



LAVORO

**Investor Presentation**

**January 2024**

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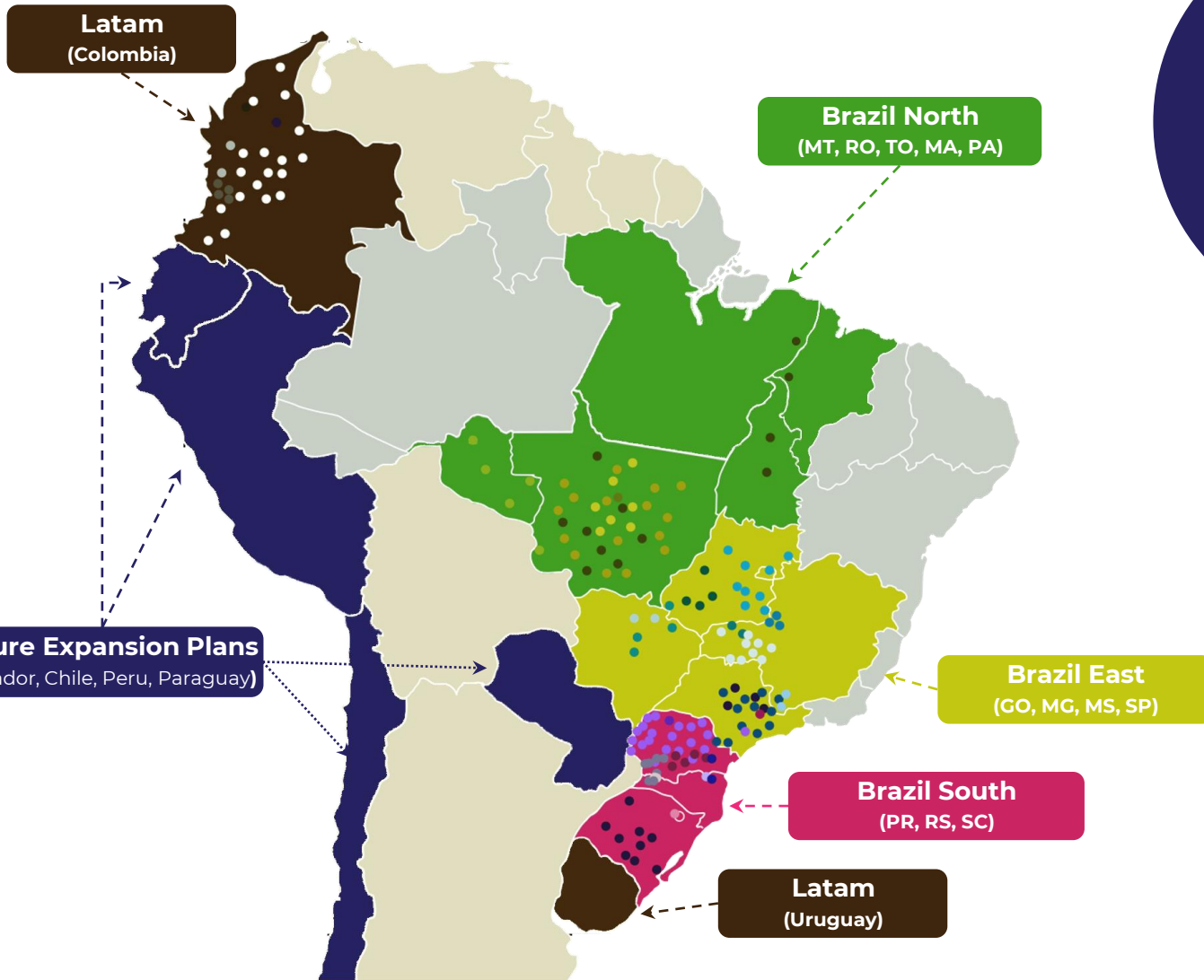
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This presentation also includes certain non-IFRS financial information. We believe that such information is meaningful and useful in understanding the activities and business metrics of our operations. We also believe that these non-IFRS financial measures reflect an additional way of viewing aspects of our business that, when viewed with our International Financial Reporting Standards (“IFRS”) results, as issued by the International Accounting Standards Board, provide a more complete understanding of factors and trends affecting our business. Further, investors regularly rely on non-IFRS financial measures to assess operating performance and such measures may highlight trends in our business that may not otherwise be apparent when relying on financial measures calculated in accordance with IFRS. We also believe that non-IFRS financial measures are frequently used by securities analysts, investors and other interested parties in the evaluation of public companies in our industry, many of which present these measures when reporting their results. The non-IFRS financial information is presented for informational purposes and to enhance understanding of the IFRS financial statements. The non-IFRS measures should be considered in addition to results prepared in accordance with IFRS, but not as a substitute for, or superior to, IFRS results. As other companies may determine or calculate this non-IFRS financial information differently, the usefulness of these measures for comparative purposes is limited. A reconciliation of such non-IFRS financial measures to the nearest IFRS measure is included in this presentation.

# Company Overview



## Scale

- #1** Ag Retailer in Brazil & Colombia
- 1,000+** Technical Sales Reps (RTVs)<sup>1</sup>
- 72,000+** Farmer customers<sup>1</sup>
- 210+** Retail locations<sup>1</sup>
- ~150M** Acres covered in LatAm
- \$150M** Adj. EBITDA (FY2023)<sup>2</sup>



## Vertically Integrated

### FY23 EBITDA Mix by Segment

- 71%** Brazil Ag Retail
- 11%** Latam Ag Retail
- 18%** Crop Care<sup>3</sup>



## M&A

- 26** Completed acquisitions
- 4** Signed MOUs in pipeline<sup>4</sup>

(1) As of end of FY23 (June 2023)

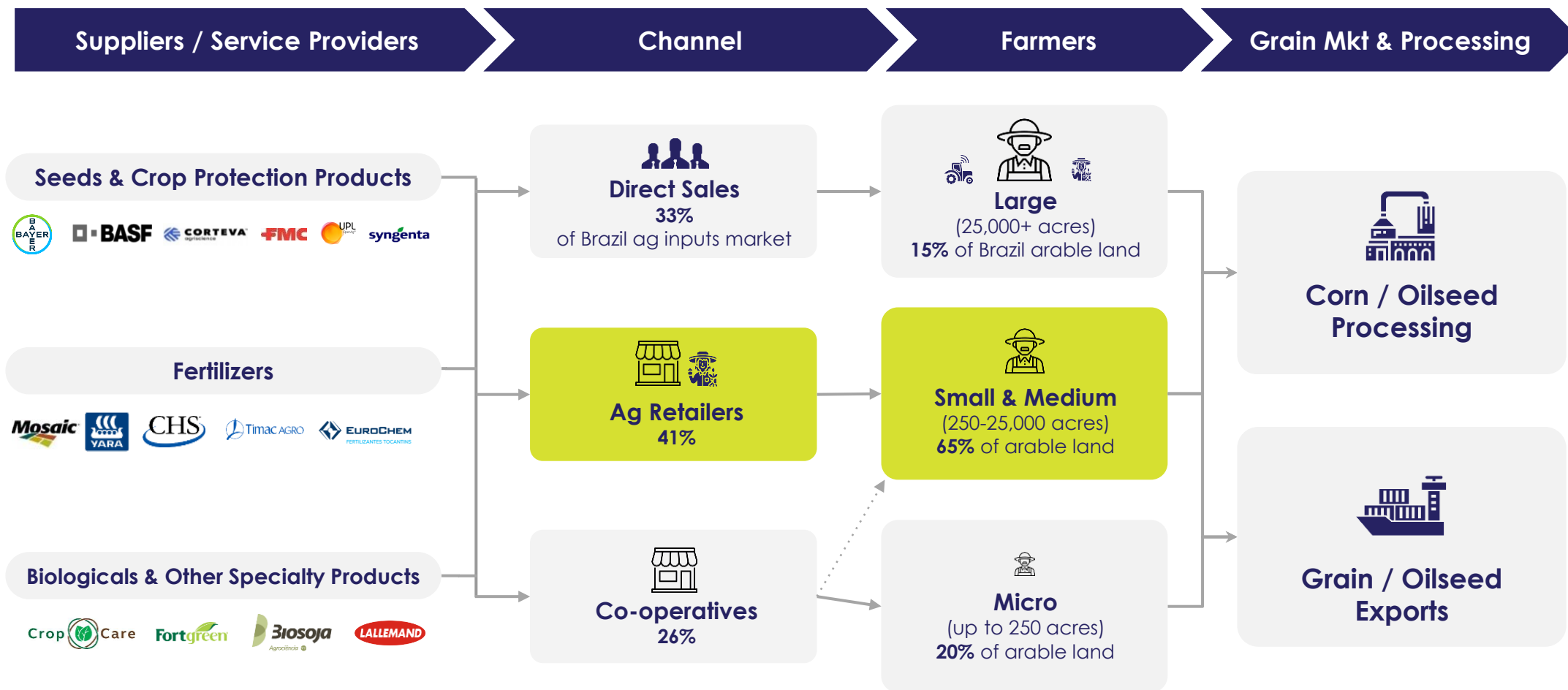
(2) Avg USD/BRL to translate to USD: 4.95 for FY4Q23, 5.19 for FY3Q23, 5.28 for FY1H23

(3) Business segment of proprietary specialty inputs manufacturing

(4) Some signed MOUs are non-binding



# Ag retailers are the critical link in the agribusiness value chain for small-mid sized farmer



Source: Company analysis based on third party research and IBGE 2017 census.

# Lavoro's long-term growth pillars

## 1. TAM Expansion



✕ (compounds)

## 2. Grow Footprint



✕

## 3. Add Clients & Wallet Share



✕

## 4. Platform Differentiation

Regional Ag Production Secular Growth



M&A



Organic Store Openings

Add Technical Sales Reps & Increase Productivity



Crop Care



Services



Digital

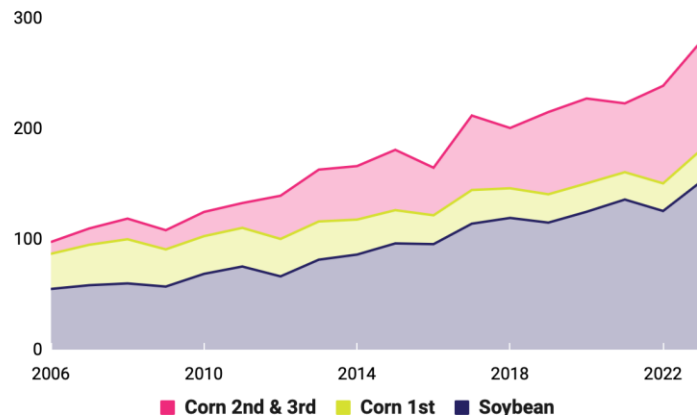
Cross-selling synergies with  
Ag Retail

New high-margin agronomic and financial services  
improving RTV value prop and farmer productivity

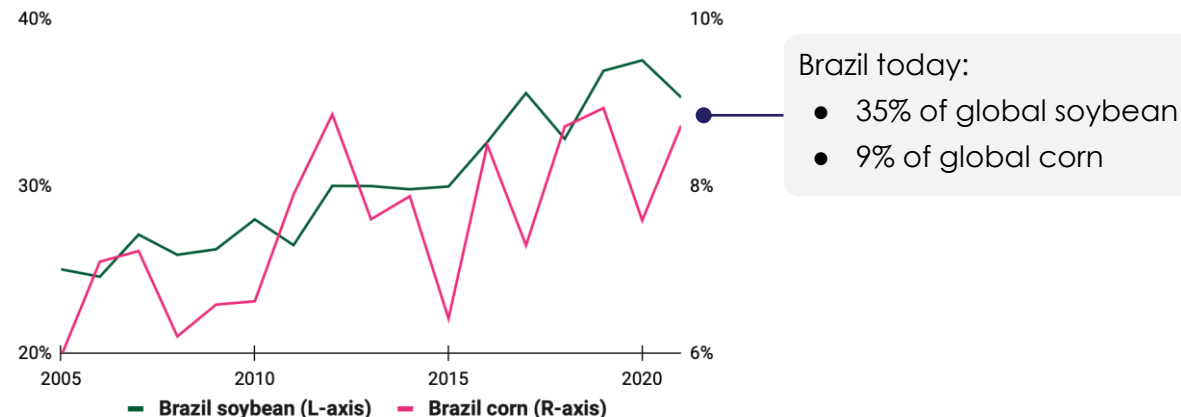


# Brazil ag production growth driven by secular factors that we believe are here to stay, notwithstanding recent challenging market conditions

## Brazil corn & soybean production (M tons)



## Brazil share of global production (%)

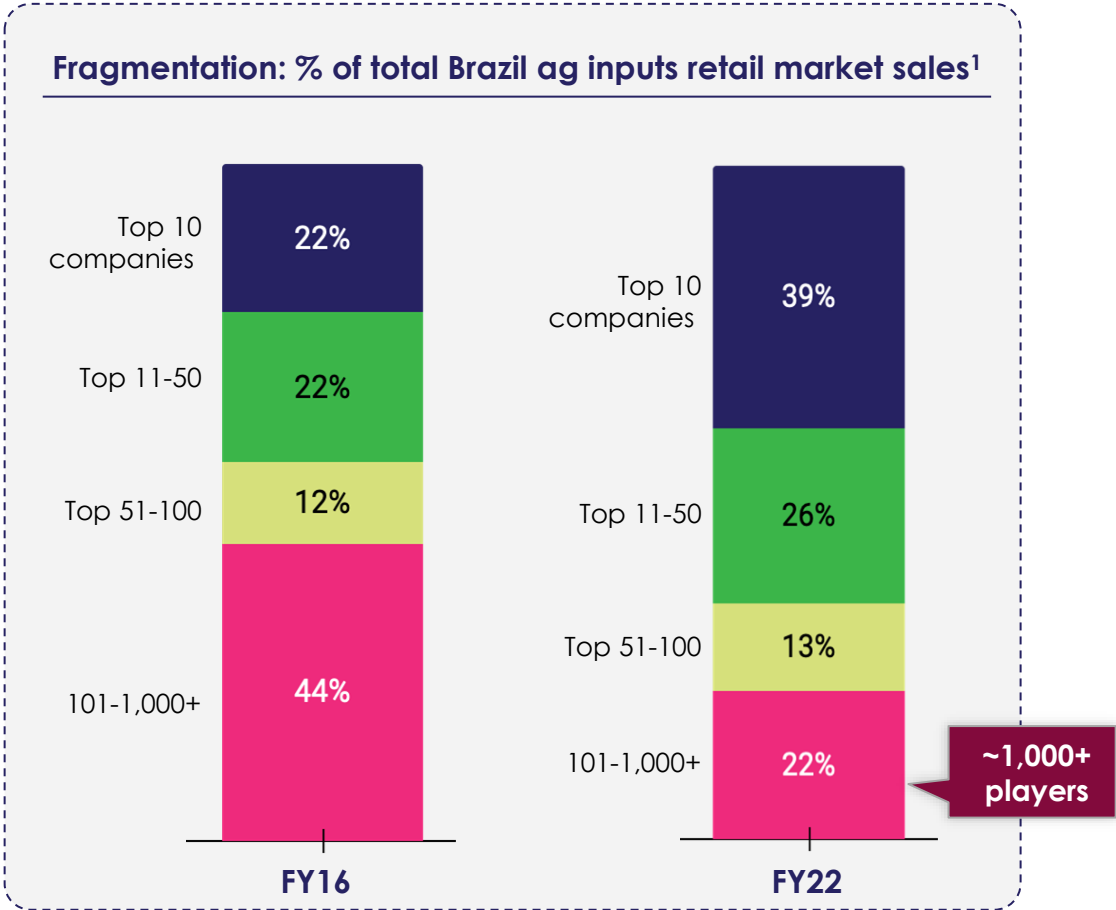


### Key growth drivers

- Increased preponderance in 2nd and 3rd crops driven by improved farmer profitability
- Higher yields driven by technology adoption (increased inputs spend per hectare)
- Acreage expansion: ~116M acres of potential to convert pastureland to agriculture use

# The opportunity for further consolidation in Brazil Ag Retail remains significant

- Lavoura well-positioned to continue to drive consolidation in Brazil ag retail, and beyond:
  - **Experienced dedicated M&A team**
  - **Large proprietary deal flow**
  - **Integration expertise:** track record of delivering revenue and EBITDA synergies post-acquisition
- Our M&A strategy expands beyond Brazil ag retail, with an active pipeline in the rest of Latam, as well as in Crop Care focused companies



Source: Company analysis based on third party research  
 (1) Chart represents the sales % share in for crop protection and seeds market. Excludes co-operatives and global suppliers that sell directly to large farmers



# At the heart of our operations are our 1,000+ technical sales reps (RTVs), which help farmers make better decisions throughout the crop cycle

## Planting

- Seed Depth
- Planting Speed Through the Field
- Plant Population
- Starter Fertilizer
- Herbicide Application
- Soil Insecticides
- Fungicide Application - In-Furrow
- Variety / Hybrid Selection In-Field
- Etc.

## Pre-planting

- Pre-Plant Irrigation
- Fertility Program
- pH Management
- Burn-Down Program
- Tillage Level
- Primary Tillage Program
- Etc.

## Planning

- Production Planning
- Crop Rotation
- Weed Control Program
- Row Spacing
- Variety / Hybrid Selection
- Refuge Options
- Seed Treatment
- Soil Insecticides
- Soil Nematicides
- Etc.

## In-Season

- Keep Stand or Replant
- Post-Emergent Herbicide Application
- Foliar Insect Control
- Foliar Disease Control
- Fertility Program
- Irrigation Application In-Season
- Micronutrients / Fertility Management
- Crop Diagnostics
- Etc.

## Harvest

- Equipment
- Timing
- Storage
- Post-Harvest Assessment
- Crop Marketing Support
- Etc.



Each year farmers put their net worth at risk investing in ag inputs

Farming is a complex operation, with **70+ critical decisions** per growing season

Lavoro technical salespeople (**RTVs**) are **trusted advisors**, helping farmers optimize agronomic and operational decisions:

- Deep knowledge of clients' agronomic history
- Technical advice specific to client's needs, and local growing conditions
- Scouting and monitoring of pests

With its scale and investments in training and technology, **Lavoro is pioneering a new breed of RTVs**



## Crop Care offers a wide variety of product categories to support farmers



### Biologicals

Microorganisms applied to the soil, seeds or the plant leaves:

- **Biopesticides:** reduce pest, disease, and weed pressures
- **Biofertilizers:** improve soil health and NPK use efficiency



### Specialty Fertilizers & Adjuvants

Macro and micronutrients applied on the leaf and soil  
**alleviating nutrient deficiencies**  
and **increase crop yields**

- Foliar fertilizers
- Adjuvants
- Soil conditioners



UnionAgro



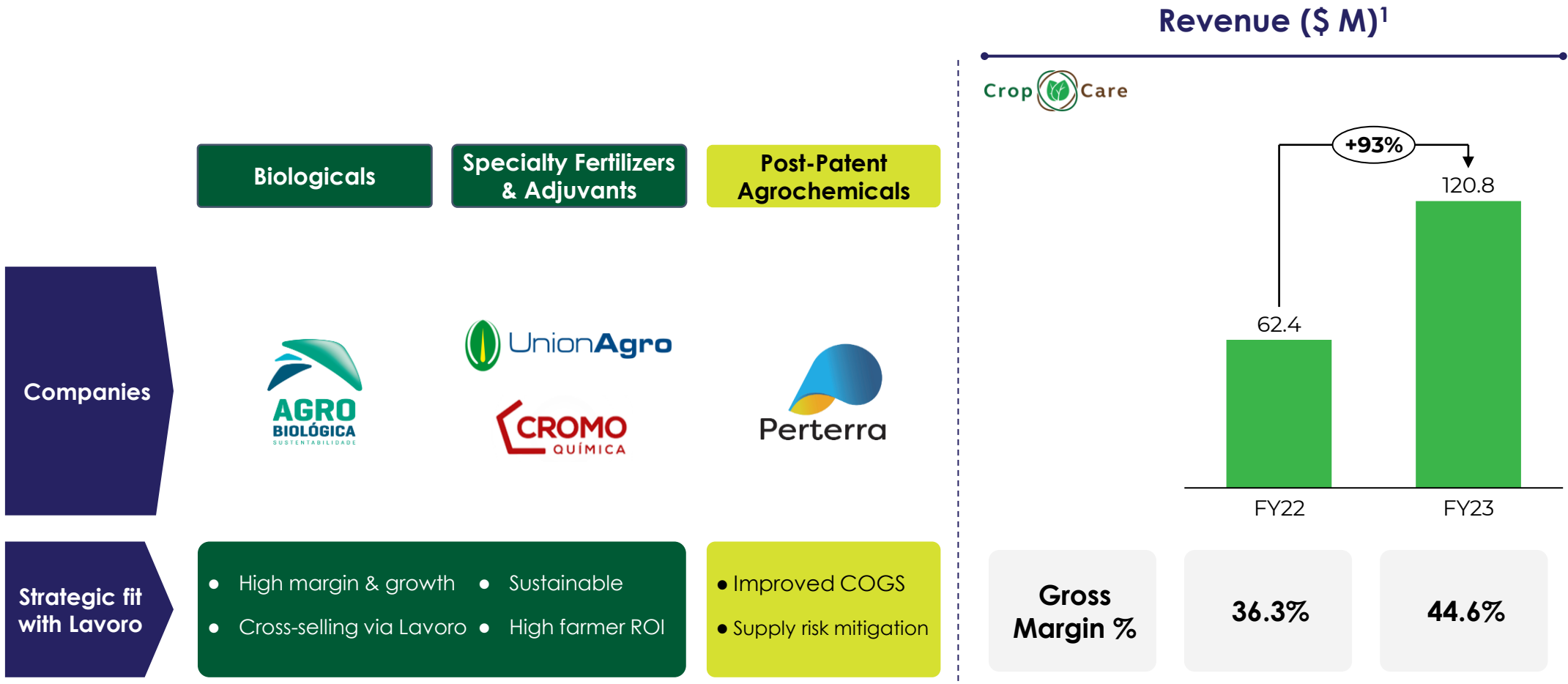
### Agrochemicals

**Post-patent generic pesticides**  
to combat insect, disease and pest

- Fungicides
- Herbicides
- Insecticides



We believe Crop Care is well positioned to take advantage of the growing adoption of specialties and access to the market through Lavoro



Source: Company analysis performed by third party research  
(1USD/BRL average period exchange rate used to translate our results to USD: 4.952 for FY4Q23, 5.193 for FY3Q23, 5.280 for FY1H23, 4.924 for FY4Q22, 5.226 for FY3Q22, 5.570 for FY1H22)

# Lavoro introducing cutting edge soil testing technology to Brazil via partnerships with Pattern Ag and Stenon

## The Soil Analysis Opportunity

### Farmers are underserved by the market:

- Low prevalence of soil testing & analysis in Brazil (vs. 98% in the US)
- Incumbent soil testing service providers extremely fragmented and not “professionalized”
- Farmers make decisions without knowledge of key soil characteristics (NPK, macronutrients, pest & pathogenic risks, soil health, etc.)

### Opportunity for Lavoro:

- Lavoro agronomists to provide data-driven agronomic recommendations to farmers optimizing their yields and profitability
- New soil testing service revenue stream
- Driving accelerated adoption of biologicals and other specialty products benefitting Crop Care



**Pattern Ag**

- Vertically-integrated metagenomics platform enabling the sequencing of soil at scale
- Personalized ag input product placement recommendations
  - Predicts risks of disease and pest pressure
  - Biofertility and soil health assessment

## STENON

- Portable device with set of sensors enabling real time soil chemistry analysis
- Accurately measures N, P, Mg, pH, moisture, carbon and other key parameters in seconds
- Identification of precise levels of chemical elements necessary for yield optimization

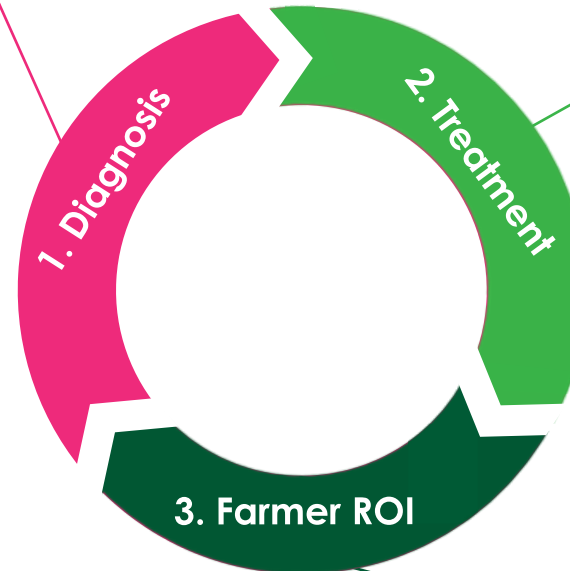
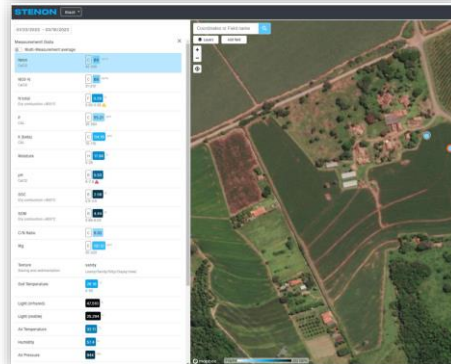


# Soil testing services leading to better farmer agronomic outcomes, RTV productivity and Crop Care revenue

- Soil analysis performed during planning phase of next crop leveraging Pattern Ag and Stenon
- Data geolocated and digitized into field map (available at field and subfield level)



STENON



- Data assessed by Lavoro RTV to provide customers with personalized agronomic treatment plan: *which* products to apply, at *what* quantities and *where*
- Optimized seed selection, crop protection and fertility plans based on soil chemistry and metagenomic data
- Crop Care biologicals and other specialty products recommended wherever ROI for farmer is positive

- RTV recommendations drive better agronomic outcomes (yields, profitability, etc.)
- Higher adoption of sustainable specialty products (e.g. biologicals) improve soil health and reduce environmental footprint
- Customer satisfaction deepens relationship with RTV, driving improved wallet share for next crop season

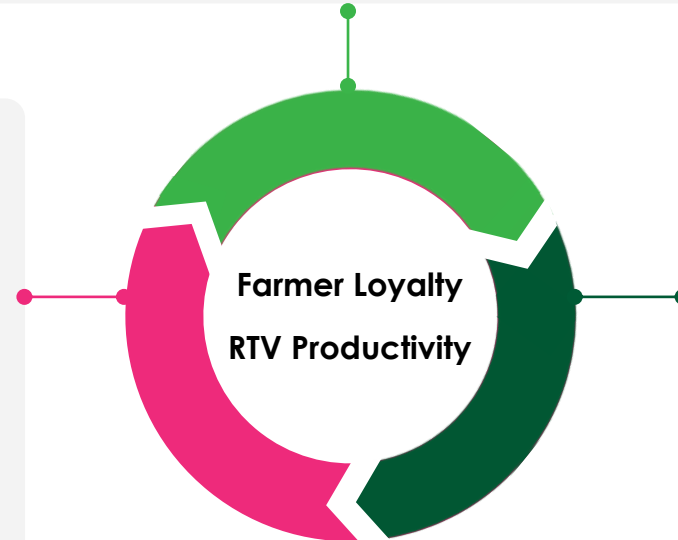
# All told, our four growth pillars combine to create the Lavoro flywheel, whereby our scale and increased profitability helps further expand our competitive advantage

## Benefits of scale

- #1 account for major Tier 1 suppliers
- One-stop-shop for small-mid sized farmers
- Resilience through diversification
- Centers of excellence in key technical areas
- Large and experienced M&A team

## Technology & Services

- Improved RTV service levels via digital support (CRM, Super App, etc.)
- Partnerships with cutting edge ag tech service providers (e.g. Pattern Ag, Stenon) to bring innovative solutions to clients
- Scaled to build a financial services arm with third-party partners



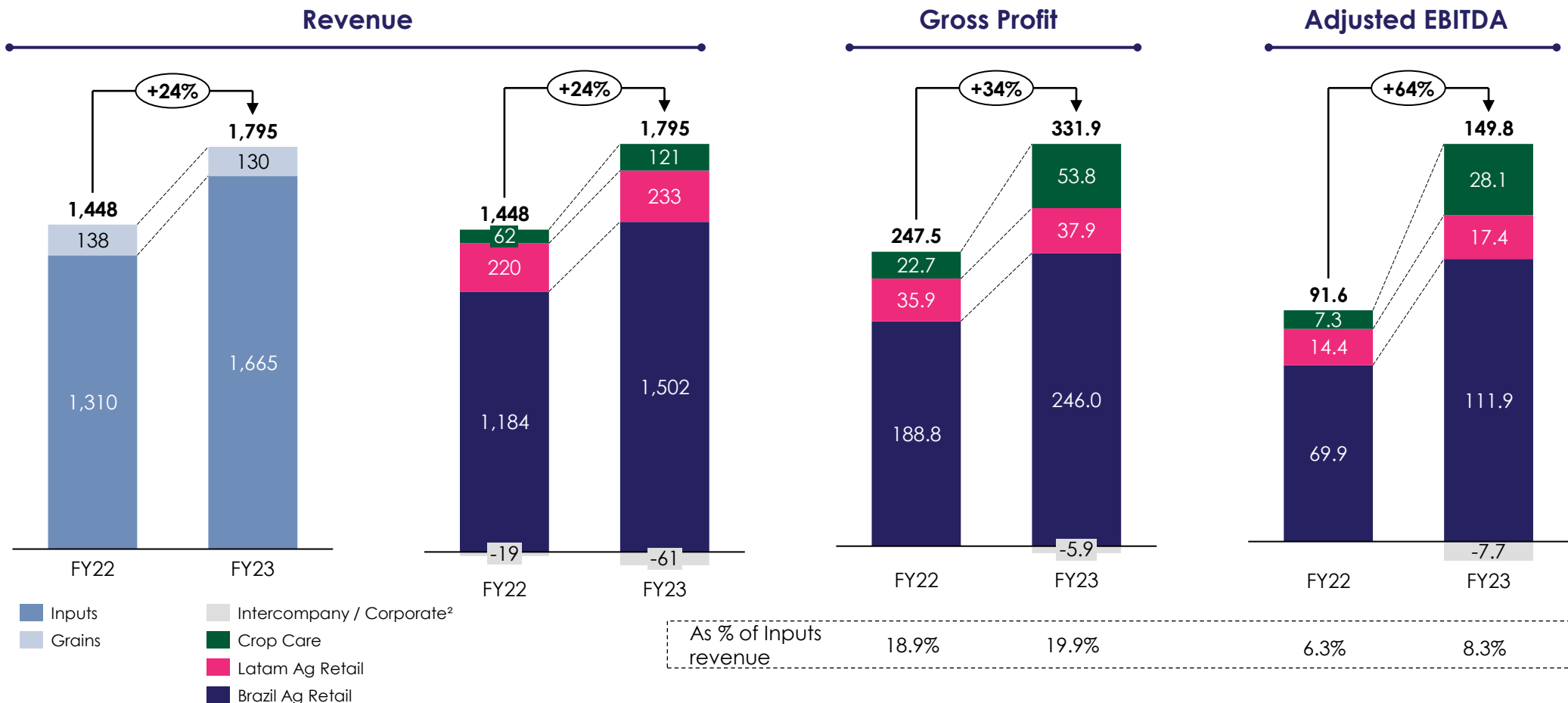
## Vertical integration

- Retail footprint expansion drives Crop Care growth
- Exclusive offering of biologics, specialty fertilizers and adjuvants differentiates our retail business
- Crop Care scaling enables higher R&D for new proprietary product introductions
- Lavoro capturing supplier gross margin



# FY2023 Financial Performance

In millions of US dollars <sup>1</sup>



Note: Intercompany results represent sales between Crop Care and Brazil Ag Retail segments

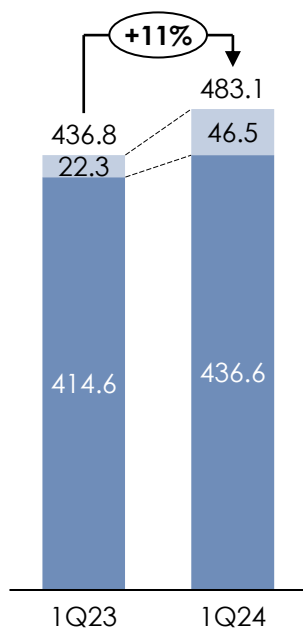
(1) USD/BRL average period exchange rate used to translate our results to USD: 4.952 for FY4Q23, 5.193 for FY3Q23, 5.280 for FY1H23, 4.924 for FY4Q22, 5.226 for FY3Q22, 5.570 for FY1H22

(2) Intercompany results represent sales between Crop Care and Brazil Ag Retail segments

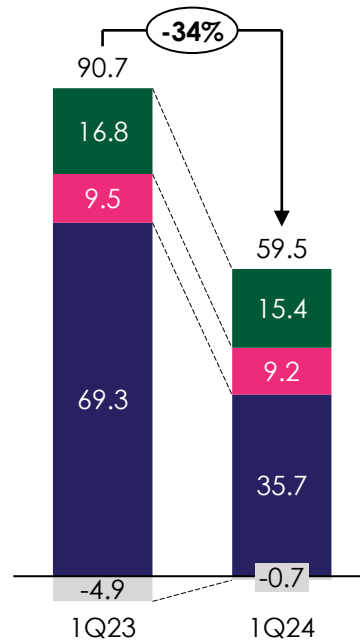
# 1Q24 Financial Performance

In millions of US dollars<sup>1</sup>

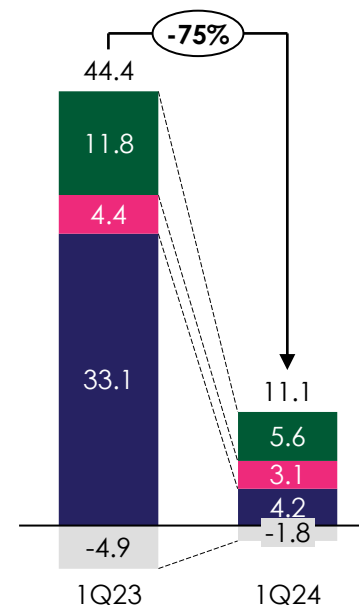
## Revenue



## Gross Profit



## Adjusted EBITDA



As % of Revenue	20.8%	12.3%	10.2%	2.3%
As % of Inputs Revenue	21.9%	13.6%	10.7%	2.5%

## Highlights

- Brazil Ag Retail revenue +15%, driven by improved unit volumes of crop protection (+54% y/y), fertilizer (+53%), and specialties (+33%).
- Brazil gross margins impacted by lower distribution margins in CP and fertilizers
- Latam Ag revenue faced headwinds from fertilizer price declines, and supply shortages in certain products
- Crop Care adversely impacted by timing shift of revenue (delayed farmer decision-making), and deflationary pressures to agrochemicals (Perterra)

Note: Intercompany results represent sales between Crop Care and Brazil Ag Retail segments

(1) USD/BRL monthly average period exchange rate used to translate results to USD: 5.368 for Jul-2022, 5.143 for Aug-2022, 5.237 for Sep-2022 | 4.801 for Jul-2023, 4.904 for Aug-2023, 4.937 for Sep-2023

# Revised Financial Outlook for Fiscal Year 2024

<b>Financials Outlook</b> <i>(in millions of US dollars)</i>	<b>FY2024 (prior)</b>		<b>FY2024 (revised)</b>	
	<b>Low</b>	<b>High</b>	<b>Low</b>	<b>High</b>
<b>Revenue</b>	<b>2,000</b>	<b>2,300</b>	<b>2,000</b>	<b>2,300</b>
<b>Inputs revenue</b>	<b>1,700</b>	<b>2,000</b>	<b>1,700</b>	<b>2,000</b>
<b>Adjusted EBITDA</b>	<b>135</b>	<b>165</b>	<b>80</b>	<b>110</b>

- In light of a more challenging market environment than initially anticipated, Lavoro has updated its FY2024 guidance
- Revenue forecast unchanged, as market share gains offset additional pricing headwinds
- Adjusted EBITDA revision driven by:
  - Slower-than-expected recovery in distribution margins (crop protection / fertilizer)
  - El Nino impact on safrinha to adversely affect our corn seed and specialties (biologicals) revenues
- Continue to anticipate 40-50% of our FY24 Adjusted EBITDA to be delivered in 2H

Note: USD/BRL average period exchange rate used to translate our results to USD: 4.88 for FY1Q24, 4.96 for FY2Q24, 4.90 for FY3Q24 and FY4Q24

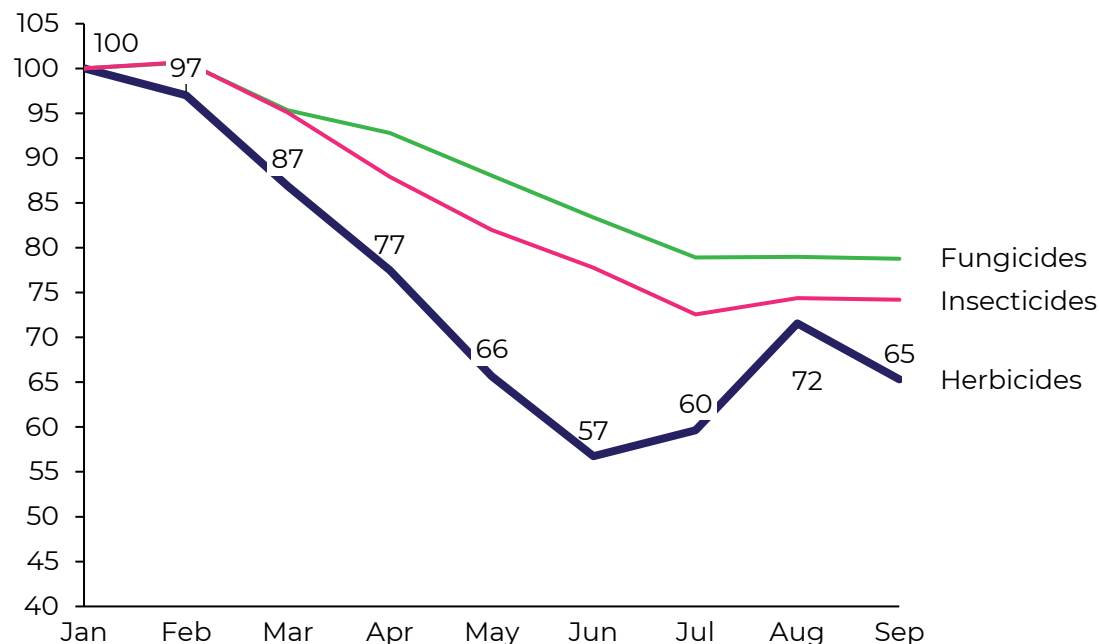


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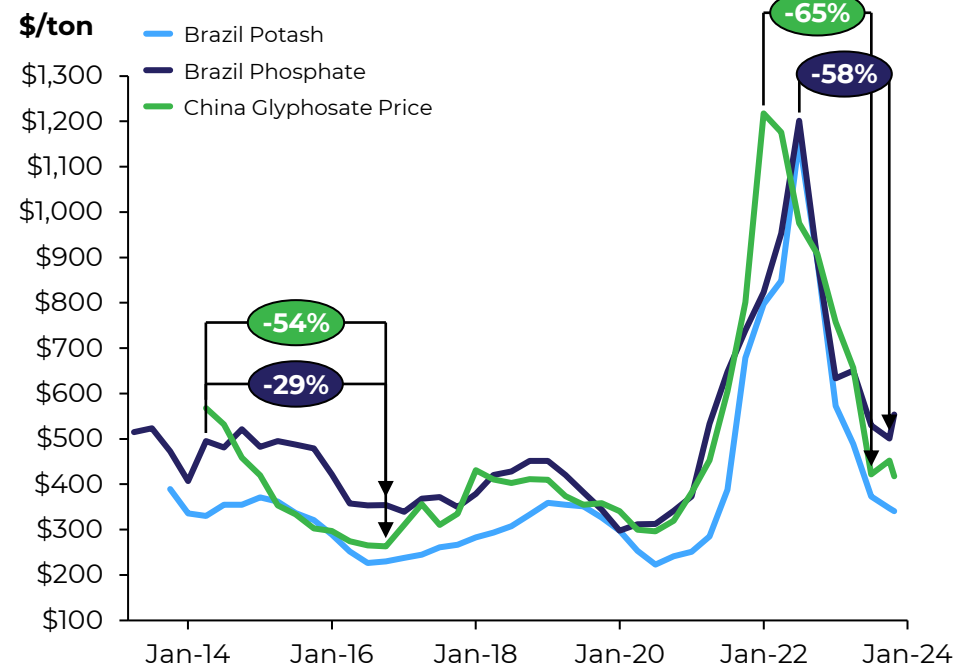
# Observing early signs of stabilization and recovery in input prices, following sharp prices declines earlier this year

## Crop Protection Price Index<sup>1</sup>

[January 2023 = 100]



## Ag Input prices have already retraced back to pre-COVID levels



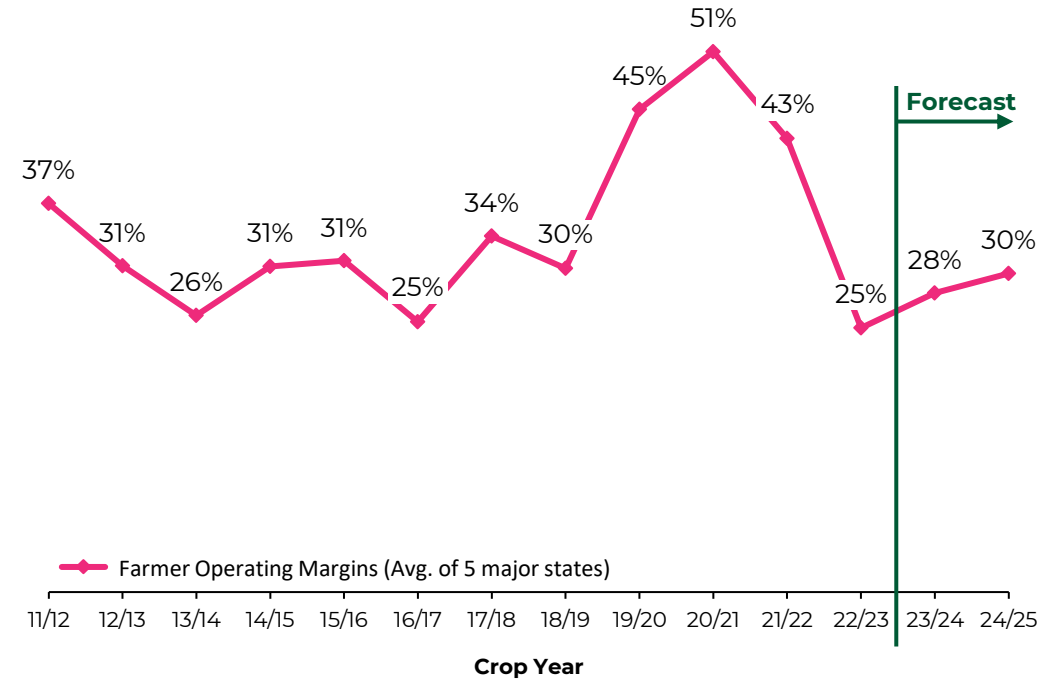
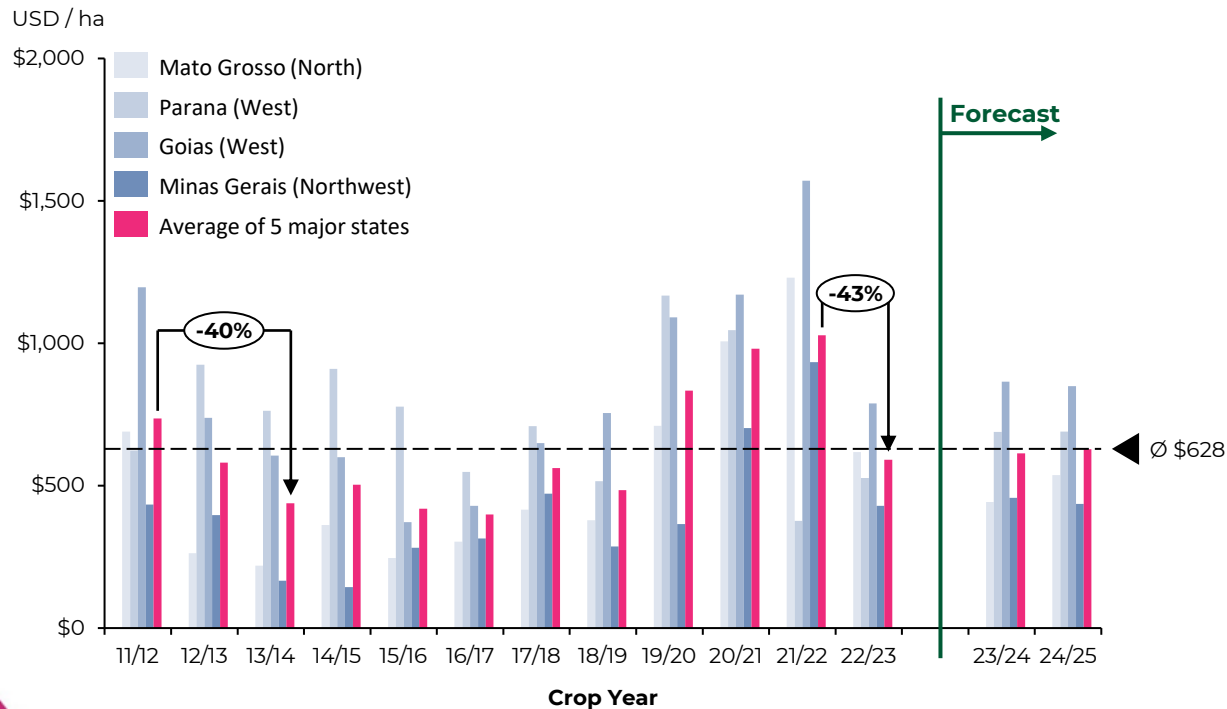
(1) Upstream wholesale prices of Chinese agrochemical manufacturers, with index weighted by the 65 top active ingredients sold in Brazil



# Brazilian farmer profitability remains high

Brazil farmer profitability decline of similar magnitude as 2012-2014, albeit from a higher base such that we are back to 10-year average

Farmer profit margins hover around 25%, higher than most regions of the world, and forecasted to expand this Crop Year '23/'24



Note: Lavoro analysis based on data from Agroconsult. Crop Years are ending in June

# FY23: Summary of Financial Results

In millions of US dollars<sup>1</sup>

Key Financial Metrics	4Q22	4Q23	Chg. %	FY22	FY23	Chg. %
<b>Revenue by Segment</b>	<b>227.8</b>	<b>265.5</b>	<b>17 %</b>	<b>1,447.9</b>	<b>1,794.9</b>	<b>24 %</b>
Brazil Ag Retail	149.5	197.2	32 %	1,184.2	1,502.1	27 %
Latam Ag Retail	63.7	61.8	-3 %	220.2	233.1	6 %
Crop Care	13.5	10.6	-21 %	62.4	120.8	94 %
Intercompany	1.1	(4.1)		(18.9)	(61.1)	
<b>Revenue by Category</b>	<b>227.8</b>	<b>265.6</b>	<b>17 %</b>	<b>1,448.0</b>	<b>1,794.8</b>	<b>24 %</b>
Inputs revenue	180.7	217.0	20 %	1,310.5	1,664.6	27 %
Grains revenue	47.1	48.6	3 %	137.5	130.2	-5 %
<b>Gross Profit</b>	<b>37.0</b>	<b>46.9</b>	<b>27 %</b>	<b>247.5</b>	<b>332.0</b>	<b>34 %</b>
Brazil Ag Retail	21.6	26.3	22 %	188.8	246.1	30 %
Latam Ag Retail	10.3	9.4	-9 %	35.9	38.0	6 %
Crop Care	5.1	8.1	59 %	22.7	53.8	137 %
Intercompany	–	3.1		0.1	(5.9)	
<i>Gross Margin</i>	<i>16.2 %</i>	<i>17.7 %</i>	<i>150 bps</i>	<i>17.1 %</i>	<i>18.5 %</i>	<i>140 bps</i>
<i>Gross Margin (% of Inputs)</i>	<i>20.5 %</i>	<i>21.6 %</i>	<i>110 bps</i>	<i>18.9 %</i>	<i>19.9 %</i>	<i>100 bps</i>
SG&A excl. D&A	(59.1)	(55.5)		(166.6)	(205.1)	
Other operating income (expense)	4.4	5.0		10.5	(53.0)	
<b>EBITDA</b>	<b>(17.7)</b>	<b>(3.6)</b>	<b>-80 %</b>	<b>91.4</b>	<b>73.9</b>	<b>-19 %</b>
(+) Nasdaq listing expenses	–	–		–	61.5	
(+) Other non-recurring items	1.4	6.0		0.2	14.5	
<b>Adjusted EBITDA</b>	<b>(16.3)</b>	<b>2.4</b>	<b>n.m.</b>	<b>91.6</b>	<b>149.8</b>	<b>64 %</b>
<i>Adjusted EBITDA Margin %</i>	<i>-7.2 %</i>	<i>0.9 %</i>	<i>810 bps</i>	<i>6.3 %</i>	<i>8.3 %</i>	<i>200 bps</i>
<i>Adjusted EBITDA Margin (% of Inputs)</i>	<i>-9.0 %</i>	<i>1.1 %</i>	<i>1,010 bps</i>	<i>7.0 %</i>	<i>9.0 %</i>	<i>200 bps</i>
D&A	(6.9)	(8.1)		(27.3)	(32.4)	
Finance income (costs)	(17.0)	(28.2)		(42.4)	(119.2)	
Income taxes, current and deferred	14.6	20.6		(4.6)	34.0	
<b>Net profit</b>	<b>(27.0)</b>	<b>(19.3)</b>	<b>n.m.</b>	<b>17.1</b>	<b>(43.7)</b>	<b>n.m.</b>
<b>Adjusted net profit</b>	<b>(25.6)</b>	<b>(13.3)</b>	<b>n.m.</b>	<b>17.3</b>	<b>32.3</b>	<b>87 %</b>

(1) USD/BRL average period exchange rate used to translate our results to USD: 4.952 for FY4Q23, 5.193 for FY3Q23, 5.280 for FY1H23, 4.924 for FY4Q22, 5.226 for FY3Q22, 5.570 for FY1H22

# FY23: Reconciliation of Adjusted EBITDA and Adjusted Profit (Loss)

In millions of US dollars<sup>1</sup>

Reconciliation of Adjusted EBITDA	4Q22	4Q23	FY22	FY23
Net Profit/Loss for the Period	(27.1)	(19.5)	17.1	(43.8)
(+) Finance income (costs)	17.0	28.2	42.4	119.2
(+) Income taxes, current and deferred	(14.6)	(20.6)	4.6	(34.0)
(+) Depreciation and amortization	6.1	8.2	22.3	27.2
(+) Fair value of inv. sold from acquired companies	0.9	0.2	5.0	5.1
(+) M&A expenses	0.9	0.8	3.0	2.1
(+) Gain on bargain purchases	—	—	(3.3)	—
(+) Nasdaq Listing expenses	—	—	—	61.5
(+) Stock-based compensation	—	0.5	—	2.8
(+) DeSPAC related bonus	—	0.9	—	5.8
(+) Related party consultancy services	0.5	3.8	0.5	3.8
<b>Adjusted EBITDA</b>	<b>(16.3)</b>	<b>2.5</b>	<b>91.6</b>	<b>149.7</b>
(/) Revenue	227.8	265.5	1,448.0	1,794.8
Adjusted EBITDA Margin %	-7.2%	0.9%	6.3%	8.3%

Reconciliation of Adjusted Net Profit	4Q22	4Q23	FY22	FY23
<b>Profit/Loss for the Period</b>	<b>(27.0)</b>	<b>(19.3)</b>	<b>17.1</b>	<b>(43.7)</b>
(+) M&A expenses	0.9	0.8	3.0	2.1
(-) Gain on bargain purchases	—	—	(3.3)	—
(+) Nasdaq Listing expenses	—	—	—	61.5
(+) Stock Option Plan	—	0.5	—	2.8
(+) DeSPAC bonus	—	0.9	—	5.8
(+) Related party consultancy services	0.5	3.8	0.5	3.8
<b>Adjusted Net Profit/Loss</b>	<b>(25.6)</b>	<b>(13.3)</b>	<b>17.3</b>	<b>32.3</b>
(/) Revenue	227.8	265.5	1,448.0	1,794.8
Adjusted Net Profit/Loss Margin %	-11.2 %	-5.0 %	1.2 %	1.8 %

(1) USD/BRL average period exchange rate used to translate our results to USD: 4.952 for FY4Q23, 5.193 for FY3Q23, 5.280 for FY1H23, 4.924 for FY4Q22, 5.226 for FY3Q22, 5.570 for FY1H22

# 1Q24: Summary of Financial Results

In millions of US dollars<sup>1</sup>

Key Financial Metrics	1Q23	1Q24	Chg. %
<b>Revenue by Segment</b>	<b>436.8</b>	<b>483.1</b>	<b>11%</b>
Brazil Ag Retail	358.3	411.8	15%
Latam Ag Retail	66.7	66.3	-1%
Crop Care	36.0	35.7	-1%
Intercompany	(24.2)	(30.8)	
<b>Revenue by Category</b>	<b>436.8</b>	<b>483.1</b>	<b>11%</b>
Inputs revenue	414.6	436.6	5%
Grains revenue	22.3	46.5	109%
<b>Gross Profit</b>	<b>90.7</b>	<b>59.5</b>	<b>-34%</b>
Brazil Ag Retail	69.3	35.7	-49%
Latam Ag Retail	9.5	9.2	-4%
Crop Care	16.8	15.4	-8%
Intercompany	(4.9)	(0.7)	
Gross Margin	0.2	0.1	-845 bps
Gross Margin (% of Inputs)	0.2	0.1	-825 bps
<b>Adjusted EBITDA</b>	<b>44.4</b>	<b>11.1</b>	<b>-75%</b>
Brazil Ag Retail	33.1	4.2	-87%
Latam Ag Retail	4.4	3.1	-29%
Crop Care	11.8	5.6	n.m.
Corporate / Intersegment	(4.9)	(1.8)	n.m.
Adjusted EBITDA Margin	0.1	0.0	-786 bps
Adjusted EBITDA Margin (% of Inputs)	0.1	0.0	-816 bps
D&A	(8.1)	(8.6)	0.10%
Equity	—	(0.2)	n.a.
Finance income (costs)	(28.2)	(26.0)	-0.10%
Income taxes, current and deferred	10.2	17.7	0.70%
<b>Net profit</b>	<b>15.1</b>	<b>(14.5)</b>	<b>-196%</b>
(+) Non-recurring items	3.1	8.5	173%
(-) Tax deduction for non-recurring expenses	(1.1)	(2.9)	173%
<b>Adjusted net profit</b>	<b>17.2</b>	<b>-8.9</b>	<b>-152%</b>

(1) USD/BRL monthly average period exchange rate used to translate results to USD: 5.368 for Jul-2022, 5.143 for Aug-2022, 5.237 for Sep-2022 | 4.801 for Jul-2023, 4.904 for Aug-2023, 4.937 for Sep-2023

# 1Q24: Reconciliation of Adjusted EBITDA and Adjusted Net Profit

In millions of US dollars<sup>1</sup>

## Reconciliation of Adjusted EBITDA

(in millions of US dollars)

	1Q23	1Q24
<b>Net Profit/Loss for the Period</b>	<b>15.1</b>	<b>-14.5</b>
(+) Finance income (costs)	28.2	26
(+) Equity	—	0.2
(+) Income taxes, current and deferred	(10.2)	(17.7)
(+) Depreciation and amortization	8.1	8.6
(+) Fair value of inventories sold from acquired companies	0.3	1.7
(+) M&A expenses	0.5	3.4
(+) Stock-based compensation	1.7	1.2
(+) DeSPAC related bonus	—	1.3
(+) Related party consultancy services	0.6	0.9
<b>Adjusted EBITDA</b>	<b>44.4</b>	<b>11.1</b>
(/) Revenue	436.8	483.1
Adjusted EBITDA margin	10.2%	2.3%

## Reconciliation of Adjusted Net Profit

(in millions of US dollars)

	1Q23	1Q24
<b>Profit/Loss for the Period</b>	<b>15.1</b>	<b>-14.5</b>
(+) Fair value of inventories sold from acquired companies	0.3	1.7
(+) M&A expenses	0.5	3.4
(+) Stock Option Plan	1.7	1.2
(+) DeSPAC related bonus	—	1.3
(+) Related party consultancy services	0.6	0.9
(-) Tax deduction for non-recurring expenses	-1.1	-2.9
<b>Adjusted Net Profit/Loss</b>	<b>17.2</b>	<b>-8.9</b>
(/) Revenue	436.8	483.1
Adjusted Net Profit/Loss margin	3.9%	-1.8%

(1) USD/BRL monthly average period exchange rate used to translate results to USD: 5.368 for Jul-2022, 5.143 for Aug-2022, 5.237 for Sep-2022 | 4.801 for Jul-2023, 4.904 for Aug-2023, 4.937 for Sep-2023