

**Pulvitec do Brasil Indústria e Comércio de  
Colas e Adesivos Ltda.**

Financial Statements  
March 28, 2024, with independent auditors'  
report

## **Pulvitec do Brasil Indústria e Comércio de Colas e Adesivos Ltda.**

Financial Statements  
March 28, 2024

### **Content**

	<b>Page</b>
Independent auditor's report on the financial statements .....	2
Financial Statements	
Balance sheets .....	5
Statements of profit or loss .....	6
Statements of comprehensive income .....	7
Statements of changes in equity .....	8
Statements of cash flows .....	9
Notes to the financial statements .....	10

## **Independent auditor's report on the financial statements**

To  
Management and Shareholders of  
**Pulvitec do Brasil Indústria e Comércio de Colas e Adesivos Ltda.**  
São Paulo - SP

### **Opinion**

We have examined the financial statements for **Pulvitec do Brasil Indústria e Comércio de Colas e Adesivos Ltda.** ("Company"), comprising the balance sheet as of March 28, 2024 and related statements of income, comprehensive income, changes in equity and cash flows for the period then ended, as well as the related notes, including the summary of relevant accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material respects, the equity and financial position of **Pulvitec do Brasil Indústria e Comércio de Colas e Adesivos Ltda.** as of March 28, 2024, the performance of its operations and cash flows for the period then ended, in compliance with the accounting policies adopted in Brazil.

### **Basis for the opinion**

We conducted our audit in compliance with Brazilian and International Standards on Auditing (ISAs). Our responsibilities, under these standards, are further described in "Auditor's responsibilities for the audit of financial statements" section of this report. We are independent of the Company in accordance with the relevant ethical requirements set forth in the Code of Ethics for Professional Accountants and the professional standards issued by the Federal Accounting Board and we have fulfilled our other ethical responsibilities in accordance with these standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management and governance responsibilities for the financial statements**

The Company's Management is responsible for preparing and properly presenting the financial statements in compliance with accounting practices adopted in Brazil and for the internal controls that it has determined to be required to allow the preparation of financial statements free of material misstatement, whether caused by fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to remain as a going concern, disclosing, when applicable, issues regarding its operational continuity and the use of this accounting basis in preparing the financial statements, unless management intends to liquidate the Company or discontinue its operations, or it has no other realistic alternative to avoid closing operations.

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

### **Auditor's responsibilities for the audit of financial statements**


Our purpose is to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error, and issue an audit report containing 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 a part of the audit carried out in compliance with Brazilian and international auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 override of internal control, collusion, forgery, intentional omissions or misrepresentations.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Assess the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Analyze the adequacy of the Management's use of the going concern accounting basis and, based on the audit evidence obtained, whether there is a material uncertainty regarding events or conditions that may raise significant doubts regarding the ability of the Company to remain as a going concern. Should we find any material uncertainty, we must draw attention, in our audit report, to the relevant disclosures in the financial statements, or include changes in our opinion, in case these disclosures are not appropriate. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may hinder the Company's ability to remain as a going concern.
- Assess the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the corresponding transactions and events in a manner compatible with the purpose of appropriate presentation.

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

São Paulo, May 03, 2024.



Silvio Cesar Cardoso  
Accountant - CRC 188.428/O-5

RSM Brasil Auditores Independentes Ltda.  
CRC 2SP-030.002/O-7



RSM

## Pulvitec do Brasil Indústria e Comércio de Colas Adesivos Ltda.

Balance sheets as of March 28, 2024 and 2023  
Amounts in thousands of Brazilian Reais

<b>Assets</b>	<b>Note</b>	<b>2024</b>	<b>2023</b>	<b>Liabilities and equity</b>	<b>Note</b>	<b>2024</b>	<b>2023</b>
<b>Current assets</b>				<b>Current liabilities</b>			
Cash and cash equivalents	4	2,839	1,497	Loans and financing	12	5,530	11,704
Trade accounts receivable	5	11,869	13,885	Lease payable	16	704	1,494
Inventories	6	12,111	13,574	Trade accounts payable	13	8,510	6,607
				Forfait – Trade accounts payable	13	1,228	-
Other accounts receivable	7	1,651	2,885	Tax obligations	-	422	396
Taxes recoverable	9	8,313	11,254	Labor liabilities	14	1,731	1,593
Prepaid expenses	-	520	498	Sales commission payable	-	795	746
		<b>37,303</b>	<b>43,593</b>	Accounts payable	-	1,098	1,864
				Other accounts payable	15	4,055	3,784
						<b>24,073</b>	<b>28,188</b>
<b>Non-current assets</b>				<b>Noncurrent liabilities</b>			
Other accounts receivable	7	285	285	Provision for contingencies	17	263	223
Judicial deposits	8	1,574	1,574	Other accounts payable	15	70	413
Property, Plant & Equipment	10	2,580	2,530	Provision for taxes	18	1,129	1,417
Intangible assets	11	5,968	7,060			<b>1,462</b>	<b>2,053</b>
		<b>10,407</b>	<b>11,449</b>				
				<b>Equity</b>			
				Share Capital	19	74,303	74,303
				Accumulated losses	-	(52,128)	(49,502)
						<b>22,175</b>	<b>24,801</b>
<b>Total assets</b>		<b>47,710</b>	<b>55,042</b>	<b>Total liabilities and equity</b>		<b>47,710</b>	<b>55,042</b>

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

## Pulvitec do Brasil Indústria e Comércio de Colas Adesivos Ltda.

Income statements for the periods ended March 28, 2024 and 2023  
Amounts in thousands of Brazilian Reais

	Note	2024	2023
<b>Net operating revenue</b>	20	<b>81,565</b>	<b>84,825</b>
Cost of goods sold	21	(52,328)	(56,355)
<b>Gross profit</b>		<b>29,237</b>	<b>28,470</b>
General and administrative expenses		(28,251)	(25,734)
Other expenses, net		(1,834)	(641)
<b>Operating expenses</b>	22	<b>(30,085)</b>	<b>(26,375)</b>
<b>Profit before financial result</b>		<b>(848)</b>	<b>2,095</b>
Net financial expenses	23	(2,103)	(2,531)
<b>Loss before taxes</b>		<b>(2,951)</b>	<b>(436)</b>
Income tax and social contribution	24	325	-
<b>Loss for the year</b>		<b>(2,626)</b>	<b>(436)</b>

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

## Pulvitec do Brasil Indústria e Comércio de Colas Adesivos Ltda.

Statements of comprehensive income for the periods ended March 28, 2024 and 2023  
Amounts in thousands of Brazilian Reais

	<u>2024</u>	<u>2023</u>
Loss for the year	(2,626)	(436)
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b><u>(2,626)</u></b>	<b><u>(436)</u></b>

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



## Pulvitec do Brasil Indústria e Comércio de Colas Adesivos Ltda.

Statements of changes in equity for the periods ended March 28 2024 and 2023  
Amounts in thousands of Brazilian Reais

	Share Capital	Accumulated losses	Total
<b>Balance as of March 31, 2022</b>	<u><u>74,303</u></u>	<u><u>(49,066)</u></u>	<u><u>25,237</u></u>
Loss for the year	-	(436)	(436)
<b>Balance as of March 31, 2023</b>	<u><u>74,303</u></u>	<u><u>(49,502)</u></u>	<u><u>24,801</u></u>
Loss for the year	-	(2,625)	(2,625)
<b>Balance as of March 28, 2024</b>	<u><u>74,303</u></u>	<u><u>(52,128)</u></u>	<u><u>22,175</u></u>

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

# Pulvitec do Brasil Indústria e Comércio de Colas Adesivos Ltda.

Statements of cash flows for the periods ended March 28, 2024 and 2023  
Amounts in thousands of Brazilian Reais

	2024	2023
<b>Cash flow from operating activities</b>		
<b>Loss for the year</b>	<b>(2,626)</b>	<b>(436)</b>
Adjustments to reconcile profit for the periods with cash derived from operating activities		
Depreciation of PPE	534	535
Amortization of intangible assets and right of use	1,588	1,358
Estimated credit losses on doubtful accounts	130	(71)
Provision for unshipped goods invoiced	63	370
Provision for inventory losses	(400)	(181)
Miscellaneous provisions	(147)	-
Provision for taxes	(288)	166
Reversal of provisions (provisions) for contingencies	40	221
	<b>(1,106)</b>	<b>1,962</b>
<b>Changes in assets and liabilities</b>		
Trade account receivables	1,823	(2,489)
Inventories	1,863	236
Other accounts receivable	1,234	(1,979)
Taxes recoverable	2,941	1,001
Prepaid expenses	(22)	(106)
Judicial deposits	-	153
Trade accounts payable	1,903	5,105
Forfait - Trade accounts payable	1,228	-
Tax obligations	26	(193)
Labor liabilities	138	142
Other accounts payable	(72)	168
Commissions and accounts payable	(1,507)	-
Income tax and social contribution paid	(325)	-
<b>Net cash from (used in) operating activities</b>	<b>8,124</b>	<b>4,000</b>
<b>Cash flow from investing activities</b>		
Additions to PPE	(589)	(461)
Additions to intangible assets and right of use	(19)	(2,149)
<b>Net cash used in investing activities</b>	<b>(608)</b>	<b>(2,610)</b>
<b>Cash flow from financing activities</b>		
Raising of loans and financing	5,530	11,704
Payment of loans and financing	(11,704)	(16,369)
<b>Net cash from (used in) financing activities</b>	<b>(6,174)</b>	<b>(4,665)</b>
<b>(Decrease) /increase in cash and cash equivalents</b>	<b>1,342</b>	<b>(3,275)</b>
Cash and cash equivalents at the beginning of the year	1,497	4,772
Cash and cash equivalents at the end of the year	2,839	1,497
<b>(Decrease) /increase in cash and cash equivalents</b>	<b>1,342</b>	<b>(3,275)</b>

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

# **Pulvitec do Brasil Indústria e Comércio de Colas Adesivos Ltda.**

Management's notes to the financial statements as of March 28, 2024 and 2023  
In thousands of Brazilian reais

## **1. Operational context**

The purpose of Pulvitec do Brasil Indústria e Comércio de Colas e Adesivos Ltda., headquartered in Brazil in the city of São Paulo - SP, at Av. Presidente Altino, 2468, 2568 e 2600, Jaguaré – SP, is to explore the industry, trade, representation, import, export, the provision of technical assistance and projects in the fields of glues and adhesives, resins, chemical products, plastic materials and their manufactures, plastic and chemical materials for use in sealing and insulating crepe tapes, the trade, import, and export of cleaning and metal polishing products in general, and direct or indirect interest in other companies, as a partner or shareholder.

### **Change in controlling shareholder**

Until March 28, 2024, Pulvitec do Brasil was controlled by Pidilite Industries Ltd. - a company with an Indian heart and international reach. Since its foundation in 1959, Pidilite Industries Limited has been a pioneer in B2B specialty chemicals and consumer products in India. Pidilite's flagship brand, FEVICOL, has revolutionized the adhesive industry, covering a variety of applications. Its product line includes Adhesives and Sealants, construction and painting chemicals, automotive chemicals, art supplies, industrial adhesives, Industrial and Textile Resins, and Organic Pigments and Preparations.

On March 28, 2024, Pidilite Industries Limited executed and concluded an Agreement with Soprema Ltda. for the sale of all its equity interest in its subsidiary Pulvitec, which is why the Company's Financial Statements are dated March 28, 2024.

## **2. Preparation basis**

### **2.1. Statement of compliance with accounting policies**

The financial statements were prepared and are being presented in compliance with the accounting practices adopted in Brazil, encompassing the corporate law and standards issued by the Federal Accounting Council (CFC).

The financial statements were approved by Management on May 3, 2024.

### **2.2. Functional currency and presentation currency**

The financial statements were prepared and are being presented in Brazilian Reais (R\$), which is the Company's functional currency. Functional currency was determined considering the primary economic environment of its operations. Financial information are presented in thousands of Brazilian reais, except when otherwise indicated.

# **Pulvitec do Brasil Indústria e Comércio de Colas Adesivos Ltda.**

Management's notes to the financial statements as of March 28, 2024 and 2023  
In thousands of Brazilian reais

## **2.3. Use of estimates and judgments**

The preparation of the financial statements in compliance with Brazilian practices requires management to make judgments, estimates and assumptions that affect the application of accounting practices and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are revised on an ongoing basis. Reviews related to financial estimates are recognized in the period in which the estimates are reviewed and in any future periods affected.

## **3. Significant accounting policies**

### **Impairment loss**

Expected credit losses are estimates weighted by the likelihood of credit losses, based on historical losses and forecasts of related assumptions. Credit losses are measured at present value based on all cash shortfalls (i.e., the difference between the cash flows due to the Company pursuant to the agreement and cash flows the Company expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

In compliance with the replacement of the incurred loss model by expected loss model, Management concluded that the methodology already adopted is adherent to the expected loss model and, therefore, the initial adoption of IFRS 9 / NBC TG 48 as of January 1, 2018 did not pose material impacts on the measurement of expected losses on trade accounts receivable.

### **3.1. Cash and cash equivalents**

Balances include cash on hand, bank deposits, and financial investments readily convertible to a known amount of cash and are not subject to a significant risk of change in value. These are valued at acquisition cost, plus income that does not exceed their respective market values.

### **3.2. Trade accounts receivable**

Correspond to the balances receivable from customers related to sales made until the closing date of the financial statements.

Management uses an individual analysis of receivables as a criterion for assessing expected credit losses.

## **Pulvitec do Brasil Indústria e Comércio de Colas Adesivos Ltda.**

Management's notes to the financial statements as of March 28, 2024 and 2023  
In thousands of Brazilian reais

### **3.3. Adjustment to present value**

Monetary items included in assets and liabilities are adjusted to their present value based on the effective interest rate, when they arise from short-term transactions, if relevant, and long-term transactions, with no expected return or subject to: (i) fixed interest rates; (ii) interest rates notoriously below market rates for similar transactions; and (iii) only inflation adjustments, with no interest. The Company periodically assesses the effect of this procedure. On March 28, 2024 and 2023, no adjustments of this nature were identified.

### **3.4. Inventories**

Inventories are stated at net acquisition value, plus manufacturing costs for the preparation of products, which is lower than net realizable values of selling costs. Inventory costs are determined using the average cost method. The net realizable value corresponds to the estimated selling price of inventories, less all estimated costs of completion and the costs necessary to make the sale.

Inventories are deducted from the expected impairment losses established when there is objective evidence that the Company will not be able to realize the inventories at a value higher than their average cost. The expected loss amount is the difference between the carrying amount and the recoverable amount.

### **3.5. Property, plant & equipment**

It is recorded at acquisition cost and subject to impairment tests. Accumulated depreciation was calculated using the straight-line method, and recognized in profit or loss for the year in accordance with the rates mentioned in Note No. 9.

Assets acquired through financial leasing transactions are recorded at their cash value or adjusted to the present value of the respective obligation.

### **Impairment of assets**

Non-current assets are reviewed on an annual basis to identify evidence of impairment losses or, whenever events or changes in circumstances indicate that the book value may not be recoverable. When this is the case, the recoverable amount is calculated to check for impairment. When impairment exists, it is recognized by the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher between the net selling price and the value in use of an asset. For valuation purposes, assets are grouped into the smallest group of assets for which there are separately identifiable cash flows.

# **Pulvitec do Brasil Indústria e Comércio de Colas Adesivos Ltda.**

Management's notes to the financial statements as of March 28, 2024 and 2023  
In thousands of Brazilian reais

## **3.6. Income tax and social contribution - current**

Income tax and social contribution are calculated in compliance with Brazilian tax legislation (taxable income), at the rate of 15% income tax, with a 10% surtax on the amount exceeding R\$ 240 thousand, and 9% social contribution.

## **3.7. Provision for contingencies**

Provisions are recognized as a result of a past event when there is a legal or constructive obligation that may be reliably estimated and it is likely that a economic resource will be required to settle the obligation.

## **3.8. Other current and non-current assets and liabilities**

Current and non-current liabilities are recorded at known or estimated amounts, plus, when applicable, the corresponding charges and inflation adjustments incurred up to the balance sheet dates. When applicable, current and non-current liabilities are recorded at present value, transaction by transaction, based on interest rates reflecting the term, currency and risk of each transaction. The counterpart of the adjustments to present value is accounted for against the income accounts that gave rise to the relevant liability. The difference between the present value of a transaction and the face value of the liability is recognized to profit or loss over the term of the contract based on the amortized cost method and the effective interest rate.

## **3.9. Revenue recognition**

Revenues from contracts with customers are recognized by the Company as control of the products is transferred to customers, represented by the ability to determine the use of the products and obtain substantially all of the remaining benefits arising from the products.

To this end, the Company follows the conceptual structure of the standard, based on a five-step model: (1) identification of contracts with customers; (2) identification of performance obligations provided for in contracts; (3) determination of the transaction price; (4) allocation of the transaction price to the performance obligation set forth in the contracts and (5) revenue recognition when the performance obligation is met.

## **3.10. Income calculation - P&L**

Revenues and expenses are recorded on an accrual basis. Revenue is measured at the fair value of the consideration received, net of discounts and related taxes or charges. Revenue is not recognized when there is significant uncertainty in its realization.

# Pulvitec do Brasil Indústria e Comércio de Colas Adesivos Ltda.

Management's notes to the financial statements as of March 28, 2024 and 2023  
In thousands of Brazilian reais

## 3.11. Lease transactions (replaces pronouncement CPC 06 (R1)/IAS 17)

This standard removed the difference between operating lease and finance lease beginning 01/01/2019. In addition, this standard requires the recognition of an asset (the right of use of a leased asset) and a lease liability relating to future rentals discounted at present value for virtually all lease contracts.

### Lease Identification

When entering into any agreement, the entity shall assess whether the agreements, or contains, a lease, whether it transfers the right to control the use of the identified asset for a period for a consideration.

This assessment was divided into stages, such as:

- Identification of contracts;
- Transition approach;
- Measurement of initial liabilities and initial assets;
- Impacts in initial adoption.

Lessor's accounting remains similar to the current standard, i.e., lessors continue to classify leases as financial or operational.

## 3.12. New and revised standards and interpretations

Issues/amendments of IFRS standards made by IASB that are effective for the year beginning in 2023 had no impact on the Company's Financial Statements. Additionally, IASB issued/revised some IFRS standards, which have their adoption for fiscal year 2023 or thereafter, and the Company is assessing the impacts of the adoption of these standards on its Financial Statements:

- Classification of liabilities as current or noncurrent (amendments to CPC 26 - IAS 1);
- Supplier financing agreements (amendments to IAS 7 and IFRS 7);
- Lease liability in a Sale and Leaseback transaction (amendments to IFRS 16).

## 4. Cash and cash equivalents

Description	2024	2023
Transaction bank account	2,763	1,334
Short-term investments	76	163
<b>Total</b>	<b>2,839</b>	<b>1,497</b>

# Pulvitec do Brasil Indústria e Comércio de Colas Adesivos Ltda.

Management's notes to the financial statements as of March 28, 2024 and 2023  
In thousands of Brazilian reais

## 4.1. Cash-equivalent financial investments

Description	Investment type	Maturity	2024	2023
Banco Bradesco	Bank deposit certificates - CDB	D+1	-	-
Banco Bradesco	Bank deposit certificates - CDB	D+1	75	162
Banco Santander	Bank deposit certificates - CDB	D+1	1	1
<b>Total</b>			<b>76</b>	<b>163</b>

The financial investments include bank deposit certificates and securities issued and repurchased from top-tier financial institutions, whose yield is pegged to the variation of the Brazilian index Interbank Deposit Certificate ("CDI"). They are classified in cash and cash equivalents as they have a redemption period of no more than three months from the investment date and because there is no risk of change in value in the event of early redemption.

Short-term investments are readily convertible into a known amount of cash and are subject to an insignificant risk of change in value.

## 5. Customers

Description	2024	2023
Domestic customers	15,775	17,528
Foreign customers	96	166
Estimated credit losses	(1,009)	(879)
Revenue from sales of undelivered goods	(2,993)	(2,930)
<b>Total trade accounts receivable, net</b>	<b>11,869</b>	<b>13,885</b>

The maturity of trade accounts receivable is shown below:

Description	2024	%	2023	%
Not overdue	12,514	79%	15,987	90%
<b>Overdue</b>				
1 to 30 days past due	481	3%	380	2%
31-60 days past due	1,714	11%	336	2%
Overdue from 61 to 180 days	74	0%	93	1%
Over 180 days past due	1,088	7%	898	5%
<b>Total</b>	<b>15,871</b>	<b>100%</b>	<b>17,694</b>	<b>100%</b>



# Pulvitec do Brasil Indústria e Comércio de Colas Adesivos Ltda.

Management's notes to the financial statements as of March 28, 2024 and 2023  
In thousands of Brazilian reais

The Company hires a third party to assist in the process of recovering receivables, and also periodically assess the chances of recoverability of overdue bills, until all possibilities are exhausted. The policy for recording expected losses on doubtful accounts is as follows:

Description	Estimated loss	2024	2023
Court-supervised reorganization	100%	304	278
Over 365 days	100%	630	567
From 181 to 364 days	75%	69	20
From 120 to 180 days	25%	2	7
From 90 to 120 days	15%	-	7
From 30 to 90 days	5%	4	-
		<b>1,009</b>	<b>879</b>

## 6. Inventories

Description	2024	2023
Finished products	3,990	5,177
Products in progress	2,858	312
Raw materials	254	1,780
Packaging material	1,431	2,816
Consignment Material	1,684	1
Material held by third parties	1	875
Import in transit	413	1,593
Provision for low-turnover inventories	(161)	(561)
Cost of undelivered invoiced items	1,641	1,581
<b>Total</b>	<b>12,111</b>	<b>13,574</b>

### 6.1. Changes in expected inventory losses are represented as follows

Description	2024	2023
Opening balance	(561)	(742)
Additions	(4,012)	(1,212)
Write-offs	4,412	1,393
Final balance	<b>(161)</b>	<b>(561)</b>

## 7. Other receivables

Description	2023	2022
Advances to suppliers (a)	2,495	1,269
Other accounts receivable	675	86
<b>Total</b>	<b>3,170</b>	<b>1,355</b>
Current liabilities	<b>1,651</b>	<b>2,885</b>
Noncurrent	<b>285</b>	<b>284</b>

(a) Refers to advances made both to customs brokers and foreign suppliers for the import of goods, which are paid in advance in relation to the entry of goods into the country and/or invoices under the heading of trade accounts payable.

## Pulvitec do Brasil Indústria e Comércio de Colas Adesivos Ltda.

Management's notes to the financial statements as of March 28, 2024 and 2023  
In thousands of Brazilian reais

### 8. Judicial deposits

Description	2024	2023
Judicial deposit – ICMS (VAT) (a)	1,410	1,410
Judicial deposit - civil	164	164
<b>Total</b>	<b>1,574</b>	<b>1,574</b>

(a) Amounts refer to the judicial deposit made before the State of Minas Gerais on 10/30/2015, related to lawsuit 426925797.2013.813.0024, executed by the Court of Justice of the State of Minas Gerais, subsequently transferred to the Electronic Judicial Process on 10/19/2021, no. 1283996-29.2013.8.13.0024. As monitored by the tax advisors, the process is suspended and a decision is pending on the request for a new judicial expert opinion to investigate the tax substitution regime in certain goods, since 11/12/2020. The probability of loss is classified as possible, therefore, there is no risk to be provisioned for tax contingencies.

### 9. Taxes recoverable

Description	2024	2023
Tax reversals on unshipped goods	513	549
ICMS Recoverable	3,612	4,228
PIS/COFINS on ICMS (VAT) base exclusion (a)	2,695	5,680
INSS to Offset	22	22
IPI to offset	503	404
Other	968	371
<b>Total</b>	<b>8,313</b>	<b>11,254</b>

**(a) PIS/COFINS credit on ICMS (VAT) exclusion from the calculation basis**

The credit survey was made in the period from February/2009 to March/2018, through the judicial proceeding - writ of mandamus no. 0002468-57.2014.403.6100 filed on 02/17/2014, according to normative instruction RFB 1.717/2007, which became final on 12/06/2018 and administrative proceeding no. 18186.722203/2019-11, in which the credit qualification was made on 07/13/2020. The Company has already started the credit recovery through the initial refund request no. 14939.70671.210720.1.3.54-4401, transmitted on 07/21/2020, in the amount of R\$ 7,728,063 and, after checking with the lawyers, on 05/08/2021, the amount of R\$ 323.660 to the initial credit on the invoices with CFOP 5.124 (Industrialization made for another company) through refund request 33064.62911.180521.1.3.54-6808 and, the other refund requests, before the additional amount, were rectified on 05/05/2021.

**(b) STF final and unappealable decision in tax matters**

On February 8, 2023, the Full Bench of the Federal Supreme Court (STF) decided, unanimously, in Extraordinary Appeals 955.227 (Theme 885) and 949.297 (Theme 881) on the possibility of deconstituting the final unappealable decision in successive legal relationships in tax matters. After analysis by Management, together with its legal advisors, of the tax proceedings to which the Company is or was a party, both as plaintiff and defendant, no situation was identified that could impact the set of financial statements for the period ended March 28, 2024.

## Pulvitec do Brasil Indústria e Comércio de Colas Adesivos Ltda.

Management's notes to the financial statements as of March 28, 2024 and 2023  
In thousands of Brazilian reais

### 10. Property, plant & equipment

Description	Rate	2024			2023
		Cost	Depreciation	Amount	Amount
Machinery and equipment	10%	8,621	(7,147)	1,474	1,485
Industrial facilities	10%	1,459	(1,161)	298	356
Administrative facilities	10%	585	(440)	145	156
Laboratory equipment	10%	122	(111)	11	7
Factory furniture and fixtures	10%	212	(174)	38	20
Office furniture and utensils	10%	295	(243)	52	54
Tools and belongings	10%	72	(66)	6	7
Computers and peripherals	20%	1,005	(689)	316	297
Assets assigned to home center	10%	504	(457)	47	60
Safety equipment	10%	91	(34)	57	39
Improvements	-	40	(11)	29	33
PP&E in progress - factory	-	107	-	107	16
<b>Total</b>		<b>13,113</b>	<b>(10,533)</b>	<b>2,580</b>	<b>2,530</b>

#### 10.1 Changes in PP&E - 2024

Description – cost	2023	Additions	Write-offs	Transfers	2024
Machinery and equipment	8,456	252	(253)	167	8,621
Industrial facilities	1,437	19	(1)	4	1,459
Administrative facilities	574	16	(1)	(4)	585
Laboratory equipment	116	6	-	-	122
Factory furniture and fixtures	206	21	(16)	-	212
Office furniture and utensils	305	6	(17)	-	295
Tools and belongings	72	-	(0)	-	72
Computers and peripherals	879	145	(19)	-	1,005
Assets assigned to home center	740	5	(73)	(167)	504
Safety equipment	66	27	(1)	-	91
Improvements	40	-	-	-	40
PP&E in progress - factory	16	92	-	-	107
	<b>12,907</b>	<b>589</b>	<b>(383)</b>	<b>-</b>	<b>13,113</b>
Accumulated depreciation	(10,377)	(534)	378	-	(10,533)
<b>Total</b>	<b>2,530</b>	<b>55</b>	<b>(5)</b>	<b>-</b>	<b>2,581</b>

# Pulvitec do Brasil Indústria e Comércio de Colas Adesivos Ltda.

Management's notes to the financial statements as of March 28, 2024 and 2023  
In thousands of Brazilian reais

## 11. Intangible assets

Description	Rate	2024			2023	
		Cost	Amortization	Amount	Amount	
Software use license	20%	456	(451)	5	10	
Goodwill on acquisition	-	22,612	(17,353)	5,259	5,259	
Right-of-use assets	**	1,936	(1,232)	704	1,791	
<b>Total</b>		<b>25,004</b>	<b>(19,036)</b>	<b>5,968</b>	<b>7,060</b>	

### 11.1. Changes in intangible assets in 2023

Description – cost	2023	Additions	Write-offs	Transfers	2024
Software use license	460	-	(4)	-	456
Goodwill on acquisition	22,612	-	-	-	22,612
Right-of-use assets	3,921	19	(416)	(1,588)	1,936
	<b>26,993</b>	<b>19</b>	<b>(420)</b>	<b>(1,588)</b>	<b>25,004</b>
Accumulated amortization	(19,932)	(1,588)	896	1,588	(19,036)
<b>Total</b>	<b>7,060</b>	<b>(1,569)</b>	<b>476</b>	<b>-</b>	<b>5,968</b>

## 12. Loans and financing

Transaction description	Conditions	Maturity	2024	2023
Banco HSBC	CDI + 0.385% per month	05/2023	-	1,520
Banco HSBC	CDI + 0.385% per month	05/2023	-	1,858
Banco Itau - Finimp	CDI + 0.24% per month	06/2023	-	1,677
Banco Itau	CDI + 0.24% per month	05/2023	-	2,768
Banco Itau	CDI + 0.26% per month	04/2024	-	3,881
Banco Itau	CDI + 0.25% per month	06/2024	1,099	-
Banco Itau	CDI + 0.28% per month	05/2024	3,429	-
Banco Itau	CDI + 0.25% per month	02/2025	1,002	-
<b>Total</b>			<b>5,530</b>	<b>11,704</b>

Loans acquired in the year total R\$ 5,530 and are aimed at working capital for the company's operations. For credit collateral with Banco Itaú, we bound 50% of the receivables in our portfolio.

## 13. Trade accounts payable

Description	2024	2023
Domestic suppliers	4,438	3,499
Foreign suppliers	4,072	3,108
<b>Total</b>	<b>8,510</b>	<b>6,607</b>

## Pulvitec do Brasil Indústria e Comércio de Colas Adesivos Ltda.

Management's notes to the financial statements as of March 28, 2024 and 2023  
In thousands of Brazilian reais

Description	2023	2022
Forfait - Trade accounts payable	1,228	-
<b>Total</b>	<b>1,228</b>	<b>-</b>

### 14. Labor obligations

Description	2024	2023
Provision for vacation pay	915	858
Wages payable	620	551
Provision for Christmas bonus	196	184
<b>Total</b>	<b>1,731</b>	<b>1,593</b>

### 15. Other accounts payable

Description	2024	2023
Provision for management bonuses and profit sharing (a)	181	1,050
Provision of commercial discount and commission for representatives (b)	1,024	1,317
Provision for freight (c)	467	397
Miscellaneous provisions (d)	1,930	857
Attorney fees	439	354
Other liabilities with third parties	84	222
	<b>4,125</b>	<b>4,197</b>
Current liabilities	4,055	3,784
Noncurrent	70	413

(a) Refers to the provision for bonuses for the executive board, paid annually, as well as bonuses for the board's length of service, totaling R\$ 906 in 2023 (R\$ 511 in 2022) and profit sharing for other employees in the amount of R\$ 144 (R\$ 129 in 2022).

(b) These are accounts payable referring to commercial representatives on sales amounts as well as estimated discounts applied on price lists.

(c) These are accounts payable for freight paid to carriers.

(d) These are miscellaneous payables, which include provisions for travel, cleaning, security, reception, water and other expenses recognized on an accrual basis while invoices and/or rendering of accounts have not been received.

### 16. Lease payable

Description	2024	2023
Real estate leasing	704	1,494
	<b>704</b>	<b>1,494</b>

# Pulvitec do Brasil Indústria e Comércio de Colas Adesivos Ltda.

Management's notes to the financial statements as of March 28, 2024 and 2023  
In thousands of Brazilian reais

Lease agreements for properties on which the Company's headquarters are located have been renewed for a period of one year, and will be negotiated again after the term of the agreements has expired.

## 17. Provision for contingencies

Description	2024	2023
Labor contingencies	2	8
Civil contingencies	261	215
<b>Total</b>	<b>263</b>	<b>223</b>

The Company is a party to labor, civil and tax proceedings and is discussing these matters both at the administrative and judicial levels, which, when applicable, are supported by judicial deposits. The respective provisions for contingencies were established considering the estimate made by the legal advisors for proceedings whose probability of loss in the respective outcomes was assessed as probable. Management believes that the settlement of these issues will not have a significantly different effect on the provisioned amount.

## 18. Provision for taxes

Description	2024	2023
IRPJ - income tax – STF (a)	825	734
CSLL - income tax – STF(a)	304	270
PIS - indirect taxes (b)	(0)	74
COFINS - indirect taxes (b)	(0)	339
<b>Total</b>	<b>1,129</b>	<b>1,417</b>

**(a) Provision for income tax and social contribution**

The Company's Management recognized a Provision in the amount of R\$ 1,004 (R\$ 887 as of March 31, 2022) for IRPJ and CSLL income taxes related to ICMS (VAT) exclusion from PIS and COFINS base, proportionally to the qualified credit.

**(b) Provision for PIS and COFINS (indirect taxes)**

Additionally, Management made a provision of R\$ 413 (R\$ 364 in 2022) referring to indirect taxes proportionally to the qualified credit.

The Federal Supreme Court (STF) has not yet ruled on the enforceability of this charge.

## 19. Share capital

### (a) Share capital

The company's share capital on March 28, 2024 is R\$ 74,302,868, comprising shares with a par value of R\$ 1 each, distributed as follows:

Description	%	Shares	Amount - R\$
Pidilite Industries Limited	99.99	74,302	74,302
Pidilite International PTE. Ltd.	0.01	1	1
<b>Total</b>	<b>100.00</b>	<b>74,303</b>	<b>74,303</b>

# Pulvitec do Brasil Indústria e Comércio de Colas Adesivos Ltda.

Management's notes to the financial statements as of March 28, 2024 and 2023  
In thousands of Brazilian reais

## 20. Net operating revenue

Description	2024	2023
Sales of domestic products and goods	71,188	66,653
Resale in domestic market	28,793	37,480
Sale of domestic products and goods to ZFM or ALC	2,341	2,707
Exports	678	859
Industrialization performed in other companies	5	44
Resale in domestic market for ZFM or ALC	686	658
Revenue from sales of undelivered goods	(63)	(370)
<b>Gross revenue from sales</b>	<b>103,628</b>	<b>108,031</b>
Taxes levied on sales	(19,551)	(20,155)
Sales returns - net	(2,081)	(2,611)
Pre-paid taxes	(431)	(440)
<b>Total</b>	<b>81,565</b>	<b>84,825</b>

## 21. Cost of goods sold

Description	2024	2023
Cost of goods and services sold	(42,731)	(46,783)
Salaries and charges	(5,205)	(5,191)
Depreciation and amortization	(1,424)	(1,391)
Inventory adjustments	(540)	(743)
Electric energy	(432)	(408)
Consumables	(466)	(377)
Rental and IPTU	(388)	(311)
Services provided by third parties	(191)	(94)
Other revenues (expenses)	(951)	(1,057)
	<b>(52,328)</b>	<b>(56,355)</b>

## 22. Operating expenses

Description	2024	2023
Salaries and charges	(10,401)	(10,523)
Selling expenses	(1,344)	(1,349)
Commissions on sales	(3,866)	(3,883)
Services provided by third parties	(2,426)	(2,196)
Freight expenses	37,846	(2,670)
Depreciation and amortization	(731)	(653)
Bonus and taxes	(1,189)	(619)
Travel expenses	(1,184)	(1,241)
Consumables	(175)	(70)
Other revenues (expenses)	(46,615)	(3,171)
	<b>(30,085)</b>	<b>(26,375)</b>

## Pulvitec do Brasil Indústria e Comércio de Colas Adesivos Ltda.

Management's notes to the financial statements as of March 28, 2024 and 2023  
In thousands of Brazilian reais

### 23. Financial income (expenses)

Description	2024	2023
<b>Financial revenues</b>		
Discount Obtained	27	13
Interest income from customers	132	73
Income on investments	6	7
Foreign exchange gains	82	480
	<b>247</b>	<b>573</b>
<b>Financial Expenses</b>		
Foreign exchange losses	(206)	(151)
Interest on loans	(1,688)	(2,488)
Interest and fines on taxes	(3)	(12)
Financial interest and fines	(48)	(25)
Other financial expenses	(259)	(293)
Banking expenses	(146)	(135)
<b>Total</b>	<b>(2,350)</b>	<b>(3,104)</b>
<b>Financial income (expenses)</b>	<b>(2,103)</b>	<b>(2,531)</b>

### 24. Income tax and social contribution - current

Description	2024	2023
Loss before income tax and social contribution	(2,951)	(436)
Additions	9,291	5,351
Deduction	(4,459)	(6,082)
<b>Calculation basis</b>	<b>1,882</b>	<b>(1,167)</b>
Corporate Income Tax - IRPJ	(236)	-
Social Contribution on Net Income - CSLL	(89)	-
	<b>(325)</b>	-
<b>Effective rate</b>	<b>17,27%</b>	<b>0%</b>

### 25. Risk management

Below is management's understanding of the exposure to the following risks arising from financial instruments:

#### Credit risk, currency risk and liquidity risk

This note presents information about the Company's exposure to each of the above risks, the objectives, policies and processes for measuring and managing risk and managing the Company's capital.



## **Pulvitec do Brasil Indústria e Comércio de Colas Adesivos Ltda.**

Management's notes to the financial statements as of March 28, 2024 and 2023  
In thousands of Brazilian reais

The company's management has the overall responsibility for the establishment and supervision of the risk management framework. The Company's management policies were established in order to identify and analyze the risks to which the Company is exposed, to define risk limits and appropriate controls, and to monitor risks and adherence to defined limits. Risk policies and systems are regularly reviewed to reflect changes in market conditions and in the Company's activities.

### **Credit risk**

This risk arises from the possibility of the Company incurring losses as a result of the difficulty in receiving amounts invoiced to its customers and distributors. To reduce this type of risk, the Company performs individual credit analysis of its customers, based on potential sales analysis, risk and default history, data from risk and market agencies.

### **Currency risk**

Currency risk arises from current and future business transactions, mainly as a result of raising loans in foreign currency.

The currency risk management policy defined by the company's management is to hedge up to 100% of the contracted value of foreign currency loans through currency swaps.

It is worth noting that the effective net exposure is related mainly to the estimate of future cash flows, for which there is the possibility of adjustments in the composition of prices to be practiced in the retail market, as a way to offset possible effects of costs due to the occurrence of appreciation scenarios in the dollar exchange rate. It should be considered that, substantially, actual results will be realized only upon settlement of the foreign currency loans and swaps.

### **Liquidity risk**

This risk arises from the possibility of having lower funds assigned for debt payments. Management monitors the ongoing forecast of the Company's liquidity requirements to ensure that sufficient cash is available to meet operational needs.

## **26. Insurance coverage (unaudited)**

The Company holds insurance coverage for amounts considered sufficient by the technical and operational departments (DTO) to cover possible risks on its assets and/or liabilities.

The scope of the audit work does not include the issuance of an opinion on the sufficiency of the insurance coverage, which was determined by the Company's Management and which considers it sufficient to cover any claims.