

(A free translation of the original in Portuguese)

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***J. Macêdo S.A.***  
***Parent company and consolidated***  
***financial statements***  
***at December 31, 2023***  
***and independent auditor's report***

**J.Macêdo S.A. and its subsidiaries**

Parent company and consolidated financial statements

December 31, 2023

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# MANAGEMENT REPORT

2023



# Message from Management

J. Macêdo ends 2023 with consistent progress in its operational results. Another year delivering results above expectations, with growth in sales volume, Revenue, EBITDA and Net Profit. Results achieved by a competent, committed and focused team, made up of people who experience the taste of doing things well on a daily basis.

We reached the end of 2023 with low leverage of just 0.3x against annual EBITDA, with adequate cash reserves and 82.8% of our long-term debt. In this way, within what we had planned in 2020, we created the conditions to begin our investment plan for modernization, growth and expansion.

The resumption of investments in 2023 is the result of a strategy designed by the Company's Management and approved by the Board of Directors and includes at this stage two projects for the construction of manufacturing units, one in the municipality of Horizonte/CE and the other in Londrina/PR, with works starting in the first half of 2024, supporting our vision of continuous up operations, efficiently producing and delivering the highest quality products to Brazilian families.

Achieving yet another record in EBITDA and Net Profit makes us certain that the change in strategy and business management model initiated in 2020 with a focus on the quality of our products, increased efficiency, reduced expenses and the appreciation of our brands and people, always in search of profitability and operational excellence, was the right path to follow.

In 2024, when the J. Macêdo Group turns 85 years old, the Company will continue with rigorous planning and execution of each stage of its strategic planning, in search of sustainable growth with plans and goals defined for the short, medium and long term. After all, a company that has brands admired by consumers and a history of success in the Brazilian food market could have no other objective than to continue evolving, innovating and contributing to the improvement of people's lives, the environment and society as a whole.

J. Macêdo is grateful for the strength, determination, commitment and dedication of its cohesive and determined team of professionals, the trust and support of its shareholders, the partnership of its customers and suppliers and the consumers' preference for our brands, reaffirming its commitment to always work with ethics, innovation, responsibility and respect.

Irineu J. Pedrollo  
Chief Executive Officer

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## J. Macêdo S.A.

Fortaleza – CE, February 29, 2024 –J. Macêdo S.A. (“J.Macêdo”), a leading company in the wheat flour segment and with an important presence in pasta, biscuits and cake mixes segments, which also produces, distributes and sells products in the bread, dessert and yeast mixes categories, publishes its 2023 results today. Operational and financial information is consolidated and presented in millions of reais, unless otherwise stated.



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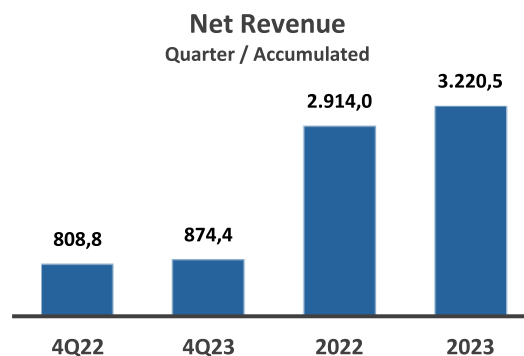
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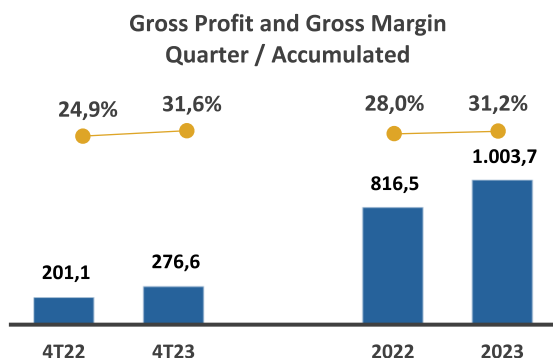


## Highlights for the period

Net revenue for 2023 was R\$ 3,220.5 million, up 10.5% compared to the same period in 2022. In 4Q23 we reached net revenue of R\$ 874.4 million, up 8.1% compared to 4Q22.



We reached R\$ 1,003.7 million in gross profit in 2023, 22.9% higher than the R\$ 816.5 million in the same period in 2022. In 4Q23 we reached R\$ 276.6 million, up 37.5% compared to R\$ 201.1 million in 4Q22.

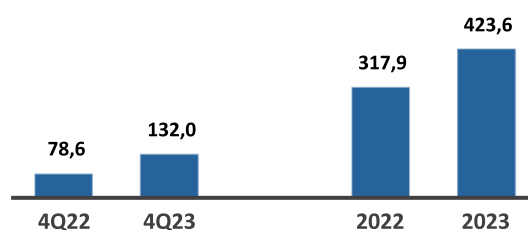

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## Highlights for the period

Accumulated net profit in 2023 reached R\$423.6 million, up 33.2% compared to R\$317.9 million in 2022. In 4Q23 it reached R\$132.0 million, up 67.9% compared to the R\$78.6 million in 4Q22.

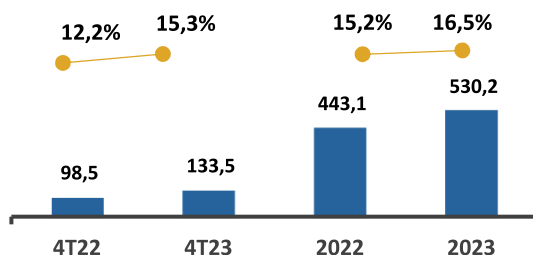
**Profit for the year**  
Quarter / Accumulated



EBITDA accumulated during 2023 reached R\$ 530.2 million, a up 19.7% compared to R\$ 443.1 million in 2022. In 4Q23 it reached R\$ 133.5 million, up 35.5% compared to the same period of the previous year, with a margin of 15.3% (4Q22: 12.2%).



**EBITDA and EBITDA Margin**  
**Consolidated**  
Quarter / Accumulated


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# Indicators



	4Q23	4Q22	Var%	2023	2022	Var%
<i>Sales volume (thousand tons)</i>	<i>214.5</i>	<i>193.8</i>	<i>10.7</i>	<i>817.7</i>	<i>750.1</i>	<i>9.0</i>
Gross revenue	1,001.5	927.4	8.0	3,666.8	3,310.5	10.8
Net revenue	874.4	808.8	8.1	3,220.5	2,914.0	10.5
COGS	(597.8)	(607.7)	-1.6	(2,216.8)	(2,097.5)	5.7
Gross profit	276.6	201.1	37.5	1,003.7	816.5	22.9
Selling expenses	(109.4)	(86.2)	26.9	(381.6)	(303.2)	25.9
General and administrative expenses	(37.6)	(29.3)	28.3	(114.4)	(104.1)	9.9
Depreciation/amortization	(1.9)	(2.1)	-9.5	(7.8)	(8.9)	-12.4
Management fees	(2.3)	(1.6)	43.8	(8.6)	(6.2)	38.7
Other operating income (expenses), net	(6.3)	1.9	-	(20.8)	(6.7)	210.4
Share of profit (loss) of subsidiaries/investees	-	-	-	(0.2)	(0.1)	100.0
Finance income (costs)	(7.4)	(1.6)	362.5	(44.1)	(67.7)	-34.9
Profit before IRPJ and CSLL	111.7	82.2	35.9	426.2	319.6	33.4
Income tax and social contribution	20.3	(3.6)	-	(2.6)	(1.7)	52.9
Profit	132.0	78.6	67.9	423.6	317.9	33.2
EBITDA	133.5	98.5	35.5	530.2	443.1	19.7
<i>Gross margin</i>	<i>31.6%</i>	<i>24.9%</i>	<i>6.6</i>	<i>31.2%</i>	<i>28.0%</i>	<i>3.2</i>
<i>Selling expenses</i>	<i>-12.5%</i>	<i>-10.7%</i>	<i>-1.8</i>	<i>-11.8%</i>	<i>-10.4%</i>	<i>-1.4</i>
<i>General and administrative expenses</i>	<i>-4.3%</i>	<i>-3.6%</i>	<i>-0.8</i>	<i>-3.6%</i>	<i>-3.6%</i>	<i>-</i>
<i>Depreciation/amortization</i>	<i>-0.2%</i>	<i>-0.3%</i>	<i>0.1</i>	<i>-0.2%</i>	<i>-0.3%</i>	<i>0.1</i>
<i>Management fees</i>	<i>-0.3%</i>	<i>-0.2%</i>	<i>-0.1</i>	<i>-0.3%</i>	<i>-0.2%</i>	<i>-0.1</i>
<i>Other operating income (expenses), net</i>	<i>-0.7%</i>	<i>0.2%</i>	<i>-</i>	<i>-0.6%</i>	<i>-0.2%</i>	<i>-0.4</i>
<i>Net margin</i>	<i>15.1%</i>	<i>9.7%</i>	<i>5.4</i>	<i>13.2%</i>	<i>10.9%</i>	<i>2.3</i>
<i>EBITDA Margin</i>	<i>15.3%</i>	<i>12.2%</i>	<i>3.1</i>	<i>16.5%</i>	<i>15.2%</i>	<i>1.3</i>

# Governance Highlights

## Awards, Achievements and Recognition

During 2023, J. Macêdo had its management standard and sustainable business growth recognized by some entities, highlighted below:



Sales leader in Wheat Flour with the Dona Benta brand for the 24th consecutive year, according to data from ABRAS – Brazilian Supermarket Association, in partnership with NielsenIQ.

Evolution of the Long-Term National Rating to AA-(bra), Positive outlook – Fitch Ratings.



Top of Mind 2023 Award granted by Datafolha in the Flour category, with the Dona Benta brand, for the fifth year.

Top of Mind 2023 Award granted by Datafolha in the Pasta category, with the Dona Benta brand, for the first time.

International Certification – FSSC 22000 issued by DNV GL - Business Assurance Brasil for the units of Londrina, São José dos Campos and Fortaleza, which were recertified, Salvador and Simões Filho, certified for the first time.

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## Governance Highlights



Forbes Award with the Best of Agro in Brazil 2023 award, in the Food and Beverages category.

Kantar's Brand Footprint Report published in 2023 that our Dona Benta brand was present in more than 50% of Brazilian homes in 2022.



We were certified with the GPTW Seal as an Excellent Place to Work and awarded in the GPTW Ranking – Paraná 2023.

New national advertising campaign with the Dona Benta brand, "**This Conversation Goes to the Kitchen**" in digital and traditional media. This campaign comes to reinforce the idea of **kitchen** as a **democratic space**, which houses the **diversity** of ideas, people and conversations. **Dona Benta** innovates by showing total harmony with its times, promoting good conversations between people with different views and life experiences, who use the kitchen not only to create and share recipes, but also to show their role in **building emotional bonds** and how important the **division of cooking and nutrition tasks** is.

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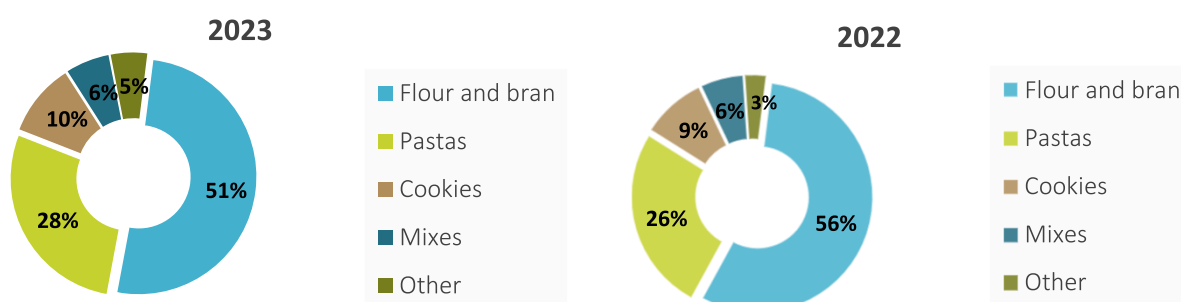


# Economic-financial highlights

## Category performance

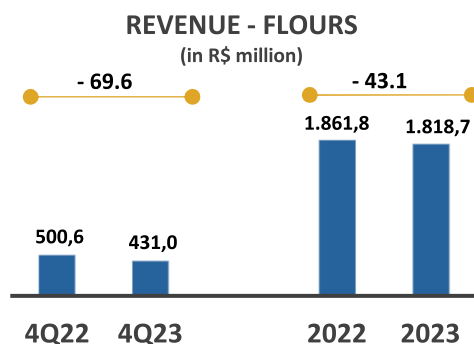
The company segregates gross revenue into 4 groups, showing in percentage terms the impact of the categories on the composition of gross revenue in the twelve months of 2023 and 2022.

### Gross Sales Revenue Composition



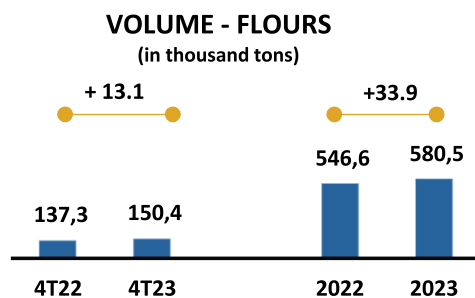
## Flours and bran

The gross revenue of this category accumulated in 2023 was R\$ 1,818.7 million, down 2.3% compared to the R\$ 1,861.8 million achieved in 2022. In 4Q23 it reached R\$431.0 million, down 13.9% compared to the same period of the previous year, which was R\$ 500.6 million.


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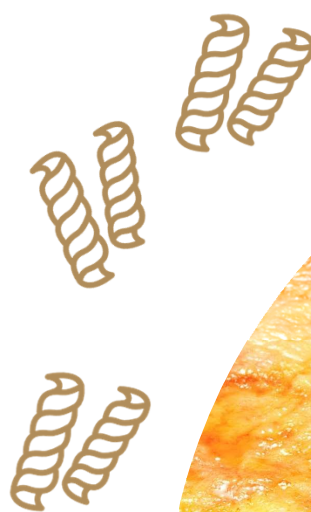
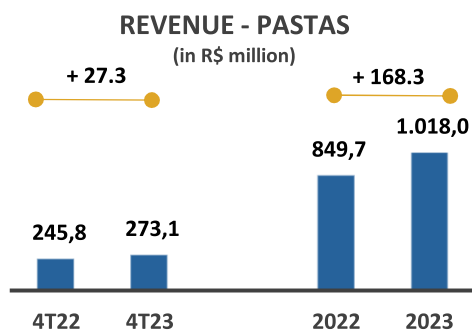
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The volume of flour in 2023 grew 6.2% compared to the same period in 2022, reaching 580.5 thousand tons (2022: 546.6 thousand t). In 4Q23 the volume was 150.4 thousand tons, up 9.5% compared to 4Q22.



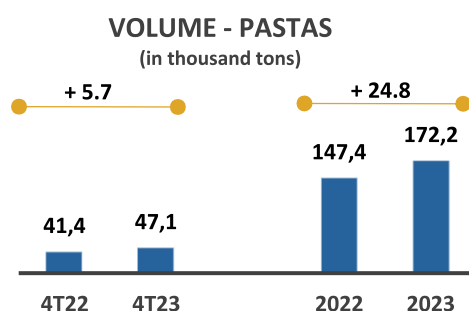
## Pastas

The category's gross revenue in 2023 was R\$ 1,018.0 million, up 19.8% compared to R\$ 849.7 million in 2022. In 4Q23, gross revenue reached R\$ 273.1 million, up 11.1% compared to the same period of the previous year.





The accumulated volume of the pasta category in 2023 was 172.2 thousand tons, up 16.8% compared to the same period in 2022. The category's billed volume in 2023 represents 21.1% of the total volume, up 7.2% compared to 2022. The billed volume in 4Q23 was 47.1 thousand tons, up 13.7% when compared to the same quarter of the previous year.



## Other categories

Gross revenue from the Biscuits category in 2023 was R\$ 352.5 million, up 20.3% compared to 2022. In 4Q23 it totaled R\$ 91.8 million, up 14.0% compared to 4Q22 with R\$ 80.6 million. In 2023, the net billed volume reached 30.2 thousand tons, up 15.2% compared to the same period in 2022.

Gross revenue for the Mixes, Desserts and Yeast Mixes categories totaled the amount of

R\$ 389.0 million in 2023, up 29.6% when compared to 2022 with R\$ 300.2 million. The accumulated volume in 2023 reached 34.7 thousand tons, up 16.3% compared to 29.8 thousand tons in 2022.


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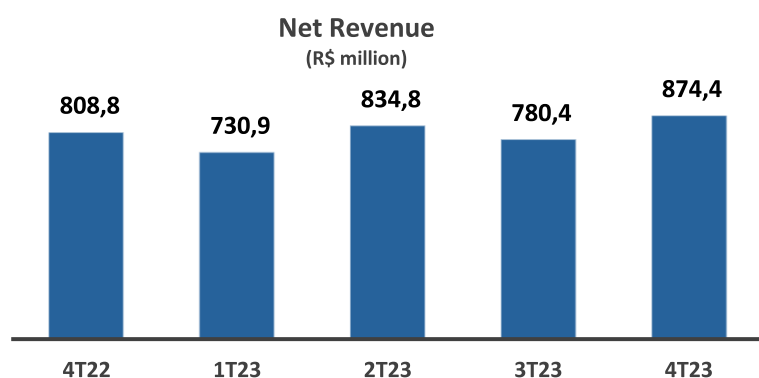
## Net Revenue / Volume

The Company's net revenue in 2023 was R\$ 3,220.5 million, up 10.5%. In 4Q23 it was R\$ 874.4 million, up 8.1% compared to the same period in 2022.

The net sales volume in 2023 was 817.7 thousand tons, up 9.0% compared to 750.1 thousand tons in 2022. In 4Q23 it was 214.5 thousand tons, up 10.7% compared to the same quarter of 2022.

	4Q23	4Q22	Var%	2023	2022	Var%
Net revenue	874.4	808.8	8.1	3,220.5	2,914.0	10.5
Net billed volume*	214.5	193.8	10.7	817.7	750.1	9.0

\* In thousands of tons



The Company ended 2023 with an increase in the level of production capacity utilization, compared to the same period of the previous year.

	4Q23	4Q22
Total Production Capacity *	1,070.9	1,135.5
Actual production *	964.1	897.9
Capacity Utilization Index	90.0%	79.1%

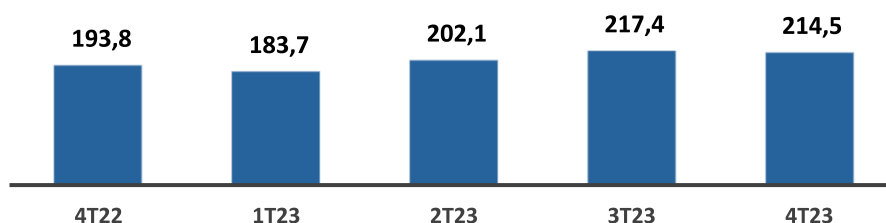
\* In thousands of tons


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**Sales volume**  
(in thousand tons)

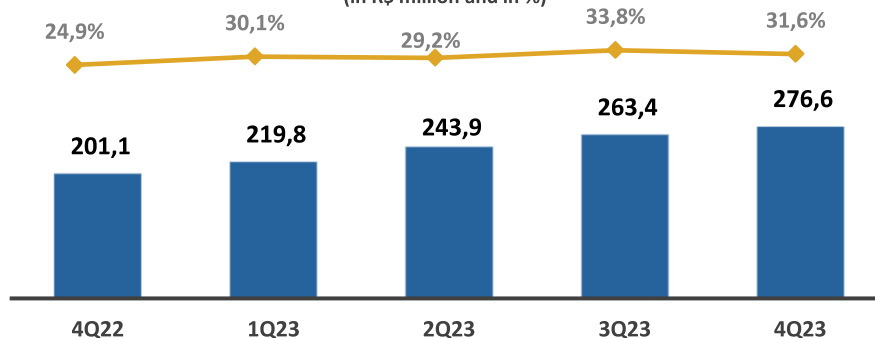


## Gross profit

The gross profit achieved in 2023 was R\$ 1,003.7 million, up 22.9% compared to R\$816.5 million in the same period in 2022. In 4Q23 we reached R\$ 276.6 million, up 37.6% compared to the same period in 2022.

In 2023, the gross margin reached 31.2%, up 3.1 p.p. compared to the same period in 2022. In 4Q23, the margin reached 31.6%, up 6.8 p.p. compared to 4Q22.

**Gross profit and gross margin**  
(in R\$ million and in %)

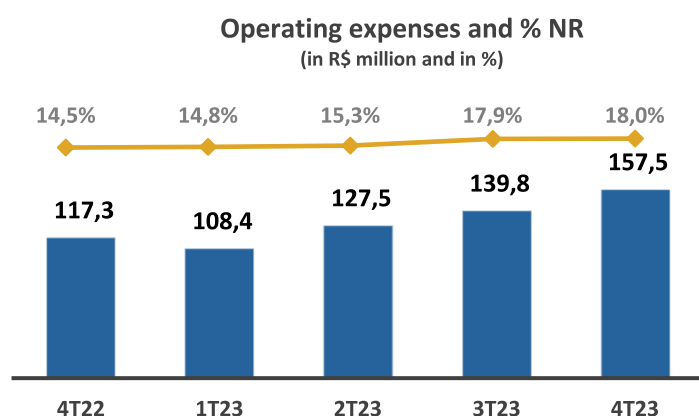


## Operating expenses

In 2023, operating expenses reached R\$533.2 million, up 24.3% compared to the same period in 2022, which was R\$429.1 million. In 4Q23 we reached R\$157.5 million, up 34.3% compared to the same period of the previous year, which was R\$117.3 million.

Sales expenses in 2023 totaled R\$381.6 million, up 25.9% compared to R\$303.2 million in the same period of the previous year. In 4Q23 we reached R\$ 109.4 million, up 26.9% compared to R\$ 86.2 million reached in the same period of the previous year.

General and administrative expenses reached R\$114.4 million in 2023, up 9.9% compared to R\$104.1 million in 2022. In 4Q23 we reached R\$ 37.6 million, up 28.3% compared to the same period of the previous year, which was R\$29.3 million.


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## Finance result, net

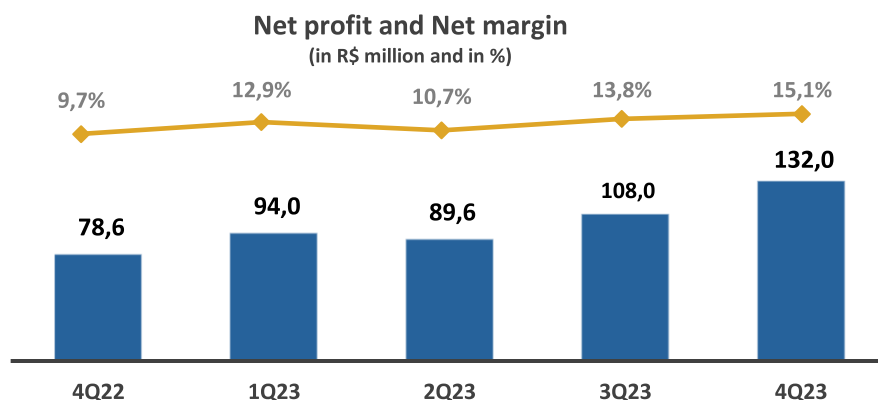
The accumulated finance income (costs), net for 2023 was R\$ 44.1 million, an improvement of 34.9% compared to the same period of the previous year, which was R\$ 67.7 million.

Finance income (costs)	4Q23	4Q22	Var%	2023	2022	Var%
Finance income	10.5	8.4	25.0	32.8	24.7	32.8
Finance costs	(18.2)	(6.1)	198.4	(83.1)	(110.3)	-24.7
Supplier exchange rate variations	0.1	(2.0)	-	5.6	(6.2)	-
Adjustment to market value, net	0.2	(1.9)	-	0.6	24.1	-97.5
<b>Total</b>	<b>(7.4)</b>	<b>(1.6)</b>	<b>362.5</b>	<b>(44.1)</b>	<b>(67.7)</b>	<b>-34.9</b>

## Profit

2023 accumulated a net profit of R\$ 423.6 million, up 33.2%, when compared to the same period in 2022, which was R\$ 317.9 million. In 4Q23 we reached R\$ 132.0 million, up 67.9% compared to 4Q22, when we reached R\$ 78.6 million.

The net margin in 4Q23 was 15.1%, up 5.4 p.p. compared to the 9.7% achieved in 4Q22.

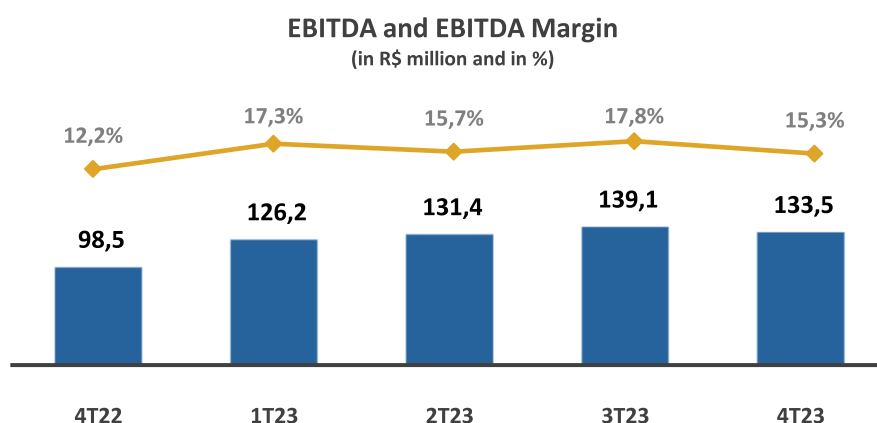




## EBITDA

The Company ends 2023 with R\$ 530.2 million in EBITDA, up 19.7% compared to the R\$ 443.1 million achieved in the same period in 2022. In 4Q23 we reached R\$ 133.5 million, up 35.5% compared to 4Q22.

The EBITDA margin for 2023 was 16.5%, up 1.3 percentage points compared to 2022, which was 15.2%. In 4Q23 we reached 15.3%, up 3.1 p.p. compared to 4Q22.



EBITDA Reconciliation	4Q23	4Q22	Var%	2023	2022	Var%
Profit for the period	132.0	78.6	67.9	423.6	317.9	33.2
Depreciation and amortization	14.4	14.7	-2.0	59.9	55.8	7.3
Finance result, net	7.4	1.6	362.5	44.1	67.7	-34.9
Income Tax and Social Contribution	(20.3)	3.6	-	2.6	1.7	52.9
<b>EBITDA</b>	<b>133.5</b>	<b>98.5</b>	<b>35.5</b>	<b>530.2</b>	<b>443.1</b>	<b>19.7</b>



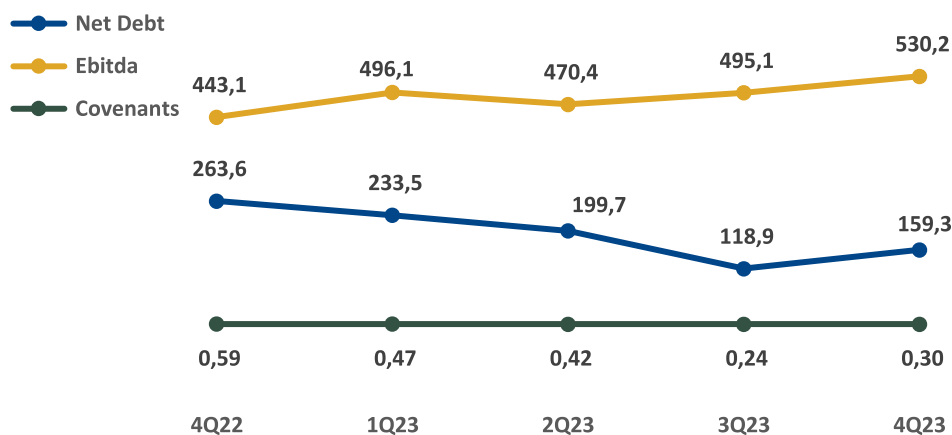


## INDEBTEDNESS

We ended 4Q23 with R\$ 159.3 million in net debt, down 39.6% compared to the same period in 2022. With cash of R\$ 357.7 million, we reduced the ratio of net debt to EBITDA (last 12 months) to 0.30, down 49.5% compared to the same period of the previous year.

Net debt	4Q23	4Q22	Var%	3Q23	Var%
Short term	92.7	115.8	-19.9	94.7	-2.1
Borrowings	14.6	64.3	-77.3	13.2	10.6
Debentures	78.1	51.5	51.7	81.5	-4.2
Long term	446.0	326.9	36.4	463	-3.7
Borrowings	108.4	52.6	106.1	112.3	-3.5
Debentures	337.6	274.3	23.1	350.7	-3.7
Total debt	538.7	442.7	21.7	557.7	-3.4
( - ) Cash	(357.7)	(170.8)	109.4	(418.8)	-14.6
( - ) Derivative financial instruments	(21.7)	(8.3)	161.4	(20.0)	8.5
Net debt	159.3	263.6	-39.6	118.9	34.0

**Leverage Chart**  
(in R\$ million, except Covenants)



## Wheat performance

4Q23 was marked by the beginning of wheat planting in the northern hemisphere and harvesting in the southern hemisphere. Even during the off-season, Russia continues to have a great influence on world prices due to its large export volume. The conflict between Russia and Ukraine has not had a major impact on wheat prices in the last 3 months and the war between Israel and Hamas, which started in October 2023, has also had no influence on world markets.

A larger harvest is expected in Australia and better conditions for winter wheat compared to the previous year. Wheat prices in the United States remain high compared to markets in Europe, Argentina and the Black Sea and the trend was for the main stock exchanges to fall during this period.

In Argentina, Brazil's main wheat supplier, droughts at the beginning of planting and rains close to harvest damaged the quality of the product and the first new harvest ships shipped in December 2023 presented lower quality than the previous harvest. Furthermore, with the new president elected, the Argentine government presented a package of economic measures, bringing uncertainty to the market and slowing the sale of wheat.

The last quarter of 2023 marked the deterioration of the national wheat harvest. Initially, a record harvest with good quality was expected, however the large volume of rain close to the harvest, mainly due to the *El Niño* phenomenon, ended the market's good prospects.


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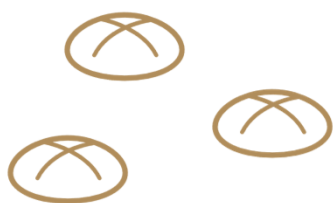


There was a direct impact on the southern part of Paraná and practically on the entire state of Rio Grande do Sul, generating a major reduction in production and deterioration in the quality of the wheat that was harvested, as a considerable part will not meet the minimum standard necessary for milling and will be destined for the feed market.

With the current situation of the national harvest, the pricing parity for Brazilian wheat is now that of imports, as it will be necessary to import more to the mills located in the producing areas than initially expected. In this way, the cost of Argentine wheat unloaded in ports in the south of the country has a direct impact on the pricing of national wheat.

The sea freight market showed volatility during the period, but ended the quarter on a downward trend.

The Company monitors movements in the international, national and sea freight market on a daily basis and measures its efficiency by comparing its average purchase prices with market indicators. For imported wheat, we used as a reference the average FOB values of imports in the period released by the Ministry of Economy (Comex Stat). For national wheat, we use the indicator published by the consultancy Safras e Mercado. The average cost of the Company's wheat purchases in the fourth quarter were 2.23% and 12.8% below the market reference averages for national and imported wheat, respectively.

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# Independent Audit

In compliance with CVM Resolution 162/2022 and the Company's internal policies, we inform that, since hiring PricewaterhouseCoopers ("PwC") as an independent auditing company, all requirements of this instruction have been met.

The Company's non-financial information was not reviewed by Independent Auditors.

Pursuant to CVM Resolution 80/2022, the Board of Directors declares that it discussed, reviewed and agreed with the opinions expressed in the independent auditor's review report and with the financial statements for the year ended 12/31/2023. These financial statements were presented and approved by the Board of Directors at a meeting held on 02/20/2024.



## Disclaimer

The statements contained in this report regarding the Company's business outlook and its growth potential constitute mere predictions and were based on management's expectations regarding its future. These expectations are highly dependent on changes in the market and the general economic performance of the country, the sector and international markets; and are therefore subject to change.


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## **Independent auditor's report**

To the Board of Directors and Stockholders  
J. Macêdo S.A.

### **Opinion**

We have audited the accompanying parent company financial statements of J. Macêdo S.A., which comprise the balance sheet as at December 31, 2023 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, as well as the accompanying consolidated financial statements of J. Macêdo S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2023 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

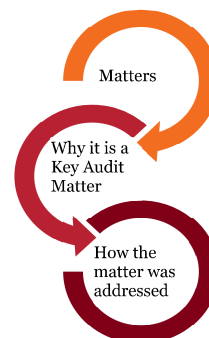
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company and of the Company and its subsidiaries as at December 31, 2023, and the financial performance and the cash flows for the year then ended, as well as the consolidated financial performance and the cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)) (currently described as "IFRS Accounting Standards" by the IFRS Foundation).

### **Basis for opinion**

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the parent company and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Key Audit Matters**

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





J. Macêdo S.A.

Why it is a Key Audit Matter	How the matter was addressed in the audit
<b>Revenue recognition</b>	
<p>As described in Note 1, the Company sells products from its units in the Northeast, Southeast and South Regions of Brazil, and from its distribution centers. Large quantities of products are dispatched daily to its customers, transported by independent carriers.</p>	<p>Our main audit response included:</p> <ul style="list-style-type: none"> <li>(a) We obtained an understanding of management's business processes and internal controls to identify, monitor and record sales revenue.</li> <li>(b) We matched the revenue analytical report, extracted from the billing system, to the 2023 annual revenue recorded in the accounting system.</li> <li>(c) We selected, on a sample basis, sales transactions in 2023 and examined the contractual terms and/or customer orders, and their corresponding performance obligations, as well as their financial settlement.</li> <li>(d) We selected, on a sample basis, sales transactions shortly before and after the year end, in order to determine whether the revenue was recognized in the correct accrual period, by inspecting delivery stubs showing the actual delivery period.</li> <li>(e) We assessed the adequacy of the Company's disclosures in relation to this matter.</li> </ul>
<p>Because of the significance of sales to the financial statements, as well as the high volume and broad dispersion of products dispatched, the correct recognition of revenues, including the appropriate accrual period, as determined by accounting practices, was considered a key audit matter.</p>	
<p>Accordingly, this was an area of focus in our audit.</p>	

We consider that our audit procedures provided us with appropriate and sufficient evidence regarding the criteria and assumptions adopted by management for recognizing revenue in the correct accrual period.

## Other matters

### Statements of Value Added

The parent company and consolidated Statements of Value Added for the year ended December 31, 2023, prepared under the responsibility of the Company's management and presented as supplementary information for IFRS Accounting Standards purposes, were submitted to audit procedures performed in conjunction with the audit of the Company's financial statements. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, these Statements of Value Added have been properly prepared in all material respects, in accordance with the criteria established in the Technical Pronouncement, and are consistent with the parent company and consolidated financial statements taken as a whole.



J. Macêdo S.A.

### **Other information accompanying the parent company and consolidated financial statements and the auditor's report**

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The Company's management is responsible for the other information that comprises the Management Report.

Our opinion on the parent company and consolidated financial statements does not cover the Management Report, and we do not express any form of audit conclusion thereon.

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

### **Responsibilities of management and those charged with governance for the parent company and consolidated financial statements**

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Management is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) (currently described as "IFRS Accounting Standards" by the IFRS Foundation), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's responsibilities for the audit of the parent company and consolidated financial statements**

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

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

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



J. Macêdo S.A.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiaries, as a whole, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries, as a whole, to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the parent company and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats to our independence or safeguards applied.

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

Fortaleza, February 29, 2024

*PricewaterhouseCoopers*  
PricewaterhouseCoopers  
Auditores Independentes Ltda.  
CRC 2CE003292/F-9

DocuSigned by:  
*Helena de Petribu Fraga Rocha*  
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Helena de Petribu Fraga Rocha  
Contadora CRC 1PE020549/O-6



## J. Macêdo S.A. and its subsidiaries

### Balance sheet

At December 31, 2023

(All amounts in thousands of reais unless otherwise stated)

(A free translation of the original in Portuguese)

	Note	Parent company		Consolidated			Note	Parent company		Consolidated	
		2023	2022	2023	2022			2023	2022	2023	2022
Assets						Liabilities					
Current assets						Current liabilities					
Cash and cash equivalents	4	337,296	149,577	357,651	170,843	Trade payables	15	147,720	252,011	188,927	252,169
Trade receivables	5	371,628	352,347	453,684	352,534	Taxes payable	16	20,267	17,563	20,507	17,625
Inventories	6	291,257	276,623	231,783	256,254	Borrowings		15,823	65,469	14,635	64,281
Taxes and social contributions recoverable	7	117,707	106,240	117,789	106,553	With third parties	17	14,635	64,281	14,635	64,281
Derivative financial instruments	29	29,157	16,375	29,157	16,375	With related parties	9	1,188	1,188	-	-
Prepaid expenses		3,598	3,661	3,775	6,919	Social security and labor obligations		43,629	35,077	43,811	35,164
Other receivables	8	32,280	5,508	31,184	5,782	Debentures	18	78,081	51,471	78,081	51,471
Total current assets		1,182,923	910,331	1,225,023	915,260	Taxes payable in installments		1,042	2,307	1,042	2,307
						Leases	19	7,518	12,219	7,518	12,219
Non-current assets						Dividends and interest on capital payable	22	101,406	76,817	101,406	76,817
Long-term receivables						Derivative financial instruments	29	7,408	8,040	7,408	8,040
Loans and receivables with related parties	9	-	2,336	-	2,336	Other payables	23	58,488	49,756	58,058	50,514
Taxes and social contributions recoverable	7	18,350	26,395	18,350	26,395	Total current liabilities		481,382	570,730	521,393	570,607
Other receivables	8	5,887	6,789	10,070	6,795						
Deferred income tax and social contribution	10	8,338	-	8,338	-	Non-current liabilities					
Investments	11	11,498	11,088	3,157	3,639	Borrowings	17	108,393	52,620	108,393	52,620
Investment properties	12	46,081	50,471	46,081	50,471	With third parties	17	108,393	52,620	108,393	52,620
Property, plant and equipment	13	730,918	739,178	732,987	741,570	Debentures	18	337,613	274,332	337,613	274,332
Intangible assets	14	2,082	2,757	2,082	2,757	Taxes payable in installments		2,416	3,322	2,416	3,322
Total non-current assets		823,154	839,014	821,065	833,963	Leases	19	2,985	8,125	2,985	8,125
						Dividends payable	22	-	125,080	-	125,080
						Provision for contingencies	20	15,009	13,725	15,009	13,725
						Advance for future capital increase		2,674	-	2,674	-
						Post-employment defined benefit obligations	26	3,582	3,034	3,582	3,034
						Other payables	23	11,032	3,053	11,032	3,054
						Total non-current liabilities		483,704	483,291	483,704	483,292
						Equity	22				
						Share capital	22.a	132,042	132,042	132,042	132,042
						Revenue reserve	22.b	905,797	559,914	905,797	559,914
						Other comprehensive income	22.c	3,152	3,368	3,152	3,368
						Total equity		1,040,991	695,324	1,040,991	695,324
						Total liabilities		965,086	1,054,021	1,005,097	1,053,899
Total assets		2,006,077	1,749,345	2,046,088	1,749,223	Total liabilities and equity		2,006,077	1,749,345	2,046,088	1,749,223

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

## J. Macêdo S.A. and its subsidiaries

### Statement of income

Year ended December 31, 2023

(All amounts in thousands of reais unless otherwise stated)

(A free translation of the original in Portuguese)

	Note	Parent company		Consolidated	
		2023	2022	2023	2022
Net sales revenue	24	<b>3,133,185</b>	2,909,132	<b>3,220,533</b>	2,913,974
Cost of sales	25	<b>(2,134,383)</b>	(2,093,526)	<b>(2,216,807)</b>	(2,097,490)
Gross profit		<b>998,802</b>	815,606	<b>1,003,726</b>	816,484
Operating expenses					
Selling expenses	25	<b>(381,565)</b>	(303,204)	<b>(381,565)</b>	(303,204)
General and administrative expenses	25	<b>(120,121)</b>	(111,693)	<b>(122,143)</b>	(112,983)
Management fees	9	<b>(8,588)</b>	(6,169)	<b>(8,588)</b>	(6,169)
Equity in the results of investees	11	<b>567</b>	(5,796)	<b>(258)</b>	(121)
Other operating income (expenses), net	27	<b>(20,473)</b>	(6,858)	<b>(20,885)</b>	(6,674)
		<b>(530,180)</b>	(433,720)	<b>(533,439)</b>	(429,151)
Profit before net finance costs and taxes		<b>468,622</b>	381,886	<b>470,287</b>	387,333
Finance result					
Finance income	28	<b>48,541</b>	51,427	<b>48,541</b>	51,585
Finance costs	28	<b>(90,945)</b>	(113,746)	<b>(92,610)</b>	(119,351)
		<b>(42,404)</b>	(62,319)	<b>(44,069)</b>	(67,766)
Profit before income tax and social contribution		<b>426,218</b>	319,567	<b>426,218</b>	319,567
Income tax and social contribution					
Current	10	<b>(18,599)</b>	(16,551)	<b>(18,599)</b>	(16,551)
Deferred	10	<b>15,949</b>	14,841	<b>15,949</b>	14,841
		<b>(2,650)</b>	(1,710)	<b>(2,650)</b>	(1,710)
Profit for the year		<b>423,568</b>	317,857	<b>423,568</b>	317,857
Basic and diluted earnings per share - R\$	22	<b>21.86980</b>	16.41170	<b>21.86980</b>	16.41170

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

**J. Macêdo S.A. and its subsidiaries****Statement of comprehensive income****Year ended December 31, 2023****(All amounts in thousands of reais unless otherwise stated)****(A free translation of the original in Portuguese)**

	<b>Parent company and Consolidated</b>	
	<b>2023</b>	<b>2022</b>
Profit for the year	<b>423,568</b>	317,857
Items that may be reclassified to profit or loss for the year in subsequent periods:		
Exchange differences on translation of foreign operations	<b>67</b>	(466)
Post-employment benefits	<b>(167)</b>	1,938
Total comprehensive income	<b>423,468</b>	<b>319,329</b>
Comprehensive income attributable to the owners of the parent	<b>423,468</b>	<b>319,329</b>

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

## J. Macêdo S.A. and its subsidiaries

### Statement of changes in equity Year ended December 31, 2023

(All amounts in thousands of reais unless otherwise stated)

(A free translation of the original in Portuguese)

	Share capital	Revenue reserve	Retained earnings	Other comprehensive income Carrying value adjustments	Post-employment defined benefit obligations	Total
At December 31, 2021	132,042	442,817	-	15,473	(13,330)	577,002
Equity transactions with stockholders						
Distribution of dividends (Note 22.d)	-	(201,007)	-	-	-	(201,007)
Other comprehensive income						
Exchange differences on translation of foreign operations (Note 22.c.i)	-	-	-	(466)	-	(466)
Remeasurement of defined benefit plan (Note 22.c.ii)	-	-	-	-	1,938	1,938
Realization of deemed cost	-	-	247	(247)	-	-
Profit for the year	-	-	317,857	-	-	317,857
Proposed dividends (Note 22.d)	-	201,007	(201,007)	-	-	-
Transfer to the profit retention reserve (Note 22.d)	-	105,633	(105,633)	-	-	-
Transfer to the tax incentive reserve (Notes 21 and 22.d)	-	11,464	(11,464)	-	-	-
At December 31, 2022	132,042	559,914	-	14,760	(11,392)	695,324
Other comprehensive income						
Exchange differences on translation of foreign operations (Note 22.c.i)	-	-	-	67	-	67
Remeasurement of defined benefit plan (Note 22.c.ii)	-	-	-	-	(167)	(167)
Realization of deemed cost	-	-	116	(116)	-	-
Internal changes in equity						
Adjustment to federal tax incentives reserve (Note 21)	-	(13)	-	-	-	(13)
Profit for the year	-	-	423,568	-	-	423,568
Distribution of interest on capital (Note 22.d)	-	-	(77,788)	-	-	(77,788)
Transfer to the tax incentive reserve (Notes 21 and 22.d)	-	345,896	(345,896)	-	-	-
At December 31, 2023	<b>132,042</b>	<b>905,797</b>	<b>-</b>	<b>14,711</b>	<b>(11,559)</b>	<b>1,040,991</b>

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

**J. Macêdo S.A. and its subsidiaries****Statement of cash flows - Indirect method****Year ended December 31, 2023****(All amounts in thousands of reais unless otherwise stated)** (A free translation of the original in Portuguese)

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Cash flows from operating activities				
Profit before income tax and social contribution	<b>426,218</b>	319,567	<b>426,218</b>	319,567
Adjustments to profit for the year:				
Depreciation and amortization	<b>59,555</b>	55,359	<b>59,937</b>	55,755
Equity in the results of investees	<b>(567)</b>	5,796	<b>258</b>	121
Residual value of property, plant and equipment, intangible assets and investment properties written off	<b>2,207</b>	3,211	<b>2,306</b>	3,211
Provision for impairment	<b>(119)</b>	82	<b>(119)</b>	82
Provision for contingencies	<b>4,695</b>	945	<b>4,695</b>	945
Provision for inventory losses	<b>626</b>	(342)	<b>626</b>	(342)
Interest, monetary and foreign exchange variations, net	<b>67,943</b>	59,503	<b>68,010</b>	65,312
Gain on remeasurement of fair value of investment properties and derivative financial instruments	<b>3,758</b>	6,085	<b>3,758</b>	6,085
Previous periods' IPI, ICMS, PIS and COFINS credits	<b>(2,539)</b>	(1,846)	<b>(2,539)</b>	(1,846)
Disposal of investments	<b>224</b>	-	<b>224</b>	-
Variations in post-employment benefits	<b>381</b>	366	<b>381</b>	366
Adjustment to federal tax incentive	<b>(13)</b>	-	<b>(13)</b>	-
Changes in assets and liabilities				
(Increase) decrease in assets				
Trade receivables	<b>(19,162)</b>	(160,284)	<b>(101,031)</b>	(159,812)
Inventories	<b>(15,260)</b>	12,156	<b>23,845</b>	30,891
Taxes and social contributions to be offset	<b>(883)</b>	14,919	<b>(652)</b>	14,948
Other receivables	<b>(18,982)</b>	16,386	<b>(22,885)</b>	12,105
Increase (decrease) in liabilities				
Trade payables	<b>(104,410)</b>	17,235	<b>(63,361)</b>	(27,618)
Taxes payable	<b>8,149</b>	(21,961)	<b>8,327</b>	(21,986)
Social security and labor obligations	<b>8,552</b>	11,333	<b>8,647</b>	11,340
Provision for contingencies	<b>(4,535)</b>	(3,885)	<b>(4,535)</b>	(3,885)
Other payables	<b>17,733</b>	30,033	<b>16,544</b>	29,833
Cash from operations	<b>433,571</b>	364,658	<b>428,641</b>	335,072
Interest paid	<b>(51,634)</b>	(56,949)	<b>(51,634)</b>	(56,949)
Income tax and social contribution paid	<b>(16,433)</b>	(9,466)	<b>(16,433)</b>	(9,466)
Net cash provided by operating activities	<b>365,504</b>	298,243	<b>360,574</b>	268,657
Cash flows from investing activities				
Investments - capital increase	-	(4,630)	-	-
Investments in intangible assets	<b>(472)</b>	(507)	<b>(472)</b>	(507)
Investments in property, plant and equipment	<b>(55,002)</b>	(32,414)	<b>(55,160)</b>	(32,475)
Redemption of financial investments	-	28,334	-	28,334
Financial investments	-	(13,648)	-	(13,648)
Advance for future capital increase	<b>(4,177)</b>	-	-	-
Loans and receivables with related parties	<b>2,393</b>	(1,570)	<b>2,393</b>	(1,570)
Net cash used in investing activities	<b>(57,258)</b>	(24,435)	<b>(53,239)</b>	(19,866)
Cash flows from financing activities				
Proceeds from borrowings	<b>76,874</b>	30,000	<b>76,874</b>	30,000
Transaction costs	<b>(2,872)</b>	3,446	<b>(2,872)</b>	3,446
Dividends and interest on capital distributed	<b>(178,278)</b>	(48,520)	<b>(178,278)</b>	(48,520)
Repayment of principal of borrowings	<b>(70,147)</b>	(93,209)	<b>(70,147)</b>	(93,209)
Contracting (amortization) of derivative financial instruments	<b>(12,782)</b>	(16,375)	<b>(12,782)</b>	(16,375)
Repayment of principal of debentures	<b>(119,640)</b>	(77,240)	<b>(119,640)</b>	(77,240)
Proceeds from issuance of debentures	<b>200,000</b>	-	<b>200,000</b>	-
Advance for future capital increase	<b>2,674</b>	-	<b>2,674</b>	-
Lease payments	<b>(14,815)</b>	(15,428)	<b>(14,815)</b>	(15,428)
Net cash used in financing activities	<b>(118,986)</b>	(217,326)	<b>(118,986)</b>	(217,326)
Increase in cash and cash equivalents	<b>189,260</b>	56,482	<b>188,349</b>	31,465
Foreign exchange difference, net	<b>(1,541)</b>	(1,458)	<b>(1,541)</b>	(1,458)
Cash and cash equivalents at the beginning of the year	<b>149,577</b>	94,553	<b>170,843</b>	140,836
Cash and cash equivalents at the end of the year	<b>337,296</b>	149,577	<b>357,651</b>	170,843

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

## J. Macêdo S.A. and its subsidiaries

### Statement of value added

**Year ended December 31, 2023**

**(All amounts in thousands of reais unless otherwise stated)** (A free translation of the original in Portuguese)

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Revenue	<b>3,444,514</b>	3,210,323	<b>3,533,382</b>	3,216,244
Sales of products and services	<b>3,578,259</b>	3,304,804	<b>3,666,789</b>	3,310,541
(-) Rebates and discounts	<b>(130,437)</b>	(96,221)	<b>(130,437)</b>	(96,221)
Changes in the provision for impairment of trade receivables	<b>119</b>	(82)	<b>119</b>	(82)
Other income	<b>(3,427)</b>	1,822	<b>(3,089)</b>	2,006
Inputs acquired from third parties	<b>(2,294,941)</b>	(2,198,398)	<b>(2,379,608)</b>	(2,203,070)
Cost of sales and services	<b>(2,082,601)</b>	(2,047,035)	<b>(2,164,643)</b>	(2,050,603)
Materials, electricity, outsourced services and others	<b>(191,090)</b>	(137,864)	<b>(191,641)</b>	(138,408)
(Impairment) recovery of assets	<b>(3,438)</b>	(3,613)	<b>(3,438)</b>	(3,613)
Other operating expenses	<b>(17,812)</b>	(9,886)	<b>(19,886)</b>	(10,446)
Gross value added	<b>1,149,573</b>	1,011,925	<b>1,153,774</b>	1,013,174
Depreciation and amortization	<b>(59,555)</b>	(55,359)	<b>(59,937)</b>	(55,755)
Net value added generated by the entity	<b>1,090,018</b>	956,566	<b>1,093,837</b>	957,419
Value added received through transfer	<b>49,108</b>	45,631	<b>48,283</b>	51,464
Equity in the results of investees	<b>567</b>	(5,796)	<b>(258)</b>	(121)
Finance income	<b>48,541</b>	51,427	<b>48,541</b>	51,585
Total value added to distribute	<b>1,139,126</b>	1,002,197	<b>1,142,120</b>	1,008,883
Distribution of value added	<b>1,139,126</b>	1,002,197	<b>1,142,120</b>	1,008,883
Personnel	<b>259,381</b>	230,113	<b>259,488</b>	230,261
Direct compensation	<b>150,242</b>	123,517	<b>150,317</b>	123,628
Fees	<b>8,588</b>	6,169	<b>8,588</b>	6,169
Profit sharing	<b>16,897</b>	15,563	<b>16,897</b>	15,563
Benefits	<b>63,539</b>	55,905	<b>63,539</b>	55,906
Government Severance Indemnity Fund for Employees (FGTS)	<b>12,039</b>	10,685	<b>12,039</b>	10,685
Other personnel expenditures	<b>8,076</b>	18,274	<b>8,108</b>	18,310
Taxes and contributions	<b>357,347</b>	334,296	<b>358,569</b>	335,230
Federal	<b>123,564</b>	103,812	<b>124,320</b>	104,359
State	<b>230,113</b>	227,021	<b>230,153</b>	227,060
Municipal	<b>3,670</b>	3,463	<b>4,096</b>	3,811
Third-party capital remuneration	<b>98,830</b>	119,931	<b>100,495</b>	125,535
Interest	<b>68,531</b>	65,046	<b>70,358</b>	70,605
Rentals	<b>7,885</b>	6,186	<b>7,885</b>	6,186
Other	<b>22,414</b>	48,699	<b>22,252</b>	48,744
Own capital remuneration	<b>423,568</b>	317,857	<b>423,568</b>	317,857
Revenue reserves	<b>345,780</b>	116,850	<b>345,780</b>	116,850
Dividends proposed	-	201,007	-	201,007
Distribution of interest on capital	<b>77,788</b>	-	<b>77,788</b>	-

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

(A free translation of the original in Portuguese)

## **J. Macêdo S.A. and its subsidiaries**

### **Notes to the financial statements**

**Year ended December 31, 2023**

**(All amounts in thousands of reais unless otherwise stated)**

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## **1. Information on the Company and its subsidiaries**

### **1.1 Company information**

J. Macêdo S.A. ("J. Macêdo" or "Company"), domiciled in Brazil, headquartered at Rua Benedito Macêdo, 79, Cais do Porto, City of Fortaleza, State of Ceará, produces and sells wheat flours, bread and cake mixes, desserts, pasta, biscuits and yeasts, divided by business categories, sold mainly under the brands Dona Benta, Sol, Petybon, Brandini and Boa Sorte.

The Company sells products from its units in the Northeast, Southeast and South Regions of Brazil, and from its distribution centers. Large quantities of products are dispatched daily to its customers, transported by independent carriers.

With 84 years of history, celebrated on September 9, 2023, J. Macêdo is one of the largest and most respected food companies in Brazil, leader and national reference in the wheat flour and cake mix segments, and the second largest company of pasta, present in the house of millions of Brazilians. It stands out in the market for its quality and brands, nationally known and recognized, as well as for the broad product portfolio and the comprehensive control over the wheat chain with 100% verticalized operation: from the purchase of wheat to sale and distribution.

#### *Basis of measurement*

The parent company and consolidated financial statements have been prepared based on the historical cost, except for the following material items recognized in the balance sheet at fair value, which are assessed monthly and annually: (i) derivative financial instruments and (ii) investment properties.

#### *Functional and presentation currency*

The parent company and consolidated financial statements are presented in Brazilian reais (R\$), which is the Company's functional currency. All financial information presented in Brazilian reais has been rounded off to the nearest thousand reais, unless otherwise stated.

The only subsidiary of the Group that has a functional currency different from that of the Parent company is Cipolin S.A., headquartered in Uruguay, which has the U.S. dollar as its functional currency and whose results and financial position are translated into the presentation currency, as follows:

- a) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet (U.S. dollar purchase rate).
- b) Income and expenses for each statement of income are translated at the average foreign exchange rates (U.S. dollar sales rate).
- c) All resulting foreign exchange differences are recognized as a separate component of equity in the account "Carrying value adjustments".

### **1.2 Climate change and impacts of the wars of Russian and Ukraine and Israel and Hamas**

Wheat is the Company's main raw material and, as it is a commodity, it is affected by several variables such as climate, geographical conflicts and government interventions. The fourth quarter of 2023 was marked by the beginning of the wheat planting in the northern hemisphere and the harvest in the southern hemisphere. Even during the mid-crop season, Russia continues to have a great influence on world prices due to the large volume of exports. The conflict between Russia and Ukraine has not had a major impact on wheat prices over the past 3 months, and the war between Israel and Hamas, which began in October 2023, has also had no influence on world markets.

## **J. Macêdo S.A. and its subsidiaries**

### **Notes to the financial statements**

**Year ended December 31, 2023**

**(All amounts in thousands of reais unless otherwise stated)**

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A larger crop is expected in Australia and better conditions for winter wheat compared to the previous year. Wheat prices in the United States remain high in relation to the markets in Europe, Argentina and the Black Sea. There was a downward trend in the major exchanges during that period.

In Argentina, Brazil's main wheat supplier, droughts at the beginning of planting and near-harvest rains affected the quality of the product. The first new-harvest ships shipped in December 2023 had a lower quality than the previous harvest. In addition, with the new elected president, the Argentine government presented a package of economic measures, bringing uncertainties to the market and reducing the sale of wheat.

The last quarter of 2023 marked the deterioration of the national wheat crop. Initially, a record crop with good quality was expected, however the large volume of rain close to the harvest, mainly due to the El Niño phenomenon, put an end to the good prospects of the market. There was direct impact on the Southern area of Paraná and virtually in the entire state of Rio Grande do Sul, generating a great reduction in production and deterioration of the quality of the wheat that was harvested, since a considerable portion will not have the minimum standard required for grinding and will be destined for the feed market.

Despite all these factors, the Company maintained a good strategy in its wheat acquisitions and did not suffer a lack of supply or excessive price changes that could negatively impact its results and the supply of its products.

#### **1.3 Tax Reform on Consumption**

On December 20, 2023, Constitutional Amendment 132 was enacted, establishing the Tax Reform ("Reform") on consumption. Several matters, including the rates of new taxes, are still pending regulation by Complementary Laws, which shall be submitted for the evaluation of the National Congress within 180 days.

The Reform model is based on a VAT ("dual VAT") divided into two jurisdictions, one federal (Contribution on Goods and Services (CBS)) and the other sub-national (Tax on Goods and Services (IBS)), which will replace the taxes PIS, COFINS, ICMS and ISS.

A Selective Tax ("IS") was also created, of federal jurisdiction, which will be levied on the production, extraction, sale or import of goods and services harmful to health and the environment, under the terms of the Complementary Laws.

There will be a transition period from 2024 to 2032, in which the two tax systems – old and new – will coexist. The impacts of the Reform on the calculation of the above mentioned taxes, as from the beginning of the transition period, will only be fully known upon the conclusion of the matters pending regulation by the Complementary Laws. Consequently, the Reform did not result in impacts on the financial statements at December 31, 2023.

## **2. Basis of preparation and presentation of the financial statements**

### **2.1 Statement of compliance (in relation to IFRS® standards and CPC standards)**

The parent company and consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) (currently referred to as "IFRS accounting standards") and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), implemented in Brazil through the Brazilian Accounting Pronouncements Committee (CPC), its technical interpretations (ICPC) and guidelines (OCPC), and the Brazilian Federal Accounting Council (CFC) approved by the Brazilian Securities Commission (CVM), and disclose all (and only) the applicable significant information related to the financial statements, which is consistent with the information utilized by management in the performance of its duties.

The issue of the Company's parent company and consolidated financial statements for the year ended December 31, 2023 was authorized by the Board of Directors on February 20, 2024.



## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

**Year ended December 31, 2023**

**(All amounts in thousands of reais unless otherwise stated)**

#### 2.2 Use of estimates and judgments

The parent company and consolidated financial statements have been prepared based on valuation assumptions used in the accounting estimates. The accounting estimates involved in the preparation of these financial statements were based on objective and subjective factors, taking into consideration Management's judgment to determine the appropriate amount to be recognized in the financial statements. Actual results may differ from these estimates.

Estimates and assumptions are continually reviewed. Adjustments to accounting estimates are recognized in the year in which the estimates are reviewed or in any future periods affected.

##### *Estimates*

Significant items subject to these estimates include the assessment of derivative financial assets and liabilities and investment properties at fair value, employee benefits, as well as the analysis of other risks for determining other provisions, including for contingencies.

##### *Judgments*

Information on judgments made in the application of the accounting policies that have significant effects on the amounts recognized in the parent company and consolidated financial statements is considered when determining if the Company has effective control over its investees.

### 3. **Significant accounting policies**

The accounting policies described below have been consistently applied in all the years presented in these parent company and consolidated financial statements.

##### *Basis of consolidation*

The consolidated financial statements include the financial statements of the Company, its subsidiary and the joint operation at December 31, 2023 and 2022, presented below:

<b>Corporate name</b>	<b>Headquarter country</b>	<b>Ownership interest (%)</b>	
		<b>12/31/2023</b>	<b>12/31/2022</b>
(a) Cipolin S.A. ("Cipolin")	Uruguay	100.0	100.0
(b) Tergran - Terminais de Grãos de Fortaleza Ltda. ("Tergran")	Brazil	33.3	33.3
a) Cipolin (closely-held company), a wholly-owned subsidiary of J. Macêdo S.A., was established in 1985, under the corporate name "Cipolin S.A.". Cipolin is engaged in the process of intermediating the purchase of wheat for J. Macêdo S.A., transferring the product purchased abroad, strictly following the international wheat market price conditions in force at the time of each operation.			
b) Tergran (closely-held company) refers to a joint operation with Grande Moinho Cearense S.A. and M. Dias Branco S.A. Indústria e Comércio de Alimentos, which hold equal interest in capital and appoint, by mutual agreement, the chief operations officer in charge of Tergran's Management. The investment is considered a joint operation. Tergran is a special-purpose company, with its own legal personality, engaged in port operator activities, carrying out, in particular, the unloading and storage of grains at the port of Fortaleza to serve the three mills located in the port area.			

##### *Transactions eliminated on consolidation*

Balances, transactions and any unrealized revenues or expenses arising from transactions between related parties are eliminated in the preparation of the consolidated financial statements.

## **J. Macêdo S.A. and its subsidiaries**

### **Notes to the financial statements**

**Year ended December 31, 2023**

**(All amounts in thousands of reais unless otherwise stated)**

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Unrealized gains arising from transactions with investees recorded based on the equity accounting method are eliminated to the extent of the Company's interest in the investee.

Unrealized losses are eliminated in the same manner, but only to the extent that there is no evidence of impairment.

#### **3.1 Subsidiary and joint operation**

The financial statements of the subsidiary and joint operation are included in the consolidated financial statements from the date control begins and are deconsolidated from the date that control ceases. The accounting policies of the subsidiary and joint operation are consistent with the policies adopted by the Company.

A joint operation is that in which the Company has shared control, contractually established, and requires unanimous consent in the strategic and operational decisions of the parties that share the control.

In the parent company's financial statements, the investments in its subsidiary, associate and joint operation are accounted for using the equity method of accounting. In the consolidated financial statements, the balance of assets, liabilities, revenues and expenses of the joint operation were recognized in proportion to the interest in the entity.

#### **3.2 Translation of balances denominated in foreign currency**

##### *Foreign currency transactions*

Foreign currency transactions are translated into the functional currency of the Company's entities using the foreign exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the exchange rate prevailing at that date. Foreign exchange gains and losses are recognized in the statement of income when incurred.

Non-monetary items measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the foreign exchange rates prevailing at the date when the fair value was determined.

Advances relating to imports of raw material, inputs, machinery and equipment in progress in foreign currency are translated into the Company's functional currency at the date of the transaction, that is, at the date the advances were made. This is due to the fact that advances are considered prepayments, which will be settled with the delivery of goods or services and are not refundable. Upon delivery of the asset for which the advance was made, the Company records the property, plant and equipment or inventory item at the cost incurred, if it is a production component, against the corresponding advance write-off.

##### *Foreign operations*

Assets and liabilities of foreign operations are translated into Brazilian reais at the foreign exchange rates prevailing at the reporting date. Income and expenses from foreign operations are translated into Brazilian reais at the average monthly exchange rates.

Foreign currency differences generated in the translation to the presentation currency are recognized in other comprehensive income and presented in equity as cumulative translation adjustments.

#### **3.3 Taxes on profit**

Income tax and social contribution income (expenses) comprises current and deferred taxes.

## **J. Macêdo S.A. and its subsidiaries**

### **Notes to the financial statements**

**Year ended December 31, 2023**

**(All amounts in thousands of reais unless otherwise stated)**

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#### *Current income tax and social contribution*

Current income tax and social contribution are calculated based on the rates of 15% with a surcharge of 10% on taxable profit exceeding R\$ 240 thousand for income tax, and 9% on taxable profit for social contribution, and consider the offset of tax losses, limited to 30% of the annual taxable profit. For Cipolin, subsidiary located in Uruguay, the IRPJ rate is 25% on the recorded net income. The CSLL is not applicable.

#### *Deferred income tax and social contribution*

Based on its expectations of generating future taxable profits, the Company recognizes tax credits on income tax and social contribution losses and temporarily non-deductible expenses for which there is no statute of limitation period and their offset is limited to 30% of annual taxable profit.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and corresponding amounts used for taxation purposes.

The measurement of deferred taxes reflects the tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amount of its assets and liabilities at the end of the reporting period.

Deferred taxes are measured at the rates expected to be applied on temporary differences when they are reversed, based on the tax rates that have been enacted up to the reporting date.

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets and liabilities, and when they refer to taxes charged by the same tax authorities and on the same entity subject to taxation, or on separate taxable entities but when there is the intention to settle the current tax assets and liabilities on a net basis or when the tax assets and liabilities will be realized simultaneously.

A deferred income tax and social contribution asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized, usually related to the same legal entity and the same tax authorities.

Deferred income tax and social contribution assets are reviewed at each reporting date and are reduced to the extent that realization is no longer probable.

### **3.4 Government subsidies**

Government subsidies are recognized when there is reasonable certainty that the benefit will be received. Details on the Company's government subsidies are presented in Note 21.

### **3.5 Inventories**

Inventories are stated at the lower of the historical cost of acquisition and production and the net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less completion costs and selling expenses.

The costs incurred to bring each product to its current location and condition are accounted for as follows:

- a) Raw materials - cost of acquisition under the average cost method.
- b) Finished products and work in progress - cost of direct material and labor and a proportion of general production overheads based on normal operating capacity.

The Company records a provision for inventory losses due to damaged and/or obsolete products.



## **J. Macêdo S.A. and its subsidiaries**

### **Notes to the financial statements**

**Year ended December 31, 2023**

**(All amounts in thousands of reais unless otherwise stated)**

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#### **3.6 Property, plant and equipment**

##### *Recognition and measurement*

Property, plant and equipment items are stated at historical acquisition or construction cost, net of accumulated depreciation and any accumulated impairment losses. The cost of certain property, plant and equipment items on January 1, 2009, the date of the Company's transition to the CPC (IFRS), was determined based on their fair value at that date.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of the Company's self-constructed assets includes:

- Cost of materials and direct labor;
- Any other costs to bring the asset to the location and the condition necessary for them to be able to operate in the manner intended by Management;
- Cost incurred in disassembling and restoring the location where these assets are located; and
- Borrowing costs of qualifying assets.

Any gains or losses on the disposal of a property, plant and equipment item are recognized in profit or loss.

##### *Subsequent costs*

Subsequent costs are capitalized only when it is probable that future economic benefits associated with these costs will flow to the Company.

##### *Depreciation*

Depreciation is calculated to amortize the costs of property, plant and equipment items, excluding their estimated residual values, using the straight-line method based on the estimated useful lives of the items. Leased assets are depreciated over the shorter of the estimated useful life of the asset and the contractual term, unless it is certain that the Company will become the owner of the asset at the end of the lease term.

The estimated useful lives of property, plant and equipment items are disclosed in Note 13.

The depreciation methods, residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

#### **3.7 Leases**

The Company assesses, at contract inception, whether the contract is, or contains, a lease, that is, if the contract transfers the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. It recognizes the lease liabilities and right-of-use assets.

##### *Right-of-use assets*

The Company recognizes the right-of-use assets at the commencement date of the lease, measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any new remeasurement of the 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. The right-of-use assets are depreciated on a straight-line basis over the lease term.

##### *Lease liabilities*

On the lease commencement date, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the contract term.

When calculating the present value of lease payments, the Company uses its incremental borrowing rate at the commencement date because the interest rate implicit in the lease is not easily determinable. After the

## **J. Macêdo S.A. and its subsidiaries**

### **Notes to the financial statements**

**Year ended December 31, 2023**

**(All amounts in thousands of reais unless otherwise stated)**

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commencement date, the amount of the lease liability is increased to reflect the increase in interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments, or a change in the valuation of a purchase option on the underlying asset.

#### *Short-term and low-value asset leases*

The Company applies the exemption from recognition of short-term leases to its short-term leases (that is, leases whose term is equal to or less than 12 months from the commencement date and which do not contain a purchase option). It also applies the exemption from recognition of low-value assets. Short-term lease and low-value lease payments are recognized as an expense using the straight-line method over the lease term.

### **3.8 Investment properties**

An investment property is a property held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or use in production or supply of products, the provision of services or for administrative purposes.

Investment properties are initially measured at cost, including transaction costs. After initial recognition, investment properties are stated at fair value, which reflects the market conditions at the balance sheet date. Gains or losses arising from changes in the fair value of investment properties are included in the statement of income in the year in which they are generated.

Investment properties are written off when they are sold or no longer used on a permanent basis, and no future economic benefit is expected from their sale. The difference between the net amount from the sale and the asset's carrying amount is recognized in the statement of income in the year the asset is written off. Transfers to or from the investment property account are only recognized when there is a change in its use.

### **3.9 Intangible assets**

Intangible assets acquired separately are measured at cost at their initial recognition. Subsequent to initial recognition, intangible assets are carried at cost, less accumulated amortization and accumulated impairment losses. Internally-generated intangible assets, excluding development costs, are not capitalized, and the expenditure is reflected in the statement of income in the year in which it is incurred.

Gains or losses resulting from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the statement of income when the asset is derecognized.

### **3.10 Impairment of financial and non-financial assets**

#### *Financial assets*

At each reporting date, the Company analyzes if there is objective evidence that the carrying amount of a financial asset, or group of financial assets, will not be recovered. If such evidence is identified, the Company estimates the recoverable amount of the asset. This evidence should reflect that a loss event had a negative effect on projected future cash flows that can be reliably estimated.

Objective evidence that financial assets are impaired includes default or delinquency by the debtor, indication that the debtor or issuer will enter bankruptcy, or the disappearance of an active market for that asset, among others.

The Company considers evidence of impairment of receivables both at the individual and collective levels. All individually significant receivables are assessed for specific impairment.

In assessing collective impairment, the Company uses the historical trends of probability of default, time frame for recovery and loss amounts incurred, which are adjusted in order to reflect Management's judgment concerning assumptions if the current economic and credit conditions are such that the actual losses will probably be greater or smaller than those suggested by the historical trends.

## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

**Year ended December 31, 2023**

**(All amounts in thousands of reais unless otherwise stated)**

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#### *Non-financial assets (except inventories, investment properties and deferred taxes)*

Management reviews the carrying amount of assets annually to determine whether any events or changes in economic, operating or technological conditions indicate a potential impairment. When evidence of impairment is identified and the carrying amount exceeds the recoverable amount, a provision for impairment is recognized to adjust the carrying amount to the recoverable amount.

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

In estimating the value in use of the asset, estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects the weighted average cost of capital for the industry in which the cash-generating unit operates. The fair value less costs to sell is determined, whenever possible, based on a firm sale contract in an arm's length transaction, adjusted by expenses attributable to the sale of the asset or, when there is no firm sale contract, based on the market price of an active market, or in the price of the most recent transaction with similar assets.

#### 3.11 Provisions

Provisions are recognized when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

When a provision is expected to be fully or partially reimbursed, e.g., in connection with an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the financial statements, net of any reimbursement.

#### 3.12 Employee benefits

##### *Short-term employee benefits*

Obligations for short-term employee benefits are measured on an undiscounted basis and incurred as expenses as the related right is granted.

The liability is recognized at the estimated amount to be paid on benefit plans of cash bonuses or profit sharing if there is a legal or constructive obligation to pay this amount due to the rendering of past services by the employee, and the obligation can be reliably measured.

Post-employment benefit obligations are measured based on an actuarial report issued by an expert at the end of the year.

A liability is recognized for an amount expected to be paid under the defined benefit plans if there is a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be reliably estimated.

#### 3.13 Revenue recognition

The Company recognizes the operating revenue from the sale of goods in the ordinary course of activities when the parties to the contract approve and are committed to fulfilling their respective obligations. The fair value of the consideration received or receivable is recognized as follows: (i) there is convincing evidence that the control over a good or service was transferred to the customer, which, in general, occurs upon its delivery; (ii) for the amount that the entity expects to receive in exchange for the transfer of the good or service; and (iii) the associated costs and the possible return of goods can be reliably estimated. If it is probable that discounts will be granted and the amount can be reliably measured, then such discounts are recognized as a reduction of revenue as sales are recognized.

It is important to point out that delivery occurs when the products have been shipped to the specific location, the customer accepts the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

## **J. Macêdo S.A. and its subsidiaries**

### **Notes to the financial statements**

**Year ended December 31, 2023**

**(All amounts in thousands of reais unless otherwise stated)**

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#### *Finance income and costs*

Finance income comprises interest income on investments and other interest income, foreign exchange variations and gains on derivative financial instruments. Interest income is recognized in profit or loss using the effective interest method.

Finance costs comprise interest expenses on borrowings, foreign exchange variations and losses on derivative financial instruments that are recognized in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recorded in the statement of income using the effective interest method.

#### **3.14 Business segment**

An operating segment is defined as a component of an entity for which there is individualized financial information available, being assessed regularly by the main operations manager of that entity in decision making on the allocation of funds for a segment and in the assessment of its performance.

The Company operates in the food segment with the following product lines: wheat flour and bran, bread and cake mixes, desserts, pasta, biscuits and yeasts. There is no individualized calculation or measurement of operating profits or losses for the production and sale of food products, which are regularly reviewed by the main operations manager, either for investment decision-making or to assess their performance separately.

Since all decisions are based on consolidated reports and all decisions related to strategic and financial planning, purchases, investments and the application of funds are made on a consolidated basis, the Company concluded that it has only one reporting segment.

#### **3.15 Statement of value added**

The parent company and consolidated statements of value added were prepared in conformity with technical pronouncement CPC 09 - Statement of Value Added, which are presented as an integral part of the financial statements in accordance with the Brazilian accounting standards applicable to companies listed with the Brazilian Securities Commission (CVM), whereas for IFRS purposes they represent additional financial information.

#### **3.16 Standards issued and effective as from January 1, 2023**

The new requirements that became effective as from January 1, 2023, listed below, did not have impact on the parent company and consolidated financial statements, and no future impacts are expected for the Group.

- IFRS 17 – Insurance Contracts
- IAS 1 - Presentation of Financial Statements
- IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
- IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- IAS 12 - Income Taxes

#### **3.17 Amendments to new standards that are not yet effective**

The following amendments to new standards have been issued by the International Accounting Standards Board (IASB) and will only be effective as from January 1, 2024. The early adoption of standards, even though encouraged by the IASB, has not been implemented in Brazil by the Brazilian Accounting Pronouncements Committee (CPC). According to Management's prior assessment, these standards will not have a significant impact on the financial statements.

IAS 1 "Presentation of Financial Statements": this standard clarifies that, for an entity to classify liabilities as non-current in its financial statements, it must have the right to defer settlement of the liability for at least twelve months from the reporting date. In January 2020, the IASB issued amendments to IAS 1 "Classification of Liabilities as Current or Non-current", which would apply to years beginning as from January 1, 2023, which determined that the entity would not have the right to defer the settlement of a liability for at least

## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

Year ended December 31, 2023

(All amounts in thousands of reais unless otherwise stated)

twelve months if, at the reporting date, it had failed to comply with the ratios provided for in covenants, even if the contractual measurement of the covenant was only required after the balance sheet date, within twelve months.

Subsequently, in October 2022, a new amendment was issued to clarify that liabilities containing covenants requiring the achievement of ratios only after the reporting date do not affect the classification as current or non-current. Only covenants with which the entity is required to comply by the end of the reporting period affect the classification of the liability, even if the measurement only occurs after that date.

The 2022 amendments introduce additional disclosure requirements that allow users of the financial statements to understand the risk of the liability being settled within twelve months of the reporting date. As the 2022 amendment changed the effective date of the 2020 amendment, both amendments will be effective for years beginning as from January 1, 2024.

IFRS 16 – “Leases”: the amendment issued in September 2022 provides clarification on the lease liability in a sale and leaseback transaction. When measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines the “lease payments” and the “reviewed lease payments” in such a way that they do not result in the recognition by the seller-lessee of any amount of the gain or loss related to the right of use it retains. This could especially affect sale and leaseback transactions where lease payments include variable payments that do not depend on an index or rate.

IAS 7 “Statement of Cash Flows” e IFRS 7 “Financial Instruments: Disclosure”: the amendment issued by IASB in May 2023 has new disclosure requirements on supplier finance arrangements (SFAS) to allow investors to evaluate the effects on an entity’s liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are described in this amendment as arrangements whereby one or more financing providers offer to pay amounts that an entity owes to its suppliers, and the entity agrees to pay in accordance with the terms and conditions of the agreement on the same date, or at a later date, that suppliers are paid. In general, the arrangements provide the entity with extended payment terms, or the entity’s suppliers with early receipt conditions, compared to the original maturity date of the related invoice.

The IASB provided temporary exemption for the disclosure of comparative information in the first year of adoption of this amendment. This exemption also includes certain specific initial opening balances. In addition, the required disclosures are applicable only for annual periods during the first year of application.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group's financial statements.

#### 4. Cash and cash equivalents

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>12/31/2023</b>	<b>12/31/2022</b>	<b>12/31/2023</b>	<b>12/31/2022</b>
Banks - checking account	<b>2,760</b>	13,246	<b>23,022</b>	<b>34,207</b>
Cash equivalents (a)	<b>334,536</b>	136,331	<b>334,629</b>	<b>136,636</b>
	<b>337,296</b>	149,577	<b>357,651</b>	<b>170,843</b>

- (a) Greater cash availability in 2023 due to the receipt of the settlement of the 6<sup>th</sup> issue of debentures in the second quarter, in addition to the generation of the Company's operating cash.

Cash equivalents refer to floating-rate Bank Deposit Certificates (CDB), yielding an average rate of 100.95% (2022: 101.93%) of the Interbank Deposit Certificate (CDI) and are intended for immediate trading. Cash equivalents have daily liquidity and redemption does not cause financial losses.

The Company maintains the balances of bank deposits and financial investments available for immediate redemption without loss of income in order to meet short-term commitments. For this reason, cash and cash equivalents were considered for the purpose of preparing the statement of cash flows.



## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

Year ended December 31, 2023

(All amounts in thousands of reais unless otherwise stated)

#### 5. Trade receivables

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Domestic customers	390,297	367,862	472,353	368,049
Discount of contractual amounts (a)	(18,235)	(14,962)	(18,235)	(14,962)
Provision for impairment (b)	(434)	(553)	(434)	(553)
	<b>371,628</b>	<b>352,347</b>	<b>453,684</b>	<b>352,534</b>

- (a) The discounts of contractual amounts represent discounts agreed upon with large chains, applied directly to the invoicing.
- (b) The provision for impairment is recorded throughout the year, at a fixed percentage on billing defined annually based on the history of losses and expected losses, and reversed at the end of the year, when the actual loss occurs.

At December 31, 2023 and 2022, the balance of trade receivables, by maturity, is as follows:

Maturity	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Not yet due:	353,959	338,515	436,015	338,702
Past due:				
from 1 to 30 days	32,255	25,862	32,255	25,862
from 31 to 60 days	2,982	2,315	2,982	2,315
from 61 to 90 days	628	296	628	296
from 91 to 180 days	473	874	473	874
	<b>390,297</b>	<b>367,862</b>	<b>472,353</b>	<b>368,049</b>

The changes in the provision for impairment of trade receivables for the years ended December 31, 2023 and 2022 are as follows:

	Parent company and Consolidated	
	12/31/2023	12/31/2022
Opening balance	(553)	(471)
Provision recorded	(5,011)	(5,628)
Reversals and write-offs	5,130	5,546
Closing balance	<b>(434)</b>	<b>(553)</b>

Note 29c shows trade receivables by type and customer dependency, as well as the criteria established for the provision for impairment of trade receivables.

#### 6. Inventories

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Finished products	56,150	57,246	56,150	57,246
Raw materials	76,096	131,977	76,096	131,977
Production materials	42,772	30,161	42,772	30,161
Maintenance materials and other	16,726	15,944	16,849	16,265
Work in progress	7,620	14,102	7,620	14,102
Raw material inputs in progress (a)	91,893	27,193	32,296	6,503
	<b>291,257</b>	<b>276,623</b>	<b>231,783</b>	<b>256,254</b>

- (a) Represented mainly by advances for the purchase of wheat and other raw materials. Advances are settled on average in 30 days. At December 31, 2023, the balance of advances with subsidiary Cipolin is R\$ 59,597 (2022: R\$ 20,690).

Inventory cost is measured based on the weighted average cost. All expenses with direct materials, labor and general manufacturing expenditures are included in the cost, based on normal production capacity. The total production capacity is the maximum amount that can be extracted from the equipment, considering reductions caused by maintenance shutdowns, setup time and other similar events considered normal for the entity.

## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

Year ended December 31, 2023

(All amounts in thousands of reais unless otherwise stated)

The provision for losses on inventories is mostly reflected in the accounts of finished products, raw materials and maintenance materials. Changes for the years ended December 31, 2023 and 2022 are as follows:

	Parent company and Consolidated	
	12/31/2023	12/31/2022
Opening balance	-	(342)
Reversals (provisions)	(626)	342
Closing balance	(626)	-

## 7. Taxes and social contributions recoverable

	Parent company					
	12/31/2023			12/31/2022		
	Current	Non-current	Total	Current	Non-current	Total
ICMS to be reimbursed (a)	4,418	-	4,418	15,532	-	15,532
ICMS recoverable (b)	15,199	16,696	31,895	9,260	3,260	12,520
ICMS to be appropriated (c)	86,193	-	86,193	69,964	-	69,964
ICMS recoverable on property, plant and equipment	579	1,654	2,233	856	452	1,308
Income tax and social contribution recoverable (d)	223	-	223	31	9,727	9,758
PIS recoverable (e)	804	-	804	757	3,724	4,481
COFINS recoverable (e)	5,182	-	5,182	6,811	9,232	16,043
Other taxes and contributions	5,109	-	5,109	3,029	-	3,029
	117,707	18,350	136,057	106,240	26,395	132,635

	Consolidated					
	12/31/2023			12/31/2022		
	Current	Non-current	Total	Current	Non-current	Total
ICMS to be reimbursed (a)	4,418	-	4,418	15,532	-	15,532
ICMS recoverable (b)	15,199	16,696	31,895	9,260	3,260	12,520
ICMS to be appropriated (c)	86,193	-	86,193	69,964	-	69,964
ICMS recoverable on property, plant and equipment	579	1,654	2,233	856	452	1,308
Income tax and social contribution recoverable (d)	223	-	223	31	9,727	9,758
PIS recoverable (e)	804	-	804	757	3,724	4,481
COFINS recoverable (e)	5,182	-	5,182	6,811	9,232	16,043
Other taxes and contributions	5,191	-	5,191	3,342	-	3,342
	117,789	18,350	136,139	106,553	26,395	132,948

Taxes and social contributions to be offset arise from:

- (a) Credits on sales to non-signatory states governed by ICMS CONFAZ protocols numbers 46/00 and 53/17, whose operations give rise to the right to reimbursement of the portion paid as tax substitution, as well as the computation of previous periods' ICMS credits for which proceedings are filed with the States. All amounts authorized have been used and, currently, the balances in the accounts are still pending approval.
- (b) Correspond to the ICMS credit balances from the Company's operations.
- (c) Refers to prepayments of ICMS Tax Substitution, as well as ICMS incentives and benefits that will be appropriated at the time of sale.

## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

Year ended December 31, 2023

(All amounts in thousands of reais unless otherwise stated)

- (d) In 2022, R\$ 9,727 refers to IRPJ and CSLL credits arising from the non-levy of these taxes on the adjustment by the SELIC rate to tax overpayments (Note 10.1).
- (e) Refers to credit balances of the current operations for the year, due to the positive difference between debts and credits of contributions, as well as previous periods' credits, referring to different expenses generating credits, not recognized in previous periods.

## 8. Other receivables

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Advances to suppliers (a)	23,705	3,350	29,468	3,350
Advance for future capital increase	4,177	-	-	-
Judicial deposits and deposits for appeal	3,426	3,760	3,426	3,760
Claims receivable	1,205	730	1,205	730
Performance bond	1,400	1,423	1,400	1,423
Other receivables	4,254	3,034	5,755	3,314
	<b>38,167</b>	<b>12,297</b>	<b>41,254</b>	<b>12,577</b>
Current	32,280	5,508	31,184	5,782
Non-current	5,887	6,789	10,070	6,795

- (a) Represented substantially by advances to suppliers of machinery and equipment and related services.

## 9. Transactions with related parties

Transactions with related parties mainly comprise transactions between Group companies carried out under usual market conditions.

### Leader of the conglomerate

J. Macêdo S.A. is a subsidiary of J. Macêdo S.A. - Comércio, Administração e Participações, which, in turn, is a subsidiary of MAC-DO Administração e Participações S.A.

### Entities with significant influence over the Company

- J. Macêdo S.A. - Comércio, Administração e Participações.
- MAC-DO Administração e Participações S.A.
- BDM Participações Ltda.

### Joint operation:

Tergran - Terminais de Grãos de Fortaleza Ltda., as detailed in Note 3.

### Subsidiary

Cipolin S.A., as detailed in Note 3.  
Associate

CEMEC Construções Eletromecânicas S.A.

CEMEC is a closely-held company in which the Company holds 15.76% of the capital. This company's main activity was the manufacture of transformers for distribution, power and compact substation and, in March 2012, it interrupted its operations. Since it is a company of the same economic group of the Company, this investment is accounted for under the equity method. The plans of this investee's Management include the search for alternatives for the resumption of the business through a partner in the segment and/or sale.

## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

Year ended December 31, 2023

(All amounts in thousands of reais unless otherwise stated)

#### Terms and conditions of transactions with related parties

Loans and receivables with related parties arise from commercial and corporate transactions with other companies of the Group.

With regard to the balance of receivables between the Group companies, at December 31, 2023 and 2022, no provision for impairment was recorded, due to the absence of receivables past due or at risk of realization. The following table shows the transactions between the related parties:

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Companies - Type of transaction				
Current assets				
Advances to suppliers (Note 6) Cipolin S.A. (a)	59,597	20,690	-	-
Advance for future capital increase - Tergran	4,177	-	-	-
	<b>63,774</b>	20,690	-	-
Non-current assets				
Loans receivable				
J. Macêdo S.A. - Comércio, Administração e Participações (b)	-	2,336	-	2,336
	-	2,336	-	2,336
Current liabilities				
Trade payables - Cipolin S.A.	(210)	-	-	-
Other payables - Tergran	(1,188)	(1,188)	-	-
	<b>(1,398)</b>	(1,188)	-	-

	Parent company	
	12/31/2023	12/31/2022
Profit or loss		
Cipolin S.A. - Cost with wheat imports	468,032	832,498
Tergran - Port costs	3,006	3,817
	<b>471,038</b>	836,315

- (a) Raw material imports in progress (Inventories) of subsidiary Cipolin.
- (b) Loan balance with the parent company, subject to monthly charges, by applying interest equivalent to a percentage of the average CDI rate. The contract was established under specific conditions, agreed upon between the parties, not necessarily carried out under usual market conditions, with a payment term until December 2024, and it may be extended.

#### Key management compensation

The Ordinary General Meeting set the global officers' fees in up to R\$ 2,500 per month, limited to R\$ 30,000/year for 2023 (R\$ 20,200/year for 2022), for which individual distribution was set by the officers. In the year ended December 31, 2023, management fee expenses totaled R\$ 8,588 (2022: R\$ 6,169).

#### Sureties and guarantees

Loans and financing with financial institutions are mostly backed by mortgages, promissory notes and statutory liens of the Company. In the year ended December 31, 2023, there are no longer operations with collateral from related parties (at December 31, 2022, they represented 5.24%).



## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

Year ended December 31, 2023

(All amounts in thousands of reais unless otherwise stated)

#### 10. Current and deferred income tax and social contribution

The deferred income tax and social contribution are comprised as follows:

	<b>Parent company and Consolidated</b>	
	<b>12/31/2023</b>	<b>12/31/2022</b>
Income tax and social contribution losses	<b>68,913</b>	62,052
<u>Temporary differences:</u>		
Provision for impairment	<b>148</b>	188
Provision for inventory losses	<b>213</b>	-
Provision for contingencies	<b>5,103</b>	4,667
Provision for success fees	<b>1,008</b>	1,038
Profit-sharing program	<b>5,520</b>	4,790
Provision for officers' bonuses	<b>7,616</b>	5,100
Loss on swap operation	<b>2,519</b>	2,734
Leases	<b>661</b>	892
Post-employment defined benefit obligations	<b>1,218</b>	1,031
Total deferred assets	<b>92,919</b>	82,492
Carrying value adjustment	<b>(6,683)</b>	(6,743)
Fair value of investment properties	<b>(13,658)</b>	(15,151)
Interest on borrowings capitalized	<b>(30,258)</b>	(31,170)
Tax depreciation difference	<b>(33,982)</b>	(29,428)
Total deferred liabilities	<b>(84,581)</b>	(82,492)
Total deferred taxes, net	<b>8,338</b>	-

As the income tax and social contribution taxable bases arise not only from the profit that may be generated, but also from the existence of non-taxable income, non-deductible expenses, tax incentives and other variables, there is no immediate correlation between the Company's profit and the income subject to income tax and social contribution. Therefore, the expected use of tax credits should not be considered as the only indication of the Company's future results.

In 2023, J.Macêdo resumed the accounting of 100% (one hundred percent) of the deferred income tax and social contribution assets on tax losses, with expected realization of this balance in up to 10 (ten) years.

The reconciliation of income tax and social contribution expense is as follows:

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>12/31/2023</b>	<b>12/31/2022</b>	<b>12/31/2023</b>	<b>12/31/2022</b>
Current				
Income tax	<b>(10,653)</b>	(9,467)	<b>(10,653)</b>	(9,467)
Social contribution	<b>(7,946)</b>	(7,084)	<b>(7,946)</b>	(7,084)
	<b>(18,599)</b>	(16,551)	<b>(18,599)</b>	(16,551)
Deferred				
Income tax	<b>8,526</b>	10,914	<b>8,526</b>	10,914
Social contribution	<b>7,423</b>	3,927	<b>7,423</b>	3,927
	<b>15,949</b>	14,841	<b>15,949</b>	14,841
Income tax and social contribution expense	<b>(2,650)</b>	(1,710)	<b>(2,650)</b>	(1,710)

## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

Year ended December 31, 2023

(All amounts in thousands of reais unless otherwise stated)

#### Reconciliation of the effective rate

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Profit before income tax and social contribution	<b>426,218</b>	319,567	<b>426,218</b>	319,567
Combined tax rate	<b>34%</b>	34%	<b>34%</b>	34%
Income tax and social contribution at the combined rate	<b>(144,914)</b>	(108,653)	<b>(144,914)</b>	(108,653)
Permanent additions				
Non-deductible expenses	<b>(7,752)</b>	(4,027)	<b>(7,752)</b>	(4,027)
Other additions, net	-	(1,855)	-	(1,855)
	<b>(7,752)</b>	(5,882)	<b>(7,752)</b>	(5,882)
Permanent exclusions				
Gain of state and federal tax incentives	<b>91,754</b>	87,469	<b>91,754</b>	87,469
Offset of income tax and social contribution losses	<b>14,230</b>	12,154	<b>14,230</b>	12,154
Tax benefit - interest on capital	<b>26,448</b>	-	<b>26,448</b>	-
Other exclusions, net	<b>17,584</b>	13,202	<b>17,584</b>	13,202
	<b>150,016</b>	112,825	<b>150,016</b>	112,825
Income tax and social contribution on profit (loss) for the year	<b>(2,650)</b>	(1,710)	<b>(2,650)</b>	(1,710)
Effective tax rate	<b>(0.62%)</b>	(0.54%)	<b>(0.62%)</b>	(0.54%)

#### 10.1 Uncertainties over the IRPJ and CSLL tax treatment

##### *Non-levy of IRPJ and CSLL on the Selic adjustment to tax overpayments*

On September 24, 2022, the Federal Supreme Court ("STF") judged the merits of the Extraordinary Appeal (RE) 1.063.187, which established the thesis of Case No. 962 in the sense that the levy of IRPJ and CSLL on amounts related to the monetary adjustment by the Selic rate received due to the repetition of tax overpayment is unconstitutional. The decision, under the system of general repercussion, was unanimous among the justices of the STF.

The Federal Supreme Court (STF), at the virtual session ended on 04/29/2022, partially accepted the appeal (motions for clarification) to clarify points of the decision issued in the judgment of Extraordinary Appeal (RE) 1.063.187, with general repercussion, and enforce its effects.

At that time, the Court declared the unconstitutionality of the levy of the Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) on the Selic rate received by the taxpayer in the return of taxes overpaid (repetition of tax overpayment).

In this sense, it was decided that taxpayers who filed their own lawsuit until September 2022 have the right to refund of the IRPJ and CSLL for the period of 5 years prior to the lawsuit filing date, even if the entities do not have a final and unappealable court decision on their lawsuits. Any outstanding unpaid amounts referring to taxable events occurring prior to September 2022 cannot be charged by the Federal Government. Moreover, for lawsuits filed after the aforementioned period, taxpayers have the right only to recover the amounts paid after the date of filing; there is no retroactive effect.

On October 8, 2020, the Company filed a writ of mandamus to question the levy of IRPJ and CSLL on the Selic monetary adjustment of taxes overpaid and, considering that the right to IRPJ and CSLL refund of the said lawsuit would probably be accepted in decisions of higher courts of last resort (likelihood of acceptance >50%), it recognized, in 2022, IRPJ and CSLL credits of R\$ 7,824, in the IRPJ/CSLL line item, with a corresponding entry to taxes recoverable in non-current assets.

The final and unappealable decision of the aforementioned writ of mandamus occurred in October 2022, in favor of the Company, and the approval of the credit by the Brazilian Federal Revenue Service was requested in November 2022. At the time, the amount of R\$ 3,280 was recorded regarding the adjustment of this credit.

## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

Year ended December 31, 2023

(All amounts in thousands of reais unless otherwise stated)

On March 27, 2023, an order was issued with the granting of the request for credit approval, which was already completely used to offset other federal taxes.

#### 11. Investments

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Interest in subsidiaries, associate and joint venture	11,498	10,864	3,157	3,415
Other investments	-	224	-	224
	<b>11,498</b>	<b>11,088</b>	<b>3,157</b>	<b>3,639</b>

	12/31/2023			12/31/2022		
	Tergran	Cipolin	Cemec	Tergran	Cipolin	Cemec
Information on subsidiaries:						
Number of shares	2,193,000	459,773,063	4,979	2,193,000	459,773,063	4,979
Interest in total and voting capital:	33.33%	100.00%	15.76%	33.33%	100.00%	15.76%
Current assets	16,223	102,019	143	16,554	21,289	1,469
Non-current assets	18,755	-	23,724	7,196	-	23,860
Total assets	<b>34,978</b>	<b>102,019</b>	<b>23,867</b>	<b>23,750</b>	<b>21,289</b>	<b>25,329</b>
Current liabilities	2,080	100,412	84	1,758	21,171	106
Non-current liabilities	12,696	-	3,749	-	-	3,549
Total liabilities	<b>14,776</b>	<b>100,412</b>	<b>3,833</b>	<b>1,758</b>	<b>21,171</b>	<b>3,655</b>
Equity	20,202	1,607	20,034	21,992	118	21,674
Share capital	25,677	37,787	12,005	25,677	37,787	12,005
Profit /(loss) for the year	(1,331)	1,422	(1,640)	(1,330)	(5,231)	(767)

#### Changes in investments

	12/31/2023			12/31/2022	
	Tergran	Cipolin	Cemec	Total	Total
Opening balance	7,331	118	3,415	10,864	12,496
Equity in the results of investees	(597)	1,422	(258)	567	(5,796)
Capital increase	-	-	-	-	4,630
Foreign exchange variation on investments abroad	-	67	-	67	(466)
Closing balance	<b>6,734</b>	<b>1,607</b>	<b>3,157</b>	<b>11,498</b>	<b>10,864</b>

#### 12. Investment properties

	Parent company and Consolidated	
	12/31/2023	12/31/2022
Investment properties	50,471	49,560
Fair value remeasurement	(4,390)	911
Closing balance	<b>46,081</b>	<b>50,471</b>

The investment property refers to the Maceió plant, which was deactivated in 2019. These assets, comprising land, buildings and facilities, are available for lease to third parties and/or valuation and are recorded at fair value based on an appraisal carried out by independent and specialized appraisers at the end of each year, since no significant changes in the value generated are expected in less than one year.

## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

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(All amounts in thousands of reais unless otherwise stated)

#### 13. Property, plant and equipment

##### a) Parent company

##### Balance breakdown

	Average annual depreciation rates %	12/31/2023			12/31/2022		
		Cost	Accumulated depreciation	Total	Cost	Accumulated depreciation	Total
Land	-	26,003	-	26,003	26,003	-	26,003
Buildings and other properties	3.5%	492,491	(143,374)	349,117	465,029	(128,658)	336,371
Machinery, devices and industrial equipment	10.8%	531,421	(230,641)	300,780	532,779	(214,890)	317,889
Facilities	10.7%	37,613	(28,556)	9,057	34,670	(25,704)	8,966
Furniture and fixtures	11.9%	6,166	(4,440)	1,726	6,238	(4,708)	1,530
Computers and peripherals	28.0%	7,059	(6,387)	672	8,149	(7,554)	595
Vehicles	10.0%	140	(114)	26	222	(150)	72
Other	27.6%	6,551	(4,450)	2,101	7,973	(5,140)	2,833
		<b>1,107,444</b>	<b>(417,962)</b>	<b>689,482</b>	<b>1,081,063</b>	<b>(386,804)</b>	<b>694,259</b>
Construction in progress (a)	-	28,612	-	28,612	26,248	-	26,248
Advances to suppliers	-	3,308	-	3,308	-	-	-
Right-of-use assets in leases (Note 19)	-	62,769	(53,253)	9,516	59,682	(41,011)	18,671
		<b>1,202,133</b>	<b>(471,215)</b>	<b>730,918</b>	<b>1,166,993</b>	<b>(427,815)</b>	<b>739,178</b>

##### Changes in balances

	At December 31, 2022	Additions	Disposals and/or write- offs	Transfers	Depreciation	At December 31, 2023
Land	26,003	-	-	-	-	26,003
Buildings and other properties	336,371	11,717	(38)	16,310	(15,243)	349,117
Machinery, devices and industrial equipment	317,889	8,259	(1,665)	5,498	(29,201)	300,780
Facilities	8,966	606	(30)	2,502	(2,987)	9,057
Furniture and fixtures	1,530	454	(27)	79	(310)	1,726
Computers and peripherals	595	199	-	10	(132)	672
Vehicles	72	-	(33)	-	(13)	26
Other	2,833	86	(7)	-	(811)	2,101
Construction in progress (a)	26,248	26,763	-	(24,399)	-	28,612
Advances to suppliers	-	3,308	-	-	-	3,308
Right-of-use assets in leases (Note 19)	18,671	3,610	(407)	-	(12,358)	9,516
	<b>739,178</b>	<b>55,002</b>	<b>(2,207)</b>	<b>-</b>	<b>(61,055)</b>	<b>730,918</b>



## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

Year ended December 31, 2023

(All amounts in thousands of reais unless otherwise stated)

#### b) Consolidated

##### Balance breakdown

		12/31/2023			12/31/2022		
	Average annual depreciation rates %	Cost	Accumulated depreciation	Total	Cost	Accumulated depreciation	Total
Land	-	26,003	-	26,003	26,003	-	26,003
Buildings and other properties	3.5%	496,595	(146,614)	349,981	469,134	(131,748)	337,386
Machinery, devices and industrial equipment	10.8%	534,544	(233,243)	301,301	535,967	(217,439)	318,528
Facilities	10.7%	38,824	(29,229)	9,595	35,881	(26,286)	9,595
Furniture and fixtures	11.9%	6,262	(4,507)	1,755	6,316	(4,771)	1,545
Computers and peripherals	28.0%	7,412	(6,688)	724	8,494	(7,819)	675
Vehicles	10.0%	160	(124)	36	242	(156)	86
Other	27.6%	6,606	(4,450)	2,156	7,973	(5,140)	2,833
		<b>1,116,406</b>	<b>(424,855)</b>	<b>691,551</b>	<b>1,090,010</b>	<b>(393,359)</b>	<b>696,651</b>
Construction in progress (a)	-	28,612	-	28,612	26,248	-	26,248
Advances to suppliers	-	3,308	-	3,308	-	-	-
Right-of-use assets in leases (Note 19)	-	62,769	(53,253)	9,516	59,682	(41,011)	18,671
		<b>1,211,095</b>	<b>(478,108)</b>	<b>732,987</b>	<b>1,175,940</b>	<b>(434,370)</b>	<b>741,570</b>

##### Changes in balances

	At December 31, 2022	Additions	Disposals and/or write-offs	Transfers	Depreciation	At December 31, 2023
Land	26,003	-	-	-	-	26,003
Buildings and other properties	337,386	11,717	(38)	16,310	(15,394)	349,981
Machinery, devices and industrial equipment	318,528	8,320	(1,753)	5,498	(29,292)	301,301
Facilities	9,595	606	(30)	2,502	(3,078)	9,595
Furniture and fixtures	1,545	472	(27)	79	(314)	1,755
Computers and peripherals	675	223	(11)	10	(173)	724
Vehicles	86	-	(33)	-	(17)	36
Other	2,833	141	(7)	-	(811)	2,156
Construction in progress (a)	26,248	26,763	-	(24,399)	-	28,612
Advances to suppliers	-	3,308	-	-	-	3,308
Right-of-use assets in leases (Note 19)	18,671	3,610	(407)	-	(12,358)	9,516
	<b>741,570</b>	<b>55,160</b>	<b>(2,306)</b>	<b>-</b>	<b>(61,437)</b>	<b>732,987</b>

- (a) The balance at December 31, 2023 comprises construction in progress in the amount of R\$ 28,612 (2022: R\$ 26,248), which is mainly equivalent to investments for the modernization and increase of the production capacity of the Salvador unit, as well as works for improvement and maintenance at the units of Simões Filho, São José dos Campos, Londrina and Fortaleza.

No interest on borrowings was capitalized during the year ended December 31, 2023 (December 31, 2022: R\$ 8,941).

#### c) Depreciation and amortization breakdown

At December 31, 2023 and 2022, the Company recognized in the statement of income costs and expenses with depreciation and amortization, as presented below.

## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

Year ended December 31, 2023

(All amounts in thousands of reais unless otherwise stated)

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Depreciation expenses	(58,201)	(53,204)	(58,583)	(53,600)
Amortization expenses (Note 14)	(1,147)	(1,338)	(1,147)	(1,338)
Expenses with depreciation of deemed cost	(207)	(817)	(207)	(817)
Depreciation and amortization for the year	(59,555)	(55,359)	(59,937)	(55,755)

#### d) Assets pledged as collateral

In the years ended December 31, 2023 and 2022, the Company had property, plant and equipment items pledged as collateral for financial transactions, as shown below:

Description of the items pledged as collateral	Parent company and Consolidated	
	12/31/2023	12/31/2022
Machinery and equipment	210,143	236,630
Buildings	194,003	196,491
Facilities	3,882	3,827
Furniture and fixtures	608	668
Land	7,374	16,377
Construction in progress	13,170	23,512
Other	1,651	2,220
	430,831	479,725

All transactions guaranteed by property, plant and equipment items are associated with borrowings (Note 17) and debentures (Note 18).

## 14. Intangible assets (Parent company and Consolidated)

### Balance breakdown

Average annual amortization rates %	12/31/2023			12/31/2022		
	Cost	Accumulated amortization	Total	Cost	Accumulated amortization	Total
Software and IT systems	21.3					
	60,521	(58,439)	2,082	60,049	(57,292)	2,757
	60,521	(58,439)	2,082	60,049	(57,292)	2,757

### Changes in balances

	At December 31, 2022	Additions	Write-offs	Amortization	At December 31, 2023
Software and IT systems	2,757	472	-	(1,147)	2,082
	2,757	472	-	(1,147)	2,082

## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

Year ended December 31, 2023

(All amounts in thousands of reais unless otherwise stated)

#### 15. Trade payables

Trade payables refer to accounts payable mainly to suppliers of inputs, without financial charges, with terms for settlement between 07 and 120 days.

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Local suppliers	139,643	121,382	139,851	121,540
Foreign suppliers	8,077	-	49,076	-
Supplier finance operations (a)	-	130,629	-	130,629
	<b>147,720</b>	<b>252,011</b>	<b>188,927</b>	<b>252,169</b>

- (a) All supplier finance operations involve solely foreign suppliers and the balance outstanding at December 31, 2022 was settled at the beginning of the year. No new operations have been carried out.

The Company maintains a relationship with partner banks to structure with its main suppliers the supplier finance operation, in which it allocates part of its global limit to this product, making available to suppliers the anticipation of their receivables related to the purchases of raw material by the Company.

In this transaction, suppliers transfer the right to receive the notes to the partner banks in exchange for the early receipt of the note. The bank, in turn, becomes the creditor of the operation and the Company makes the settlement (payment of the original amount) of the note on the same date originally agreed with its supplier. This operation does not change the amounts, nature of the liability, especially, terms, prices or other conditions initially contracted, and does not affect the Company with any financial charges adopted by the financial institution in operations with the suppliers. In addition, no collateral is pledged by the Company.

The Company's Management also considered the guidance of Annual Circular Letter-2023-CVM/SEP, following the qualitative aspects of this matter, and concluded that there are no significant impacts and the Company's gearing ratio is not affected. Accordingly, the Company maintains the liability recognized as "Trade payables".

#### 16. Taxes payable

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
ICMS (a)	14,782	15,529	14,783	15,529
Income tax and social contribution	-	709	110	709
PIS and COFINS	-	-	113	-
INSS withheld	442	219	442	219
ISS withheld	447	398	452	398
Other taxes payable	4,596	708	4,607	770
	<b>20,267</b>	<b>17,563</b>	<b>20,507</b>	<b>17,625</b>

- (a) ICMS due on the shipment of products subject to taxation and prepayments. The amounts payable of regular ICMS, tax substitution and wheat prepayment are recorded in this group. Balances vary according to the monthly volume of shipments, as well as receipts of wheat and products taxed by tax prepayment.

## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

Year ended December 31, 2023

(All amounts in thousands of reais unless otherwise stated)

#### 17. Borrowings (Parent company and Consolidated)

##### Balance breakdown

Nature	Index	Interest rates (p.a.)		Parent company and Consolidated	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
Local currency – R\$					
	Fixed rate and Long-Term Rate (TLP)	-	6% to 7.25%	-	2,193
FINAME (a)	TLP				
FINEM BNDES (a)	TLP	1.92% to 4.26%	1.92% to 4.26%	44,761	52,928
Rural credit	CDI	1.50%	-	71,297	-
Working capital	Fixed rate and CDI	1.50%	3.0% to 4.00%	6,970	61,780
				123,028	116,901
Current				(14,635)	(64,281)
Non-current				108,393	52,620

(a) Guaranteed by statutory lien on the goods and/or promissory note.

The amounts not yet due, in non-current, have the following maturity schedule:

Year	Parent company and Consolidated	
	12/31/2023	12/31/2022
2024	-	18,948
2025	62,951	23,230
2026	45,442	10,442
	108,393	52,620

##### Changes in balances

Description	At	Additions		Amortization		Transfer	At
	12/31/2022	Principal	Interest	Principal	Charges		12/31/2023
Finame / Finem BNDES	10,419	-	4,266	(10,274)	(4,352)	13,115	13,174
Working capital – local currency	53,862	40	4,559	(59,873)	(6,370)	7,946	164
Rural credit	-	-	8,706	-	(7,409)	-	1,297
Total current	64,281	40	17,531	(70,147)	(18,131)	21,061	14,635
Finame / Finem BNDES	44,702	-	-	-	-	(13,115)	31,587
Working capital – local currency	7,918	6,834	-	-	-	(7,946)	6,806
Rural credit	-	70,000	-	-	-	-	70,000
Total non-current	52,620	76,834	-	-	-	(21,061)	108,393
Total	116,901	76,874	17,531	(70,147)	(18,131)	-	123,028

Borrowings contracted with the National Bank for Economic and Social Development (BNDES) require the fulfillment of certain ratios associated with the balance sheet and the statement of income, calculated annually, at the end of the year. At December 31, 2023 and 2022, the Company is compliant with all covenants.

#### 18. Debentures (Parent company and Consolidated)

On December 4, 2018, non-convertible registered, book-entry debentures (3rd issue) were issued with additional real and personal guarantees, in a single series, with intermediation of financial institutions that are part of the securities distribution system. Debentures were received in January 2019. The balance of the unit par value would be amortized in 8 installments, the first on 03/23/2022 and the last on the maturity date (September 23, 2024), but the Company fully amortized the remaining balance of this issue on February 22, 2023.

On October 15, 2021, simple non-convertible debentures (5th issue) were issued in a single series, with real guarantee, for private placement, without the intermediation of institutions that are part of the securities distribution system and/or any effort to sell to investors, through the signing of the Deed by the securitization



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### Notes to the financial statements

Year ended December 31, 2023

(All amounts in thousands of reais unless otherwise stated)

company. The balance of the unit par value will be adjusted monthly by the Amplified Consumer Price Index (IPCA), calculated on exponential and cumulative *pro rata temporis* bases for working days and amortized in monthly installments, the first at the end of the 18th month from the date of issue, and the last on the maturity date (November 12, 2026). Debentures will be entitled to interest on the adjusted unit par value, with monthly payments beginning on December 13, 2022 and ending on November 12, 2026.

On April 15, 2023, the Company performed its 6th issue of simple non-convertible unsecured debentures, in 2 (two) series, with unit par value of R\$ 1,000.00 (one thousand reais) each. The debentures are linked to the single series of the 166th issue of agribusiness receivables certificates of Virgo Companhia de Securitização. The debentures of the first series have a maturity of approximately five years, maturing on April 12, 2028, and the par value will not be monetarily adjusted. The debentures of the second series have a maturity of approximately seven years, maturing on April 11, 2030 and the par value will be adjusted monthly by the IPCA, calculated exponentially and cumulatively on a *pro rata temporis* basis for working days. Payments will be made on a quarterly basis, starting on October 11, 2023 and ending on April 12, 2028 for the first series and on April 11, 2030 for the second series.

#### Balance breakdown

Debentures	Index	Interest rates (p.a.)		Parent company and Consolidated	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
3 <sup>rd</sup> issue (a)	CDI	-	DI rate + 4.5% p.a.	-	79,912
5 <sup>th</sup> issue (a)	IPCA	IPCA + 6.3071% p.a.	IPCA + 6.3071% p.a.	226,530	259,651
6 <sup>th</sup> issue/1 <sup>st</sup> series	CDI	CDI + 1.65% p.a.	-	137,684	-
6 <sup>th</sup> issue/2 <sup>nd</sup> series	IPCA	IPCA + 7.80% p.a.	-	68,112	-
Transaction costs	-	-	-	(16,632)	(13,760)
				415,694	325,803
Current				78,081	51,471
Non-current				337,613	274,332

(a) Guaranteed by statutory lien on assets.

The non-current amounts falling due have the following maturity schedule:

Year	Parent company and Consolidated	
	12/31/2023	12/31/2022
2024	-	139,255
2025	72,950	135,077
2026	123,313	-
2027 onwards	141,350	-
	337,613	274,332

#### Changes in balances

Description	At 12/31/2022	Additions		Amortization		Transfers	At 12/31/2023
		Principal	Interest	Principal	Charges		
3 <sup>rd</sup> issue	11,132	-	2,027	(79,640)	(2,299)	68,780	-
5 <sup>th</sup> issue	43,851	-	26,049	(40,000)	(20,480)	68,571	77,991
6 <sup>th</sup> issue - 1 <sup>st</sup> series	-	-	12,122	-	(8,511)	-	3,611
6 <sup>th</sup> issue - 2 <sup>nd</sup> series	-	-	3,240	-	(2,213)	-	1,027
Transaction costs	(3,512)	(1,036)	-	-	-	-	(4,548)
Total current	51,471	(1,036)	43,438	(119,640)	(33,503)	137,351	78,081
3 <sup>rd</sup> issue	68,780	-	-	-	-	(68,780)	-
5 <sup>th</sup> issue	215,800	-	1,310	-	-	(68,571)	148,539
6 <sup>th</sup> issue - 1 <sup>st</sup> series	-	134,073	-	-	-	-	134,073
6 <sup>th</sup> issue - 2 <sup>nd</sup> series	-	65,927	1,158	-	-	-	67,085
Transaction costs	(10,248)	(1,836)	-	-	-	-	(12,084)
Total non-current	274,332	198,164	2,468	-	-	(137,351)	337,613
Total	325,803	197,128	45,906	(119,640)	(33,503)	-	415,694

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### Notes to the financial statements

Year ended December 31, 2023

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#### Characteristics of the offers

Debentures	3 <sup>rd</sup> issue
Type	Simple, registered, book-entry, non-convertible into shares
Series	Single
Number of securities issued	181
Interest rate	DI rate + 4.5% p.a.
Maturity	09/23/2024
Debentures	5 <sup>th</sup> issue
Type	Simple, registered, book-entry, non-convertible into shares
Series	Single
Number of securities issued	240
Interest rate	IPCA Internal Return Rate + 6.3071% p.a.
Maturity	11/12/2026
Debentures	6 <sup>th</sup> issue - 1 <sup>st</sup> series
Type	Simple, registered, book-entry, non-convertible into shares
Series	Single
Number of securities issued	134
Interest rate	DI rate + 1.65% p.a.
Maturity	04/12/2028
Debentures	6 <sup>th</sup> issue - 2 <sup>nd</sup> series
Type	Simple, registered, book-entry, non-convertible into shares
Series	Single
Number of securities issued	66
Interest rate	IPCA Internal Return Rate + 7.80% p.a.
Maturity	04/11/2030

The Company is required, due to the fifth and sixth issue of debentures, to comply with certain ratios associated with its balance sheet and statement of income, calculated annually, at the end of the year. At December 31, 2023 and 2022, the Company is compliant with all covenants.

#### 19. Leases

The Company has rental agreements classified as leases that fall within the scope of IFRS 16 / CPC 06 (R2), effective as from January 1, 2019.

On the date of initial adoption, the Company recognized the right-of-use asset and the related lease liability, measuring it at the present value of the remaining lease payments, discounted using the incremental rate on borrowings equivalent to 8.69% p.a.

Right-of-use assets and lease liabilities at December 31, 2023 and 2022 are represented as follows:

##### a) Breakdown of right-of-use assets

	Properties	Vehicles	Other	Total
<b>At December 31, 2022</b>	11,653	6,974	44	18,671
Additions	1,275	2,335	-	3,610
Write-offs	(10)	(397)	-	(407)
Depreciation	(9,235)	(3,112)	(11)	(12,358)
<b>At December 31, 2023</b>	<b>3,683</b>	<b>5,800</b>	<b>33</b>	<b>9,516</b>

## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

Year ended December 31, 2023

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#### b) Breakdown of lease liabilities

	Properties	Vehicles	Other	Total
<b>At December 31, 2022</b>	13,102	7,242	-	20,344
Additions	1,274	2,335	-	3,609
Write-offs	-	(413)	-	(413)
Interest incurred	825	953	-	1,778
Payments	(10,973)	(3,842)	-	(14,815)
<b>At December 31, 2023</b>	<b>4,228</b>	<b>6,275</b>	<b>-</b>	<b>10,503</b>
Current	3,833	3,685	-	7,518
Non-current	395	2,590	-	2,985

#### c) Lease liability schedule

	12/31/2023	12/31/2022
Installments maturity		
2024	8,318	13,843
2025	2,700	6,895
2026	469	1,946
Undiscounted amounts	11,487	22,684
Embedded interest	(984)	(2,340)
Lease liability balance	10,503	20,344

#### d) Potential PIS and COFINS credits

The consideration payments made by the Company generate the right to PIS and COFINS credits. In this sense, the cost of the right-of-use asset recognized as a corresponding entry to the lease liability, duly adjusted to present value, includes a potential future tax credit right, to be appropriated to profit or loss for the year through the depreciation of the leased assets over the lease term.

The potential right to PIS/COFINS recoverable included in the lease payments, according to the expected payment periods, is as follows:

Cash flows	Nominal	Adjusted to present value
Lease payments	11,488	10,503
Potential PIS/COFINS (9.25%)	1,063	972

#### e) Supplementary disclosure CPCo6 (R2)

In accordance with CIRCULAR LETTER/CVM/SNC/SEP/No. 02/2019, the Company adopted as an accounting policy the requirements of CPCo6 (R2) in the measurement and remeasurement of its right-of-use assets, using the discounted cash flow method, without considering inflation.

According to the guidance of said circular letter, the liability balances without inflation are provided, effectively accounted for (actual flow x nominal rate), and the estimate of balances subject to inflation effects in the comparison periods (nominal flow x nominal rate).

	Actual flow		Flow with inflation effects	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Leases	10,503	20,344	15,360	21,012
	10,503	20,344	15,360	21,012

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### Notes to the financial statements

**Year ended December 31, 2023**

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Other assumptions, such as the maturity schedule of the liabilities and interest rates used in the calculation, are disclosed in other items of this same note, as well as the inflation indexes are observable in the market, so that the nominal flows can be prepared by the users of the financial statements.

f) Document of Revision of Technical Pronouncements 16, referring to CPCo6 (R2)

With respect to CVM Resolution 859 of July 7, 2020, which approved and made mandatory, for corporations, the Document of Revision of Technical Pronouncements 16, the Company clarifies that it did not obtain benefits related to the Covid-19 in its lease agreements.

## 20. Provision for contingencies

The Group is a party to several tax, labor and civil lawsuits and administrative proceedings resulting from the normal course of its business. The Company's Management believes that the provision for contingencies recorded is sufficient to cover any losses on the lawsuits.

The provisions for contingencies were recorded for proceedings with a likelihood of loss considered probable, based on the opinion of the Company's lawyers and legal counsel.

The unfavorable outcome of its lawsuits, whether individually or in aggregate, will not have a material adverse effect on the Company's financial conditions or businesses.

The table below shows the changes in the provisions for contingencies:

	<b>Parent company and Consolidated</b>			
	<b>Tax (a)</b>	<b>Labor (b)</b>	<b>Civil and administrative (c)</b>	<b>Balance</b>
At December 31, 2021	2,035	10,276	3,045	15,356
Provisions	548	1,169	223	1,940
Financial charges	106	949	254	1,309
Reversal of provisions	(505)	(309)	(181)	(995)
Payments	(418)	(2,666)	(801)	(3,885)
At December 31, 2022	1,766	9,419	2,540	13,725
Provisions	<b>1,449</b>	<b>2,819</b>	<b>427</b>	<b>4,695</b>
Financial charges	<b>154</b>	<b>794</b>	<b>176</b>	<b>1,124</b>
Payments	<b>(709)</b>	<b>(3,769)</b>	<b>(57)</b>	<b>(4,535)</b>
<b>At December 31, 2023</b>	<b>2,660</b>	<b>9,263</b>	<b>3,086</b>	<b>15,009</b>

a) Tax

Most of the Group's tax contingencies refers to (i) disallowance of ICMS credits due to tax war; (ii) disallowance of PIS/COFINS import credits obtained through court ruling; (iii) assessment notice arising from the use of income tax and social contribution losses after merger; and (iv) undue exclusions of federal taxes payable in installments.

b) Labor

The main issues involved in the individual labor actions in progress against the Group refer to overtime and its charges, salary differences arising from equalization and claims for indemnification for property damage and pain and suffering arising from work accidents and/or occupational disease, as well as discussions regarding severance pay.

Judicial deposits for the payment of tax rulings and deposits for appeal totaled R\$ 3,426 at December 31, 2023 (2022: R\$ 3,760). There are no provisions with assets as guarantee in the labor area.



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### Notes to the financial statements

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#### c) Civil and administrative

Most of the claims in which the Group is a defendant refers to actions of commercial representatives and charges based on various reasons.

The Company is the plaintiff in certain declaratory judgment actions for the nullity of notes and the interruption of protests, among others, for which it is probable that future economic benefits will flow to the Company, the related outstanding amount at December 31, 2023 is R\$ 732 (2022: R\$ 637).

The Group has contingent liabilities that do not require recording in the books, pursuant to the current standards, since they are classified by Management and its legal advisors as a possible risk of loss. These contingencies are presented below:

	Parent company and Consolidated	
	12/31/2023	12/31/2022
Tax	301,789	275,968
Labor	21,858	23,232
Civil	16,487	17,149
	<b>340,134</b>	<b>316,349</b>

The main tax claims, classified as possible loss and amounting over R\$ 10,000, are detailed below:

Plaintiff: Brazilian Federal Revenue Service

- I. Tax assessment notice with fine (Proceeding 18220.726610/2021-41) in the amount of R\$ 21,694, arising from the unauthorized offset in Administrative Tax Proceeding (PAF) 10380.908060/2019-17, referring to the request to offset credits of PIS/COFINS on imports. Proceeding pending judgment at the administrative level.
- II. Action for Annulment (Proceeding 0817443-64.2021.4.05.8100) against the collection of the debit controlled by IRPJ and CSLL Assessment Notice 10380.732850/2012-49, totaling R\$ 29,602, related to calendar years 2007 and 2008, due to the improper offset of income tax and social contribution losses related to the merger of J. Macêdo S.A. into Águia S.A. Proceeding pending judgment at the judicial level.
- III. Action for Annulment (Proceeding 0818046-40.2021.4.05.8100), in the amount of R\$ 15,814, against the exclusion of the company from the Tax Recovery Program (REFIS) under "Law 11,941 - RFB - other debits art. 1" and its extension by Law 12,865, both settled in advance with the Request for Early Settlement (RQA). Proceeding pending judgment at the judicial level.

Plaintiff: State of São Paulo

- I. Tax foreclosure arising from the ICMS assessment notice (Proceeding 0019881-14.2009.8.26.0562), in the amount of R\$ 26,498, referring to alleged shipments of wheat flour to general warehouse and import of wheat partially destined for other States. Proceeding pending judgment at the judicial level.
- II. Tax foreclosure (Proceeding 1500148-30.2015.8.26.0577), in the amount of R\$ 30,290, arising from Assessment Notice filed claiming: (i) delivery of magnetic files with alleged information errors; and (ii) improper credit due to the calculation used for the exempt shipments. Proceeding pending judgment at the judicial level.

Plaintiff: Finance Department of the State of Rio de Janeiro

- I. Tax foreclosure (Proceeding 0060107-87.2009.8.19.0002) arising from the assessment notice filed by the State of Rio de Janeiro, in the amount of R\$ 32,696, resulting from an alleged lack of payment of ICMS due on the import of wheat grains that resulted in wheat bran. Proceeding pending judgment at the judicial level.

## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

**Year ended December 31, 2023**

**(All amounts in thousands of reais unless otherwise stated)**

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Plaintiff: State of Pará

- I. Tax assessment notice (Proceeding 182023510000063-7), in the amount of R\$ 14,023, arising from the exclusion of the Distribution Center in Pará, which would give rise to an increase in the MVA to 150% (applicable to interdependent companies and not to branches of the same company). Years 2018 to 2021. Proceeding pending judgment at the administrative level.
- II. Tax assessment notice (Proceeding 182023510000089-0), in the amount of R\$ 10,501, arising from the collection of ICMS-ST on shipments of goods that were already paid upon receipt. There is another assessment notice for collection on receipts (182023510000063-7). Proceeding pending judgment at the administrative level.
- III. Tax assessment notice (Proceeding 182023510000091-2), in the amount of R\$ 11,713, arising from the collection of ICMS- ST on shipments of goods that were already paid upon receipt. There is another assessment notice for collection on receipts (182023510000063-7). Proceeding pending judgment at the administrative level.

## 21. Government subsidies (Parent company)

In the year ended December 31, 2023, the Company obtained R\$ 230,036 in state subsidies (2022: R\$ 223,542).

As regards federal subsidies, at December 31, 2023, the Company used as basis the calculation of the operating profit ("Lucro da Exploração"), which generated a decrease in IRPJ of R\$ 13,542 (2022: 11,464).

The federal and state subsidies are described below:

### a) SUDENE (federal)

The Company is a tax incentive beneficiary, which represents a reduction of 75% in income tax and surtaxes for ten (10) years to: (i) the processing of wheat for the Fortaleza unit (from 2018 to 2027); (ii) manufacture of pasta and cake mixes (from 2018 to 2027); (iii) processing of wheat and its by-products (from 2023 to 2032) for the Salvador unit; (iv) manufacture of biscuits (from 2017 to 2026); and (v) pasta (from 2022 to 2031) for the Simões Filho unit. The Company's incentives are calculated on the operating profit resulting from the total modernization of its installed capacity and diversification, being recognized monthly, in profit or loss for the year, on the date of calculation.

The rules governing the tax benefit of income tax reduction, pursuant to articles 13 and 14 of Law 4,239 of September 27, 1963, Decree 64,214/69 and subsequent changes, establish that the beneficiary companies must annually update their claims in the Superintendency for the Development of the Northeast (SUDENE), in order to obtain an annual statement to prove compliance with the Brazilian Federal Revenue Service. The Company is compliant in SUDENE.

### b) PROVIN (State of Ceará)

J. Macêdo S.A. is a beneficiary of the state tax incentive related to the Industrial Development Incentive Program (PROVIN), which establishes the deferral of 75% of the ICMS calculated monthly, levied on monthly receipts of wheat grain at the establishment, to the time of shipment of flours and wheat flour mixtures, for 120 months, from January 2005 to December 2014, and extended from January 2015 to December 2024. As from February 2016, the payment of deferred ICMS decreased from 15% to 1% of the financed portion, maintaining the adjustment by the Long-Term Interest Rate (TJLP) at the end of the 24-month grace period, the difference (99%) is recorded in the profit or loss for the year, as reduction of the ICMS expense account (or cost).

## **J. Macêdo S.A. and its subsidiaries**

### **Notes to the financial statements**

**Year ended December 31, 2023**

**(All amounts in thousands of reais unless otherwise stated)**

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c) DESENVOLVE (State of Bahia)

The Company is a beneficiary of the Program for Industrial Development and Economic Integration (DESENVOLVE), according to Resolution of the Decision-Making Body of DESENVOLVE No. 43, of September 17, 2005, and subsequent modifications defined by Resolutions No. 86, of November 1, 2006, No. 96, of August 30, 2008, No. 59, of August 26, 2009, and No. 183, of December 17, 2013.

The program aims to grant tax incentives related to ICMS, by postponing the deadline for its payment within 72 (seventy-two) months, or debt waiver by paying the residual amount until the 20th day of the month following the calculation. Moreover, the DESENVOLVE rules were granted to J.Macêdo up to November 2025.

The funds with incentives to the industrial unit are obtained through the application of a discount, when the tax is due, of up to 81% of the normal ICMS due to the State of Bahia, as generated in the operations of the said unit.

In September 2016, the government of Bahia introduced a condition for granting and maintaining tax benefits and incentives, conditioning the Company's benefit to the payment of the State Fund to Fight and Eradicate Poverty (FECEP) from September 2016 to December 2018, which was extended until December 31, 2026 through Decree 21,716 of 11/08/2022. FECEP is considered a charge and corresponds to 10% of the benefit used based on the ICMS discount obtained on the date of the early settlement of the tax installment, whose deadline has been extended.

d) Deemed credit (State of Bahia)

J. Macêdo S.A. has the deemed credit benefit of 16.67% on the shipments of cake mixes, dessert powder and yeast in interstate operations, and reduction of the ICMS calculation basis by 41.18% for the same items in internal operations.

e) Credit granted (State of Goiás)

J.Macêdo S.A. has the benefit of credit granted of 3% on interstate shipments taxed at 12%.

f) Deemed credit (State do Paraná)

J. Macêdo S.A. has the benefit of deemed credit on wheat shipments in the following cases: 10% - shipments to MG, RJ and SP; and 5% - shipments to PR, and other interstate shipments taxed at 12%.

g) Credit granted (State of São Paulo)

J. Macêdo S.A. has the benefit of credit granted of 7% on internal shipments of wheat flour and pasta.

h) Credit granted (State of Pernambuco)

J. Macêdo S.A. has the benefit of credit granted of 3% on transfer receipts and interstate shipments of baking mixes, yeast and desserts.

i) Deemed credit (State of Minas Gerais)

J. Macêdo S.A. has a deemed credit incentive, obtained through the Special System, for branches established in the State of Minas Gerais. The deemed credit is calculated to reduce to zero the tax burden on shipments of wheat flour milled in the State to the Moinho branch.

In 2023, two adjustments were made to the incentive reserves: (i) tax adjustment in the state incentives referring to 2019, resulting only in the decrease of the income tax and social contribution losses, without an accounting impact, in the amount of R\$ 71,954 referring to PROVIN and DESENVOLVE; and (ii) accounting adjustment to the federal tax incentives reserve referring to 2022 due to a reduction in the operating profit incentive of R\$ 13 thousand.

## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

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(All amounts in thousands of reais unless otherwise stated)

The table below summarizes the federal and state incentives used, which totaled R\$ 879,389 for the year ended December 31, 2023.

	Tax incentives			Tax incentives reserve			
	Federal	State (a)	Total	Recorded	Adjustment between reserves	Absorption of losses	Reserve recorded
2003 to 2018	8,517	456,461	464,978	(379,154)	-	-	(379,154)
2019	-	-	-	-	-	69,148	69,148
2020	-	134,124	134,124	(102,976)	(3,427)	-	(106,403)
2021	-	182,265	182,265	-	-	-	-
2022	11,464	223,542	235,006	(11,464)	-	-	(11,464)
<b>2023</b>	<b>13,542</b>	<b>230,036</b>	<b>243,578</b>	<b>(173,736)</b>	<b>(277,780)</b>	-	<b>(451,516)</b>
	<b>33,523</b>	<b>1,226,428</b>	<b>1,259,951</b>	<b>(667,330)</b>	<b>(281,207)</b>	<b>69,148</b>	<b>(879,389)</b>

- (a) At December 31, 2023, the amount of R\$ 230,036 represents all the state ICMS incentives, not limited to the investment subsidies with mandatory recording of a tax incentives reserve.

## 22. Equity (Parent company)

### a) Share capital

The Company's subscribed and paid-up capital at December 31, 2023 and 2022 is represented as follows:

	12/31/2023	12/31/2022
Share capital	<b>132,042</b>	132,042
Registered shares - Number:		
Common	<b>10,674,856</b>	10,674,856
Preferred - class A	<b>8,691,558</b>	8,691,558
Preferred - class B	<b>1,296</b>	1,296
	<b>19,367,710</b>	19,367,710

The Company's authorized capital comprises 200,000,000 shares, of which 100,000,000 are common shares and 100,000,000 are preferred shares, registered and with no par value, and may be increased without amending the bylaws, as decided by the Board of Directors, through the capitalization of reserves, with or without change in the number of shares.

### b) Revenue reserve - federal and state tax incentives

Refers to the federal tax incentive of income tax reduction and state ICMS incentive (Note 21).

### c) Other comprehensive income

i) Cumulative translation adjustments: The cumulative translation adjustments are represented by foreign exchange variations of investments abroad.

ii) Post-employment benefits: health care benefit to former employees retired and terminated without just cause or former employees terminated without just cause, as long as the requirements of Law 9,656/98 are complied with (Note 26 b).

### d) Profit allocation

The profit for the year, after deduction of any accumulated losses, should be allocated as follows:

- 5% to the legal reserve, limited to 20% of share capital;



## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

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(All amounts in thousands of reais unless otherwise stated)

- 25% as dividends, as provided for in the bylaws, adjusted according to art. 202 of Law 6,404/76, for distribution to the stockholders as mandatory dividends, considering the priority of preferred shares.
- The balance, if any, and unless otherwise decided at the General Meeting, will be allocated to a reserve for the expansion of activities according to the proposal of the Board of Directors to be approved at the General Meeting, and to strength the working capital, the total of which cannot exceed the capital value.

	<b>Parent company</b>	
	<b>2023</b>	<b>2022</b>
Profit for the year	423,568	317,857
(+/-) Carrying value adjustment	116	247
(-) Revenue reserves: tax incentives	(173,736)	(11,464)
Dividend calculation basis	249,948	306,640
Minimum mandatory dividends	(62,487)	(76,660)
Supplementary dividends	-	(124,347)
(-) Interest on capital calculated	(77,788)	-
IRRF on interest on capital	11,668	-
Interest on capital - minimum mandatory limit	(62,487)	-
Interest on capital – exceeding the minimum mandatory	(3,633)	-
Payment to stockholders, net of IRRF	(66,120)	(201,007)
Profits to be allocated	172,160	105,633
(-) Profit retention reserve	-	(105,633)
(-) Tax incentive reserve	(172,160)	-

At December 31, 2023, the balance of profits after the calculation of interest on capital, in the amount of R\$ 172,160, was fully allocated to the tax incentives reserve, to be approved at the Ordinary General Meeting to be held in 2024. The balance of R\$ 105,633 at December 31, 2022 was reclassified in 2023 from the profit retention reserve to the tax incentive reserve.

The balance of dividends and interest on capital payable in current liabilities, in the amount of R\$ 101,406, will be paid in 2024 and refers to the dividends remaining from prior years, amounting to R\$ 80,095, and the balance of interest on capital payable, in the net amount of R\$ 21,311.

#### e) Earnings per share

The basic and diluted earnings per share at December 31, 2023 were calculated based on the profit attributable to holders of common and preferred shares, and the respective number of outstanding shares, according to the table below:

	<b>2023</b>	<b>2022</b>
Profit attributable to the Company's stockholders	<b>423,568</b>	317,857
Number of outstanding shares (thousands)	<b>19,368</b>	19,368
Basic and diluted earnings per share - R\$	<b>21.86980</b>	16.41170

## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

Year ended December 31, 2023

(All amounts in thousands of reais unless otherwise stated)

#### 23. Other payables

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Freights payable	23,121	21,095	23,121	21,095
Provision for officers' bonuses	18,667	15,000	18,667	15,000
Amounts and agreements with customers	12,977	9,894	12,977	9,894
Provision for losses on tax credits	8,067	-	8,067	-
Provision for success fees	2,965	3,053	2,965	3,053
Other payables	3,723	3,767	3,293	4,526
	69,520	52,809	69,090	53,568
Current	(58,488)	(49,756)	(58,058)	(50,514)
Non-current	11,032	3,053	11,032	3,054

#### 24. Net sales revenue

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Gross sales	3,578,259	3,304,804	3,666,789	3,310,541
(-) Taxes	(309,622)	(293,833)	(310,804)	(294,728)
(-) Returns	(22,252)	(15,553)	(22,252)	(15,553)
(-) Rebates and other	(113,200)	(86,286)	(113,200)	(86,286)
Net sales revenue	3,133,185	2,909,132	3,220,533	2,913,974

#### 25. Operating costs and expenses

##### a) By nature

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2022	12/31/2022
Raw materials and packaging	(1,792,490)	(1,791,061)	(1,872,851)	(1,794,629)
Personnel	(300,310)	(265,035)	(302,610)	(265,180)
Third-party services and freight	(289,430)	(246,120)	(290,091)	(246,541)
Energy, water and sewage	(71,433)	(65,322)	(71,433)	(65,326)
Depreciation and amortization	(59,555)	(55,359)	(59,937)	(55,755)
Other	(131,439)	(91,695)	(132,181)	(92,415)
	(2,644,657)	(2,514,592)	(2,729,103)	(2,519,846)

##### b) By function

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Cost of sales	(2,134,383)	(2,093,526)	(2,216,807)	(2,097,490)
Selling expenses	(381,565)	(303,204)	(381,565)	(303,204)
General and administrative expenses (a)	(128,709)	(117,862)	(130,731)	(119,152)
	(2,644,657)	(2,514,592)	(2,729,103)	(2,519,846)

(a) Include general and administrative expenses, management fees, depreciation and amortization.

## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

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(All amounts in thousands of reais unless otherwise stated)

#### 26. Employee benefits

##### a) Short-term benefits

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
Wages and salaries	(91,499)	(82,968)	(91,834)	(84,372)
Social security costs	(40,764)	(35,110)	(40,796)	(35,528)
Profit sharing	(16,897)	(15,563)	(16,897)	(15,563)
	<u>(149,160)</u>	<u>(133,641)</u>	<u>(149,527)</u>	<u>(135,463)</u>

##### b) Post-employment benefits

Some of the Group companies offer health care benefit to former employees retired and terminated without just cause or former employees terminated without just cause, as long as the requirements of Law 9,656/98 are complied with, especially articles 30 and 31, as well as the contractual provisions in force in the collective agreement established. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as that used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income. These obligations are assessed annually by independent qualified actuaries.

Annually, the Company contracts a consulting firm to assess the actuarial liability, based on the rules established in Technical Pronouncement CPC 33 (R1) – Employee Benefits, issued by the Brazilian Accounting Pronouncements Committee (CPC), attached to CVM Resolution 110/22, related to the Extension of Health Coverage arising from articles 30 and 31 of Law 9,656/98, and employees on leave.

At December 31, 2023, the actuarial liability net of the defined benefit plan was measured at R\$ 3,582 (2022: R\$ 3,034), against R\$ 11,559 (2022: R\$ 11,392) in other comprehensive income. Consequently, in 2023 there was a net debt effect of R\$ 381 referring to the cost of the current service and interest on actuarial obligation (2022: R\$ 366).

#### 27. Other income (expenses), net

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
Taxes payable in installments - PRLF (a)	(6,537)	-	(6,537)	-
Net contingencies	(5,328)	(1,882)	(5,328)	(1,882)
Changes in the fair value of investment properties	(4,390)	911	(4,390)	911
Result from the sale/write-off of assets	(2,016)	(1,519)	(2,016)	(1,519)
Fines	(981)	(929)	(981)	(929)
Deductibles / Insurance	(934)	(732)	(934)	(732)
Post-employment benefit	(73)	(20)	(73)	(20)
Success fees	89	116	89	116
Previous periods' credits	2,539	1,846	2,539	1,846
Other income (expenses), net	(2,842)	(4,649)	(3,254)	(4,465)
	<u>(20,473)</u>	<u>(6,858)</u>	<u>(20,885)</u>	<u>(6,674)</u>

- (a) Joint Ordinance PGFN / RFB 1/2023 was published in the Federal Official Gazette (DOU) of January 12, 2023, which introduced the Program for Reduction of Tax Litigation (PRLF), establishing conditions for the exceptional transaction in debt collection. The Company enrolled in the aforementioned payment in installments including 17 proceedings, under sub-item I of article 10, with payment in cash and use of tax losses.

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#### 28. Finance income (costs)

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Finance income				
Income from financial investments	31,731	18,830	31,731	18,830
Monetary and foreign exchange gains	11,278	24,015	11,278	24,015
Adjustment to market value (derivatives)	5,532	8,557	5,532	8,557
Other finance income	-	25	-	183
	<b>48,541</b>	<b>51,427</b>	<b>48,541</b>	<b>51,585</b>
Finance costs				
Interest on borrowings	(63,438)	(61,255)	(63,438)	(61,255)
Other interest expenses	(5,113)	(3,791)	(6,940)	(9,352)
Adjustment to market value (derivatives)	(4,900)	(15,553)	(4,900)	(15,553)
Monetary and foreign exchange losses	(4,640)	(24,843)	(4,640)	(24,843)
Transaction costs appropriated	(4,328)	(3,541)	(4,328)	(3,541)
Bank fees	(384)	(325)	(384)	(325)
Other finance costs	(8,142)	(4,438)	(7,980)	(4,482)
	<b>(90,945)</b>	<b>(113,746)</b>	<b>(92,610)</b>	<b>(119,351)</b>
Finance income (costs)	<b>(42,404)</b>	<b>(62,319)</b>	<b>(44,069)</b>	<b>(67,766)</b>

#### 29. Financial instruments and risk management

##### a) Financial instruments (Parent company and Consolidated)

##### *Fair value*

The fair values of the Group's financial assets were estimated based on information available in the market and appropriate valuation methodologies. However, considerable judgment was required in the interpretation of market data to estimate the most adequate realizable value. Accordingly, the estimates below do not necessarily indicate the amounts that may be realized in the current exchange market. The use of different market methodologies can have a material effect on the estimated realizable values.

Financial assets and liabilities are classified as subsequently measured at amortized cost or at fair value through profit or loss.

The Company has swap contracts measured at fair value through profit or loss.

The fair values of financing recorded in the financial statements approximate their carrying amounts since most of the transactions earn floating interest rates and the investments have immediate availability.

The fair value of financial assets and liabilities is included in the amount by which the instrument could be exchanged between parties willing to negotiate, and not in a forced sale or settlement. At December 31, 2023 and 2022, financial assets and liabilities were as follows:

	Parent company			
	Carrying amount		Fair value	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
<b>Financial assets:</b>				
<u>Fair value through profit or loss</u>				
Banks - checking account	2,760	13,246	2,760	13,246
Cash equivalents	334,536	136,331	334,536	136,331
<u>Amortized cost</u>				
Trade receivables	371,628	352,347	371,628	352,347
Loans and receivables with related parties	4,177	2,336	4,177	2,336
<b>Derivative financial assets</b>				
<u>Fair value through profit or loss</u>				
Swaps	29,157	16,375	29,157	16,375
	<b>742,258</b>	<b>520,635</b>	<b>742,258</b>	<b>520,635</b>

## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

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#### Financial liabilities:

##### Amortized cost

Trade payables	147,720	252,011	147,720	252,011
Borrowings	123,028	116,901	129,442	138,746
Debentures	415,694	325,803	422,808	336,544
Leases	10,503	20,344	10,503	20,344
Borrowings and other accounts payable to related parties	1,188	1,188	1,188	1,188

#### Derivative financial liabilities

##### Fair value through profit or loss

Swap	7,408	8,040	7,408	8,040
	<b>705,541</b>	<b>724,287</b>	<b>719,069</b>	<b>756,873</b>

#### Consolidated

	<u>Carrying amount</u>		<u>Fair value</u>	
	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
<b>Financial assets:</b>				
<u>Fair value through profit or loss</u>				
Banks - checking account	23,022	34,207	23,022	34,207
Cash equivalents	334,629	136,636	334,629	136,636
<u>Amortized cost</u>				
Trade receivables	453,684	352,534	453,684	352,534
Loans and receivables with related parties	-	2,336	-	2,336
<b>Derivative financial assets</b>				
<u>Fair value through profit or loss</u>				
Swaps	29,157	16,375	29,157	16,375
	<b>840,492</b>	<b>542,088</b>	<b>840,492</b>	<b>542,088</b>

#### Financial liabilities:

##### Amortized cost

Trade payables	188,927	252,169	188,927	252,169
Borrowings	123,028	116,901	129,442	138,746
Debentures	415,694	325,803	422,808	336,544
Leases	10,503	20,344	10,503	20,344

#### Derivative financial liabilities

##### Fair value through profit or loss

Swaps	7,408	8,040	7,408	8,040
	<b>745,560</b>	<b>723,257</b>	<b>759,088</b>	<b>755,843</b>

### b) Financial risk management objectives and policies

The Group's main financial liabilities, other than derivatives, refer to borrowings, debentures and trade payables. The main purpose of such financial liabilities is to raise funds to finance the Group's operations. The Group's main financial assets include trade receivables and cash and cash equivalents that result directly from its operations.

The Group is exposed to market, credit, and liquidity risk. These risks are overseen by the senior management. The Board of Directors assures the Company's senior management that the activities posing financial risks are regulated by proper policies and procedures, and that these financial risks are detected, assessed and managed in accordance with the Group's policies.

The Group does not use derivatives for speculative purposes. The Board of Directors reviews and establishes policies for the management of each of the risks summarized below.

### c) Market risk

Market risk is the risk that the fair value of the future cash flows of a financial investment fluctuates due to changes in market prices. Changes in market conditions that give rise to market risk include changes in the reference interest rate, price of a financial instrument of another entity, commodity price, foreign exchange rate, price index or rates. Financial instruments affected by market risk include financial investments, borrowings, debentures, derivatives and trade payables.

The sensitivity analyses were prepared based on the value of the net debt and the ratio of fixed interest rates in relation to variable interest rates for the debt at December 31, 2023 and 2022.



## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

Year ended December 31, 2023

(All amounts in thousands of reais unless otherwise stated)

The following assumption was adopted in the calculation of the sensitivity analyses: the sensitivity of the related item of the statement of income is the effect of the changes presumed according to the respective market risks. These analyses were based on financial assets and liabilities held at December 31, 2023 and 2022.

In the probable scenario evaluated by Management, it considered the maintenance of the maturity of each of the operations of the current indicators based on market curves (currency and interest) of B3, as well as data available from independent sources, such as the Brazilian Institute of Geography and Statistics (IBGE), the Brazilian Central Bank and FGV. Thus, in the probable scenario, there is no significant impact on the fair value of derivative financial instruments.

According to Annual Circular Letter CVM/SEP, a deterioration of 25% and 50%, respectively, was considered in the risk variables.

#### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to changes in market interest rates primarily relates to long-term liabilities subject to floating interest rates, especially the CDI, TJLP and IPCA.

On December 15, 2021, the Company contracted a swap operation for the balance outstanding on that date, referring to the 5th issue of Debentures, aiming to replace the variation of 100% of IPCA (linear 252 basis) plus the average fixed rate with a variation of 100% of the CDI (exponential 360 basis) plus the average fixed rate. At December 31, 2023, the balances of this derivative financial instrument are shown below:

December 31, 2023	Notional value (R\$)	Fair value		Profit (loss) for the year
		Derivative financial assets	Derivative financial liabilities	
Derivative financial instruments	242,726	29,157	7,408	632

In year ended December 31, 2023, the Company recorded finance income of R\$ 632 (December 31, 2022: finance costs of R\$ 6,996).

At the reporting date, the profile of the Group's financial instruments earning interest was as follows:

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
<b><u>Fixed-rate instruments</u></b>				
Financial liabilities				
Borrowings	-	(120)	-	(120)
	-	(120)	-	(120)
<b><u>Floating-rate instruments</u></b>				
Financial assets				
Cash equivalents	334,536	136,331	334,629	136,636
Derivatives	29,157	16,375	29,157	16,375
Financial liabilities				
Borrowings	(123,028)	(116,781)	(123,028)	(116,781)
Debentures	(415,694)	(325,803)	(415,694)	(325,803)
Derivatives	(7,408)	(8,040)	(7,408)	(8,040)
	(182,437)	(297,918)	(182,344)	(297,613)

#### *Fair value sensitivity analysis for fixed interest rate instruments*

The Group does not account for any fixed interest rate financial asset or liability at fair value through profit or loss and does not designate derivatives (interest rate swaps) as hedging instruments under a fair value

## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

Year ended December 31, 2023

(All amounts in thousands of reais unless otherwise stated)

hedge accounting model. Therefore, a change in interest rates at the reporting date would not change the result.

#### *Fair value sensitivity analysis for floating interest rate instruments*

The table below shows the sensitivity to a potential change in interest rates, maintaining all other variables unchanged in the Company's pre-tax profit (it is affected by the impact of borrowings payable subject to floating rates).

	Increase/(decrease) in %	Effect on profit before taxes
<b>12/31/2023</b>	<b>(25%)</b> <b>(50%)</b>	<b>(8,723)</b> <b>(17,446)</b>
<b>12/31/2022</b>	<b>(25%)</b> <b>(50%)</b>	<b>(10,102)</b> <b>(20,204)</b>

#### *Foreign exchange risk*

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument fluctuates due to changes in exchange rates. The Group's exposure to the risk of variations in foreign exchange rates refers mainly to the operating activities with foreign suppliers.

#### *Operating activities*

In general, the Group hedges 80% to 100% of its expected exposure to foreign currency in relation to its wheat purchases made for the next three months. The Group is not exposed to foreign currency in trade receivables and the main trade payables in foreign currency refer to wheat.

#### *Foreign exchange exposure*

At December 31, 2023, the Group did not have outstanding balances of borrowings in foreign currency, its only exposure was related to trade payables. The Group's net exposure is as follows:

	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Foreign suppliers	8,077	-	49,076	-
Supplier finance operations	-	130,629	-	130,629
Net exposure	8,077	130,629	49,076	130,629

	Increase/(decrease) in %	Effect on profit before taxes	
		Parent company	Consolidated
<b>12/31/2023</b>	<b>25%</b> <b>50%</b>	<b>2,019</b> <b>4,039</b>	<b>12,269</b> <b>24,538</b>
<b>12/31/2022</b>	<b>25%</b> <b>50%</b>	<b>32,657</b> <b>65,315</b>	<b>32,657</b> <b>65,315</b>

#### *Commodity price risk*

The Company is affected by the volatility in the prices of certain commodities. Its operating activities require acquisition of wheat and sugar for the production of flour, pasta, cake mixes, biscuits and desserts. To hedge

## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

Year ended December 31, 2023

(All amounts in thousands of reais unless otherwise stated)

against price instabilities in these commodities, mostly due to possible impacts of weather phenomena, geographical conflicts and government interventions, the Company has developed and implemented a strategy for the management of the commodity price risk.

The Company actively monitors the variation in the price of wheat and sugar in the international and domestic markets, maintaining inventory coverage of its main inputs, adjusting its price policies to market changes.

Whenever necessary, the Company seeks protection from the high prices by prolonging its inventories, signing supply contracts with fixed prices in advance and repositioning its sales prices, as well as operating with wheat purchase contracts for payment and future delivery.

#### *Credit risk*

Credit risk is the risk that a counterparty to a transaction does not fulfill an obligation established in a financial instrument or contract with a customer, leading to a financial loss.

The Company is exposed to credit risk in its operations (primarily in relation to trade receivables), including deposits at banks and financial institutions.

#### *Trade receivables*

The credit risk of the customer is managed by procedures, controls and policies established by the Company. Credit limits are set for all customers based on internal ratings. The customer's credit quality is assessed through a credit policy tailored to market conditions.

At December 31, 2023, the Company had 18 customers (December 31, 2022: 16 customers) owing more than R\$ 3,000 each and responsible for 61% (December 31, 2022: 59%) of all receivables. Of the Company's active customers, 73.23% (December 31, 2022: 70.27%) have been operating for more than two years, and no impairment loss has been recognized for these customers. When monitoring credit risk, customers are grouped by their credit characteristics, including whether they are wholesalers, retailers or other customers. Customers that are classified as "high risk" are placed on a list of restricted customers and monitored by the risk management committee, and sales to them are made only with payment in cash. There were no significant changes in the Company's credit policy. The maximum exposure to credit risk for receivables at the reporting date by type and customer dependency was:

Credit risk – type of customer	Parent company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Customers – wholesale	333,178	320,322	333,178	320,322
Customers – retail	51,140	43,742	51,140	43,742
Other customers	5,979	3,798	88,035	3,985
	<b>390,297</b>	<b>367,862</b>	<b>472,353</b>	<b>368,049</b>

Credit risk – portfolio concentration	Consolidated			
	12/31/2023	%	12/31/2022	%
Largest customer	80,404	17.0	89,987	24.4
2 <sup>nd</sup> to 11 <sup>th</sup> largest customers	132,037	28.0	111,876	30.4
12 <sup>th</sup> to 50 <sup>th</sup> largest customers	69,537	14.8	68,016	18.5
Other customers	190,375	40.2	98,170	26.7
	<b>472,353</b>	<b>100</b>	<b>368,049</b>	<b>100</b>

The need for recording a provision for impairment is analyzed at each reporting date on an individual basis for the main customers. In addition, the Company groups several similar low-value accounts receivable for the purpose of estimating the risk of loss collectively. The calculation is based on effective historical data and expected losses on the realization of receivables.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of financial assets mentioned in this Note. The Company has guarantees for approximately 41% (December 31, 2022: 40%) of its credit exposure related to customers of the Distributors Channel, which are inserted in the

## J. Macêdo S.A. and its subsidiaries

### Notes to the financial statements

**Year ended December 31, 2023**

**(All amounts in thousands of reais unless otherwise stated)**

Customers – Wholesale group.

#### *Cash and cash equivalents and financial investments*

The credit risk for balances of cash and cash equivalents is monitored by the Company's Treasury department, in accordance with the policy in place. Surplus funds are invested substantially in short-term and low-risk financial investments in major financial institutions. The counterparties' credit limits are reviewed annually and can be updated during the course of the year. These limits are set in order to minimize the risk concentration, and to thereby mitigate financial losses in the event of potential bankruptcy of a counterparty.

The Company's maximum exposure to credit risk in the balance sheet at December 31, 2023 and 2022 are the amounts recorded, as shown in this Note.

#### *Liquidity risk*

The liquidity risk is defined as the possibility of the Company not being able to efficiently honor its expected and unexpected obligations, current and future, including those arising from related guarantees, without affecting its daily operations and without incurring significant losses. This risk is currently being mitigated. The Company's practice is to monitor the flow of short, medium and long-term disbursements, adjusted to the expected revenues and, if necessary, contract borrowing operations to adjust the flows, mitigating any liquidity risk. The maturity dates of the long-term portion of borrowings and debentures are presented in Notes 17 and 18.

#### d) Capital management

The share capital is divided into common and preferred shares belonging, mainly, to the Macêdo family, represented by individuals and legal entities.

The major objective of the Company's capital management is to ensure the existence of a strong credit classification and a problem-free capital ratio, in order to support business and maximize value for the stockholders.

There was no change in the Company's share capital in the year ended December 31, 2023 in relation to 2022. Also, no changes were made to the objectives, policies and processes during the current and prior years.

The Group monitors capital on the basis of the gearing ratio. This ratio corresponds to the net debt expressed as a percentage of total capital. Net debt is calculated as total borrowings and debentures (including current and non-current as shown in the consolidated balance sheet) less cash and cash equivalents, financial investments and derivative financial instruments. Total capitalization is calculated as equity as shown in the consolidated balance sheet plus net debt.

In 2023, the Group's strategy was to maintain the gearing ratio between 10% and 30% (2022: between 20% and 40%) and a credit rating of AA-(bra) with positive outlook in the Fitch Ratings scale. The Group's gearing ratios at December 31, 2023 and 2022 are shown below:

	<b>Parent company and Consolidated</b>	
	<b>2023</b>	<b>2022</b>
Net debt	<b>159,323</b>	263,526
Total equity	<b>1,040,991</b>	695,324
Total capitalization	<b>1,200,314</b>	958,850
Gearing ratio - %	<b>13</b>	27

J. Macêdo S.A. and its subsidiaries

Notes to the financial statements  
Year ended December 31, 2023  
(All amounts in thousands of reais unless otherwise stated)

30. Insurance coverage (unaudited)

At December 31, 2023, the Company's existing policies had the following coverage:

	Parent company and Consolidated
	12/31/2023
Type:	
Civil liability (a)	20,000
Fire, lightning, explosions and aircraft accidents	392,463
Loss of profits from fire, windstorm, electrical damage, riots, breakage of machinery and equipment	270,816
	683,279

(a) Limited to R\$ 10,000 per claim or occurrence.  
The Company's Management believes that the insurance coverage for operating risks and safeguarding of its property, plant and equipment and inventories is sufficient to cover any losses, based on the opinion of insurance experts.

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(A free translation of the original in Portuguese)

## **Officers' Representation on the Consolidated Financial Statements and Independent Auditor's Report**

We hereby represent, as officers of J.Macêdo S.A., a corporation headquartered in the City of Fortaleza, State of Ceará, at Rua Benedito Macêdo, 79, Cais do Porto, CEP 60.180-415, enrolled in the National Corporate Taxpayers' Registry (CNPJ) under No. 14.998.371/0001-19, that we have reviewed, discussed and agreed with the opinions expressed in the independent auditor's report and the financial statements for the year ended December 31, 2023.

J. Macêdo S.A.

Fortaleza, February 20, 2024

Irineu José Pedrollo  
Chief Executive Officer

Alexandre José Afexe  
Investor Relations Officer

Dirceu Véspero  
Officer

Eduardo Ítalo Oliveira Maia  
Officer

Gustavo Henrique Coelho Pereira  
Officer

Marcos Augusto Pereira  
Officer

Rogério Azoubel  
Officer



A free translation of the original in Portuguese)

**J. MACÊDO S.A.**  
**CORPORATION – CVM: 2115-6**  
**National Corporate Taxpayers' Registry (CNPJ): 14.998.371/0001-19**  
**Commercial Registry Number (NIRE): 23.3.0002679-9**

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**MINUTES OF THE MEETING OF THE AUDIT, FINANCE AND RISK COMMITTEE HELD ON FEBRUARY 16,  
2024 – (First/2024)**

**DATE, TIME AND PLACE:** On February 16, 2024, 2 p.m., at the Company's headquarters located at Rua Benedito Macêdo, 79, Cais do Porto, Fortaleza, Ceará, CEP 60.180-900.

**ATTENDEES:** All members of the Audit, Finance and Risk Committee, according to the signatures at the end of this document.

**AGENDA:** Analyze, discuss and approve the Management Report and the Financial Statements of the Company and its subsidiaries, accompanied by the Independent Auditor's Report, for the year ended December 31, 2023.

**COMPOSITION OF THE BOARD:** **Alexandre José Afexe** (Chairman); and **Roberto Proença de Macêdo** (Secretary).

**RESOLUTIONS:** The members of the Company's Audit, Finance and Risk Committee, in the exercise of their legal duties and responsibilities, as provided for in the Internal Regulation of the Audit, Finance and Risk Committee, have examined and analyzed the Management Report and the Financial Statements of the Company and its subsidiaries, accompanied by the Independent Auditor's Report, for the year ended December 31, 2023 ("2023 Annual Financial Statements"). Considering the information provided by the Company's Management and PricewaterhouseCoopers Auditores Independentes, all Members unanimously approved the 2023 Annual Financial Statements and recommended the approval of the documents by the Company's Board of Directors and their submission to the Ordinary General Meeting, pursuant to the Brazilian Corporation Law.

**CLOSING:** There being no further business to discuss, the meeting was concluded and the minutes herein were drafted as a summary, being read, approved and signed by all attendees.

**SIGNATURES:** **Alexandre José Afexe** (Chairman / Executive Coordinator of the Audit, Finance and Risk Committee); **Roberto Proença de Macêdo** (Secretary / Member of the Audit, Finance and Risk



Committee); **Bruno Macêdo Rosa** (Member of the Audit, Finance and Risk Committee); **Daniel Macedo Pitta** (Member of the Audit, Finance and Risk Committee); **Francisco Stênio Martins Gomes da Silva** (Member of the Audit, Finance and Risk Committee); and **Ravi Alencar de Macêdo** (Member of the Audit, Finance and Risk Committee).

These minutes are a faithful copy of the original filed in the Minutes Book of Meetings of the Company's Audit, Finance and Risk Committee.

Fortaleza, February 16, 2024.

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**ALEXANDRE JOSÉ AFEXE**

Chairman

Member of the Audit, Finance and Risk Committee

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**ROBERTO PROENÇA DE MACÊDO**

Secretary

Member of the Audit, Finance and Risk Committee

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**BRUNO MACÊDO ROSA**

Member of the Audit, Finance and Risk Committee

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**RAVI PROENÇA DE MACÊDO**

Member of the Audit, Finance and Risk Committee

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**DANIEL MACEDO PITTA**

Member of the Audit, Finance and Risk Committee

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**FRANCISCO STÊNIO MARTINS GOMES DA SILVA**

Member of the Audit, Finance and Risk Committee