Financial Statements

December 31, 2024

Contents

Shape the future
with confidence

Independent auditor’s report on financial statements

Board of Directors and Officers of
Fundação Butantan
São Paulo -SP

Opinion

We have audited the financial statements of Fundação Butantan (the “Foundation”), which comprise the statement of financial position as at December 31, 2024, and the statements of activities, of comprehensive income, of changes in equity and of 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 Foundation at December 31, 2024, its financial performance and its cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil.

Basis for opinion

We conducted our audit in accordance with the Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the ‘Auditor’s responsibilities for the audit of the financial statements’ section of our report. We are independent of the Foundation in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by Brazil’s National Association of State Boards of Accountancy (CFC) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the executive board and those charged with governance for the financial statements

The executive board is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices adopted in Brazil, and for such internal control as the executive board 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 financial statements, the executive board is responsible for assessing the Foundation’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the executive board either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation’s financial reporting process.

Auditor’s responsibilities for the audit of the financial statements

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

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

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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.
- Obtained 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 Foundation's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board;
- Concluded on the appropriateness of the board’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 Foundation’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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 report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

Auditor's responsibilities for the audit of financial statements (Continued)

- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

São Paulo, March 14, 2025

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC SP-034519/O

Felipe Safra Dória de Azevedo
Accountant CRC-1SP264144/O-0

Statements of financial position

Assets	Note	2024	2023
Current assets			
Cash and cash equivalents	4	4,910,443	3,648,763
Resources from partnerships with third parties (Agreements)	5	22,126	38,786
Accounts receivable	6	314,374	244,738
Derivative financial instruments	25	13,038	-
Inventories	7	674,980	842,062
Advances and prepaid expenses	8	7,574	3,422
Other accounts receivable	8	1,392	548
Total current assets		**5,943,927**	**4,778,319**
Noncurrent assets			
Deposits in court	17	373	312
Property, plant and equipment	9	1,889,238	1,766,600
Intangible assets	10	106,103	109,706
Total noncurrent assets		**1,995,714**	**1,876,618**

Liabilities	Note	2024	2023
Current liabilities			
Suppliers	11	424,610	350,759
Borrowings	12	11,525	-
Labor and social obligations	13	88,981	82,303
Tax obligations	14	72,260	36,880
Partnerships with third parties (Agreements)	15	22,126	38,786
Lease-purchase agreement	16	915	3,379
Other accounts payable		6,680	8,557
Total current liabilities		**627,097**	**520,664**
Noncurrent liabilities			
Borrowings	12	320,000	-
Provision for contingencies	17	37,584	5,413
Lease-purchase agreement	16	-	915
Partnerships with third parties (Agreements)	15	92,088	91,703
Total noncurrent liabilities		**449,672**	**98,031**
Equity			
Owners' equity	19	6,036,242	5,428,014
Surplus for the year	19	826,630	608,228
Total equity		**6,862,872**	**6,036,242**

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

Statements of activities

	Note	2024	2023
Internal market		3,040,876	3,157,150
Foreign market		70,355	136,936
Revenues from agreements		14,078	31,262
Other operating revenue		4,698	26,555
Volunteer work		1,008	960
Returns and rebates		(391)	(341,738)
Net revenue	**20**	**3,130,624**	**3,011,125**
Cost of products and goods sold	21	(1,709,223)	(1,538,050)
Gross profit		**1,421,401**	**1,473,075**
Operating expenses			
General and administrative expenses	22	(893,506)	(1,054,714)
Expenditure on agreements	15	(14,078)	(31,262)
Other net revenue and expenses	23	(34,900)	(13,798)
Volunteer work	20	(1,008)	(960)
Income before finance income (costs)		**477,909**	**372,341**
Finance income	24	570,966	503,709
Finance costs	24	(222,245)	(267,822)
Surplus for the year	**19**	**826,630**	**608,228**

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

Statements of Comprehensive Income

	2024	2023
Surplus for the year	826,630	608,228
Other comprehensive income	-	-
Total	**826,630**	**608,228**

Statements of Changes in Equity

	Owners' equity	Surplus (deficit) for the year	Total equity
Balance as of December 31, 2022	**5,721,706**	**(293,692)**	**5,428,014**
Incorporation of the previous fiscal year's surplus (deficit)	(293,692)	293,692	**-**
Surplus for the year	-	608,228	**608,228**
Balance as of December 31, 2023	**5,428,014**	**608,228**	**6,036,242**
Incorporation of the previous fiscal year's surplus (deficit)	608,228	(608,228)	**-**
Surplus for the year	-	826,630	**826,630**
Balance as of December 31, 2024	**6,036,242**	**826,630**	**6,862,872**

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

Statements of Cash Flows

	2024	2023
Cash flow from operating activities		
Surplus for the year	826,630	608,228
Adjustments due to:		
Provision for impairment of accounts receivable	-	-
Provision for inventory losses	(11,604)	118,723
Depreciation and amortization	134,027	146,366
Cost of property, plant and equipment and intangible assets written off	8,397	1,691
Provision for taxes and duties	36,466	35,128
Provision for contingencies	32,171	(635)
Provision for exchange differences	9,156	(2,771)
Provision for derivative financial instruments	(30,318)	-
	1,004,925	**906,730**
Changes in operating assets and liabilities		
(Increase) decrease in assets:		
Resources from partnerships with third parties (agreements)	16,660	(3,955)
Accounts receivable	(69,294)	(186,881)
Inventories	178,686	(107,591)
Advances and prepaid expenses	(4,152)	(5,998)
Other accounts receivable	(844)	13,175
Deposits in court	(61)	(13)
Increase (decrease) in liabilities:		
Suppliers	64,349	(45,897)
Labor and social obligations	6,678	8,049
Tax obligations	(1,086)	453
Other accounts payable	(1,876)	8,544
Partnerships with third parties (agreements)	(16,090)	(21,941)
Lease-purchase agreement	357	503
	173,327	**(341,552)**
Net cash from operating activities	**1,178,252**	**565,178**
Cash flow from investing activities		
Property, plant and equipment additions	(249,097)	(316,389)
Additions to intangible assets	(12,541)	(23,654)
Cash used in investing activities	**(261,638)**	**(340,043)**
Cash flow from financing activities		
Derivative financial instruments	17,280	-
Borrowings	331,525	-
Amortization of leases	(3,739)	(3,736)
Cash flow from (used in) financing activities	**345,066**	**(3,736)**
Increase in cash and cash equivalents	**1,261,680**	**221,399**
At beginning of year	3,648,763	3,427,364
At end of year	4,910,443	3,648,763
Increase in cash and cash equivalents	**1,261,680**	**221,399**

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

The statements of cash flows were prepared using the indirect method and are presented in accordance with CPC 03 (R2) - Statement of Cash Flows.

1. Operations

Fundação Butantan ("Foundation") is a private non-profit legal entity created on May 31, 1989, by public deed registered on August 9, 1989, under No. 133.326, before the 3rd Civil Registry Office of Legal Entities of São Paulo.

Set up by private individuals (sponsors), with their own resources, in accordance with article 24 of the repealed Civil Code of 1916, corresponding to article 62 of the new Civil Code, the Foundation has administrative, operational, and financial autonomy. Its purpose is to support and collaborate with Instituto Butantan in scientific, technological and cultural development, the production and distribution of immunobiologicals and other products of public or social interest, and may enter into agreements, contracts, partnerships or other similar instruments, with public or private entities, national or foreign, to achieve its objectives.

Through decree SDECTI 55 of 11/30/2018, Fundação Butantan was accredited as a Support Foundation to Instituto Butantan. This relationship was detailed and formalized through the Strategic Alliance Contract signed between the parties - PROCESS SES-PRC-2022/77503. This document formally states the Foundation's responsibility for promoting research, innovation and development activities, as well as the production of vaccines, serums and other biopharmaceuticals, advanced therapies and the generation of new products, services and processes in the health area. This document contains the objectives to be achieved during its 60-month term, with the possibility of an extension for a further 120 months.

Fundação Butantan's administrative bodies are: the Board of Trustees, the Supervisory Board and the Executive Board. The Board of Trustees is composed of 9 members, the Supervisory Board of 3 members and the Executive Board is represented by the Executive Director Saulo Simoni Nacif and the General Superintendent Marcio Augusto Lassance Cunha Filho.

Maintaining the strategy and principles established in 2023, based on the pillars of Governance, Perennity and Effectiveness, in 2024, Fundação Butantan consolidated its trajectory of scientific innovation, social responsibility and global impact. Through strategic partnerships, investments in infrastructure and public recognition, the institution reaffirmed its commitment to promoting public health and sustainable development, remaining a reference on the national and international scene.

2. Basis of preparation

2.1 Statement of compliance

The financial statements were prepared in accordance with the accounting practices adopted in Brazil applicable to not-for-profit entities, Technical Interpretation (ITG 2002 - R1) Not-for-Profit Entity, and NBC TG 1000 (R1) Accounting for Small- and Medium-sized Entities for aspects not covered by ITG 2002 (R1) Not-for- Profit Entities.

The Management authorized the issuance of these financial statements on March 14, 2025.

2.2 Basis of measurement

The financial statements have been prepared based on historical cost, except for financial instruments recorded through profit or loss, which are measured at fair value.

2.3 Material information on accounting policies

The accounting policies have been applied consistently to all years and periods presented in these financial statements.

Assets, liabilities, revenues, and expenses are calculated on an accrual basis. Revenues from sales and services are recognized in the statement of activities in accordance with the requirements of the applicable standard

2.3.1 Functional currency

These financial statements are presented in reais (BRL), the Foundation's functional currency. Unless otherwise noted, all balances were rounded to the nearest thousand.

2.3.2 Transactions and balances

Transactions are translated into the Foundation’s respective functional currencies at the exchange rates in effect on the date of the transactions.

Monetary assets and liabilities denominated and calculated in foreign currencies on the reporting date are translated into the functional currency at the exchange rate calculated on that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

2.3.3 Noncurrent assets and liabilities

These comprise assets and rights that are realizable and duties and obligations that the Foundation owns and does not expect to be converted into cash or paid in the short term (up to 12 months following the base date of these financial statements or the operating cycle, whichever is the shorter), plus the corresponding charges and monetary variations incurred, if applicable, up to the reporting date.

2.3.4 Financial assets and liabilities

2.3.4.1 Financial assets

Financial assets are classified into the following categories: (i) at fair value through other comprehensive income (FVOCI); (ii) amortized cost; and (iii) at fair value through profit or loss (FVTPL). The classification is based both on the entity's business model for managing the financial asset and on the characteristics of the financial asset's contractual cash flows.

Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of activities.

2.3.4.2 Amortized cost

These are initially recognized at fair value, net of transaction costs, and subsequently measured at amortized cost using the effective interest method. Interest expenses are recognized based on the yield.

2.3.4.3 Financial assets at fair value through profit or loss

A financial asset is measured at fair value through profit or loss when it does not meet the classification criteria of the other categories or when, on initial recognition, it is designated to eliminate or reduce accounting mismatches.

2.3.4.4 Financial liabilities

Financial liabilities are measured at amortized cost.

2.3.4.5 Financial liabilities at fair value through profit or loss

Financial liabilities are, by default, measured at amortized cost, except for: (i) financial guarantee contracts, (ii) commitments to assign loans at below-market interest rates, (iii) financial liabilities that arise when the transfer of the financial asset does not qualify for derecognition or when the continuing involvement approach is applicable. A financial liability will be measured at fair value through profit or loss when it eliminates and/or significantly reduces the accounting mismatch or if the liability group is managed at fair value.

2.3.4.6 Impairment

The Foundation calculates allowances for expected credit losses (ECL) on financial assets measured at amortized cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Foundation considers reasonable and supportable information that is relevant and available at no excessive cost or effort. This includes quantitative and qualitative information and analysis based on the Foundation's historical experience, creditworthiness, and forward-looking information.

An asset is impaired if objective evidence indicates that a loss event occurred after the initial recognition of the asset and that the loss event had a negative effect on projected future cash flows that can be reliably estimated.

Objective evidence that financial assets are impaired may include nonpayment or late payment by the debtor, restructuring of the amount owed to the Foundation on terms that the Foundation would not consider in other transactions, indications that the debtor or issuer will enter bankruptcy proceedings or the disappearance of an active market for a security.

In applying the impairment test, the carrying amount of an asset or cash-generating unit is compared with its recoverable amount. The recoverable amount is the higher of an asset's net sale value and its value in use. Considering the particularities of the Foundation's assets, the recoverable amount used to assess the impairment test is the value in use unless specifically indicated. This value in use is estimated based on the present value of future cash flows, the result of the Foundation's best estimates.

2.3.4.6.1 Nature of the impairment assessment

The Foundation periodically assesses its assets to determine whether there is any indication of impairment that could impact its recoverable amount. This assessment is conducted in accordance with the Foundation's accounting policies, which are in line with the applicable international accounting standards.

2.3.4.6.2 Recognition criteria

Impairment is recognized when there is objective evidence that the carrying amount of an asset or group of assets is greater than its recoverable amount. This evidence may include significant changes in the operating, economic, legal, regulatory, or technological environment that affect the asset's ability to generate cash.

2.3.4.6.3 Assessment method

The Foundation uses different methods to determine the recoverable amount of its assets, including the present value method of expected future cash flows, comparison with similar market values or fair value less costs of disposal. The choice of the appropriate method depends on each asset's specific characteristics.

2.3.4.6.4 Impairment measurement

When it is determined that an asset or group of assets is impaired, the impairment amount is recognized as an expense in the statement of activities for the period The impairment amount is calculated as the difference between the asset's carrying amount and its recoverable amount.

2.3.4.6.5 Impairment reversal

If the circumstances that led to the recognition of the impairment change and the recoverable amount of an asset increases, the impairment recognized in previous periods can be reversed, provided that it does not exceed the carrying amount that would have been determined if the impairment had not been recognized.

2.3.5 Accounting assumptions, estimates and judgments

The preparation of financial statements in accordance with accounting practices adopted in Brazil applicable to Not-for-Profit Entities (ITG 2002 - R1) requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. The actual results may differ from these estimates.

Estimates and assumptions are continuously reviewed. Revisions regarding accounting estimates are recognized in the period in which estimates are reviewed and in any future periods affected.

Information about uncertainties regarding assumptions and estimates that have a significant risk of resulting in a material adjustment within the next fiscal year is included in the following explanatory notes:

- **Note 6** – Accounts receivable (allowance for expected credit losses on accounts receivable)
- **Note 7** – Inventories (provision for impairment of inventories)
- **Note 8** – Advances, prepaid expenses and other accounts receivable
- **Note 9** – Property, plant and equipment (depreciation rates, useful life of property, plant and equipment and impairment)
- **Note 14** – Tax obligations (provision for income tax on financial investments and on derivative instruments)
- **Note 17** – Provision for contingencies

3. New pronouncements

In year 2024, the Accounting Pronouncements Committee (CPC) issued a revision of the standards below, which were already in force in year 2024:

CPC standard	Description	Amendment | Improvement
IAS 7	CPC 03 (R2) - Statement of Cash Flows	The main change introduced was the requirement of providing additional information on financing activities, with the objective of improving transparency. Starting 2024, entities are required to disclose cash flows from financing activities in greater detail. This involves the mandatory provision of more specific information on the net cash flow from these activities.
IFRS 7	CPC 40 (R1) – Financial Instruments	The change is mainly related to the improvement of disclosures related to financial instruments, focused on credit risk and exposure to variability in cash flows. The objective is to increase transparency and provide more relevant information on financial risk management to investors and other users of the financial statements.

The changes have been evaluated and there is no effect on its financial statements in terms of their application.

In addition, the IASB issued a revision of existing pronouncements, which came into force on January 1, 2024, upon convergence of the pronouncements issued by the CPC:

Standard	Description
Amendments to IFRS 18/CPC 26 (R1) and IAS 7/CPC 03 (R2)	Presentation of Financial Statements
Amendments to IFRS 19	Subsidiaries without Public Accountability
Amendments to CPC 18 (R3)	Investments in Associates, Subsidiaries and Joint Ventures and to ICPC 09 - Individual, Separate and Consolidated Financial Statements and Application of the Equity Method
Amendments to CPC 37 (R1)	First Time Adoption of International Financial Reporting Standards
Amendments to CPC 02 (R2)	Effects of Changes in Foreign Exchange Rates and Translation of Financial Statements

These changes will only be valid for periods beginning on or after January 1, 2025, and will be applied retrospectively. The Foundation does not expect the adoption of the standards listed above to have a material impact on the financial statements in future periods.

4. Cash and cash equivalents

The Foundation's cash corresponds to available bank deposits, with cash equivalents consisting of short-term investments. Cash and cash equivalent balances are financial instruments with their fair value recognized through profit or loss (FVPL), recognizing interest according to the term incurred. The fair value of this financial instrument at this date is equivalent to the carrying amount.

	2024	2023
Banks	1,402	645
Short-term investments	4,909,041	3,648,118
Total	**4,910,443**	**3,648,763**

The short-term investments are in accordance with the Foundation's policy. The investment portfolio comprises mainly Bank Deposit Certificates (CDBs) from top-tier banks and Exclusive Investment Funds, which include various fixed-income assets in accordance with the investment policy aimed at the best profitability with the lowest level of risk, such as: financial treasury bill, financial bills of private banks with a rating no lower than that established (BBB/Baa2) and equity above BRL 7.5 billion and national treasury bills, among others.

Accounting Policy

Cash and cash equivalents comprise cash balances and short-term investments with an original maturity of three months or less from the date of contracting without fixed terms for redemption, with immediate liquidity. They are subject to an insignificant risk of change in value and are used in the management of short-term obligations.

5. Resources from partnerships with third parties (agreements)

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

	2024	2023
Banks (5)	6	240
Short-term investments	22,120	38,546
Total	**22,126**	**38,786**

Restricted funds from partnerships are invested in the financial market in accordance with the policy established in each agreement.

Accounting Policy

Funds from partnerships with third parties comprise balances in bank accounts and financial investments linked to the agreements.

6. Accounts receivable

(a) Domestic accounts receivable comprise mainly amounts billed to the Ministry of Health, and due to the payment term, they are concentrated on the billing made in December 2024. The main product related to this revenue is serums, totaling BRL 155,570.

(b) The provision for impairment of accounts receivable remained unchanged and the respective invoice remains under legal proceedings, totaling BRL 10,566. All other amounts overdue for over 61 days were settled before the publication of these financial statements.

The balance of "accounts receivable" by maturity period is shown below:

	2024	2023
Not overdue	268,926	197,402
Overdue:		
From 1 to 30 days	38,623	42,119
From 31 to 60 days	3,183	2,544
Over 61 days	14,208	13,239
Total	**324,940**	**255,304**

Accounting Policy

Accounts receivable correspond to amounts receivable mainly from the Ministry of Health and other customers for the sale of products (vaccines, serums, and medicines). . Accounts receivable are recorded and maintained in the statement of financial position at the nominal value of the invoices representing these credits and segregated between current and noncurrent according to maturity terms.

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

Estimated credit losses are recognized based on the analysis of accounts receivable in an amount deemed sufficient to cover probable losses when realized, according to criteria defined by Management (expected loss), basically represented by the individual analysis of overdue accounts receivable, if any. Outstanding receivables from customers are monitored frequently by the executive board. For situations in which risks of realization are identified, the full amounts of overdue debts are provisioned.

7. Inventories

	2024	2023
Semi-finished product	555,688	546,352
Auxiliary production materials	333,430	330,153
Consumable products	79,637	87,423
Inventory in transit	33,874	39,352
Raw material (a)	38,535	153,779
Finished product (b)	31,658	85,997
Work in progress products	17,678	13,304
Other (c)	15,215	28,041
Provision for impairment of inventories (d)	(143,064)	(134,502)
Accrual for research and development materials (d)	(287,671)	(307,837)
Total	**674,980**	**842,062**

The Foundation uses third-party warehouses to store part of its inventories. As of December 31, 2024, the balance of these materials amounted to BRL 241,854 (BRL 317,015 as of December 31, 2023).

(a) The reduction in the raw material balance is due to the disposal, in 2024, of vaccines acquired in the foreign market in 2023, which failed quality control. The costs related to the disposal and replacement of vaccines were borne by the supplier.

(b) The reduction in the finished product balance refers to vaccines in the industrialization phase, acquired in the foreign market, which failed quality control and were disposed of in 2024. The costs related to the disposal and replacement of vaccines were borne by the supplier.

(c) Consumable materials mainly refer to laboratory materials (BRL 5,910), safety materials (BRL 5,810) and hospital materials (BRL 1,699)

The movement in the provision for impairment of inventories and the accrual for research and development (R&D) materials is shown below:

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

	Obsolete (i)	Slow Moving (ii)	Total	R&D (iii)
Opening balance as of January 1, 2023	**(140,456)**	**(82,942)**	**(223,398)**	**(101,334)**
Addition - finished product supply	(72,434)	(27,396)	(99,830)	(222,353)
Reversal - provision (effective write-off)	135,199	53,527	188,726	15,850
Net effect in 2023	**62,765**	**26,131**	**88,896**	**(206,503)**
Opening balance as of December 31, 2023	**(77,691)**	**(56,811)**	**(134,502)**	**(307,837)**
Addition - finished product supply	(62,048)	(34,940)	(96,988)	(99,720)
Reversal - provision (effective write-off)	62,839	25,587	88,426	119,886
Net effect as of December 31, 2024	**791**	**(9,353)**	**(8,562)**	**20,166**
Opening balance as of December 31, 2024	**(76,900)**	**(66,164)**	**(143,064)**	**(287,671)**

(i) The accrual for obsolete inventory represents materials or products that have expired, have not been definitively or temporarily approved by the quality process and products that do not have an active market.

(ii) The accrual methodology for slow-moving materials is based on the following criteria:

- Materials that have not been consumed in the last 12 months will have their entire balance provisioned;
- For materials consumed in the last 12 months, a projection for consumption over 24 months is made.
- If the current inventory is higher than the consumption projection, 50.0% of the portion exceeding the consumption projection will be accrued.
- Year 2023 balance included the provision for loss of advances to suppliers. In 2024, for better understanding, BRL 1,118 related to this item was added to the inventory in transit account.

(iii) R&D refer to materials or products acquired solely to support research and development projects and are fully recognized in the statement of activities. Compared to 2023, there was a reduction in investments, resulting in lower additions to accruals. However, the reversals increased in 2024 due to the discontinuation of the Butanvac project and consumption in the progress of the Avian Flu, Dengue, Chikungunya and Tetravalent Influenza projects.

Accounting Policy

The cost of inventories is based on the average cost of acquisition plus expenses relating to transportation, storage, non-recoverable taxes, and other expenses incurred in bringing them to their existing location and condition. Inventories are measured at the lower of cost and net realizable value (NRV). The net realizable value is the estimated sales price in the normal course of business, deducted from the estimated costs of completion and selling expenses.

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

When necessary, inventory quantities are subtracted from estimated losses, which arise from devaluation, product obsolescence, and physical inventory losses.

The Foundation establishes an accrual that covers 100.0% of the inventory, with the purpose of analyzing obsolescence and low turnover in cases where there is no expectation of realization.

8. Advances, prepaid expenses and other accounts receivable

Advances and prepaid expenses	2024	2023
Advance on payroll (a)	3,595	2,457
Prepaid expenses (b)	3,240	22
Advances to suppliers	614	178
Others	557	896
Provision for losses on advances to suppliers	(432)	(131)
Total advances and prepaid expenses	**7,574**	**3,422**

Other accounts receivable	2024	2023
Recoverable taxes	1,077	174
Insurance	158	343
Others (8)	157	31
Total other accounts receivable	**1,392**	**548**

Current	8,966	3,970
Noncurrent	-	-

(a) Advance on payroll refers to amounts paid in advance to employees, such as vacation pay, which are later offset in the subsequent payroll.

(b) Prepaid expenses refer to contracts or financial commitments whose terms extend beyond the current year, reaching 2025. These amounts are recognized in the statement of activities in proportion to the contract term, ensuring that expenses are recorded in the year in which the related benefits or costs actually occur.

9. Property, plant and equipment

The Foundation's property, plant and equipment comprise equipment, buildings and production infrastructure, as well as research laboratories and cultural infrastructure.

Investments in construction and adaptation of production buildings, infrastructure and acquisition of equipment are essential to improve the production capacity and operational efficiency, ensuring that the Foundation is prepared to meet growing demands, complying with safety and regulatory standards.

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

Changes in property, plant and equipment in 2024:

	2023	Additions (a)	Write-offs (b)	Transfers (c)	Depreciation	2024
Real estate	7,885	-	-	-	(336)	7,549
Real estate - Right of use	4,525	-	-	-	(2,715)	1,810
Leasehold improvements	395,016	-	-	78,354	(21,543)	451,827
Machinery, equipment and facilities	632,778	9,317	(52)	32,394	(67,326)	607,111
Furniture and fixtures	19,767	437	(36)	5,447	(3,291)	22,324
IT equipment	28,287	272	(1)	4,506	(9,567)	23,497
Vehicles	10,963	-	(62)	(154)	(1,228)	9,519
Assets held by third parties	29,618	612	(9)	(10,438)	(5,680)	14,103
Livestock and horses	846	-	-	299	(224)	921
Works in progress (a)	642,033	212,469	-	(116,560)	-	737,942
Total cost	**1,771,718**	**223,107**	**(160)**	**(6,152)**	**(111,910)**	**1,876,603**
Property, plant and equipment losses	(16,032)		(8,237)			(24,269)
Property, plant and equipment in transit	10,914	25,990				36,904
Total provision	**(5,118)**	**25,990**	**(8,237)**	**-**	**-**	**12,635**
Total property, plant and equipment	**1,766,600**	**249,097**	**(8,397)**	**(6,152)**	**(111,910)**	**1,889,238**

	Advances for property, plant and equipment	Provision	Total
Closing balance as of December 31, 2023	**10,077**	**837**	**10,914**
Provision / New advances	12,569	123,319	135,888
Reversal (effective entry)	(8,836)	(101,062)	(109,898)
Net effect as of December 31, 2024	**3,733**	**22,257**	**25,990**
Closing balance as of December 31, 2024	**13,810**	**23,094**	**36,904**

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

(a) Activities in 2024:

Works in progress	Additions 2024	Accumulated balance	Observation	Estimated completion date
Construction of the Central Bioterium	R$ 94,013	R$ 227,808	Investments in the acquisition of equipment, civil construction, electrical and hydraulic works and infrastructure to adapt the Central Bioterium building, with the aim of creating a suitable environment for research activities and management of living organisms under controlled conditions.	Second half of 2025
Underground Structure of the Butantan Complex (Effluent Water Rainwater Sewage Network)	R$ 55,584	R$ 126,374	Construction of underground infrastructure for the water, effluent and storm sewage network of the Butantan Complex. The investment aims to improve and expand the Complex's infrastructure, ensuring the adequacy and proper functioning of the systems essential to the Foundation's operations, in compliance with environmental and safety regulations.	Second half of 2025
Other works	R$ 28,536	R$ 73,497	In 2024, infrastructure works and equipment acquisition were carried out for production at the Dengue factory, the Influenza Laboratory (LIN), electrical cogeneration plant and Quality Control, Compliance and Stability areas, with the aim of improving operational capacity, production efficiency and meeting the specific demands of these areas.	
Property, plant and equipment in transit	R$ 25,990	-	Property, plant and equipment in transit refer to advances made to suppliers for the acquisition of equipment, and the recognition of provisions to comply with the accrual method of accounting principle.	
Electric Power Plant - Cogeneration	R$ 16,869	R$ 62,400	Investment in hiring specialized services for the installation, supply of equipment and adaptation of a complete electrical substation, which will be an integral part of the Cogeneration Plant. The project's objective is to guarantee the production of electric power, chilled water and steam, essential for the Foundation's operations.	Second half of 2025
Infrastructure and construction of the access bridge at the São Joaquim Farm.	R$ 14,587	R$ 41,728	Investment in hydrosanitary infrastructure works and construction of access bridges at Fazenda São Joaquim.	First half of 2025
NB3 Bioterium	R$ 12,810	R$ 18,689	Investment in the renovation and adaptation of the building to create a bioterium and specialized laboratories, including structural renovations, infrastructure and acquisition of equipment for Biosafety Level 3 areas. These investments aim to ensure safety and efficiency in laboratory operations with high-risk biological agents.	First half of 2025
CPVM - Multipurpose Vaccine Production Center	R$ 708	R$ 187,446	Renovation of the building for the production of cell-based vaccines and construction of a Multipurpose Pilot Factory, intended for the production of vaccine prototypes or biological medicines, following good manufacturing practices.	First half of 2025
Total	**R$ 249,097**	**R$ 737,942**		

(b) Accounting losses and Impairment:

- In the course of 2024, the Foundation wrote off property, plant and equipment items due to theft. This write-off occurred at its residual value of BRL 60 and refers mainly to the theft of a vehicle and furniture and utensils from Casa Afrânio Peixoto, which were recognized as a loss in the statement of activities. There was also an increase in the provision for losses of BRL 2,462 (see Note 23.c).

- In 2024, the main impairment amount was BRL 5,248 and refers to assets acquired and not installed, which are packed in boxes to define their use.

(c) Asset Transfers – 2024

- This records assets that entered operation during the year and were transferred from the "Works in Progress" account to the related class of property, plant and equipment. It also includes transfers between categories of property, plant and equipment and between property, plant and equipment and intangible assets, according to the nature of the asset.

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

	2024 Cost	2024 Accumulated depreciation	2024 Net	2023 Cost	2023 Accumulated depreciation	2023 Net
Real estate	8,403	(854)	7,549	8,403	(518)	7,885
Real estate - Right of use	10,197	(8,387)	1,810	10,197	(5,672)	4,525
Leasehold improvements	543,255	(107,573)	435,682	464,690	(86,531)	378,159
Machinery, equipment and facilities	832,463	(288,566)	543,897	776,945	(216,288)	560,657
Furniture and fixtures	39,580	(19,136)	20,444	31,896	(14,094)	17,802
IT equipment	57,097	(34,161)	22,936	52,383	(24,636)	27,747
Vehicles	14,204	(4,685)	9,519	14,446	(3,483)	10,963
Assets held by third parties	25,884	(11,781)	14,103	43,942	(14,366)	29,576
Livestock and horses	2,590	(1,669)	921	2,407	(1,561)	846
Works in progress	725,471	-	725,471	641,900	-	641,900
Property, plant and equipment - Own assets	**2,259,144**	**(476,812)**	**1,782,332**	**2,047,209**	**(367,149)**	**1,680,060**
Real estate	-	-	-	-	-	-
Real estate - Right of use	-	-	-	-	-	-
Leasehold improvements	21,497	(5,352)	16,145	21,497	(4,640)	16,857
Machinery, equipment and facilities	173,500	(110,286)	63,214	181,601	(109,480)	72,121
Furniture and fixtures	3,268	(1,388)	1,880	3,061	(1,096)	1,965
IT equipment	1,739	(1,178)	561	1,442	(902)	540
Vehicles	100	(100)	-	33	(33)	-
Assets held by third parties	20	(20)	-	297	(255)	42
Livestock and horses	-	-	-	-	-	-
Works in progress	12,471	-	12,471	133	-	133
Property, plant and equipment - Agreement	**212,595**	**(118,324)**	**94,271**	**208,064**	**(116,406)**	**91,658**
Property, plant and equipment losses	(24,269)	-	(24,269)	(16,032)	-	(16,032)
Property, plant and equipment in transit	36,904	-	36,904	10,914	-	10,914
Total provision	**12,635**	**-**	**12,635**	**(5,118)**	**-**	**(5,118)**
Total property, plant and equipment	**2,484,374**	**(595,136)**	**1,889,238**	**2,250,155**	**(483,555)**	**1,766,600**

The estimated useful lives of property, plant and equipment items for 2024 were as follows:

Asset class	Own assets	Agreements
Leasehold improvements	25 years	25 years
Real estate	25 years	-
Patents	20 years	-
Industrial machinery and equipment	15 years	15 years
Refrigeration and air conditioning	13 years	12 years
Vehicles	12 years	15 years
Laboratory equipment	11 years	13 years
Facilities	10 years	10 years
Furniture	10 years	11 years
Trademarks	10 years	-
Tools	8 years	5 years
Livestock and horses	8 years	-
Assets held by third parties	5 years	5 years
IT equipment	5 years	5 years

The table above represents the average useful lives of the assets grouped by class. This means that own assets and those of partnerships have different useful lives depending on their specific characteristics.

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

Accounting Policy

Recognition and measurement

Property, plant, and equipment items are measured at historical acquisition or construction cost, less accumulated depreciation and any accumulated impairment losses.

Gains and losses on the disposal of an item of property, plant and equipment (determined by the difference among the proceeds arising from the disposal and the carrying amount of the asset) are recognized in other operating revenues/expenses in the statement of activities.

Investments are accounted for in accordance with the Foundation's guidelines and Brazilian accounting standards, and are initially recorded in property, plant and equipment, in the "Works in progress" account. After completion of the works, the installation of the equipment and the start of operations, the amounts are transferred to the related class of property, plant and equipment.

Depreciation

Depreciation is calculated on the depreciable value, which is the cost of an asset or another value that replaces the cost.

Depreciation is recognized in profit or loss based on the straight-line method in relation to the estimated useful life of each part of property, plant, and equipment, since this is the method that most closely reflects the consumption pattern of future economic benefits incorporated into the asset.

Depreciation of items starts from the moment the assets are in real working order, after start-up (machinery and equipment) and technical qualification for laboratory equipment and production equipment, in accordance with ANVISA's Resolution RDC17.

The depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and any adjustments are recognized as a change in accounting estimates.

Accounting losses and impairment

The provision for impairment of property, plant and equipment items is recorded when an asset ceases to be used by the Foundation due to obsolescence, scrapping, sale or other factors, reflecting the estimated loss in value, and is recorded as an expense.

In addition, property, plant and equipment items that remain inactive for more than three years, awaiting installation, qualification or renovation, are revalued, since they do not generate economic benefits, and may suffer deterioration. Assets stored for this period are also classified in this category, with an adjustment to their carrying amount.

10. Intangible assets

	2023	Additions	Write-offs	Transfers (a)	Amortization	2024
Intangible assets in progress	21,813	11,135	-	(3,734)	-	29,214
Office programs and software	-	-	-	-	-	-
Management programs and software	87,356	1,406	-	9,886	(22,187)	76,461
Trademarks and patents	537	-	-	-	(109)	428
Net balance	**109,706**	**12,541**	**-**	**6,152**	**(22,296)**	**106,103**

	2024			2023		
	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net
Intangible assets in progress	29,214	-	29,214	21,813	-	21,813
Office programs and software	-	-	-	-	-	-
Management programs and software	134,500	(58,886)	75,614	123,057	(36,811)	86,246
Trademarks and patents	537	(109)	428	537	-	537
Intangible assets - Own assets	**164,251**	**(58,995)**	**105,256**	**145,407**	**(36,811)**	**108,596**
Intangible assets in progress	-	-	-	-	-	-
Office programs and software	-	-	-	-	-	-
Management programs and software	1,896	(1,049)	847	1,896	(787)	1,110
Trademarks and patents	-	-	-	-	-	-
Intangible assets - Agreement	**1,896**	**(1,049)**	**847**	**1,896**	**(787)**	**1,110**
Total intangible assets	**166,147**	**(60,044)**	**106,103**	**147,303**	**(37,597)**	**109,706**

(a) The balance of transfers in 2024 refers to the change of amounts between property, plant and equipment and intangible assets. The transfers occurred due to the capitalization of BRL 9,886 in software initially recorded in the "works in progress" class in property, plant and equipment. After the completion of the project, installation and beginning of utilization, the assets were transferred to the definitive class, and amortization began.

- Software for controlling the exhibition and cinema of the Vaccine Museum.
- Implementation of the SAP system - Ariba module.

Accounting Policy

These comprise assets acquired from third parties and are measured at total acquisition cost less amortization. Intangible assets are amortized using the straight-line method, and amortization is recognized in the statement of activities over the estimated useful life of the assets, which is 5 years from the date they are available for use.

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

11. Suppliers

	2024	2023
Domestic suppliers (a)	237,234	138,099
Foreign suppliers	187,376	212,660
Total	**424,610**	**350,759**

(a) In 2024, the main movement refers to the acquisitions made at the end of the year of the medicine Adalimumabe, totaling BRL 122,995.

Below is the balance by maturity period:

As of December 31, 2024, the average days to maturity of outstanding notes with operating suppliers was around 74 days, a reduction compared to 83 days recorded at the end of 2023. The main variation was due to payments for the product Adalimumabe, the term for which is counted from the receipt of the resale of the product to the Ministry of Health. With regard to suppliers of property, plant, and equipment, the deadlines are determined through commercial negotiation in each transaction.

The amount of BRL 87,775 corresponding to the period of 61 to 180 days refers to the acquisition of medicines and vaccines, namely: Rabies (BRL 45,676), Adalimumabe (BRL 23,208), Chickenpox (BRL 14,730) and others (BRL 4,161).

Accounting policy

The amounts corresponding to accounts payable to suppliers consist of commitments related to the acquisition of raw materials during the Foundation's normal activities and investments made in specific projects. These commitments are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method when applicable.

12. Borrowings

12.1 Breakdown of borrowings

			2023		
	Annual interest	Maturity	Current	Noncurrent	Total
In local currency					
			-	-	-
Total			-	-	-

			2024		
	Annual interest	Maturity	Current	Noncurrent	Total
In local currency					
BNDES - Development of the Trivalent Influenza Vaccine (i)	TR + 2.2% p.a	07/15/2036	112	20,000	20,112
BID - Invest – Inter American Investment-Corporation - Manufacturing Investment (II)	CDI + 2.25% p.a	09/15/2032	11,413	300,000	311,413
Total			**11,525**	**320,000**	**331,525**

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

12.2 Nature of borrowings

12.2.1 Borrowings – BNDES (National Bank for Economic and Social Development)

The Foundation has 2 financing contracts with BNDES, namely:

- **Tetravalent Influenza Financing:** intended for multicenter clinical trials within the scope of the development of the tetravalent Influenza vaccine.
- **New Production Financing from Influenza Bank (PBI):** implementation of a plant for the development and production of cell banks and pilot-scale batches for the manufacture of biological products for human health, at Instituto Butantan complex

Below we detail the main borrowings:

Quadrivalent Influenza	
Amount in R$	45,365,000
Financial cost	TR + +2.20% p.a.
Contract signing date:	07/16/2024
Maturity date:	07/15/2036
Interest	Quarterly
Guarantees	Bank guarantee
Grace period	30 months
Amortization	114 months

New PBI		
Amount in R$	270,411,400	155,890,600
Financial cost	TR + +2.20% p.a.	TLP + +1.10% p.a.
Contract signing date:	08/09/2024	
Maturity date:	08/15/2038	
Interest:	Quarterly	
Guarantees	Bank guarantee	
Grace period	48 months	
Amortization	120 months	

As of December 31, 2024, the balances due to BNDES were classified in noncurrent liabilities in the Foundation's statement of financial position according to the first release in the amount of BRL 20,000 on October 28, 2024 referring to the financing of Tetravalent Influenza. The release of the remaining amounts for Tetravalent Influenza will occur after proof of expenses for the first release. Regarding the first release of the new PBI, this is expected to occur in 2025 after the compliance with the preconditions for the release of the amounts. The principal and financial charges will be paid according to the expected maturity schedules.

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

12.2.2 Borrowing – IDB (Inter-American Development Bank)

The Foundation has one borrowing with IDB, for financing of the following projects:

- Cold Storage Center (CAR)
- Repository and Biobank Center
- Central Bioterium
- Gas Generation Plant

Below we detail the main borrowings:

IDB	
Amount in R$	300,000,000
Financial cost	CDI + 2.25% p.a.
Contract signing date:	12/14/2022
Maturity date:	09/15/2032
Interest	Semiannual
Guarantees	Bank guarantee of 30% of the amount
Grace period	36 months
Amortization	84 months

As of December 31, 2024, the balances due to IDB were classified in noncurrent liabilities in the Foundation's statement of financial position according to the single release in the amount of BRL 300,000 on July 31, 2024. The principal and financial charges will be paid according to the expected maturity schedules.

The conditions and balances of the borrowing are subject to review according to the progress of the financed projects and any contractual modifications that may be made.

The contract with the IDB has financial covenant clauses as follows:

- **Net Debt / EBITDA < +2.0x**

  This index assesses the Foundation's level of indebtedness in relation to its capacity to generate operating cash flow (EBITDA). As of December 31, 2024, the debt ratio was -8.2.2x, which means that its asset financial position is greater than the debt, well below the covenants of +2.0.0x.

- **EBITDA / Interest Expense > +3.5.5x**

  This indicator measures the Foundation's efficiency in generating sufficient operating profit to cover interest. A value greater than +3.5.5x demonstrates a solid financial capacity to honor its financial obligations, ensuring stability and security for operations. The interest service coverage ratio was +35.39x as of December 31, 2024.

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

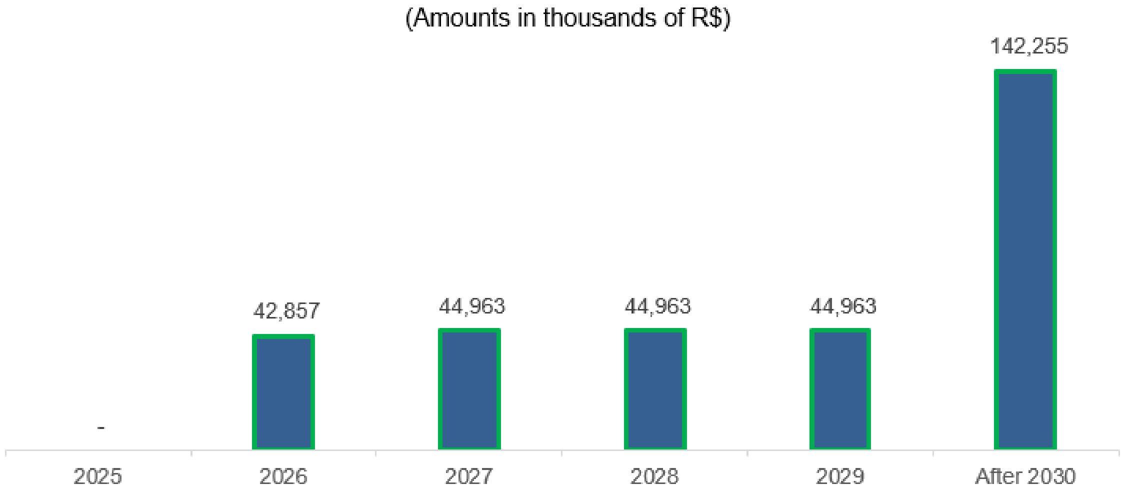
- **Current Assets / Current Liabilities > +1.2x**

  Known as the current liquidity ratio, this indicator assesses the Foundation's ability to meet its short-term obligations using its short-term assets. The current liquidity ratio as of December 31, 2024 was +9.48x.

The covenants are tested monthly and sent to the IDB quarterly. There is no indication that the Foundation will encounter difficulties in complying with these covenants.

12.3 Maturity schedule

The maturity of borrowings, classified in noncurrent liabilities, is presented below:



Accounting Policy

Borrowings are initially recognized at their fair values, plus costs directly attributable to the transaction. After initial recognition, they are recorded at amortized cost using the effective interest method.

Borrowings are governed by specific conditions established in the contract, including interest rates, maturity dates and guarantees offered.

The financial charges related to borrowings are recognized periodically in the statement of activities, according to the agreed contractual terms.

13. Labor obligations and social charges

	2024	2023
Vacation payable	49,384	46,300
Salaries to be paid	15,934	13,560
INSS on salaries to be paid	10,538	9,848
IRRF on salaries to be paid	8,981	7,830
FGTS payable	3,263	3,168
INSS payable on third-party services	592	1,081
PIS payable	289	516
Total	**88,981**	**82,303**

The salaries and benefits granted to the Foundation's employees and officers include fixed compensation (salaries, Social Security Contribution - INSS, Unemployment Compensation Fund-FGTS, vacation pay, and 13th monthly salary, among others). These benefits are recorded in the statement of activities for the year as they are incurred.

14. Tax obligations

	2024	2023
Provision for income tax on financial investments (a)	69,125	35,127
Provision for income tax on derivative instruments (b)	2,468	-
PIS, COFINS and Social Contribution payable	238	1,103
Service tax payable	216	420
Withholding income tax payable	109	178
ICMS payable	104	52
Total	**72,260**	**36,880**

(a) For 2024 there was an increase in the provision due to the increase in financial investment income in 2024. The increase in the provision for income tax was due to the increase in cash of BRL 1,261,680, partially offset by the reduction in average interest rates, which leveraged income and, consequently, the income tax (IR) payable.

(b) In 2024, with the contracting of derivative instruments, the Foundation began to pay the Withholding Income Tax (IRRF) amount of 14.9% on the net gains on the operations carried out. In December 2024 the provision corresponded to BRL 2,468.

15. Partnerships with third parties (Agreements)

Below, we present the activity of the partnership contracts, demonstrating the total funds received by the Foundation as well as the amounts used in project execution (consumption).

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

	2024	2023
Current liability		
Partnerships to be executed	22,126	38,786
	22,126	**38,786**
Noncurrent liability		
Property, plant and equipment - partnerships	92,273	91,201
Partnerships to be executed	(185)	502
	92,088	**91,703**
Total	**114,214**	**130,489**

Description	Balance as of December 31, 2023	Amounts received	Partnerships to be executed	Finance income	IRRF on financial income	Consumption	Returns	Depreciation and amortization	Balance as of December 31, 2024
Partnership contracts	130,489	5,826	(185)	2,905	(538)	(4,150)	(10,743)	(9,390)	114,214

Partnerships are made between Instituto Butantan, Fundação Butantan, and governmental and non- governmental bodies, in which the Foundation's objective is to manage the work plans and carry out the expected results of each project, resulting in two concrete elements:

- The proposed/achieved objectives;
- Demonstration of the use of resources.

Consumption: The application of resources and/or consumption takes place in contracting, purchasing, acquisition, operational, and management capacity for the areas of scientific research, technological development, teaching, and production.

	2024	2023
Services provided by third parties	2,279	3,748
Expenditure on consumables	878	1,222
General and administrative expenses	273	976
Finance expenses	66	2
Freight costs	5	-
Others	649	1,582
Total	**4,150**	**7,530**

Returns: These refer to the financial amounts made available and not used, which, at the end of the contract, are returned to the financier.

Accounting policy

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

Partnerships are accounted for on the basis of the funds made available, which are recognized as liabilities of Fundação Butantan and managed in a specific current account for a given project. Expenditure on partnerships is recorded in the specific group of expenditure on partnerships. These expenses do not impact the Foundation's final result, since the monthly recording is made in the revenue group with partnerships, where there is a respective reduction of the liability.

16. Lease agreements

The Foundation has only one (1) lease agreement relating to a property used as a warehouse for indirect materials, recognized as a liability and shown below

	Balance as of December 31, 2023	Remeasurement/New contracts	Payments	Interest	Balance as of December 31, 2024
Real estate	4,294	-	(3,736)	357	915

The nominal flow, without considering projected future inflation in the lease contract flows by maturity, is shown below:

	2025	Adjustment to present value	Total
Amount	934	(19)	915

Accounting Policy

The Foundation assesses whether a contract is or contains a lease at the beginning of the contract. The Foundation recognizes a right-of-use asset and corresponding lease liability with respect to all lease contracts in which the Foundation is the lessee, excepting short-term leases (defined as leases with a lease term of no more than 12 months) and leases of low-value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Foundation recognizes lease payments as an operating expense using the straight-line method over the lease term, except when another systematic basis is more representative to reflect the time pattern in which the economic benefits of the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the Foundation uses its incremental funding rate.

Incremental funding rates depend on the term, currency, and commencement date of the lease and are determined based on a series of data that include the risk-free rate based on government bond rates; the country-specific risk adjustment; the credit risk adjustment based on bond yields; and the entity-specific adjustment when the risk profile of the entity participating in the lease is different from the Foundation's risk profile.

Lease payments included in the measurement of lease liabilities include:

Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

Index- or rate-dependent variable lease payments initially calculated using the index or rate on the effective date;

The estimated amount owed by the lessee in residual value guarantees;

The exercise price of stock options, if the lessee is reasonably certain to exercise the options; and

Lease termination penalty payments, if the lease term reflects the exercise of the option to terminate the lease.

Lease liabilities are presented in a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect the interest on the lease liability (using the effective interest method) and reducing the carrying amount to reflect the lease payment made.

The Foundation remeasures the lease liability (and makes a corresponding adjustment to the respective right-of-use asset) whenever:

The lease term is changed, or there is a significant event or change in circumstances that result in a change in the assessment of the exercise of the stock option, in which case the lease liability is remeasured by discounting the revised lease payments using the revised discount rate.

Lease payments are changed due to changes in the index or rate or a change in the expected payment on the guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using the unchanged discount rate (unless the change in lease payments results from a change in the variable interest rate, in which case the revised discount rate is used).

When a lease is modified, and the change in the lease is not accounted for as a separate lease, the lease liability is remeasured based on the modified lease term by discounting the revised lease payments using the revised discount rate on the effective date of the modification.

The Foundation did not make these adjustments during the periods presented.

Right-of-use assets include the initial measurement of the corresponding lease liability and lease payments made on or before the commencement date, less any lease incentives received and any initial direct costs. These assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Whenever the Foundation assumes an obligation in relation to the costs of dismantling and removing a leased asset, restoring the site on which the asset is located or returning the corresponding asset to the condition required under the terms and conditions of the lease, the provision is recognized and measured in accordance with IAS 37 (CPC 25). To the extent that the costs relate to the right-of-use asset, the costs are included in the corresponding right-of-use asset unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the lease period and the useful life of the right-of-use asset, whichever is shorter.

Right-of-use assets are presented as a separate line in the statement of financial position.

The Foundation applies IAS 36 (CPC 01 (R1)) to determine whether the right-of-use asset is subject to impairment and to account for any impairment losses identified as described in the policy related to "Property, plant, and equipment."

Variable rents that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets. The corresponding payments are recognized as an expense in the period in which the event or condition resulting in these payments occurs and recorded according to their nature as a lease cost or expense in profit or loss (see Note 16).

For contracts that contain a lease component and one or more additional leases or non-lease components, the Foundation allocates the consideration in the contract to each lease component based on the respective individual price of the lease component and the total individual price of the non-lease components.

17. Provision for contingencies

The Foundation is a party to lawsuits and administrative proceedings arising from the normal course of operations involving labor and social security matters.

Based on information from its legal advisors, an analysis of pending lawsuits, and, with regard to labor lawsuits, based on previous experience regarding the amounts claimed, Management has set up a provision in an amount considered sufficient to cover estimated losses from ongoing lawsuits, as follows:

December 31, 2024	Provisioned amount	Deposits in court	Subtotal	Non-linked legal deposits
Labor	(1,276)	302	(974)	71
Civil	(36,308)	-	(36,308)	-
Total	**(37,584)**	**302**	**(37,282)**	**71**

17.1 Labor and civil contingencies

Provisions were set up based on an analysis of the information provided by legal advisors, and the amount of BRL 37,584 (BRL 5,413 in 2023) was considered sufficient by Fundação Butantan's Management to cover probable losses from ongoing lawsuits.

	Tax	Labor	Civil (a)	Gross exposure	Net exposure
Balance as of December 31, 2022	**-**	**(4,060)**	**(1,988)**	**(6,048)**	**(6,048)**
Provision / New lawsuits	-	(491)	(1,444)	(1,935)	(1,935)
Write-offs and reversals	-	451	1,988	2,439	2,439
Transaction	-	131	-	131	131
Balance as of December 31, 2023	**-**	**(3,969)**	**(1,444)**	**(5,413)**	**(5,413)**
Provision / New lawsuits	-	(701)	(33,299)	(34,000)	(34,000)
Write-offs and reversals	-	3,038	-	3,038	3,038
Transaction	-	356	(1,565)	(1,209)	(1,209)
Balance as of December 31, 2024		**(1,276)**	**(36,308)**	**(37,584)**	**(37,584)**

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

In 2024, the proceeding with the Federal Court of Auditors (TCU) was updated, in which the Foundation was sentenced to pay BRL 24,438. With monetary adjustments, the proceeding totaled BRL 33,299. Due to the reassessment of the proceeding, the likelihood of loss, previously classified as possible, was changed to probable. In 2024, the amount of BRL 1,565 relating to the proceeding with the INSS was updated.

17.2 Lawsuits assessed as a possible risk of loss

As of December 31, 2024, the Foundation is a party to lawsuits that are being discussed at the administrative or judicial level of a labor and civil nature for BRL 51,315 (BRL 31,315 in 2023), the increase in this amount mainly results from a review of the prognosis from remote to possible.

For the lawsuits classified as possible loss, in the assessment of the legal advisors, no provision was recorded in view of the fact that the accounting practices adopted in Brazil applicable to Not-for-Profit Entities (ITG 2002 - R1) do not require their accounting.

17.3 Contingent assets

A contingent asset is a possible asset that results from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not fully under the control of the entity.

The Foundation has contingent assets related to legal and administrative proceedings, whose outcome may result in the inflow of future economic benefits. Based on the assessment of legal and technical advisors, an amount of BRL589 was estimated as likely to be realized, although it still depends on uncertain future events.

In accordance with the accounting practices adopted, these amounts were not recognized, but are disclosed for purposes of transparency and monitoring of the progress of the lawsuits. The Foundation continues to monitor these contingencies and will update the information as necessary.

Accounting Policy

Provisions are recognized for present obligations or risks resulting from past events for which the amounts can be reliably estimated and whose disbursement is probable. The amount recognized as a provision is the best estimate of the consideration required to settle the obligation at the end of each year or period, considering the risks and uncertainties related to the obligation.

Provisions are made for all claims relating to taxation on financial investments, loss of assets (accounts receivable, inventories and property, plant, and equipment) and legal proceedings for which, as a result of past events, an outflow of funds will probably be required to settle the claim and a reasonable estimate can be made. The assessment of the likelihood of loss includes the evaluation of available deficiencies, the hierarchy of laws, available case law, the most recent court decisions and their relevance to the legal system, as well as the assessment of in-house lawyers.

Provisions are reviewed and adjusted to take into consideration changes in circumstances, such as the applicable limitation period, conclusions of tax inspections or additional exposures identified based on new matters or court decisions. Actual results may differ from Management's estimates.

Contingent liabilities assessed as possible losses are only disclosed in an explanatory note, and contingent liabilities assessed as remote losses are neither provisioned nor disclosed. Contingent assets are recognized only when there are real guarantees or favorable court decisions that have become final. Contingent assets with probable success are only disclosed in the notes to the financial statements.

18. Related parties

Fundação Butantan is a private entity qualified as an institution of public utility and accredited by Instituto Butantan ICT Support Foundation. Its objective is to promote activities related to the development of research, teaching, science, technology, and innovation, as well as the production of serums and vaccines, always to support the activities and objectives of Instituto Butantan.

18.1 Remuneration of key Management and members of the Supervisory Board and External Audit and Risk Committee

The Foundation pays remuneration to its employees who are governed by the Consolidated Labor Laws (CLT) under the terms of the Foundation's articles of incorporation. As part of its strategy of professionalization with market executives, as of 2023, the Supervisory Board members and the Executive Officer will be remunerated. In 2024, the External Audit and Risk Committee was created, and its members are also remunerated.

In 2024, the total cost of salaries and charges for the 38 Directors (31 in 2023), 3 members of the Supervisory Board (3 in 2023) and 2 members of the External Audit and Risk Committee (none in 2022) was BRL 18,515, compared to BRL 18,195 in 2023.

Other advisors, founders or benefactors did not receive any remuneration, advantages or benefits, directly or indirectly, in any form or title, due to the competences, functions or activities attributed to them by the bylaws.

19. Equity

The Equity is composed of the Foundation's Capital and the Surplus for the period. It consists of the initial contribution described in the public deed of incorporation, contributions or assets that may be added by donations made by public entities, legal entities under private law, or individuals for the specific purpose of incorporation into the equity, and part of any net surpluses arising from its activities.

Fundação Butantan may be extinguished by reasoned decision of its Board of Trustees with the presence of the São Paulo State Public Prosecutor's Office for Foundations - São Paulo District, and must be approved by 3/4 of the board members when occurred, alternatively:

- the impossibility of maintaining it;
- that the continuation of activities does not serve the public and social interest of Instituto Butantan and of any other partners;

- the unlawfulness or uselessness of its purposes.

In the event of the Foundation's extinction, the Board of Trustees, accompanied by the competent body of the Public Prosecutor's Office, will proceed to liquidate it, carrying out the relevant operations, collecting and paying debts and other acts necessary for its closure. At the end of the process, the Foundation's assets will revert in their entirety to Instituto Butantan.

The results of activities are calculated on an Accrual method of accounting.

19.1 Surplus for the year

The surplus for the year will be incorporated into the Foundation's assets after the close of the fiscal year and approval of the financial statements, in accordance with legal and statutory requirements, since the surplus will be applied in full in the national territory, in the maintenance and development of its institutional objectives and in accordance with Resolution No. 1409/12 which approved ITG 2002 (R1).

As at December 31, 2024, and December 31, 2023, the Equity was composed as follows:

	2024	2023
Owners' equity	6,036,242	5,428,014
Surplus for the year	826,630	608,228
Total	**6,862,872**	**6,036,242**

20. Net operating income

Net revenues are mostly made up of sales made to the Ministry of Health in 2024 to meet the National Immunization Program (PNI) and sales to the private domestic and foreign markets, in addition to, occasionally, certain donations received, agreements, voluntary work and other revenues.

	2024	2023
Sales (a)	3,111,231	3,294,086
Partnerships	14,078	31,262
Donations	2,694	24,396
Volunteer work (b)	1,008	960
Other revenue	2,004	2,159
Gross revenue	**3,131,015**	**3,352,863**
(-) Returns and rebates (a)	(391)	(341,738)
(=) Net revenue	**3,130,624**	**3,011,125**

Main variations in year 2024:

(a) Net sales, net of returns and rebates, increased by BRL 158,495, reflecting sales of Adalimumabe, serums, HPV and Hepatitis A. This increase was partially offset by the reduction in sales of the Covid-19 Vaccine, which in 2023 totaled BRL 432,594 and were not sold in 2024.

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

Net sales	2024	2023
Medicines	216,942	158,433
Serums	182,417	104,970
Vaccines	2,711,481	2,688,945
Total	**3,110,840**	**2,952,348**

(b) Revenue from volunteer work: As established in Interpretation ITG 2002 (R1) - Not-for-Profit Entity, the Foundation values revenue from volunteer work, including that of members of management bodies, especially members of the Board of Trustees, and it is measured at fair value, taking into account the amounts that the Foundation would have to pay if it had contracted these services in a similar market. Revenue from volunteer work is recognized in the statement of activities for the year against operating expenses also in the statement of activities. As of December 31, 2024, the Foundation recorded BRL 1,008 (BRL 960 in 2023).

Accounting Policy

Revenue from product sales is recognized in accordance with NBCTG 47 - Revenue from contracts with customers, which establishes a five-step model for determining the measurement of revenue and when and how it is recognized. Thus, the Foundation recognizes revenue when:

(1) a contract exists with the customer;
(2) the performance obligations to be met in connection with the contract (products to be delivered to customers) are identified;
(3) measurement of the contract value;
(4) allocation of the contract value to the respective performance obligations;
(5) determination of the timing of the recognition of revenue (generally through the transfer of the risks and rewards of ownership of the products, through the respective shipment and issuance of sales invoices, taking incoterms into consideration).

These criteria are considered to be met when the goods are transferred to the buyer, respecting the main freight methods adopted by the Foundation.

Revenue is presented net of taxes, returns, rebates, and discounts,

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

21. Cost of products and goods sold

	2024	2023
Cost of products sold (a)	**(1,232,142)**	**(1,200,028)**
Variable costs	*(938,546)*	*(946,304)*
Personnel expenses	*(217,986)*	*(181,602)*
Maintenance	*(35,075)*	*(29,706)*
Depreciation and amortization	*(34,424)*	*(35,894)*
Others	*(6,111)*	*(6,522)*
Cost of goods sold (b)	**(369,410)**	**(269,305)**
Other costs (c)	**(107,671)**	**(68,717)**
Disposals (i)	*(111,655)*	*(57,609)*
Logistics costs (ii)	*(1,025)*	*(7,842)*
Inventory adjustment (iii)	*5,009*	*(3,266)*
Total	**(1,709,223)**	**(1,538,050)**

(a) Cost of Products Sold refers to the products produced by the Foundation.

(b) Cost of Goods Sold refers to products only distributed by the Foundation. In 2024, we remained with higher sales of Adalimumabe and Rabies Vaccine.

(c) Other costs:

(i) Disposals refer to productive materials, with the following amounts standing out:

- **Vaccines:** Influenza BRL 26,847 and Covid BRL 10,401, used for testing.
- **Strains:** BRL 13,351, disposed due to expiration or uselessness.
- **Provision for obsolescence and slow-moving:** BRL 7,553, corresponding to the expectation of slow-moving or outdated materials.

(ii) In 2024, there was a reduction in logistics costs due to a smaller participation of Fundação Butantan in international tenders, mainly at PAHO (Pan American Health Organization).

(iii) The inventory adjustment was recorded after a general physical inventory taken in all of the Foundation's warehouses in 2024. The amount of BRL 5,009 refers to differences in quantities of direct materials recognized in 2024.

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

22. General and administrative expenses

	2024	2023
Personnel expenses (a)	(476,393)	(502,832)
Research & Development (b)	(197,974)	(324,849)
Depreciation and amortization	(89,906)	(84,617)
Maintenance (c)	(47,455)	(80,271)
Telephony and licenses (d)	(39,386)	(22,419)
Services provided by third parties (e)	(21,010)	(12,963)
Travels	(5,961)	(5,267)
Communication services	(3,477)	(3,690)
Rent	(2,963)	(4,421)
Taxes and duties	(1,495)	(1,899)
Fleet expenses	(1,551)	(1,562)
Others (f)	(5,935)	(9,924)
Total	**(893,506)**	**(1,054,714)**

(a) In 2024, the Foundation fully apportioned the benefit amounts, allocating the amount concerning employees related to production to cost of products sold, which resulted in lower expense in 2024 compared to the previous year. In 2023, a partial allocation was started in the review of the costing process, made after the implementation of the SAP system.

(b) In 2024, there was a reduction in the R&D amounts, as a result of several factors that influenced this decrease. Among the main reasons, the following stand out:

- Butanvac phase II clinical trials – Discontinued.
- Completion of phase III studies on Dengue and Chikungunya.
- High amounts spent in 2023 on the purchase of HPV and Hepatitis A APIs as part of the PDP (Productive Development Partnerships) process for this product, partially offset by expenditures on the development of APIs for Adalimumabe in 2024.

(c) In 2023, the review of the investment planning resulted in the recognition of discontinued projects in the amount of BRL 34,411, a scenario that was not repeated in 2024. In addition, the maintenance team dedicated more efforts to productive machines, reallocating these expenses to cost of products sold.

(d) The variation is mainly due to licenses for use of the SAP system, after the go-live in May 2023 they will be considered expenses. In 2024 we had the first full year of license payments justifying the increase of BRL 14,829 in income.

(e) The Foundation incurred an expense of BRL 4,709 related to the hiring of a company specialized in strategic consulting for the development of a strategic plan for the next 30 years. There was also an expense of BRL 1,516 for IT consulting services to support the

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

SAP System.

(f) The main amount refers to contributions to professional associations, related to the WHO annual fee of BRL 3,375. Then we have insurance BRL 1,186 and office supplies BRL1,169.

23. Other net revenue and expenses

	2024	2023
Legal expenses (a)	(25,471)	(5,616)
Property, plant and equipment impairment and write-off	(5,452)	(14,270)
Inventory (b)	(5,373)	-
Estimated losses with suppliers (c)	(2,462)	6,245
Donations	(358)	(157)
Non-recurring income (d)	4,216	-
Total	**(34,900)**	**(13,798)**

(a) The amount of BRL 25,471 refers to the movement of Provision for contingencies in 2024, mainly the amount of BRL 24,438 referring to the proceeding with the Federal Court of Auditors (TCU) as disclosed in Note 17.1.

(b) The Foundation carried out a general physical inventory in all warehouses, the amount of BRL5,373 refers to indirect R&D materials.

(c) After reviewing the executive project for the new dTpa vaccine production plant, certain equipment items with purchase order already placed and advance payment already made did not have a destination, resulting in an increase in the provision of BRL 2,462 in the statement of activities.

(d) The main amount refers to compensation for damages related to the import of equipment and materials in the amount of BRL 2,345.

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

24. Net finance income (costs)

	2024	2023
Finance income		
Investment interest income (a)	462,958	364,211
Foreign exchange gains (b)	65,998	137,147
Gains on derivative financial instruments (c)	41,264	
Discounts obtained	742	2,349
Interest earned	4	2
	570,966	**503,709**
Finance expenses		
Foreign exchange losses	(112,534)	(187,016)
Losses on derivative financial instruments (b)	(10,946)	-
Withholding taxes on investment interest income (c)	(79,662)	(72,157)
Loss on monetary adjustment (d)	(8,926)	-
Interest and fines paid	(3,558)	(1,628)
IRRF on financial derivatives (e)	(2,891)	-
Bank charges (f)	(2,764)	(4,713)
IOF - tax on financial transactions (g)	(964)	(2,233)
Discounts granted	-	(75)
	(222,245)	**(267,822)**
Total	**348,721**	**235,887**

Finance income:

(a) In 2024, the increase of BRL 1.3 billion in cash and the increase in the basic interest rate contributed to an increase in the financial investment income, reaching a total of BRL 462,958, 27.1% higher than in 2023.

(b) Foreign exchange gains resulting from purchase and sales operations in the foreign market.

(c) Gains on settlement of Non-Deliverable Forward (NDF) carried out in 2024 of BRL 25,492, mark-to-market adjustment of BRL 819 and exchange rate variation of BRL 14,952.

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

Finance costs:

(a) Foreign exchange losses resulting from purchase and sales transactions in the foreign market.

(b) Cost of hedge related to the contracting of NDF of BRL 2,734 and effective loss on the settlement of NDF of BRL 8,211.

(c) Due to the increase in finance income (Note “a” of Finance income), the IRRF on financial investments was higher when compared to 2023.

(d) The amount of BRL 8,861 refers to the monetary adjustment of the proceeding with the TCU, recorded in civil provisions, as detailed in Note 17.1.

(e) In 2024, Fundação Butantan contracted derivative instruments (NDF). When the settlement is positive, IRRF tax is levied.

(f) In 2023, a commission fee on IDB financing was charged, in the amount of BRL 4,519.

(g) Reduction in the levy of IOF (tax on financial transactions) due to the increase in foreign exchange coverage with local banks and reduction in investments in foreign banks.

Accounting Policy

Finance income

Finance income basically comprises financial investment income, foreign exchange gains, discounts obtained and interest, which are recorded in the statement of activities for the year.

Finance costs

Finance costs basically comprise foreign exchange losses, bank charges and interest and fines, which are recorded in the statement of activities for the year.

25. Financial instruments

Financial risk management

As a result of its operations, the Foundation faces different financial risks, which are managed in accordance with the Investment Policy and the Foreign Exchange Hedge Policy. These policies were approved by the Board of Trustees in August 2023.

The Foundation is exposed to the following risks arising from the use of financial instruments:

- **Credit risk**
- **Liquidity risk**
- **Market risk**
- **Exchange rate risk**

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

Risk management structure

The Foundation's risk management policies are established to identify and analyze the risks faced by the Foundation, define appropriate risk limits and controls, and monitor risks and adherence to limits. The risk management policies and systems are reviewed annually or in case of any adverse event in the market or in the Foundation's activities. Through its training and management policies and procedures, the Foundation aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

25.1 Credit risk

Credit risk is the risk of financial loss to the Foundation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. These risks arise from the Foundation's receivables, most of which are concentrated in the Ministry of Health/Federal Government - sovereign risk and in fixed-income market securities with top-tier banks - AAA rating on a national scale.

Exposure to credit risks

The carrying amount of financial assets represents the maximum exposure of credit. The maximum exposure to credit risk at the date of the financial statements was as under:

	Note	2024	2023
Cash and cash equivalents	4	4,910,443	3,648,763
Resources from partnerships with third parties (Agreements)	5	22,126	38,786
Accounts receivable from customers	6	314,374	244,738
Advances and prepaid expenses	8	7,574	3,423
Total		**5,254,517**	**3,935,710**

Cash and cash equivalents and third-party partnership resources (agreements)

The Foundation held cash and cash equivalents of BRL 4,910,443 as of December 31, 2024 (BRL 3,648,763 in 2023), and third-party partnership resources (agreements) of BRL 22,126 (BRL 38,786 in 2023), which represent its maximum credit exposure on those assets. Cash and cash equivalents are held with first-tier banks and financial institutions – rating not lower than that established (BBB/Baa2) and equity above BRL 7.5 billion, as defined in the Investment Policy.

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

Accounts receivable

The Foundation concentrates its operations with the Ministry of Health.

For receivables classified as maturing (sovereign risk) on the date of the financial statements, no impairment losses were recognized.

For other customers, the Foundation recognizes estimated losses for doubtful accounts for each receivable over 60 days past due.

Other accounts receivable

Advances to suppliers: The Foundation monitors product deliveries and suppliers' financial situations to guarantee the fulfillment of agreed-upon contractual obligations and the realization of assets.

25.2 Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulties in meeting the obligations associated with its commercial or financial liabilities that are settled with cash payments or another financial asset. The Foundation's approach to liquidity management is to ensure, as far as possible, sufficient liquidity to meet its obligations when they fall due, under normal conditions, without causing losses or the risk of damaging the Foundation's reputation or continuity of operational transactions.

Typically, the Foundation ensures that it has sufficient cash on hand to meet expected operating expenses for a period considered acceptable, including the fulfillment of financial obligations, this excludes the potential impact of extreme circumstances that cannot be reasonably foreseen, such as natural disasters.

Below are the contractual maturities of financial assets and liabilities, including estimated interest payments and excluding the impact of netting agreements.

December 31, 2023	Carrying amount	2 months or less	2-12 months
Nonderivative finance liabilities			
Suppliers	350,759	52,717	298,042

December 31, 2024	Carrying amount	2 months or less	2-12 months
Nonderivative finance liabilities			
Suppliers	424,610	336,835	87,775
Borrowings	11,525	94	11,431

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

25.3 Market risk

Market risk is the risk that changes in market prices, such as exchange rates, interest rates, commodities, and stock prices, have on the Foundation's results or the value of its holdings in financial instruments. Market risk management aims to manage and control exposures within acceptable parameters while optimizing returns.

With regard to interest rates, which impact the financial risks of financial investments, in order to mitigate this type of risk, the Foundation complies with its investment policy in investments whose objective is the preservation of capital, in investments indexed to the Interbank Deposit Certificate (CDI), classified as fixed income, such as CDBs, financial bills from top-tier banks, and fixed-income funds.

25.4 Currency risk

The Foundation's operations are subject to currency risk in sales and purchases in a currency other than its respective functional currency, the Brazilian real (BRL). The currencies in which these transactions are primarily made are the US dollar (USD), euro (EUR) and pound sterling (GBP).

The financial instruments that impact the Foundation's result or other comprehensive income due to exchange rate variations include cash and cash equivalents, accounts receivable, and accounts payable.

The Foundation has an Exchange Hedge Policy, and its objective is to establish general rules, guidelines, and responsibilities to be observed in the process of pricing and monitoring foreign currencies, as well as in the management of exchange rate effects related to the Foundation's operations in order to ensure that such operations should be used exclusively to hedge assets and liabilities in foreign currency, avoiding speculation in the face of currency fluctuations.

Fundação Butantan optimizes the contracting of financial instruments to protect risk exposure, considering and benefiting from natural hedges and may only use exchange rate hedging instruments when exposures in foreign currency are related to the following risk factors:

a) The risks arising from exposure to exchange rate variations in import, export, and financial exchange purchase and sale transactions.

b) Any exceptions to this policy require the approval of the Board of Trustees with the appropriate recommendations from the Chief Financial Officer and Executive Board.

The Foundation does not adopt the hedge accounting method. Therefore, when derivatives must be contracted, the gains and losses measured in hedge operations are fully recognized in the statement of activities and disclosed in this note.

Exposure to foreign currency

In the statement of financial position as of December 31, 2024, the Foundation had assets and liabilities denominated in foreign currency. Two scenarios were defined to assess the potential impact of exchange rate variations In scenario I, the exchange rate used was adjusted by 25.0%, and in scenario II, it was adjusted by -25.0%.

The following exchange rates were applied during the year:

Currency	Average rate		Closing rate on December 31	
	2024	**2023**	**2024**	**2023**
USD	5.3920	4.9953	6.1923	4.8407
EUR	5.8340	5.4023	6.4363	5.3490
CHF	6.1299	6.2119	6.8393	6.1559

The table below shows a simulation of the impact of the exchange rate variation on the statement of financial position items and the financial result, taking into account the balances as of December 31, 2024.

Sensitivity analysis

	Balance as of December 31, 2024		Scenario I		Scenario II	
	Original currency amount	Rate (Ptax Dec. 31, 2024)	BRL income (loss)	Rate (+25%)	BRL income (loss)	Rate (-25%)
USD						
Cash and cash equivalents in foreign currency	1,076	6.1923	1,666	7.7404	(1,666)	4.6442
Derivative financial instruments in foreign currency	26,033	6.1923	40,301	7.7404	(40,301)	4.6442
Accounts receivable	191	6.1923	296	7.7404	(296)	4.6442
Suppliers in foreign currency	(22,179)	6.1923	(34,335)	7.7404	34,335	4.6442
Net effect on finance income (BRL)	**5,121**		**7,928**		**(7,928)**	
EUR						
Derivative financial instruments in foreign currency	1,299	6.4363	2,090	8.0454	(2,090)	4.8272
Suppliers in foreign currency	(6,775)	6.4363	(10,901)	8.0454	10,901	4.8272
Net effect on finance income (BRL)	**(5,476)**		**(8,811)**		**8,811**	
CHF						
Suppliers in foreign currency	(6)	6.8393	(10)	8.5491	10	5.1295
Net effect on finance income (BRL)	**(6)**		**(10)**		**10**	
Total	**(361)**		**(894)**		**894**	

Fair value against carrying amount

The fair values of financial assets and liabilities together with the amounts presented in the financial statements are as follows:

December 31, 2024	Note	Designated at fair value through profit or loss	Loans and receivables	Other financial liabilities	Accounting total	Fair value
Cash and cash equivalents	4	4,909,041	1,402	-	4,910,443	4,910,443
Resources from partnerships with third parties (agreements)	5	22,120	6	-	22,126	22,126
Accounts receivable	6	-	314,374	-	314,374	314,374
Suppliers	11	-	-	(424,610)	(424,610)	(424,610)
Borrowings	12		(11,525)		(11,525)	(11,525)
Total		**4,931,161**	**304,257**	**(424,610)**	**4,810,808**	**4,810,808**

Fair value hierarchy

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

Due to the short-term cycle, it is assumed that the fair value of cash and cash equivalents balances, third-party partnership funds (partnerships), accounts receivable, and accounts payable to suppliers are close to their book values.

Based on these approaches, the Foundation assumes the value that market participants would use to price the asset or liability, including assumptions about the inherent risks or risks of the inputs used in the assessment techniques. These inputs can be easily observable, confirmed by the market, or unobservable. The Foundation uses techniques that maximize the use of observable inputs and minimize the use of unobservable ones. According to the pronouncement, these inputs for measuring fair value are classified into three levels of hierarchy.

Financial assets and liabilities recorded at fair value should be classified and disclosed according to the following levels:

- Level 1 – Quoted prices (unadjusted) in active, liquid, and visible markets for identical assets and liabilities that are accessible at the measurement date;

- Level 2 – Quoted prices (whether adjusted or not) for similar assets or liabilities in active markets, other inputs not observable in level 1, directly or indirectly, under the terms of the asset or liability; and

- Level 3 – Assets and liabilities whose prices do not exist or whose prices or assessment techniques are supported by a small or non-existent, unobservable or liquid market. At this level, the estimation of fair value becomes highly subjective. At this level, the estimation of fair value becomes highly subjective.

The process of measuring the fair value of the Foundation's financial instruments is classified as Level 2.

Derivative financial instruments

In 2024, the Foundation acquired NDF (Non-Deliverable Forward) contracts, a financial instrument that allows an exchange rate to be fixed in advance for a future date.

These contracts are settled on maturity by the difference between the contracted exchange rate and the prevailing market rate, as defined as reference.

The main purpose of NDFs is to provide protection against currency volatility. As Fundação Butantan carries out international transactions, including imports and exports, these instruments are used to mitigate the risks associated with fluctuations in foreign exchange rates.

In accordance with the foreign exchange hedging policy implemented by the Foundation, in 2024, hedging instruments were used exclusively to protect foreign currency exposures.

This process included pricing, monitoring and management of foreign exchange impacts related to the Foundation’s financial and commercial operations.

The foreign exchange hedging policy was developed with the purpose of ensuring that these instruments are applied only to protect assets and liabilities in foreign currencies, avoiding any speculative use in relation to exchange rate fluctuations.

26. Tax aspects – tax waiver

In compliance with item 27, letter "c" of ITG 2002 (R1) - Not-for-Profit Entity, the Foundation presents below the list of taxes subject to tax waivers for the years ended December 31, 2023 and 2024:

- **State Value-added Tax (ICMS):**

  According to ICMS Agreement 87/02 - grants exemption from ICMS on operations with drugs and medicines destined to federal, state, and municipal direct Public Administration bodies;

- **PIS and COFINS (Contribution Taxes on Gross Revenue for Social Integration Program and for Social Security Financing, respectively)** - The standard rates of 0.65% (PIS) and 3.0% (COFINS) are reduced to zero in accordance with article 1 of Decree No. 6426/2008. This exemption applies to revenues arising from the domestic sale and import of products intended for public health campaigns, listed in Annex III of this decree and classified under NCM 30.02, 30.06, 39.26, 40.15 and 90.18. Article 2 of the same decree extends the exemption to imports of pharmaceutical products classified under NCM 3002.90.20, 3002.90.92 and 3002.90.99. Furthermore, according to Provisional Executive Order (MP) No. 2158-35/2001, private and public foundations maintained by the Government contribute PIS/PASEP on the payroll at a rate of 1.0%, and their revenues related to their own activities have been exempt from COFINS since February 1, 1999.

- **IPI (Federal Value-added Tax)**: Fundação Butantan, due to its accreditation for imports intended for research at the CNPq, is entitled to IPI exemption. According to the TIPI table for NCM Group 3002 to 3005 (pharmaceutical products), the IPI rate is 0.0%.

- **II - Import Tax:** Import for research carried out by Fundação Butantan, accredited by CNPq, is exempt from Import Tax. In addition, there are reductions in rates as per item I, paragraph 4, article 1 of Senate Resolution 13/2012 and updates to the GECEX/CAMEX Resolution for the NCMs listed in its annexes.

- **Additional Freight for Renewal of the Merchant Marine (AFRMM):** Imports carried out by waterway for research and development may be exempt, provided they meet CNPq criteria. In the case of imports for trade, a 25.0% rate applies to the remuneration for water transport.

- **Tax on Transfers Due to Death and Donations (ITCMD):** In the state of São Paulo, exemption may occur if the donation does not exceed 2,500 UFESPs per donor or if the institution is recognized as a promoter of human rights, culture or environmental preservation.

- **IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax on Net Profit):** As a non- profit organization, Fundação Butantan enjoys the benefit of exemption from the payment of federal taxes levied on its activities, in accordance with Decree No. 9580/18, articles 178 to 184 of the Income Tax Regulations (RIR).

27. Insurance coverage

Type	Amount of principal	Effective date Beginning	End
Vehicle fleet	According to Fipe Table 100%	04/28/2024	04/28/2025
Civil liability - D&O	200,000	12/31/2023	12/31/2024
General civil liability	1,500	04/11/2024	04/11/2025
General civil liability - Clinical trials	10,000	07/07/2021	07/07/2025
Named perils - Assets	33,000	04/11/2024	04/11/2025
International transport - Export	5,000	07/29/2024	07/29/2025
International transport - Import	5,000	08/11/2024	08/11/2025
Total	**254,500**		

Notes to the financial statements for the years ended December 31, 2024 and 2023 (in thousands of Reais, unless otherwise stated).

27.3 Subsequent events

In January 2025, the Foundation made payment for the legal proceeding with the TCU, the prognosis for which had been updated to probable, mentioned in Note 17, in the restated amount of BRL 28,635.

At the end of February, Butantan announced the approval of two new programs via PDIL (Local Development and Innovation Program) and a PDP (Partnership for Productive Development), with support from the Ministry of Health. Among the projects presented, the PDP with Pfizer stands out to internalize the production of the vaccine against the respiratory syncytial virus (RSV), with a forecast of up to 8 million doses per year. RSV is responsible for serious respiratory diseases, such as bronchiolitis and pneumonia, mainly in children and the elderly.

As for PDIL programs, two initiatives were announced: the development and production of a vaccine against avian flu (H5N8) to prepare for a possible pandemic and the second project for large-scale manufacturing of the Butantan-DV vaccine, the first 100% national single dose against dengue fever. The project foresees the supply of 60 million doses per year from 2026 onwards, with the possibility of expansion. The vaccine, with an efficacy of up to 89.2%, awaits approval from Anvisa and analysis by Conitec for incorporation into Brazil's Unified Health System (SUS).

Sao Paulo, March 14, 2025.

Ana Paula Marzano Cerqueira

Accounting and Tax Manager

CRC 1SP204118/O

Luiz Roberto Cassab Mousinho

Chief Financial Officer

OPINION OF THE SUPERVISORY BOARD

The Supervisory Board has examined the Financial Statements of Fundação Butantan, which include the statement of financial position as at December 31, 2024 and the related statements of activities, comprehensive income, changes in equity and cash flows, accompanied by the summary of the main accounting policies and explanatory notes and the Report of Ernst & Young Auditores Independentes S/S.

Based on the analysis of these documents, the unqualified report of Ernst & Young Auditores Independentes S/S on the Financial Statements, and the clarifications provided by the Foundation's management representatives, the members of the Supervisory Board unanimously believe that the financial statements reflect, in all material respects, the Foundation's equity and financial position and activities for the year ended December 31, 2024 and can be submitted for consideration by the Board of Trustees.

São Paulo, March 14, 2025

Ieda Cristina Corrêa Bhering da Silva

Chairman of the Supervisory Board

André Aroldo Freitas de Moura

Member of the Supervisory Board

Guilherme Bueno de Camargo

Member of the Supervisory Board

OFFICERS' STATEMENT ON THE FINANCIAL STATEMENTS

In our capacity as officers of Fundação Butantan ("Foundation"), a private, non-profit legal entity headquartered in the City of São Paulo, State of São Paulo, at Rua Alvarenga, 1396, Butantã, CEP 05509-002, duly registered with the CNPJ under No. 61.189.445/0001-56, we hereby declare that we have reviewed, discussed, and fully agree with the set of financial statements for the year ended December 31, 2024.

São Paulo, March 14, 2025

Luiz Roberto Cassab Mousinho

Chief Financial Officer

Márcio Augusto Lassance Cunha Filho

Superintendent

Saulo Simoni Nacif

Chief Executive Officer

OFFICERS' STATEMENT ON THE INDEPENDENT AUDITOR'S REPORT

In our capacity as officers of Fundação Butantan ("Foundation"), a private, non-profit legal entity headquartered in the City of São Paulo, State of São Paulo, at Rua Alvarenga, 1396, Butantã, CEP 05509-002, duly registered with the CNPJ under No. 61.189.445/0001-56, we hereby declare that we have reviewed, discussed, and agree with the opinions expressed in the independent auditor's report regarding the set of financial statements for the year ended December 31, 2024.

São Paulo, March 14, 2025

Luiz Roberto Cassab Mousinho

Chief Financial Officer

Márcio Augusto Lassance Cunha Filho

Superintendent

Saulo Simoni Nacif

Chief Executive Officer