	Aa2	AA	A+	2	-	49	-
AA-	Aa3	AA-	A+	-	-	43,401	8.0
A+	A1	A+	A	214,709	22.1	69,372	12.7
A	A2	A	A-	440,798	45.4	284,900	52.3
A-	A3	A-	A-	-	-	-	-
BBB+	Baa1	BBB+	B++	106	-	408	0.1
Total				**971,771**	**100.0**	**544,839**	**100.0**

3) Liquidity risk

It consists of the possibility that the Company may not be able to meet its financial obligations, expected or not, when they are due, either due to the impossibility of timely realizing its assets or the fact that such realization results in significant losses and/or non-compliance with regulatory requirements.

Management monitors the portfolio on a daily basis, regularly discussing at its meetings or extraordinarily, when necessary, the position of the investments, taking into account their liquidity and expectation of profitability.

The Company’s philosophy is to be conservative in the allocation of its financial assets, understood as the sum of its available position plus its financial investments, always prioritizing liquidity capacity in the choice of its financial assets and based on its obligations to counterparties.

Currently, the Company has 90.5% (90.8% as of December 31, 2023) of its portfolio composed of assets and instruments with daily liquidity, represented by bank deposits, LFT, NTN-B and other securities that have daily liquidity despite their maturity. In addition, 3.5% (3.0% as of December 31, 2023) of the financial assets are composed of investment funds with redemption terms of up to 120 days and 6.5% (6.2% as of December 31, 2023) of the portfolio is composed of an investment fund with a redemption period of more than 120 days.

(In thousands of reais)

12/31/2024

Assets and liabilities	Up to 1 year	Above 1 year	Market value	Curve Value/ Cost	Gain/Loss	Book value
Cash and cash equivalents	2,967	-	-	-	-	2,967
Financial assets at a fair value through profit or loss	156,843	23,846	180,689	180,699	(10)	180,689
Financial assets at a fair value through other comprehensive income (*)	212,977	-	212,982	229,483	(16,501)	212,977
Receivables from insurance and reinsurance contracts	581,311	231,240	-	-	-	812,551
Other operating receivables	1,969	-	-	-	-	1,969
Securities and Other receivables	31,358	18,789	-	-	-	50,147
Total assets	**987,425**	**273,875**	**393,671**	**410,182**	**(16,511)**	**1,261,300**
Trade and other payables	60,938	-	-	-	-	60,938
Insurance contract liabilities (net of reinsurance)	144,045	158,083	-	-	-	302,128
Payable for insurance and reinsurance contracts	535,772	201,599	-	-	-	737,371
Third-party deposits	27,501	-	-	-	-	27,501
Other payables	1,301	9,153	-	-	-	10,454
Total liabilities	**769,557**	**368,835**	**-**	**-**	**-**	**1,138,392**

(*) The book value is the market value minus the impairment reduction - RVR of R$ 5.

12/31/2023

Assets and liabilities	Up to 1 year	Above 1 year	Market value	Curve Value/ Cost	Gain/Loss	Book value
Cash and cash equivalents	9,057	-	-	-	-	9,057
Financial assets at a fair value through profit or loss	179,405	14,845	194,250	194,226	24	194,250
Financial assets at a fair value through other comprehensive income	166,757	-	166,757	173,764	(7,007)	166,757
Receivable 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
Debit from insurance and reinsurance operations	699,434	68,991	-	-	-	768,425
Third-party deposits	14,055	-	-	-	-	14,055
Other debts	1,305	7,639	-	-	-	8,944
Total liabilities	**889,694**	**198,881**	**-**	**-**	**-**	**1,088,575**

4) Foreign currency risk

The Company operates an investment portfolio in U.S. dollars. Consequently, any movement in the R$/US$ exchange rates will affect your income statement and balance sheet. The management of these risks is carried out through a sensitivity analysis, which the Company believes is sufficient to identify and quantify the potential risks associated with fluctuations in the dollar.

Sensitivity analysis

For the analysis of the sensitivity of the variations in the R$/US$ exchange rate in the foreign currency investment portfolio, the following scenarios were considered:

(In thousands of reais)

i. Base scenario: PTAX exchange rate of R$/US$6.19 on December 31, 2024;
ii. Probable scenario: exchange rate of R$/US$5.99 estimated for December 31, 2025 by the Market Expectations System of the Central Bank of Brazil on December 31 , 2024;
iii. Scenario I: reduction of 50.0%, in relation to the rate of the base scenario (R$/US$ 3.09);
iv. Scenario II: reduction of 25.0%, in relation to the base scenario rate (R$/US$ 4.64);
v. Scenario III: increase of 25.0% in relation to the base scenario rate (R$/US$ 7.74); and
vi. Scenario IV: 50.0% increase in relation to the base scenario rate (R$/US$ 9.29).

	12/31/2024	
Scenario	**Exchange rate fluctuation**	**Impact on gross tax income (*)**
Probable	(3.2%)	(599)
I	(50.0%)	(9,500)
II	(25.0%)	(4,750)
III	25.0%	4,750
IV	50.0%	9,500

	12/31/2023	
Scenario	**Exchange rate fluctuation**	**Impact on gross tax income (*)**
Probable	2.9%	30
I	(50.0%)	450
II	(25.0%)	225
III	25.0%	(225)
IV	50.0%	(450)

(*) Impact on gross tax income on the dates of 12/31/2024 and 12/31/2023.

5. Financial investments

a) Classification by category and aging

										12/31/2024
	Average Rates	**No expiration date**	**Up to 12 months**	**From 13 to 60 months**	**Over 60 months**	**Market value**	**Book value (*)**	**Curve Value**	**Accounting percentage of investments**	**Percentage of the curve of the applications**
I. Securities measured at fair value through profit or loss:		**39,401**	**61,930**	**79,358**	**-**	**180,689**	**180,689**	**180,699**	**45.9%**	**44.1%**
Treasury Financial Bills - LFT	-	-	19,142	74,673	-	93,815	93,815	93,857	23.8%	22.9%
Overseas Certificate of Deposit	4.25%	-	38,149	-	-	38,149	38,149	38,149	9.7%	9.3%
Debentures	CDI + 1.07%	-	4,639	4,685	-	9,324	9,324	9,292	2.4%	2.3%
Investment fund shares (i)	-	39,401	-	-	-	39,401	39,401	39,401	10.0%	9.6%
II. Securities measured at fair value through other comprehensive income:		**-**	**903**	**197,151**	**14,928**	**212,982**	**212,977**	**229,483**	**54.1%**	**55.9%**
National Treasury Notes - NTN-B	IPCA + 3.74%	-	-	143,257	10,422	153,679	153,679	167,785	39.0%	40.9%
National Treasury Bills - LTN	11,60%	-	-	39,675	-	39,675	39,675	41,992	10.1%	10.2%
Debentures	CDI + 1.44%	-	-	13,280	3,325	16,605	16,601	16,611	4.2%	4.1%
Debentures	IPCA + 7.10%	-	-	-	1,181	1,181	1,181	1,264	0.3%	0.3%
Financial Bill - LF	CDI + 0.92%	-	903	939	-	1,842	1,841	1,831	0.5%	0.4%
Total		**39,401**	**62,833**	**276,509**	**14,928**	**393,671**	**393,666**	**410,182**	**100.0%**	**100.0%**

(*) The book value is the market value minus the impairment reduction - RVR of R$ 5.

(In thousands of reais)

	Average Rates	No expiration date	Up to 12 months	From 13 to 60 months	Over 60 months	Market value	Book value	Curve Value	Accounting percentage of investments	12/31/2023 Percentage of the curve of the applications
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%
Treasury Financial Bills - LFT	SELIC	-	12,443	48,532	14	60,989	60,989	60,972	16.9%	16.6%
Overseas Certificate of Deposit	5.30%	-	78,310	-	-	78,310	78,310	78,310	21.7%	21.3%
National Treasury Bills - LTN	PRE	-	11,495	-	-	11,495	11,495	11,494	3.2%	3.1%
Investment fund shares (i)	-	34,140	-	-	-	34,140	34,140	34,140	9.4%	9.3%
II. Securities measured at fair value through other comprehensive income:		**-**	**-**	**149,719**	**17,038**	**166,757**	**166,757**	**173,764**	**46.2%**	**47.2%**
National Treasury Notes - NTN-B	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 Bill - 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 quotas are composed of the following types of funds: Private Credit Fund R$8,935 (R$8,009 as of December 31, 2023), Private Equity Investment Fund R$24,778 (R$22,396 as of December 31, 2023), Multimarket Funds R$3,044 (R$3,082 as of December 31, 2023), Real Estate Investment Funds R$1,919 (R$0 on December 31, 2023) and Fixed Income Fund R$722 (R$653 on December 31, 2023).

For government securities, the market values were determined based on the quotations published by the Brazilian Association of Financial and Capital Market Entities - ANBIMA.

Investment fund shares are valued based on the unit value of the share on the balance sheet closing date, as informed by the respective directors.

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

b) Fair Value Hierarchy

The table below presents financial instruments recorded at fair value, and their respective valuation methods. The different levels were defined in accordance with CPC 46 - Fair Value Measurement, as follows:

- Level 01: Quoted and unadjusted prices in active markets for identical assets and liabilities, for example: listed shares, listed investment funds, government bonds of the Brazilian Federal Government issued in Brazil and abroad and corporate bonds of Brazilian companies issued abroad; and

- Level 02: Final Prices are obtained by observing other information, except quoted prices, included in Level 1 that are observable for the asset or liability, directly (prices) or indirectly (derived from prices), for example: unlisted investment funds, debentures, financial bills and certificates of deposit.

(In thousands of reais)

	12/31/2024			12/31/2023		
	Level 01	Level 02	Total	Level 01	Level 02	Total
I. Securities measured at fair value by VJR:						
Investment funds:						
Investment fund shares	2,853	34,628	**37,481**	7,551	26,589	**34,140**
Real estate fund shares	1,920	-	**1,920**	-	-	**-**
Fixed income securities - private:						
Overseas Certificate of Deposit	-	38,149	**38,149**	-	78,310	**78,310**
Debentures	-	9,324	**9,324**	-	9,316	**9,316**
Fixed income securities - public:						
Treasury Financial Bills – LFT	93,815	-	**93,815**	60,989	-	**60,989**
National Treasury Bills – LTN	-	-	**-**	11,495	-	**11,495**
II. Securities measured at fair value by VJORA:						
Fixed income securities – private:						
Debentures	-	17,782	**17,782**	-	10,126	**10,126**
Financial Bill	-	1,841	**1,841**	-	803	**803**
Fixed income securities - public:						
National Treasury Bills – LTN	39,675	-	**39,675**			
National treasury notes – NTN-B	153,679	-	**153,679**	155,828	-	**155,828**
Total	**291,942**	**101,724**	**393,666**	**235,863**	**125,144**	**361,007**

c) Change 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 fluctuation	(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**
(+) Investmemts	1,659,062	51,026	1,710,088
(-) Redemptions	(1,698,712)	(13,333)	(1,712,045)
(+) Income	13,924	18,026	31,950
(+/-) Exchange rate fluctuation	12,207	-	12,207
(+/-) Fair Value Adjustment	(42)	(9,494)	(9,536)
(+/-) Impairment	-	(5)	(5)
Closing balance as of December 31, 2024	**180,689**	**212,977**	**393,666**

d) Derivatives

d.1) Exposure

Description	Maturity	Exposure 12/31/2024	Amount (payable)/ receivable 12/31/2024
Futures contracts			
Sales commitment			
Exchange rate - US dollar futures contracts - DOL	02/01/2025	4,665	-
Exchange rate - US dollar futures contracts - WDOL	02/01/2025	809	-

(In thousands of reais)

Description	Maturity	Exposure 12/31/2023	Amount (payable)/ receivable 12/31/2023
Futures contracts			
Commitment to sell			
Exchange Rate - DOL Dollar Futures	02/01/2024	52,342	-
Exchange Rate - WDOL Dollar Futures	02/01/2024	3,631	-

d.2) Margins in guarantee

12/31/2024

Assets	Maturity	Amount	Value
LFT	03/01/2025	141	2,231
LFT	09/01/2025	70	1,107
Total		**211**	**3,338**

Assets	Maturity	Amount	Value
NTN-B	08/15/2026	59	254
NTN-B	08/15/2050	541	1,840
Total		**600**	**2,094**

12/31/2023

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

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

(In thousands of reais)

6. Guarantee of technical supplies

The Central Bank of Brazil - BACEN, through Resolution No. 4,993, of March 24, 2022, and the CNSP, through CNSP Resolution No. 453, of December 19, 2022, and its respective amendments, regulated the rules for the application of the resources guaranteeing technical provisions by insurance companies. As of December 31, 2024 and 2023, the Company had the following coverages:

	12/31/2024	12/31/2023
Unearned premium reserve	1,239,990	1,149,928
Reserve for claims and claims adjustment expenses	470,913	159,457
Incurred but not reported losses (IBNR) reserve	39,403	39,136
Provision for related expenses	11,449	8,699
Provision for technical surpluses	166	166
Total technical reserves	**1,761,921**	**1,357,386**
Receivables	(626,304)	(679,698)
Valuation allowances for deferred acquisition costs	(58,550)	(48,558)
Valuation allowances for the unearned premium reserve - reinsurance assets	(410,905)	(300,142)
Valuation allowances for the reserve for claims and claim adjustment expenses	(458,884)	(147,690)
Valuation allowances for Incurred but Not Reported Losses - reinsurance assets	(33,746)	(34,422)
Valuation allowances for the reserve for related expenses - reinsurance assets	(8,835)	(7,325)
Total deductions	**(1,597,224)**	**(1,217,836)**
Total technical reserves for coverage	**164,697**	**139,550**
Breakdown of assets linked to the coverage of technical reserves:		
Treasury Financial Bills	59,027	21,100
National Treasury Notes - NTN-B	151,371	153,068
Investment fund shares	13,814	21,430
Total assets linked to coverage for technical reserves	**224,212**	**195,597**
Excess restricted assets	**59,515**	**56,047**

(In thousands of reais)

7. Credit from insurance and reinsurance operations

	12/31/2024	12/31/2023
Premiums receivable from the insured	775,977	781,397
Transactions with insurance companies	5,710	2,727
Transactions with reinsurers	30,864	25,779
Total	**812,551**	**809,903**
Current	**581,311**	**731,720**
Non-current	**231,240**	**78,183**

7.1) ***Aging schedule of premiums receivable*:**

Falling due premiums		
From 1 to 30 days	334,357	284,071
From 31 to 60 days	46,959	91,134
From 61 to 120 days	66,833	134,657
From 121 to 180 days	32,680	82,191
From 181 to 365 days	43,560	121,922
More than 365 days	231,240	78,183
Total falling due premiums	**755,629**	**792,158**
Overdue premiums		
From 1 to 30 days	11,558	1,572
From 31 to 60 days	4,405	2,820
From 61 to 120 days	2,089	2,904
From 121 to 180 days	2,326	1,328
From 181 to 365 days	1,585	1,337
More than 365 days	6,964	6,594
Total overdue premiums	**28,927**	**16,555**
Allowance for Impairment loss	**(8,579)**	**(27,316)**
Total premiums receivale	**775,977**	**781,397**

7.2) Changes in receivable premiums

	12/31/2024	12/31/2023
Opening balance	**781,397**	**911,893**
(+) Written Premiums (*)	1,716,781	1,435,594
(+/-) Ongoing risks not issued	(302,263)	105,154
(+) Tax on financial transactions	140,374	134,718
(+) Fractionation surcharge	-	6
(-) Proceeds	(1,579,049)	(1,785,741)
(+/-) Impairment loss	18,737	(20,227)
Closing balance	**775,977**	**781,397**

(*) Amount includes exchange rate variation and cancellations.

According to the flows of receipt of premiums and installments for the year ended December 31, 2024 and 2023, it was observed that the Company has been operating with an average installment of 2 times.

(In thousands of reais)

8. Securities and receivables

	12/31/2024	12/31/2023
Securities and receivables	2,215	2,348
Reimbursement to be received (a)	2,215	2,348
Tax and social security credits (b)	47,510	27,062
Court deposits	108	108
Other receivables	314	170
Total	**50,147**	**29,688**
Current	**31,358**	**17,885**
Non-current	**18,789**	**11,803**

a) *Aging* of reimbursements receivable (actual and estimated) by branch group:

Aging schedule - permanence	**12/31/2024**	**12/31/2023**
Guarantee		
From 181 to 365 days	366	-
More than 365 days	38,110	38,243
Impairment	(36,261)	(35,895)
Total *aging*	**2,215**	**2,348**

Expectation of realization	**12/31/2024**	**12/31/2023**
Guarantee		
More than 365 days	38,476	38,243
Impairment loss	(36,261)	(35,895)
Total *aging*	**2,215**	**2,348**

b) Tax and social security receivables:

We present below the table with the tax debits and credits and tax assets deferred by the respective net amounts, when of the same nature and jurisdiction:

	12/31/2024	12/31/2023
Taxes and contributions to be offset/recovered (i)	30,300	16,978
PIS and COFINS Tax Credits (ii)	636	629
Deferred IRPJ and CSLL (iii) (b.1)	16,574	9,455
Total	**47,510**	**27,062**

(i) Credits arising from Negative Balance of IRPJ and CSLL and PIS, COFINS, IOF, IR and CSLL overpaid;
(ii) PIS and COFINS tax credits calculated on the balance of Provision for Claims to Settle - PSL and Provision for Claims Incurred and Not Reported - IBNR; and
(iii) Tax Credits on temporary differences.

(In thousands of reais)

b.1) Deferred tax transactions:

	12/31/2023	Drive		12/31/2024
		Recognized in the result	Recognized in other comprehensive results	
Deferred taxes on temporary differences	**9,455**	**3,321**	**3,798**	**16,574**
Market Value Adjustment – Held-for-trading	3,292	735	-	4,027
Market Value Adjustment – avaliable-for-sale	2,802	-	3,798	6,600
Exchange Variation	(2,831)	1,841	-	(990)
Share-based incentive	1,750	43	-	1,793
Profit Shares	2,591	349	-	2,940
Other provisions	1,587	228	-	1,815
CPC 06 (R2) – Leases	264	125	-	389
Total	**9,455**	**3,321**	**3,798**	**16,574**

	12/31/2022	Drive		12/31/2023
		Recognized in the result	Recognized in other comprehensive results	
Deferred taxes on temporary differences	**14,519**	**(2,310)**	**(2,754)**	**9,455**
Market Value Adjustment – Held-for-trading	4,100	(808)	-	3,292
Market Value Adjustment – avaliable-for-sale	5,556	-	(2,754)	2,802
Exchange Variation	(833)	(1,998)	-	(2,831)
Share-based incentive	1,398	352	-	1,750
Profit Shares	2,744	(153)	-	2,591
Other provisions	1,410	177	-	1,587
CPC 06 (R2) – Leases	144	120	-	264
Total	**14,519**	**(2,310)**	**(2,754)**	**9,455**

9. Deferred acquisition costs

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

Groups / Lines of insurance	**12/31/2024**	**12/31/2023**
Surety and performance bond insurance	119,213	103,141
Oil & Gas insurance	4,045	3,070
D&O liability insurance	1,111	1,047
General liability insurance	693	606
Professional liability insurance	803	897
Other	36	494
Total	**125,901**	**109,255**
Current	**54,266**	**49,201**
Non-current	**71,635**	**60,054**

(In thousands of reais)

The company had deferred acquisition costs as shown in the table below:

	12/31/2023	Constitution	Deferral / Cancellation	12/31/2024
Surety and performance bond insurance	103,141	1,284,443	(1,268,371)	119,213
Oil & Gas insurance	3,070	35,327	(34,352)	4,045
D&O liability insurance	1,047	13,027	(12,963)	1,111
General liability insurance		8,485	(8,398)	693
Professional liability insurance	897	10,004	(10,098)	803
Other	494	1,849	(2,307)	36
Total	**109,255**	**1,353,135**	**(1,336,489)**	**125,901**

	12/31/2022	Constitution	Deferral / Cancellation	12/31/2023
Surety and performance bond insurance	86,808	1,085,465	(1,069,132)	103,141
Oil & Gas 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 security contributions to be collected

	12/31/2024	12/31/2023
Withholding income tax	3,104	2,873
Withholding service tax	82	104
Tax on financial transactions	30,195	16,947
Social security contributions	360	304
Other taxes and social charges	204	210
Total	**33,945**	**20,438**

11. Debts from insurance and reinsurance operations

- ### Operations with reinseres

	12/31/2024	12/31/2023
Ceded reinsurance premiums	730,889	787,058
Commission	(126,417)	(107,456)
Reimbursement benefit on-lending	2,928	2,957
Total	**607,400**	**682,559**
Current	**452,596**	**634,226**
Non-current	**154,804**	**48,333**

(In thousands of reais)

12. Third-Party Deposits

Third-party deposits refer mainly to direct insurance premiums and accepted coinsurance premiums, whose policies have not yet been identified, and are classified as current liabilities.

Third-party *warehouse aging* is distributed as follows:

	12/31/2024	12/31/2023
From 1 to 30 days	18,203	6,110
From 31 to 60 days	2,641	2,172
From 61 to 120 days	2,249	2,070
From 121 to 180 days	455	179
From 181 to 365 days	702	603
More than 365 days	3,251	2,921
Total	**27,501**	**14,055**

13. Technical Provisions

a) Composition of technical reserves

	12/31/2024			12/31/2023		
	Gross	Ceded	Retained	Gross	Ceded	Retained
Reserve for claims						
Reserve for claims to be settled	470,913	(458,884)	12,029	159,457	(147,690)	11,767
Incurred but not reported losses (IBNR)	39,403	(33,746)	5,657	39,136	(34,422)	4,714
Provision of related expenses	11,449	(8,835)	2,614	8,699	(7,324)	1,375
Total	**521,765**	**(501,465)**	**20,300**	**207,292**	**(189,436)**	**17,856**
Premium Reserves						
Unearned premium reserve	1,239,990	(958,328)	281,662	1,149,928	(914,644)	235,284
Technical surplus reserve	166	-	166	166	-	166
Total	**1,240,156**	**(958,328)**	**281,828**	**1,150,094**	**(914,644)**	**235,450**
Total Reserves	**1,761,921**	**(1,459,793)**	**302,128**	**1,357,386**	**(1,104,080)**	**253,306**
Current	**1,268,075**	**(1,124,030)**	**144,045**	**1,064,983**	**(933,829)**	**131,154**
Non-current	**493,846**	**(335,763)**	**158,083**	**292,403**	**(170,251)**	**122,152**

(In thousands of reais)

b) Drive

The movements of the technical provisions are shown in the following table:

	12/31/2024			12/31/2023		
	Gross	**Ceded**	**Retained**	**Gross**	**Ceded**	**Retained**
Development of the reserve for claims and claim adjustment expenses						
On January 1	159,457	(147,690)	11,767	146,258	(138,833)	7,425
Losses Inccurred in the year	291,882	(265,746)	26,136	45,257	(25,523)	19,734
Losses paid in the year	(53,922)	26,005	(27,917)	(30,768)	14,902	(15,866)
Foreign exchangegain (loss)	67,369	(66,194)	1,175	(3,759)	3,510	(249)
Adjustment for inflation	6,127	(5,321)	806	2,469	(1,746)	723
Impairment	-	62	62	-	-	-
At the end of the financial year	**470,913**	**(458,884)**	**12,029**	**159,457**	**(147,690)**	**11,767**
Development of the Incurred But Not Reported Losses reserve						
On January 1	39,136	(34,422)	4,714	36,053	(31,631)	4,422
Change in the IBNR provision	267	672	939	3,083	(2,791)	292
Impairment	-	4	4	-	-	-
At the end of the financial year	**39,403**	**(33,746)**	**5,657**	**39,136**	**(34,422)**	**4,714**
Development of the provision for related expenses						
On January 1	8,699	(7,324)	1,375	9,023	(7,573)	1,450
Expenses incurred in the year	7,689	(5,317)	2,372	3,008	(2,370)	638
Expenses paid in the year	(5,760)	4,476	(1,284)	(3,511)	2,760	(751)
Exchange rate variation	155	(100)	55	(2)	2	-
Adjustment for inflation	666	(571)	95	181	(143)	38
Impairment	-	1	1	-	-	-
At the end of the financial year	**11,449**	**(8,835)**	**2,614**	**8,699**	**(7,324)**	**1,375**
Movement of premium provisions - PPNG						
On January 1	1,149,928	(914,644)	235,284	988,346	(786,292)	202,054
Premiums written in the year	1,161,817	(974,126)	187,691	1,433,480	(1,264,002)	169,478
Premiums earned in the year	(1,181,350)	1,037,405	(143,945)	(1,258,068)	1,121,667	(136,401)
Foreign Exchange gain (loss)	109,595	(106,963)	2,632	(13,830)	13,983	153
At the end of the financial year	**1,239,990**	**(958,328)**	**281,662**	**1,149,928**	**(914,644)**	**235,284**
Development of premium reserves - unearned premium reserve						
On January 1	166	-	166	563	-	563
PET variation	-	-	-	(397)	-	(397)
At the end of the financial year	**166**	**-**	**166**	**166**	**-**	**166**
Total technical provisions	**1,761,921**	**(1,459,793)**	**302,128**	**1,357,386**	**(1,104,080)**	**253,306**

(In thousands of reais)

14. Loss development

The claims development framework aims to compare the claims incurred compared to their previous estimates. From the year of occurrence, the evolution of these estimates over time is presented, as new information on the frequency and severity of each of the claims is obtained. It is worth mentioning the Insurer's characteristic of severity claims, typical of large risk operations, where variations in estimates can be significant throughout the adjustment of claims, due to the complexity inherent to the business. The bottom of the table shows the reconciliation of the amounts with the book balances.

Table of development of gross administrative and judicial reinsurance claims (Incurred + IBNR):

Year of reporting (**)	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Up to the base date	5,965	141,095	15,508	164,159	290,194	44,977	47,733	83,736	82,421	135,128	58,209
One year later	468	95,706	40,521	162,075	242,387	101,032	88,631	59,673	86,696	390,366	-
Two years later	1,044	100,652	51,695	172,728	233,901	104,871	84,904	36,618	87,241	-	-
Three years later	1,044	116,903	15,178	164,775	188,794	83,433	22,181	31,732	-	-	-
Four years later	236	206,287	6,816	166,288	163,300	80,234	30,564	-	-	-	-
Five years later	1,327	212,505	6,809	163,179	156,364	80,048	-	-	-	-	-
Six years later	1,588	211,873	6,825	165,144	156,683	-	-	-	-	-	-
Seven years later	1,946	212,512	6,843	166,084	-	-	-	-	-	-	-
Eight years later	2,116	213,817	52,361	-	-	-	-	-	-	-	-
Nine years later	2,385	215,100	-	-	-	-	-	-	-	-	-
Ten years later	2,666	-	-	-	-	-	-	-	-	-	-
Position on 12/31/2024	**2,666**	**215,100**	**52,361**	**166,084**	**156,683**	**80,048**	**30,564**	**31,732**	**87,241**	**390,366**	**58,209**

Accumulated gap (*)	3,299	(74,005)	(36,853)	(1,925)	133,511	(35,071)	17,169	52,004	(4,820)	(255,238)	-
Accumulated gap (%)	55.3%	(52.5%)	(237.6%)	(1.2%)	46.0%	(78.0%)	36.0%	62.1%	(5.8%)	(188.9%)	-

Payment year	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Up to the base date	(17)	(621)	(1,020)	(75,849)	(25,981)	(2,856)	(202)	(6,660)	(46,425)	(14,767)	(2,280)
One year later	(154)	(81,370)	(2,043)	(118,369)	(150,116)	(13,949)	(623)	(23,062)	(56,695)	(33,363)	-
Two years later	(156)	(89,585)	(2,043)	(144,684)	(152,021)	(17,479)	(4,146)	(26,405)	(74,906)	-	-
Three years later	(156)	(89,585)	(3,733)	(155,420)	(152,021)	(78,712)	(4,805)	(29,354)	-	-	-
Four years later	(156)	(202,085)	(3,733)	(158,706)	(152,021)	(79,817)	(4,973)	-	-	-	-
Five years later	(156)	(203,255)	(6,683)	(161,589)	(152,021)	(79,929)	-	-	-	-	-
Six years later	(156)	(203,255)	(6,683)	(162,213)	(152,021)	-	-	-	-	-	-
Seven years later	(156)	(203,255)	(6,683)	(162,218)	-	-	-	-	-	-	-
Eight years later	(156)	(203,255)	(18,283)	-	-	-	-	-	-	-	-
Nine years later	(156)	(203,255)	-	-	-	-	-	-	-	-	-
Position on 12/31/2024	**(156)**	**(203,255)**	**(18,283)**	**(162,218)**	**(152,021)**	**(79,929)**	**(4,973)**	**(29,354)**	**(74,906)**	**(33,363)**	**(2,280)**

Provision for claims to be settled	2,510	11,845	34,078	3,866	4,662	119	25,579	679	7,102	343,926	36,547
Provision for an unannounced claim	-	-	-	-	-	-	12	1,699	5,233	13,077	19,382
Provision of related expenses	732	3,619	15	21	679	-	2,210	149	1,225	1,783	1,016
Total liabilities	**3,242**	**15,464**	**34,093**	**3,887**	**5,341**	**119**	**27,801**	**2,527**	**13,560**	**358,786**	**56,945**

(In thousands of reais)

Year of reporting (**)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Up to the base date	5,965	141,095	15,508	164,159	290,194	44,977	47,733	83,736	82,421	135,128
One year later	468	95,706	40,521	162,075	242,387	101,032	88,631	59,673	86,696	-
Two years later	1,044	100,652	51,695	172,728	233,901	104,871	84,904	36,618	-	-
Three years later	1,044	116,903	15,178	164,775	188,794	83,433	22,181	-	-	-
Four years later	236	206,287	6,816	166,288	163,300	80,234	-	-	-	-
Five years later	1,327	212,505	6,809	163,179	156,364	-	-	-	-	-
Six years later	1,588	211,873	6,825	165,144	-	-	-	-	-	-
Seven years later	1,946	212,512	6,843	-	-	-	-	-	-	-
Eight years later	2,116	213,817	-	-	-	-	-	-	-	-
Nine years later	2,385	-	-	-	-	-	-	-	-	-
Position on 12/31/2023	**2,385**	**213,817**	**6,843**	**165,144**	**156,364**	**80,234**	**22,181**	**36,618**	**86,696**	**135,128**
Accumulated absence (*)	3,580	(72,722)	8,665	(985)	133,830	(35,257)	25,552	47,118	(4,275)	-
Accumulated absence (%)	60.0%	(51.5%)	55.9%	(0.6%)	46.1%	(78.4%)	53.5%	56.3%	(5.2%)	-

Payment year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Up to the base date	(17)	(621)	(1,020)	(75,849)	(25,981)	(2,856)	(202)	(6,660)	(46,425)	(14,767)
One year later	(154)	(81,370)	(2,043)	(118,369)	(150,116)	(13,949)	(623)	(23,062)	(56,695)	-
Two years later	(156)	(89,585)	(2,043)	(144,684)	(152,021)	(17,479)	(4,146)	(26,405)	-	-
Three years later	(156)	(89,585)	(3,733)	(155,420)	(152,021)	(78,712)	(4,805)	-	-	-
Four years later	(156)	(202,085)	(3,733)	(158,706)	(152,021)	(79,817)	-	-	-	-
Five years later	(156)	(203,255)	(6,683)	(161,589)	(152,021)	-	-	-	-	-
Six years later	(156)	(203,255)	(6,683)	(162,213)	-	-	-	-	-	-
Seven years later	(156)	(203,255)	(6,683)	-	-	-	-	-	-	-
Position on 12/31/2023	**(156)**	**(203,255)**	**(6,683)**	**(162,213)**	**(152,021)**	**(79,817)**	**(4,805)**	**(26,405)**	**(56,695)**	**(14,767)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Provision for claims to be settled	2,229	10,562	160	2,931	4,261	211	16,683	8,494	18,692	95,234
Provision for an unannounced claim	-	-	-	-	82	206	693	1,719	11,309	25,127
Provision of related expenses	942	4,665	57	30	880	3	11	117	1,452	542
Total liabilities	**3,171**	**15,227**	**217**	**2,961**	**5,223**	**420**	**17,387**	**10,330**	**31,453**	**120,903**

(*) Difference between initial and final estimates
(**) Notified claims include monetary adjustment, net of the expectation of reimbursement.

(In thousands of reais)

Table of development of Administrative and judicial claims net of reinsurance (Incurred + IBNR):

Year of reporting (**)	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Up to the base date	1,225	3,077	2,797	13,264	8,078	2,821	3,007	13,151	24,640	8,924	7,504
One year later	171	2,599	963	10,805	5,080	836	241	12,254	25,460	6,566	-
Two years later	171	2,717	1,573	12,248	3,718	969	676	11,974	25,939	-	-
Three years later	171	3,723	1,483	12,253	6,861	890	146	12,093	-	-	-
Four years later	48	3,817	1,458	12,257	3,294	823	157	-	-	-	-
Five years later	426	5,316	1,455	11,019	1,620	824	-	-	-	-	-
Six years later	504	5,028	1,455	11,471	1,657	-	-	-	-	-	-
Seven years later	617	4,987	1,456	11,747	-	-	-	-	-	-	-
Eight years later	668	5,277	1,567	-	-	-	-	-	-	-	-
Nine years later	755	4,206	-	-	-	-	-	-	-	-	-
Ten years later	846	-	-	-	-	-	-	-	-	-	-
Position on 12/31/2024	**846**	**4,206**	**1,567**	**11,747**	**1,657**	**824**	**157**	**12,093**	**25,939**	**6,566**	**7,504**
Accumulated gap (*)	379	(1,129)	1,230	1,517	6,421	1,997	2,850	1,058	(1,299)	2,358	-
Accumulated gap (%)	30.9%	(36.7%)	44.0%	11.4%	79.5%	70.8%	94.8%	8.0%	(5.3%)	26.4%	-
Payment year	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Up to the base date	(7)	(416)	(689)	18,190	9,045	722	(3)	(3,686)	(20,218)	(1,306)	(619)
One year later	(48)	(1,064)	(858)	(9,524)	9,034	(304)	810	(11,163)	(21,516)	(4,176)	-
Two years later	(48)	(1,091)	(858)	(10,635)	8,913	(160)	(109)	(11,595)	(22,724)	-	-
Three years later	(48)	(1,091)	(858)	(10,671)	(1,132)	(414)	(110)	(11,750)	-	-	-
Four years later	(48)	(2,455)	1,542	(10,687)	(1,132)	(760)	773	-	-	-	-
Five years later	(48)	(2,806)	(1,448)	(10,697)	(1,132)	(820)	-	-	-	-	-
Six years later	(48)	(2,806)	(1,448)	(10,704)	(1,132)	-	-	-	-	-	-
Seven years later	(48)	(2,806)	(1,448)	(10,707)	-	-	-	-	-	-	-
Eight years later	(48)	(2,806)	(1,477)	-	-	-	-	-	-	-	-
Nine years later	(48)	(2,806)	-	-	-	-	-	-	-	-	-
Ten years later	(48)	-	-	-	-	-	-	-	-	-	-
Position on 12/31/2024	**(48)**	**(2,806)**	**(1,477)**	**(10,707)**	**(1,132)**	**(820)**	**773**	**(11,750)**	**(22,724)**	**(4,176)**	**(619)**

Reserve for claims	798	1,400	90	1,040	525	4	922	269	2,948	1,079	2,892
Incurred but not reported losses (IBNR) reserve	-	-	-	-	-	-	8	74	267	1,311	3,993
Provision of related expenses	208	746	-	8	10	-	122	55	570	617	277
Impairment	4	8	-	5	3	-	6	1	16	6	18
Total liabilities	**1,010**	**2,154**	**90**	**1,053**	**538**	**4**	**1,058**	**399**	**3,801**	**3,013**	**7,180**

Explanatory notes to the annual financial statements
On December 31, 2024 and 2023
(In thousands of reais)

Year of reporting (**)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Up to the base date	1,225	3,077	2,797	13,264	8,078	2,821	3,007	13,151	24,640	8,924
One year later	171	2,599	963	10,805	5,080	836	241	12,254	25,460	-
Two years later	171	2,717	1,573	12,248	3,718	969	676	11,974	-	-
Three years later	171	3,723	1,483	12,253	6,861	890	146	-	-	-
Four years later	48	3,817	1,458	12,257	3,294	823	-	-	-	-
Five years later	426	5,316	1,455	11,019	1,620	-	-	-	-	-
Six years later	504	5,028	1,455	11,471	-	-	-	-	-	-
Seven years later	617	4,987	1,456	-	-	-	-	-	-	-
Eight years later	668	5,277	-	-	-	-	-	-	-	-
Nine years later	755	-	-	-	-	-	-	-	-	-
Position on 12/31/2023	**755**	**5,277**	**1,456**	**11,471**	**1,620**	**823**	**146**	**11,974**	**25,460**	**8,924**
Accumulated absence (*)	470	(2,200)	1,341	1,793	6,458	1,998	2,861	1,177	(820)	-
Accumulated absence (%)	38.4%	(71.5%)	47.9%	13.5%	79.9%	70.8%	95.1%	8.9%	(3.3%)	-

Payment year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Up to the base date	(7)	(416)	(689)	18,190	9,045	722	(3)	(3,686)	(20,218)	(1,306)
One year later	(48)	(1,064)	(858)	(9,524)	9,034	(304)	810	(11,163)	(21,516)	-
Two years later	(48)	(1,091)	(858)	(10,635)	8,913	(160)	(109)	(11,595)	-	-
Three years later	(48)	(1,091)	(858)	(10,671)	(1,132)	(414)	(110)	-	-	-
Four years later	(48)	(2,455)	1,542	(10,687)	(1,132)	(760)	-	-	-	-
Five years later	(48)	(2,806)	(1,448)	(10,697)	(1,132)	-	-	-	-	-
Six years later	(48)	(2,806)	(1,448)	(10,704)	-	-	-	-	-	-
Seven years later	(48)	(2,806)	(1,448)	-	-	-	-	-	-	-
Eight years later	(48)	(2,806)	-	-	-	-	-	-	-	-
Nine years later	(48)	-	-	-	-	-	-	-	-	-
Position on 12/31/2023	**(48)**	**(2,806)**	**(1,448)**	**(10,704)**	**(1,132)**	**(760)**	**(110)**	**(11,595)**	**(21,516)**	**(1,306)**
Reserve for claims	707	2,471	8	767	488	63	36	258	3,395	3,574
Incurred but not reported losses (IBNR) reserve	-	-	-	-	-	-	-	121	549	4,044
Provision of related expenses	189	680	2	-	9	-	-	6	474	15
Total liabilities	**896**	**3,151**	**10**	**767**	**497**	**63**	**36**	**385**	**4,418**	**7,633**

(*) Difference between initial and final estimates
(**) Notified claims include monetary adjustment, net of the expectation of reimbursement.

(In thousands of reais)

15. Judicial Provisions

On December 31, 2024 and 2023, civil lawsuits that originated from claims, in which the Company is the defendant, are provisioned under the heading of "claim to be settled judicially". The movement of the provisioned amounts is shown in the table below:

	12/31/2024	12/31/2023
Opening balance	**19,162**	**13,726**
Reopening	6,245	3,194
Revaluation	8,407	2,242
Indemnity	(563)	-
Cancellation	(294)	-
Total	**32,957**	**19,162**

The Company has civil lawsuits as a defendant, totaling 43 lawsuits with a probability of possible loss (44 lawsuits as of December 31, 2023), with amounts at risk in the total amount of R$63,230 (R$33,341 as of December 31, 2023).

16. Equity

a) Share capital

As of December 31, 2024, the subscribed and paid-in capital stock is R$133,525 (R$116,125 as of December 31, 2023) represented by 69,151,585 registered common shares with no par value.

The Company's shareholder, through the Annual and Extraordinary Shareholders' Meeting held on March 28, 2024, approved the capital increase, in the amount of R$17,400, without the issuance of new shares, through the capitalization of part of the Company's profit reserves. This increase was approved by the Superintendence of Private Insurance - SUSEP through the ordinance published on 07/26/2024.

b) Profit Reserves

Profit reserves are made up of the legal reserve and other profit reserves. The legal reserve is constituted at the end of the fiscal year corresponding to 5% of the Company's profit, after absorption of accumulated losses, and the remainder is allocated to other profit reserves, according to criteria pre-established by the Brazilian Corporation Law.

On December 31, 2024, the Company exceeded the limit of its profit reserves and will refer the matter to the Annual Shareholders' Meeting, which shall resolve on the capitalization or distribution of the excess, in accordance with the bylaws and article 199 of Law No. 6,404/76.

(In thousands of reais)

c) Minimum mandatory dividends and interest on equity (JCP)

On December 31, 2024 and 2023, as approved by the shareholders at the Extraordinary General Meeting and constitution of the legal reserve, the distribution of dividends and interest on equity is as follows:

	12/31/2024	12/31/2023
Net income for the year	43,380	42,423
Allocation to legal reserve – 5%	(2,169)	(2,121)
Basis for dividend distribution	**41,211**	**40,302**
Constitution of other reserves:		
Basis for dividend distribution	41,211	40,302
Interest on equity (JCP) gross income tax*	(17,491)	(15,970)
Total other bookings	**23,720**	**24,332**
Excess interest on equity (JCP) and dividends distributed:		
Interest on equity (JCP) net of income tax*	14,867	13,574
Minimum mandatory dividends – 25%	(10,295)	(10,075)
Total surplus of JCP and dividends distributed	**4,572**	**3,499**
Destination of net profits:		
Legal reserve – 5%	2,169	2,121
Other bookings	23,720	24,332
Interest on equity (JCP) gross income tax*	17,491	15,970
Total allocation of net profits	**43,380**	**42,423**

(*) In accordance with the power provided for in Law No. 9,249/95, on December 31, 2024 and 2023, the Company credited JCP within the tax limits in the amounts of R$ 17,491 and R$ 15,970 (gross income tax withheld), respectively, and R$ 14,867 and R$ 13,574 (net of income tax withheld), respectively, in favor of its shareholders. JCP is accounted for as a financial expense and for the purposes of the financial statements it is shown in shareholders' equity as a distribution of profits.

d) Adjusted Stockholders' Equity Breakdown - PLA and Capital Requirement

	12/31/2024	12/31/2023
Equity	270,030	249,755
Accounting adjustments	(19,294)	(9,933)
Adjustments associated with the change in economic values	17,123	16,439
Adjusting the excess of Level 2 PLA and Level 3 PLA	(500)	(500)
Adjusted stockholders' equity – PLA	**267,359**	**255,761**
Base capital - CB (a)	**15,000**	**15,000**
Additional Underwriting Risk Capital	25,346	23,225
Additional operational risk capital	7,915	8,595
Additional credit risk capital	39,835	24,254
Additional market risk capital	9,443	11,736
Benefit of diversification	(14,326)	(13,309)
Venture Capital - CR (b)	**68,213**	**54,501**
Minimum Capital Required - CMR greater between (a) and (b)	**68,213**	**54,501**
Adjusted stockholders' equity	267,359	255,761
(-) Capital Requirement - EC	68,213	54,501
Capital sufficiency - R$	**199,146**	**201,260**

(In thousands of reais)

Capital Sufficiency (% PLA/CMR)	**391.9%**	**469.3%**

The minimum capital required that the supervised company must maintain at any time to operate must be the greater of base capital and risk capital.

17. Share-based incentive

At the Extraordinary Shareholders' Meeting held on March 18, 2016, the second stock option plan of Austral Participações, the Company's controlling shareholder, was approved. The general conditions of the grant were the same in relation to the first stock option plan that are disclosed above.

The first plan establishes general conditions for the granting by Austral Participações of call options for preferred shares issued by Austral Participações to eligible professionals, members of the Management and employees of Austral Participações and its affiliates and/or subsidiaries, for the services rendered, and the terms and conditions of the grants were defined and administered by the management committee. according to the guidelines and conditions established by the stock option plan and that the plan will be settled in shares of Austral Participações if and when the options are exercised, upon payment at the exercise price to be made by the participant.

At management committee meetings held on October 1 and 2, 2013, the first and second stock option programs were approved, in which Austral Participações granted call options to beneficiaries totaling 4,500,000 options.

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

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

At the Extraordinary General Meeting held on March 18, 2016, the second stock option plan of Austral Participações, the Company's controlling shareholder, was approved.

The second plan established general conditions for the granting by Austral Participações of call options for preferred shares issued by Austral Participações to eligible professionals, members of the Management and employees of Austral Participações and its affiliates and/or subsidiaries, for the services rendered, and the terms and conditions of the grants were defined and administered by the management committee, according to the guidelines and conditions established by the stock option plan and that the plan will be settled in shares of Austral Participações if and when the options are exercised, upon payment at the exercise price to be made by the participant.

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

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

Austral Participações S.A. grants each beneficiary a put option on the shares that are acquired as a result of the exercise of the call option by the participant, as well as has an option to repurchase such shares. The term and exercise price of such options were established in individual agreements signed between Austral Participações and the participants.

If the beneficiary has his or her employment contract terminated voluntarily or involuntarily, without just cause, the options that have not yet been exercisable are automatically extinguished, without any right to indemnification or compensation, and the options that can be exercised may be exercised within a certain period, as provided for in each individual contract.

In the event that the beneficiary's employment contract is terminated for just cause, all options that can be exercised, and those that cannot yet be exercised, are automatically extinguished by operation of law, regardless of prior notice or compensation.

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

The third plan established the general terms and conditions for granting call options for common and/or preferred shares (if any) issued by Austral Participações to managers, employees and/or individuals who provide services to Austral Participações, and other companies that are directly or indirectly controlled. of Austral Participações and/or the other companies of the economic group, being certain that, according to the guidelines and conditions established in said plan, it will be settled in shares of Austral Participações, if and when the options are exercised, upon payment of the exercise price to be made by the beneficiary.

At the Board of Directors meeting held on March 28, 2022, the granting of 21,538,172 stock options under the third plan was approved. The term and exercise price of such options are determined in individual contracts signed between Austral Participações and the beneficiaries on April 1, 2022.

The 26,168,969 options represent a dilution of up to 8.2% on a total of 291,233,306 shares of Austral Participações.

The effect of the incentive based on stock options related to the Company's employees, who were entitled to the options of Austral Participações is recorded in the Company's shareholders' equity as a capital reserve for the year ended December 31, 2024, in the amount of R$ 4,483 (R$ 4,376 on December 31, 2023).

(In thousands of reais)

18. Related Party Transactions

The main balances, income and expenses resulting from transactions with related parties refer to:

	Assets	
	12/31/2024	**12/31/2023**
Austral Resseguradora S.A. – Affiliate (a)	39,237	25,539
Total	**39,237**	**25,539**

	Liabilities	
	12/31/2024	**12/31/2023**
Austral Participações S.A. - Parent Company (b)	14,867	13,574
Austral Resseguradora S.A. – Affiliate (a)	64,457	55,265
Vinci Gestora de Recursos - Affiliate (c)	38	31
Administrators - Other (d)	385	-
Total	**79,747**	**68,870**

	Revenue	
	12/31/2024	**12/31//2023**
Austral Resseguradora S.A. – Affiliate (a)	24,409	15,980
Administrators - Other (d)	468	-
Total	**24,877**	**15,980**

	Expenditure	
	12/31/2024	**12/31/2023**
Austral Resseguradora S.A. – Affiliate (a)	(62,021)	(56,987)
Vinci Gestora de Recursos - Affiliate (c)	(429)	(388)
Administrators - Other (d)	(7,168)	(7,914)
Total	**(69,618)**	**(65,289)**

(a) Premiums and recovery of claims related to reinsurance contracts;
(b) Amount of JCP payable (net of taxes).
(c) These are transactions that involve payment of an investment portfolio management fee to the Company; and
(d) Amount related to *Stock Options*, remuneration paid and payable to managers (statutory board) and insurance issued and to be refunded (key personnel).

19. Income and social contribution taxes

The income tax and social contribution, calculated based on the official rates in force, on December 31, 2024 and 2023, are reconciled, as follows:

	12/31/2024		12/31/2023	
	IRPJ	**CSLL**	**IRPJ**	**CSLL**
Profit before tax and after profit contributions (*)	**59,071**	**59,071**	**59,713**	**59,713**
Nominal rate	25%	15%	25%	15%
Total charge of IRPJ and CSLL at current rates	**(14,768)**	**(8,861)**	**(14,928)**	**(8,957)**
Temporary additions and deletions:				
Foreign Exchange gain (loss)	4,603	4,603	(4,994)	(4,994)
Adjustment to market value	1,837	1,837	(2,020)	(2,020)
Profit sharing	872	872	(383)	(383)
Other provisions	983	983	1,620	1,620
Total	**8,295**	**8,295**	**(5,777)**	**(5,777)**

(In thousands of reais)

Permanent additions and deletions:				
Non-deductible expenses	**(18,472)**	**(18,472)**	**(15,207)**	**(15,207)**
Current IRPJ and CSSL	(11,676)	(7,336)	(9,170)	(5,810)
Deferred IRPJ and CSSL	2,075	1,246	(1,444)	(866)
Total Expenditure on IRPJ and CSLL	**(9,601)**	**(6,090)**	**(10,614)**	**(6,676)**
Effective tax rate	**16.3%**	**10.3%**	**17.8%**	**11.2%**

(*) In the result before taxes, the amount referring to expenses with profit sharing is being added, which on December 31, 2024 is R$ 7,561 (R$ 6,136 on December 31, 2023).

20. Earnings per share – basic and diluted

The following tables reconcile net income for the years to the amounts used to calculate basic and diluted earnings per share:

	12/31/2024	12/31/2023
Net income for the year	43,380	42,423
Weighted average of shares	69,152	69,177
Earnings per share in R$ - Basic and Diluted	**0.6273**	**0.6132**

Basic earnings per share are calculated by dividing the profit (loss) attributable to shareholders by the weighted average of the number of common and preferred shares outstanding in the year.

Diluted earnings per share are calculated by dividing the profit (loss) attributable to shareholders by the adjusted weighted average of the number of common and preferred shares outstanding in the year, excluding the weighted average of treasury shares. As of December 31, 2024 and 2023, the Company had no diluting factors.

21. Lines of insurance

The lines in which the Company operates and their performance indicators as of December 31, 2024 and 2023 are:

	Earned premiums		Loss ratio % (a)		Marketing ratio % (b)	
Line of Insurance Group	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Performance and surely	213,126	181,549	1.1	0.3	22.3	21.3
Bond insurance	6,456	5,364	13.2	30.7	20.1	19.5
R.C. Officers and Officers	20,586	22,033	7.0	33.6	9.4	8.8
R.C. Environmental Risks	598	598	33.2	9.7	15.9	15.8
Professional Liability	7,011	6,650	62.7	30.6	20.5	21.8
Engineering Risks	-	64	-	288.3	-	11.6
Oil &Gas insurance	896,773	936,061	25.1	(0.9)	0.6	0.5
Profits insurance	8	3,519	(575.0)	(17.6)	15.6	3.9
Named and Operational Risks	33,101	77,136	169.2	-	-	-
Compreensive liability insurance	21	167	-	-	25.4	15.1
Hull marine insurance	3,670	24,446	112.0	198.9	10.8	8.0
Transportation insurance	-	481	-	9.3	-	3.0
Total earned premiums	**1,181,350**	**1,258,068**	**25.4**	**4.1**	**4.9**	**4.0**

(In thousands of reais)

(a) Loss Ratio = {notified indemnities + expenses with claims - salvage and reimbursements + variation in the allowance for claims incurred and not reported (IBNR)} / premium earned.
(b) Commercialization Ratio = acquisition cost / premium earned.

The breakdown of direct written premiums before and after the cession of reinsurance is shown below for the years ended December 31, 2024 and 2023:

	Net Direct Premium of Ceded Coinsurance		Premium Ceded Reinsurance		Insurance (-) Reinsurance = Retained Premium		Retention Percentage		Percentage Reinsured	
Lines	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Performance and surely	235,456	187,943	(117,965)	(98,716)	117,491	89,227	49.9	47.5	50.1	52.5
R.C. Managing Directors	13,954	11,270	(8,664)	(5,929)	5,290	5,341	37.9	47.4	62.1	52.6
R.C. Environmental Risks	474	509	(153)	(200)	321	309	67.7	60.7	32.3	39.3
Professional R.C.	6,578	6,321	(3,268)	(3,019)	3,310	3,302	50.3	52.2	49.7	47.8
General Liability	6,532	5,880	(1,359)	(1,189)	5,173	4,691	79.2	79.8	20.8	20.2
Oil &Gas insurance	1,138,547	926,277	(1,107,335)	(899,010)	31,212	27,267	2.7	2.9	97.3	97.1
Profits insurance	-	21	-	(16)	-	5	-	23.8	-	76.2
Operational Named Risks	(1,002)	122,987	1,008	(118,873)	6	4,114	(0.6)	3.3	100.6	96.7
Compreensive liability insurance	(1)	116	5	(80)	4	36	(400.0)	31.0	500.0	69.0
Marine Hazards - hull	(31)	8,441	4	(5,358)	(27)	3,083	87.1	36.5	12.9	63.5
Transportation insurance	-	(23)	-	(382)	-	(405)	-	1.760.9	-	(1.660.9)
Total	**1,400,507**	**1,269,742**	**(1,237,727)**	**(1,132,772)**	**162,780**	**136,970**	**11.6**	**10.8**	**88.4**	**89.2**

	Premium Issued Coinsurance Accepted		Premium Ceded Reinsurance		Coinsurance (-) Reinsurance = Retained Premium		Retention Percentage		Percentage Reinsured	
Lines	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Performance and surely	50,364	50,962	(21,994)	(22,463)	28,370	28,499	56.3	55.7	43.7	44.3
R.C. Managing Directors	7,751	10,484	(5,420)	(8,467)	2,331	2,017	30.1	17.3	69.9	82.7
R.C. Environmental Risks	113	88	(51)	(45)	62	43	54.9	44.4	45.1	55.6
Professional R.C.	800	107	(258)	(43)	542	64	67.8	60.0	32.3	40.0
General Liability	100	368	-	-	100	368	100.0	100.0	-	-
Oil &Gas insurance	4,440	63	(3,770)	(57)	670	5	15.1	-	84.9	-
Operational Named Risks	-	(4,837)	-	4,918	-	81	-	-	-	-
Maritime Risk – hull	4	1,349	(2)	(895)	2	453	50.0	33.2	50.0	66.8
Total	**63,572**	**58,584**	**(31,495)**	**(27,052)**	**32,077**	**31,530**	**50.5**	**46.2**	**49.5**	**53.8**

	Current Risk Premium Not Issued - RVNE		Premium Ceded RVNE Reinsurance		Coinsurance (-) Reinsurance = Retained Premium		Retention Percentage		Percentage Reinsured	
Lines	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Performance and surely	1,936	923	(820)	(406)	1,116	517	57.6	56.0	42.4	44.0
R.C. Managing Directors	(1,098)	(691)	1,347	1,105	249	414	(22.7)	(59.9)	122.7	159.9
R.C. Environmental Risks	(13)	14	9	(5)	(4)	9	30.8	64.3	69.2	35.7
Professional R.C.	(296)	321	221	(100)	(75)	221	25.3	68.8	74.7	31.2
General Liability	169	(407)	36	54	205	(353)	121.3	86.7	(21.3)	13.3
Oil &Gas insurance	(302,471)	230,195	293,914	(225,950)	(8,557)	4,245	2.8	1.8	97.2	98.2
Profits insurance	-	(107)	-	91	-	(16)	-	15.0	-	85.0
Operational Named Risks	-	(124,549)	-	120,537	-	(4,012)	-	3.2	-	96.8
Maritime Risk – hull	(489)	(545)	389	496	(100)	(49)	20.4	9.0	79.6	91.0
Total	**(302,262)**	**105,154**	**295,096**	**(104,178)**	**(7,166)**	**976**	**2.4**	**0.9**	**97.6**	**99.1**

Reinsurance premium by reinsurer class:

	12/31/2024	12/31/2023
Local reinsurer company	(507,915)	(1,015,017)
Admitted reinsurer company	(246,071)	(177,342)
Eventual reinsurer company	(220,140)	(71,643)
Total	**(974,126)**	**(1,264,002)**

(In thousands of reais)

22. Breakdown of Profitability Accounts

a) Premiums	**12/31/2024**	**12/31/2023**
Direct Written Premiums	1,461,391	1,304,320
Coinsurance premiums accepted by counterparties	63,572	58,584
Coinsurance premium ceded to counterparties	(60,884)	(34,578)
Premium - risks in force not yet written	(302,262)	105,154
Changes in technical reserves	19,533	(175,412)
Earned premiums	**1,181,350**	**1,258,068**

b) Incurred losses	**12/31/2024**	**12/31/2023**
Direct indemnities	(300,776)	(54,565)
Direct expenses	(8,913)	(2,790)
Salvage and reimbursement	366	-
Impairment - salvage and reimbursement	(366)	-
Recovery losses	10,138	9,090
Incurred but not reported losses reported directly	(267)	(3,083)
Total	**(299,818)**	**(51,348)**

c) Acquisition cost	**12/31/2024**	**12/31/2023**
Commissions on premiums written	(80,092)	(67,911)
Coinsurance commission recovery	7,947	3,835
Change in deferred trading expense	16,529	17,199
Other acquisition costs	(2,668)	(3,222)
Total	**(58,284)**	**(50,099)**

d) Other operating revenue (expenses)	**12/31/2024**	**12/31/2023**
Other insurance income	499	52
Bank fees	(79)	(23)
Risk inspection	(129)	(174)
Impairment – Insurance	18,752	(20,922)
Impairment – Reinsurance	(19,191)	20,481
Expenses with insurance operations	(1,008)	(1,517)
Total	**(1,156)**	**(2,103)**

e) Income with reinsurance	**12/31/2024**	**12/31/2023**
Indemnity recovery	288,838	38,138
Recovery of indemnity expenses	6,743	1,801
Recovery of claims that occurred but were not reported	(1,330)	3,361
Revenue from profit sharing	14,701	12,714
Premium ceded in reinsurance	(974,126)	(1,264,002)
Transfer of salvage and reimbursement	(283)	-
Unearned premium provision	(63,279)	142,335
Impairment - claim	282	-
Other income from reinsurance operations	80	(64)
Total	**(728,374)**	**(1,065,717)**

f) Administrative expenses	**12/31/2024**	**12/31/2023**
Expenses with own personnel and social charges	(25,097)	(24,189)
Stock-based incentive expenses	(152)	(881)
Location and operating expenses	(2,462)	(2,183)
Expenses with third-party services	(9,356)	(8,728)
Depreciation and amortization expenses	(4,781)	(4,015)
Other expenses	(2,434)	(2,107)
Total	**(44,282)**	**(42,103)**

(In thousands of reais)

g) Tax expenses	12/31/2024	12/31/2023
COFINS Expenses	(12,419)	(10,156)
PIS expenses	(2,306)	(1,857)
Inspection fee	(1,103)	(954)
Other expenses	(373)	(271)
Total	**(16,201)**	**(13,238)**

h) Net Finance Incomes	12/31/2024	12/31/2023
Revenue		
Securities measured at fair value through profit or loss	41,428	35,285
Securities measured at fair value through other comprehensive income	19,959	17,532
Insurance contracts	315,317	207,656
Foreign exchange gain on cash and cash equivalents	5,981	6,558
Derivative adjustments – future	20,919	21,894
Other income	1,688	465
Total revenue	**405,292**	**289,390**

	12/31/2024	12/31/2023
Expenses		
Securities measured at fair value through profit or loss	(15,339)	(23,251)
Securities measured at fair value through other comprehensive income	(1,933)	(4,026)
Insurance contracts	(324,133)	(197,005)
Charges on liabilities	(780)	(430)
Foreign exchange loss on cash and cash equivalents	(2,810)	(12,128)
Derivative adjustment – future	(24,918)	(18,325)
Other expenses	(1,982)	(1,835)
Interest on equity	(17,491)	(15,970)
Total expenses	**(389,386)**	**(272,971)**
Total	**15,906**	**16,419**

i) Equity result	12/31/2024	12/31/2023
Interest on equity	17,491	15,970
Total equity result	**17,491**	**15,970**

23. Responsible

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
André Machado Caldeira

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

Actuary:
Rafael Santos Calzavara
MIBA No. 2582