

## Hypera Pharma reports growth of 7.6% in Net Revenue and 15.4% in Net Income from Continuing Operations

São Paulo, April 26, 2024 – Hypera S.A. (“Hypera Pharma” or “Company”; B3: HYPE3; Bloomberg: HYPE3 BZ; ISIN: BRHYPEACNOR0; Reuters: HYPE3.SA; ADR: HYPMY) announces its financial results for the 1<sup>st</sup> quarter of 2024. Financial data disclosed here are taken from the consolidated financial statements of Hypera S.A., prepared in accordance with the Brazilian Accounting Pronouncement Committee (CPC) and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

### 1Q24 Highlights

- Net Revenue of R\$1,826.7 million, up 7.6% compared to the same period last year
- EBITDA from Continuing Operations of R\$647.8 million, or 10.2% higher than 1Q23
- Net Income from Continuing Operations of R\$391.5 million, or 15.4% higher than 1Q23
- Cash Flow from Operations of R\$479.2 million in 1Q24, or 58.9% higher than the same period of last year
- Interest on Equity approval of R\$184.7 million in 1Q24

**Table 1**

| (R\$ million)   | 1Q23    | % NR   | 1Q24    | % NR   | Δ %   |
|---|---------|--------|---------|--------|-------|
| Gross Revenue, net of Returns and Unconditional Discounts | 1,940.2 | 114.3% | 2,086.6 | 114.2% | 7.5%  |
| Net Revenue   | 1,698.2 | 100.0% | 1,826.7 | 100.0% | 7.6%  |
| Gross Profit  | 1,086.1 | 64.0%  | 1,115.3 | 61.1%  | 2.7%  |
| SG&A (excl. Marketing and R&D)                            | (249.1) | -14.7% | (246.6) | -13.5% | -1.0% |
| Research & Development                                    | (41.1)  | -2.4%  | (39.7)  | -2.2%  | -3.4% |
| Marketing   | (268.3) | -15.8% | (262.2) | -14.4% | -2.2% |
| EBITDA from Continuing Operations                         | 587.5   | 34.6%  | 647.8   | 35.5%  | 10.2% |
| Net Income from Continuing Operations                     | 339.4   | 20.0%  | 391.5   | 21.4%  | 15.4% |
| Cash Flow from Operations                                 | 301.5   | 17.8%  | 479.2   | 26.2%  | 58.9% |

**EARNINGS CONFERENCE CALL – PORTUGUESE: 04/29/2024, 11am (Brasília) / 10am (New York)**

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## Operating Scenario

Hypera Pharma's Net Revenue grew 7.6% in 1Q24, compared to 1Q23, and totaled R\$1,826.7 million. Net Revenue growth was mainly driven by the recent sell-out growth in pharmaceutical retail.

The sell-out expansion is mainly the result of the positive performance in Skincare, Prescription Products and Similar in this quarter, especially in the Cardiology, Gynecology, Antispasmodics and Nausea categories.

In the quarter, sell-out growth<sup>1</sup> was 7.1%, or 2.2 percentage points lower than the market growth<sup>2</sup>. This performance was mainly due to the slower pace of growth in the categories related to Flu, Respiratory, Pain and Fever, which are more important to the Company's revenues than to the pharmaceutical retail sales. It is important to note that sales in Flu, Respiratory, Pain and Fever, which fell by approximately 3% in 2023, grew by around 2% in 1Q24.

As for the other categories, growth was approximately 10% and was once again driven by sales of products for chronic and preventive treatments. **Hypera Pharma has an innovation pipeline with more than 500 products to be launched over the next few years, focusing mainly on categories related to chronic and preventive treatments, whose growth estimated by IQVIA for the next 5 years is higher than the average growth expected for pharmaceutical retail market.**

The growth in Net Revenue allowed Hypera Pharma to achieve EBITDA from Continuing Operations of R\$647.8 million, or 10.2% higher than in 1Q23, with an EBITDA Margin expansion of 0.9 percentage point. Net Income from Continuing Operations was R\$391.5 million, or 15.4% higher than the same period of the previous year, with a Net Margin expansion of 1.4 percentage point.

Cash Flow from Operations was R\$479.2 million in 1Q24, or 58.9% higher than in 1Q23, the highest level ever recorded in a first quarter, helping the Company to continue investing significantly in innovation and in the expansion of its production capacity, while also preserving the remuneration of its shareholders.

The Company also declared Interest on Equity of R\$184.7 million (R\$0.29/share) during 1Q24, and created the Governance and Sustainability Committee, which aims to further strengthen aspects of corporate governance and advise the Board of Directors on defining guidelines and actions for integrating the governance, environmental and social dimensions into Hypera Pharma's strategy.

As a result, the Company now has four committees to advise the Board of Directors: the Strategy Committee, the People Committee, the Statutory Audit Committee and the Governance and Sustainability Committee. It should be noted that the Company also has a Fiscal Council, whose members were re-elected at the Annual General Meeting on April 23, 2024.

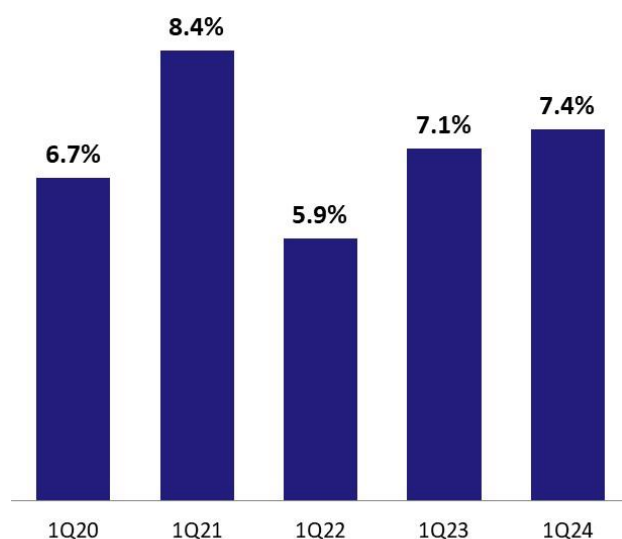
The performance reported in 1Q24, the strength and resilience of Hypera Pharma's irreplicable portfolio of leading brands and the contribution of recent launches to the sell-out growth reinforce the Company's confidence in achieving the financial projections set for 2024.

*Note: (1) Sell-out PPP (Pharmacy Purchase Price), as informed by IQVIA, considers the average purchase price by pharmacies and chains. (2) according to IQVIA, excludes Therapeutic Class Z, Infant Formulas and MECE Diagnostic Tests Market and includes sales on Skincare online platforms*

## Innovation & Launches

**Graph 1**

LTM R&D Investments (% of Net Revenue)<sup>1</sup>



Total R&D investments, including the amount capitalized as intangible assets, totaled R\$133.5 million in the quarter, or R\$593.4 million in the last 12 months.

The Freshness Index, corresponding to the percentage of Net Revenue from products launched in the last five years, was 21% in the 1Q24.

Total investments in Research and Development amounted to 7.4% of Net Revenue over the last 12 months, demonstrating the Company's commitment to the continuous innovation of its product portfolio for pharmaceutical retail and the additional investments in R&D to develop the innovation pipeline to support growth in the Non-Retail.

**The Company strengthened its portfolio with important launches in 1Q24, especially the line extensions in Skincare and Consumer Health, and the launches in Vitamins, Respiratory and Women's and Men's Health.**

**Hypera Pharma has an innovation pipeline of more than 500 products to be launched over the next few years, focusing mainly on categories related to chronic and preventive treatments, whose growth estimated by IQVIA for the next 5 years is higher than the estimated average growth for the pharmaceutical retail market.**

*Note: (1) Considers the R&D expenses and the amount capitalized as intangible assets. Excludes the effect of the Lei do Bem and the R&D amortization*

## Earnings Discussion

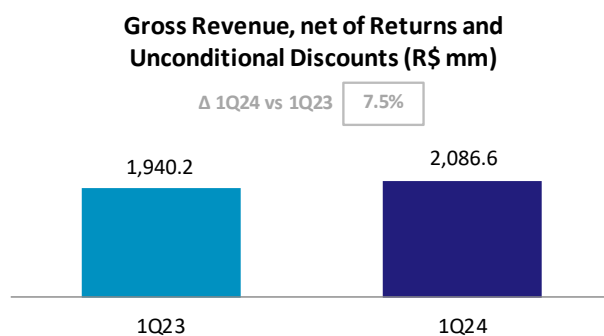
### Income Statement

Table 2

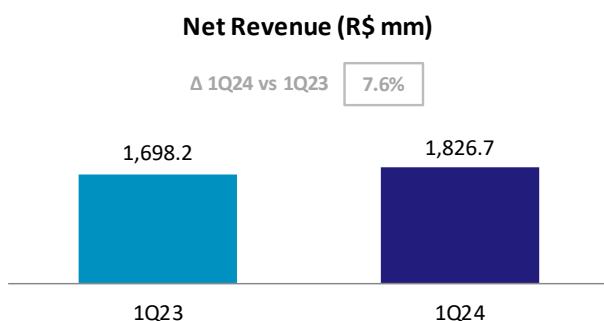
| (R\$ million)                            | 1Q23           | % NR          | 1Q24           | % NR          | Δ %          |
|--|----------------|---------------|----------------|---------------|--------------|
| <b>Net Revenue</b>                       | <b>1,698.2</b> | <b>100.0%</b> | <b>1,826.7</b> | <b>100.0%</b> | <b>7.6%</b>  |
| <b>Gross Profit</b>                      | <b>1,086.1</b> | <b>64.0%</b>  | <b>1,115.3</b> | <b>61.1%</b>  | <b>2.7%</b>  |
| Marketing Expenses                       | (268.3)        | -15.8%        | (262.2)        | -14.4%        | -2.2%        |
| Selling Expenses                         | (209.4)        | -12.3%        | (215.2)        | -11.8%        | 2.8%         |
| General and Administrative Expenses      | (80.8)         | -4.8%         | (71.1)         | -3.9%         | -11.9%       |
| Other Operating Revenues (Expenses)      | 7.2            | 0.4%          | 15.2           | 0.8%          | 109.3%       |
| Equity in Subsidiaries                   | 0.9            | 0.1%          | (2.6)          | -0.1%         | -            |
| <b>EBIT from Continuing Operations</b>   | <b>535.8</b>   | <b>31.6%</b>  | <b>579.4</b>   | <b>31.7%</b>  | <b>8.1%</b>  |
| Net Financial Expenses                   | (265.8)        | -15.7%        | (205.6)        | -11.3%        | -22.6%       |
| Income Tax and CSLL                      | 69.4           | 4.1%          | 17.7           | 1.0%          | -74.4%       |
| Net Income from Continuing Operations    | 339.4          | 20.0%         | 391.5          | 21.4%         | 15.4%        |
| Net Income from Discontinued Operations  | (0.2)          | 0.0%          | (2.6)          | -0.1%         | 1535.4%      |
| Net Income                               | 339.3          | 20.0%         | 388.9          | 21.3%         | 14.6%        |
| <b>EBITDA from Continuing Operations</b> | <b>587.5</b>   | <b>34.6%</b>  | <b>647.8</b>   | <b>35.5%</b>  | <b>10.2%</b> |

## Net Revenue

[Graph 2](#)



[Graph 3](#)



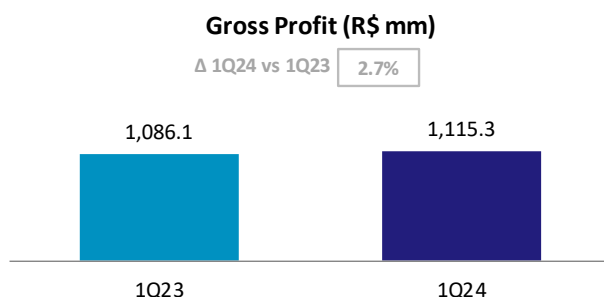
[Table 3](#)

| (R\$ million)   | 1Q23    | 1Q24    | Δ %  |
|---|---------|---------|------|
| Gross Revenue, net of Returns and Unconditional Discounts | 1,940.2 | 2,086.6 | 7.5% |
| Promotional Discounts                                     | (102.5) | (108.6) | 6.0% |
| Taxes   | (139.5) | (151.3) | 8.5% |
| Net Revenue   | 1,698.2 | 1,826.7 | 7.6% |

Hypera Pharma's **Net Revenue** grew by 7.6% in 1Q24, compared to 1Q23, and reached R\$1,826.7 million, mainly driven by the sell-out growth in the pharmaceutical retail this quarter.

## Gross Profit

Graph 4



Graph 5

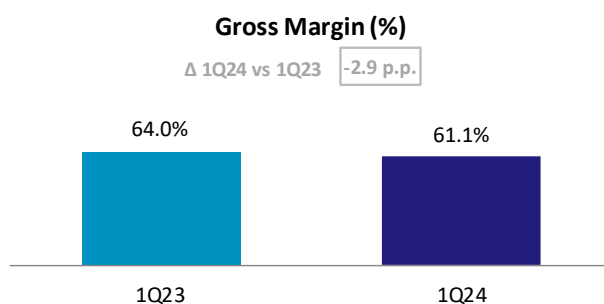


Table 4

| (R\$ million) | 1Q23    | % NR  | 1Q24    | % NR  | Δ %  | Δ p.p.    |
|---------------|---------|-------|---------|-------|------|-----------|
| Gross Profit  | 1,086.1 | 64.0% | 1,115.3 | 61.1% | 2.7% | -2.9 p.p. |

**Gross Profit** reached R\$1,115.3 million in the quarter, with a Gross Margin of 61.1%. The variation in Gross Margin compared to 1Q23 is mainly the result of: (i) the greater idleness recorded in the quarter due to the collective vacations at the manufacturing complex of Anápolis, which in the previous year happened in 2Q23; and (ii) the negative impact of the mix of products sold compared to the same quarter last year.

## Marketing Expenses

Table 5

| (R\$ million)                         | 1Q23    | % NR   | 1Q24    | % NR   | Δ %    |
|---------------------------------------|---------|--------|---------|--------|--------|
| Marketing Expenses                    | (268.3) | -15.8% | (262.2) | -14.4% | -2.2%  |
| Advertisement and Consumer Promotion  | (74.0)  | -4.4%  | (75.6)  | -4.1%  | 2.1%   |
| Trade Deals                           | (26.6)  | -1.6%  | (39.2)  | -2.1%  | 47.8%  |
| Medical Visits, Promotions and Others | (167.7) | -9.9%  | (147.4) | -8.1%  | -12.1% |

**Marketing Expenses** totaled R\$262.2 million in 1Q24, reducing their share of Net Revenue by 1.4 percentage point compared to 1Q23, mainly as a result of: (i) the decrease in expenses with free samples and events, considered in Medical Visits, Promotions and Others; and (ii) the dilution of expenses with Advertising and Consumer Promotion due to the greater concentration of investments in digital media, in line with the Company's strategy of promoting greater diversification of its marketing investments among Power Brands and the other brands of its portfolio.

## Selling Expenses

Table 6

| (R\$ million)                  | 1Q23    | % NR   | 1Q24    | % NR   | Δ %   |
|--------------------------------|---------|--------|---------|--------|-------|
| Selling Expenses               | (209.4) | -12.3% | (215.2) | -11.8% | 2.8%  |
| Commercial Expenses            | (125.8) | -7.4%  | (130.5) | -7.1%  | 3.7%  |
| Freight and Logistics Expenses | (42.5)  | -2.5%  | (45.0)  | -2.5%  | 5.8%  |
| Research & Development         | (41.1)  | -2.4%  | (39.7)  | -2.2%  | -3.4% |

**Selling Expenses** represented 11.8% of Net Revenue in 1Q24, compared to 12.3% in 1Q23. The lower share of Selling Expenses over Net Revenue in the quarter is mainly due to the dilution of Commercial and Research and Development Expenses.

## General and Administrative Expenses & Other Operating Revenues / Expenses, Net

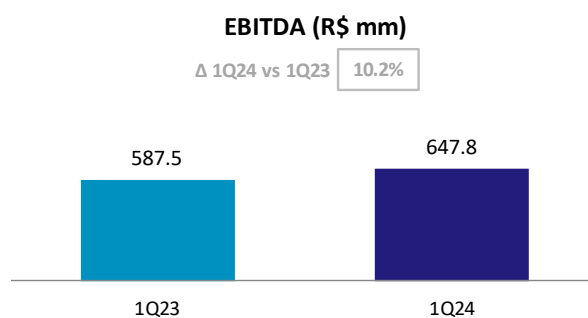
Table 7

| (R\$ million)                       | 1Q23   | % NR  | 1Q24   | % NR  | Δ %    |
|-------------------------------------|--------|-------|--------|-------|--------|
| General & Administrative Expenses   | (80.8) | -4.8% | (71.1) | -3.9% | -11.9% |
| Other Operating Revenues (Expenses) | 7.2    | 0.4%  | 15.2   | 0.8%  | 109.3% |

**General and Administrative Expenses** reduced their share of Net Revenue by 0.9 percentage point in 1Q24, mainly because of the lower level of payroll expenses related to the administrative teams and the reduction in expenses with consulting services.

## EBITDA from Continuing Operations

Graph 6



Graph 7

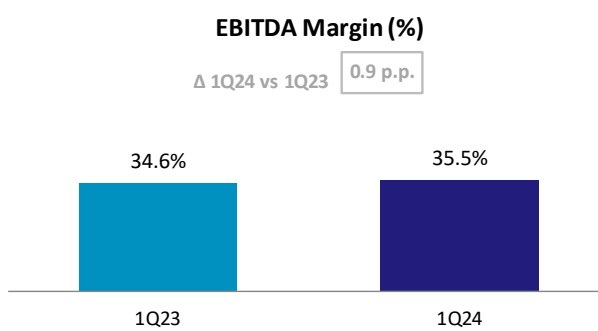


Table 8 – EBITDA from Continuing Operations

| (R\$ million)                     | 1Q23  | % NR  | 1Q24  | % NR  | Δ %   |
|-----------------------------------|-------|-------|-------|-------|-------|
| EBITDA from Continuing Operations | 587.5 | 34.6% | 647.8 | 35.5% | 10.2% |

**EBITDA from Continuing Operations** grew by 10.2% to R\$647.8 million in 1Q24, with an EBITDA Margin expansion of 0.9 percentage point, mainly because of the dilution of Marketing, Sales and General and Administrative Expenses.



## Net Financial Expenses

Table 9

| (R\$ million)                       | 1Q23    | % NR   | 1Q24    | % NR   | Δ R\$ |
|-------------------------------------|---------|--------|---------|--------|-------|
| Financial Result                    | (265.8) | -15.7% | (205.6) | -11.3% | 60.2  |
| Net Interest Expenses               | (225.8) | -13.3% | (178.0) | -9.7%  | 47.8  |
| Cost of Hedge and FX Gains (Losses) | (11.8)  | -0.7%  | (3.3)   | -0.2%  | 8.4   |
| Other                               | (28.3)  | -1.7%  | (24.3)  | -1.3%  | 4.0   |

The **Financial Result** was negative by R\$205.6 million in 1Q24, or R\$60.2 million lower than 1Q23. This change is the result of lower interest expenses in the period due to the lower Selic rate.

## Net Income

Table 10

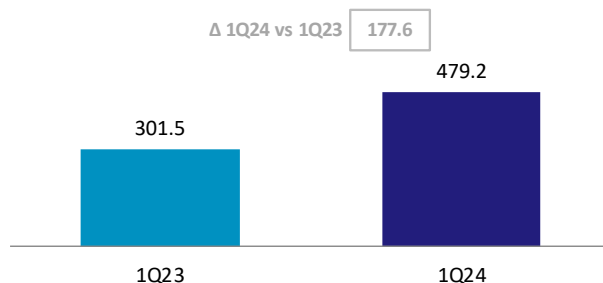
| (R\$ million)                                | 1Q23         | % NR         | 1Q24         | % NR         | Δ %          |
|--|--------------|--------------|--------------|--------------|--------------|
| EBIT from Continuing Operations              | 535.8        | 31.6%        | 579.4        | 31.7%        | 8.1%         |
| (-) Net Financial Expenses                   | (265.8)      | -15.7%       | (205.6)      | -11.3%       | -22.6%       |
| (-) Income Tax and Social Contribution       | 69.4         | 4.1%         | 17.7         | 1.0%         | -74.4%       |
| <b>Net Income from Continuing Operations</b> | <b>339.4</b> | <b>20.0%</b> | <b>391.5</b> | <b>21.4%</b> | <b>15.4%</b> |
| (+) Net Income from Discontinued Operations  | (0.2)        | 0.0%         | (2.6)        | -0.1%        | 1,535.4%     |
| <b>Net Income</b>                            | <b>339.3</b> | <b>20.0%</b> | <b>388.9</b> | <b>21.3%</b> | <b>14.6%</b> |
| <b>EPS</b>                                   | <b>0.54</b>  | -            | <b>0.62</b>  | -            | <b>15.8%</b> |
| <b>EPS from Continuing Operations</b>        | <b>0.54</b>  | -            | <b>0.62</b>  | -            | <b>16.2%</b> |

**Net Income from Continuing Operations** totaled R\$391.5 million in the quarter, 15.4% higher than in 1Q23, with an expansion of 1.4 percentage points in Net Margin. The growth in Net Income from Continuing Operations is mainly due to the 8.1% expansion in EBIT from Continuing Operations and the 22.7% reduction in Net Financial Expenses.

## Cash Flow (Continuing and Discontinued Operations)

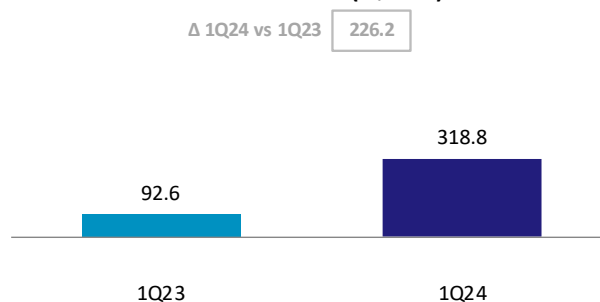
**Graph 8**

**Cash Flow from Operations (R\$ mm)**



**Graph 9**

**Free Cash Flow (R\$ mm)**



**Table 11**

| (R\$ million)                                      | 1Q23        | 1Q24         |
|--|-------------|--------------|
| Cash Flow from Operations                          | 301.5       | 479.2        |
| Capital increase in subsidiaries/associates        | (4.3)       | (0.0)        |
| Purchase of Property, Plant and Equipment          | (118.6)     | (78.6)       |
| Purchase of Intangible Assets                      | (85.2)      | (81.8)       |
| Acquisitions of Subsidiaries, Net of Cash Acquired | (0.2)       | (0.4)        |
| Sale of Property, Plant and Equipment              | (0.8)       | 0.5          |
| <b>(=) Free Cash Flow</b>                          | <b>92.6</b> | <b>318.8</b> |

Cash Flow from Operations was R\$479.2 million in 1Q24, or 58.9% higher than 1Q23, the highest level ever recorded by the Company in a first quarter, and was positively impacted mainly by the R\$227.7 million reduction in investments in Inventories in 1Q24, compared to 1Q23, net of the variation in Suppliers and Assignment of Receivables from Suppliers, mainly as a result of the Company's strategy of reducing its internal inventories of raw materials and finished products.

The growth in Operating Cash Flow helped the Company to continue investing significantly in innovation and in the expansion of its production capacity, and to achieve free cash generation of R\$318.8 million, compared to R\$92.6 million in 1Q23.

## Net Debt

Table 12

| (R\$ million)                        | 4Q23             | 1Q24              |
|--------------------------------------|------------------|-------------------|
| Loans and Financing                  | (9,937.8)        | (10,586.2)        |
| Notes Payable                        | (24.1)           | (24.4)            |
| <b>Gross Debt</b>                    | <b>(9,961.8)</b> | <b>(10,610.6)</b> |
| Cash and Cash Equivalents            | 2,580.9          | 3,174.4           |
| <b>Net Cash / (Debt)</b>             | <b>(7,380.9)</b> | <b>(7,436.1)</b>  |
| Unrealized Gain/Loss on Debt Hedge   | (27.8)           | 11.1              |
| <b>Net Cash / (Debt) After Hedge</b> | <b>(7,408.7)</b> | <b>(7,425.0)</b>  |

The Company ended 1Q24 with **Net Debt** after Hedge of R\$7,425.0 million, compared to R\$7,408.7 million recorded at the end of 4Q23, or 2.5x the EBITDA from Continuing Operations expected for 2024.

## Other Information

### Cash Conversion Cycle – Continuing Operations

**Table 13**

| (Days)                       | 1Q23       | 2Q23       | 3Q23       | 4Q23       | 1Q24       | (R\$ million)                                     | 1Q23         | 2Q23         | 3Q23         | 4Q23         | 1Q24         |
|------------------------------|------------|------------|------------|------------|------------|---|--------------|--------------|--------------|--------------|--------------|
| Receivables <sup>(1)</sup>   | 112        | 99         | 111        | 116        | 122        | Receivables                                       | 2,320        | 2,691        | 2,896        | 2,642        | 2,730        |
| Inventories <sup>(2)</sup>   | 352        | 252        | 253        | 282        | 265        | Inventories                                       | 2,394        | 2,302        | 2,207        | 2,192        | 2,095        |
| Payables <sup>(2)(3)</sup>   | (184)      | (117)      | (110)      | (108)      | (93)       | Payables <sup>(3)</sup>                           | (1,248)      | (1,072)      | (957)        | (838)        | (737)        |
| <b>Cash Conversion Cycle</b> | <b>281</b> | <b>234</b> | <b>254</b> | <b>290</b> | <b>294</b> | <b>Working Capital</b>                            | <b>3,466</b> | <b>3,921</b> | <b>4,146</b> | <b>3,996</b> | <b>4,088</b> |
|                              |            |            |            |            |            | <b>% of Annualized Net Revenue <sup>(4)</sup></b> | <b>51%</b>   | <b>44%</b>   | <b>48%</b>   | <b>54%</b>   | <b>56%</b>   |

(1) Calculated based on Continuing Operations Gross Revenue, Net of Discounts

(2) Calculated based on Continuing Operations COGS

(3) Includes Suppliers' Assignment of Receivables

(4) Annualized Net Revenue for the last 3 months

### Tax Credits to offset Income Tax payment

i) **Federal Recoverable Taxes:** R\$388.7 million (please refer to Explanatory Note 13 of the Financial Statements)

ii) **Cash effect of Income Tax and Social Contribution Losses Carryforward:** R\$3,486.8 million (please refer to Explanatory Note 21(a) of the Financial Statements)

iii) **Goodwill:** the Company has R\$1,594.8 million in goodwill to be amortized for tax purposes until 2030, which will generate a reduction in cash disbursement for the payment of Income Taxes of R\$542.2 million

### Reconciliation of Adjusted EBITDA, or EBITDA from Continuing Operations

**Table 14**

| (R\$ million)  | 1Q23         | % NR         | 1Q24         | % NR         | Δ %          |
|--|--------------|--------------|--------------|--------------|--------------|
| Net Income   | 339.3        | 20.0%        | 388.9        | 21.3%        | 14.6%        |
| (+) Income Tax and CSLL                                    | (69.5)       | -4.1%        | (19.1)       | -1.0%        | -72.5%       |
| (+) Net Interest Expenses                                  | 265.8        | 15.7%        | 205.6        | 11.3%        | -22.6%       |
| (+) Depreciations / Amortizations                          | 51.7         | 3.0%         | 68.4         | 3.7%         | 32.1%        |
| <b>EBITDA</b>  | <b>587.3</b> | <b>34.6%</b> | <b>643.7</b> | <b>35.2%</b> | <b>9.6%</b>  |
| (-) EBITDA from Discontinued Operations                    | 0.2          | 0.0%         | 4.0          | 0.2%         | 1,598.3%     |
| <b>Adjusted EBITDA (EBITDA from Continuing Operations)</b> | <b>587.5</b> | <b>34.6%</b> | <b>647.8</b> | <b>35.5%</b> | <b>10.2%</b> |

EBITDA is a non-accounting measure prepared by the Company and it is calculated based on net income, added by income taxes, financial expenses net of financial income, depreciation and amortization. The Adjusted EBITDA, or EBITDA from Continuing Operations, represents the EBITDA, excluding the effects related to discontinued operations that affected the Company's EBITDA. The Company uses Adjusted EBITDA, or EBITDA from Continuing Operations, as a non-accounting measure, in order to present its performance in a way that better translates the operating cash generation potential of its business.

## Disclaimer

This release contains forward-looking statements that are exclusively related to the prospects of the business, its operating and financial results, and prospects for growth. These data are merely projections and, as such, based exclusively on our management's expectations for the future of the business and its continued access to capital to fund its business plan. These forward-looking statements substantially depend on changing market conditions, government regulations, competitive pressures, the performance of the Brazilian economy and the industry, among other factors, as well as the risks shown in our filed disclosure documents, and are therefore subject to change without prior notice.

Additional unaudited information herein reflects management's interpretation of information taken from its financial information and their respective adjustments, which were prepared in accordance with market practices and for the sole purpose of a more detailed and specific analysis of our results. Therefore, these additional data must also be analyzed and interpreted independently by shareholders and market agents, who should carry out their own analysis and draw their own conclusions from the results reported herein. No data or interpretative analysis provided by our management should be treated as a guarantee of future performance or results and are merely illustrative of our directors' vision of our results.

Our management is not responsible for compliance or accuracy of the management financial data discussed in this report, which must be considered as for informational purposes only, and should not override the analysis of our audited consolidated financial statements or our reviewed quarterly information for purposes of a decision to invest in our stock, or for any other purpose.

## Consolidated Income Statement (R\$ thousand)

Table 15

|   | 1Q23             | 1Q24             |
|---|------------------|------------------|
| <b>Net Revenue</b>  | <b>1,698,195</b> | <b>1,826,660</b> |
| Cost of Goods Sold  | (612,086)        | (711,347)        |
| <b>Gross Profit</b>   | <b>1,086,109</b> | <b>1,115,313</b> |
| Selling and Marketing Expenses                                    | (477,671)        | (477,403)        |
| General and Administrative Expenses                               | (80,757)         | (71,112)         |
| Other Operating Revenues (Expenses)                               | 7,247            | 15,165           |
| Equity in Subsidiaries  | 875              | (2,559)          |
| <b>Operating Income Before Equity Income and Financial Result</b> | <b>535,803</b>   | <b>579,404</b>   |
| Net Financial Expenses  | (265,785)        | (205,597)        |
| Financial Expenses  | (330,510)        | (286,182)        |
| Financial Income  | 64,725           | 80,585           |
| <b>Profit Before Income Tax and Social Contribution</b>           | <b>270,018</b>   | <b>373,807</b>   |
| Income Tax and Social Contribution                                | 69,399           | 17,740           |
| <b>Net Income from Continuing Operations</b>                      | <b>339,417</b>   | <b>391,547</b>   |
| Net Income from Discontinued Operations                           | (161)            | (2,633)          |
| <b>Income for the Period</b>                                      | <b>339,256</b>   | <b>388,914</b>   |
| <b>Earnings per Share – R\$</b>                                   | <b>0.54</b>      | <b>0.62</b>      |

## Consolidated Balance Sheet (R\$ thousand)

Table 16

| Assets                                      | 12/31/2023        | 03/31/2024        | Liabilities and Shareholders' Equity              | 12/31/2023        | 03/31/2024        |
|---|-------------------|-------------------|---|-------------------|-------------------|
| <b>Current Assets</b>                       | <b>8,077,766</b>  | <b>8,665,231</b>  | <b>Current Liabilities</b>                        | <b>4,644,236</b>  | <b>4,796,014</b>  |
| Cash and Cash Equivalents                   | 2,580,893         | 3,174,444         | Suppliers   | 389,667           | 376,189           |
| Accounts Receivables                        | 2,642,146         | 2,729,910         | Assignment of Receivables                         | 448,307           | 361,162           |
| Inventories                                 | 2,191,731         | 2,095,425         | Loans, Financing and Debentures                   | 2,120,539         | 2,386,149         |
| Recoverable Taxes                           | 446,514           | 397,819           | Salaries Payable                                  | 442,286           | 286,082           |
| Financial Derivatives                       | 295               | 19,250            | Income Tax and Social Contribution                | 3,759             | 4,528             |
| Other Assets                                | 211,392           | 248,383           | Taxes Payable                                     | 86,565            | 112,523           |
| Dividends and IOC receivables               | 4,795             | 0                 | Accounts Payable                                  | 418,705           | 411,694           |
|   |                   |                   | Dividends and IOC Payable                         | 696,966           | 827,644           |
|   |                   |                   | Notes Payable                                     | 20,457            | 20,654            |
|   |                   |                   | Financial Derivatives                             | 16,985            | 9,389             |
| <b>Non-Current Assets</b>                   | <b>16,430,985</b> | <b>16,607,755</b> | <b>Non-Current Liabilities</b>                    | <b>8,346,642</b>  | <b>8,754,409</b>  |
| <b>Long Term Assets</b>                     | <b>1,317,883</b>  | <b>1,350,178</b>  | Loans, Financing and Debentures                   | 7,817,240         | 8,200,071         |
| Deferred Income Tax and Social Contribution | 869,524           | 937,444           | Deferred Income Tax and Social Contribution       | 175,752           | 201,441           |
| Recoverable Taxes                           | 222,666           | 173,288           | Taxes Payable                                     | 2,805             | 38,744            |
| Other Assets                                | 213,845           | 228,417           | Accounts Payable                                  | 180,905           | 168,823           |
| Financial Derivatives                       | 11,848            | 11,029            | Provisions for Contingencies                      | 127,553           | 131,002           |
|   |                   |                   | Notes Payable                                     | 3,600             | 3,703             |
|   |                   |                   | Financial Derivatives                             | 38,787            | 10,625            |
| <b>Fixed Assets and Investments</b>         | <b>15,113,102</b> | <b>15,257,577</b> | <b>Shareholders' Equity</b>                       | <b>11,517,873</b> | <b>11,722,563</b> |
| Investments                                 | 120,639           | 122,894           | Capital   | 4,478,126         | 9,047,670         |
| Biological Assets                           | 12,583            | 11,330            | Capital Reserve                                   | 1,190,071         | 1,181,097         |
| Property, Plants and Equipments             | 3,548,040         | 3,607,548         | Equity Valuation Adjustments                      | (278,927)         | (277,478)         |
| Intangible Assets                           | 11,431,840        | 11,515,805        | Profit Reserves                                   | 6,135,131         | 1,565,587         |
|   |                   |                   | Treasury Stock                                    | (20,277)          | (13,083)          |
|   |                   |                   | Attributed to non-controlling shareholders        | 13,749            | 11,184            |
|   |                   |                   | Income for the Period                             | 0                 | 207,586           |
| <b>Total Assets</b>                         | <b>24,508,751</b> | <b>25,272,986</b> | <b>Total Liabilities and Shareholders' Equity</b> | <b>24,508,751</b> | <b>25,272,986</b> |

## Consolidated Cash Flow Statement (R\$ thousand)

Table 17

|   | 1Q23               | 1Q24             |
|---|--------------------|------------------|
| <b>Cash Flows from Operating Activities</b>                         |                    |                  |
| Income (Loss) Before Income Taxes including Discontinued Operations | 269.781            | 369.782          |
| Depreciation and Amortization                                       | 51.746             | 68.353           |
| Asset Impairment  | 0                  | 218              |
| Gain on Permanent Asset Disposals                                   | 180                | (1.094)          |
| Equity Method   | (875)              | 2.874            |
| Foreign Exchange (Gains) Losses                                     | 11.752             | 3.317            |
| Net Interest and Related Revenue/Expenses                           | 254.033            | 202.280          |
| Expenses Related to Share Based Remuneration                        | 6.522              | 5.902            |
| Provisions and Others   | (13.128)           | 34.954           |
| <b>Adjusted Results</b>   | <b>580.011</b>     | <b>686.586</b>   |
| <b>Decrease (Increase) in Assets</b>                                | <b>(160.907)</b>   | <b>26.131</b>    |
| Trade Accounts Receivable   | 197.953            | (96.345)         |
| Inventories   | (230.491)          | 74.106           |
| Recoverable Taxes   | 36.799             | 98.437           |
| Judicial Deposits and Others  | (1.190)            | (11.276)         |
| Other Accounts Receivable   | (163.978)          | (38.791)         |
| <b>Increase (Decrease) in Liabilities</b>                           | <b>(117.587)</b>   | <b>(233.551)</b> |
| Suppliers   | 12.938             | (21.265)         |
| Assignment of Receivables   | (44.392)           | (87.146)         |
| Financial Derivatives   | (4.094)            | (10.256)         |
| Income Tax and Social Contribution Paid                             | (154)              | (771)            |
| Taxes Payable   | 4.621              | 61.897           |
| Salaries and Payroll Charges  | (76.563)           | (156.205)        |
| Accounts Payable  | 5.957              | (12.412)         |
| Operations Interest Paid  | (11.958)           | (2.949)          |
| Other Accounts Payable  | (3.942)            | (4.444)          |
| <b>Net Cash Provided by Operating Activities</b>                    | <b>301.517</b>     | <b>479.166</b>   |
| <b>Cash Flows from Investing Activities</b>                         |                    |                  |
| Capital Increase/Decrease in Subsidiaries/Affiliates                | (4.250)            | (451)            |
| Acquisitions of Subsidiaries, Net of Cash Acquired                  | (157)              | 0                |
| Acquisitions of Property, Plant and Equipment                       | (118.555)          | (78.605)         |
| Intangible Assets   | (85.155)           | (81.823)         |
| Proceeds from the Sale of Assets with Permanent Nature              | (817)              | 490              |
| Interest and Others   | 38.316             | 54.887           |
| <b>Net Cash From Investing Activities</b>                           | <b>(170.618)</b>   | <b>(105.502)</b> |
| <b>Cash Flows from Financing Activities</b>                         |                    |                  |
| Inflow from Loans and Financing                                     | 250.000            | 606.000          |
| Treasury Stock Purchase / Sale                                      | (18.321)           | (7.660)          |
| Repayment of Loans - Principal                                      | (1.042.352)        | (53.926)         |
| Repayment of Loans - Interest                                       | (363.658)          | (246.703)        |
| Dividends and IOC Paid  | (677.503)          | (53.975)         |
| Loan Derivatives  | (54.151)           | (23.849)         |
| <b>Net Cash From Financing Activities</b>                           | <b>(1.905.985)</b> | <b>219.887</b>   |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>         | <b>(1.775.086)</b> | <b>593.551</b>   |
| <b>Statement of Increase in Cash and Cash Equivalents, Net</b>      |                    |                  |
| Cash and Cash Equivalents at the Beginning of the Period            | 2.862.473          | 2.580.893        |
| Cash and Cash Equivalents at the End of the Period                  | 1.087.387          | 3.174.444        |
| <b>Change in Cash and Cash Equivalent</b>                           | <b>(1.775.086)</b> | <b>593.551</b>   |