ALPARGATAS

1Q24 Earnings Release

VIDEOCONFERENCE
May 10th, 2024 | Friday

Portuguese
08:00 am (EST) | 09:00 am (BRT)
With simultaneous translation into English

Zoom Access

Alpargatas Performance

ALPARGATAS ACHIEVES NET REVENUE OF R$ 932M IN 1Q24

HAVAIANAS NORMALIZED NET INCOME OF R$ 39M

CONSOLIDATED NET INCOME OF R$ 25M

NET CASH FLOW GENERATION OF R$ 260M

Volume reaches 52 million pairs vs. 48 million in 1Q23

Net revenue reaches R$ 932 million vs. R$ 902 million in 1Q23

Gross income reaches R$ 425 million vs. R$ 389 million in 4Q22

Gross margin reaches 45.7% vs. 43.1% in 1Q23

Normalized EBITDA reaches R$ 110 million vs. R$ 66 million in 1Q23

Normalized EBITDA margin reaches 11.8% vs. 7.3% in 1Q23

Havaianas normalized net income reaches R$ 39 million

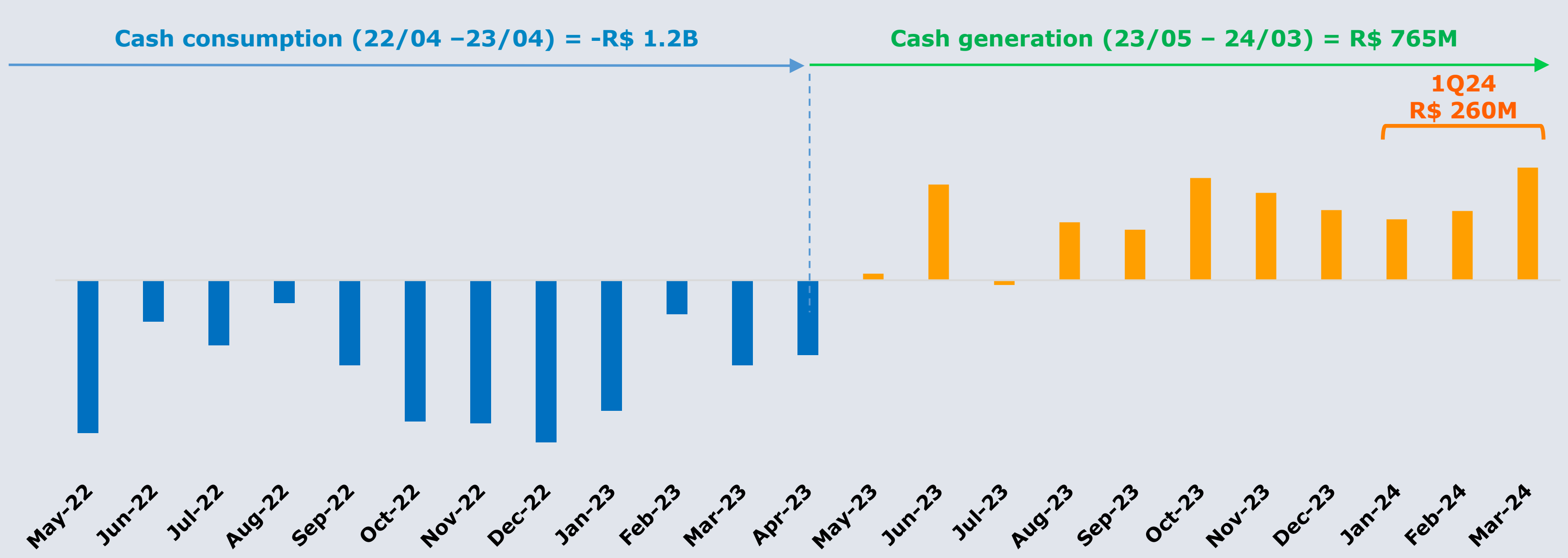
Consolidated net income of R$ 25 million

Discipline and Execution

The first quarter of 2024 consolidates new and important progress in our journey. As we have stated in previous quarters, it is fundamental for any transformation agenda to clearly define priorities and adhere to them, thereby creating the foundation for subsequent steps. We have also emphasized the importance of preventing the gains achieved at each stage of the journey from being lost in successive phases so that our progress is consistent over time. It requires discipline and a permanent focus on execution from the management. It is precisely this stance that we have sought to maintain since 2Q23.

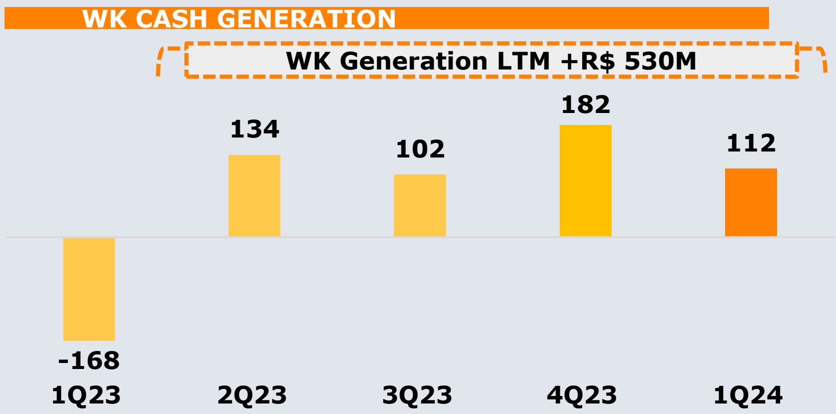
The first major priority agenda of the Company throughout this movement was capital discipline, which translated not only into the necessary evolution in cost and expense efficiency but also into more disciplined use of resources, both in terms of investments and working capital releases. We understand that in 1Q24, we remained focused on this discipline agenda, which resulted in significant progress in our financial health indicators, especially regarding cash generation and leverage levels. Throughout the quarter, we had a positive **net cash generation** of **R$260 million**. This result contrasts with a cash consumption of R$271 million in 1Q23.

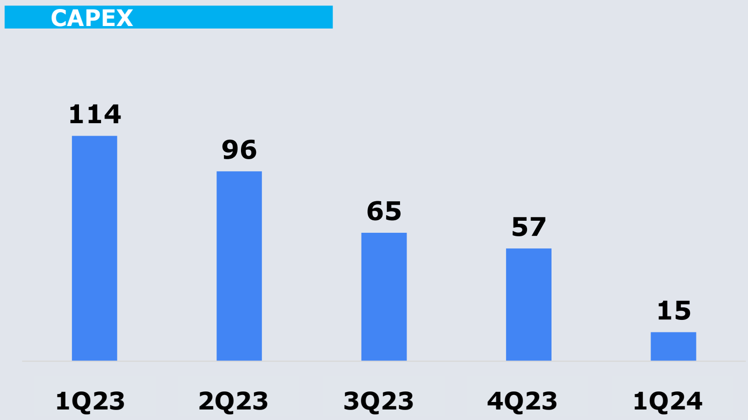
With this further step in resuming financial discipline, we have reached **R$765 million** in **accumulated cash generation** since May 23. The following chart presents, month by month, this important reversal of trajectory in our cash generation, which we understand to be a fundamental element in enabling our growth recovery. The following chart presents our cash generation over the months so far.



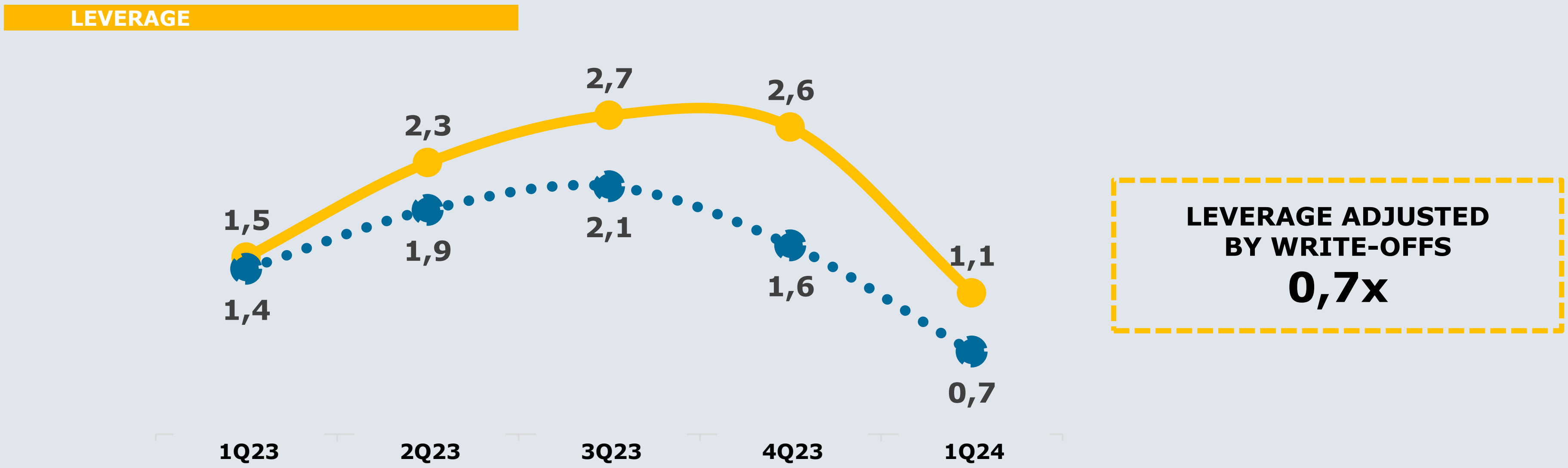
Part of this significant cash generation was due to the improvement in our operational results, reflected in an **adjusted EBITDA of R$110 million**, further complemented by a **working capital** release of **R$112 million**. It's worth highlighting the contribution to cash preservation from a **CAPEX** level of **R$15 million**, significantly lower than the R$114 million invested in 1Q23.

Message from Management



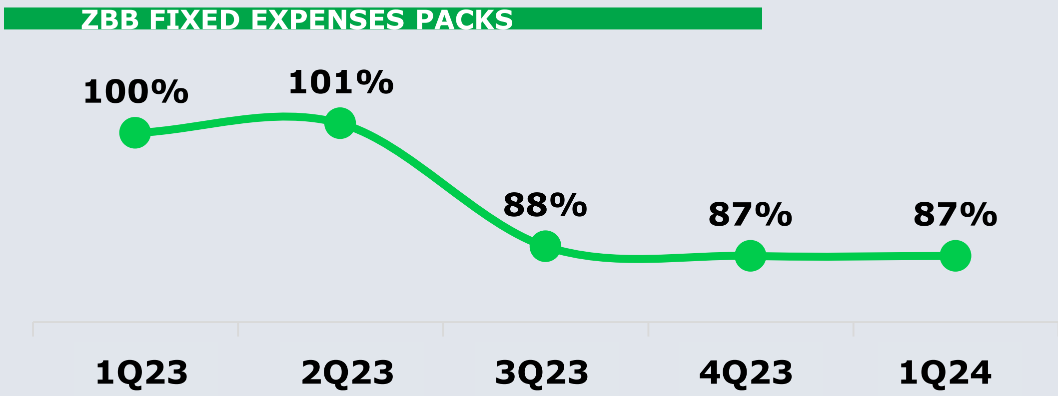


The significant cash release in the quarter and the fact that EBITDA was R$44 million higher than in 1Q23 were crucial for deepening the deleveraging movement, which reached 1.1x net debt/EBITDA LTM. This movement decisively interrupted the cycle of leverage expansion that had extended until 3Q23. It's important to mention that the LTM EBITDA used for this metric does not exclude the impact of write-offs of raw materials and finished products in the period. As we mentioned last quarter, this impact is a consequence of portfolio expansion decisions made 2-3 years ago and, therefore, does not directly reflect the Company's current cash generation capacity. If we excluded the effects of these write-offs, our leverage would have ended at 0.7x in the quarter. The following graph presents these trajectories (with the blue curve adjusted for write-offs).



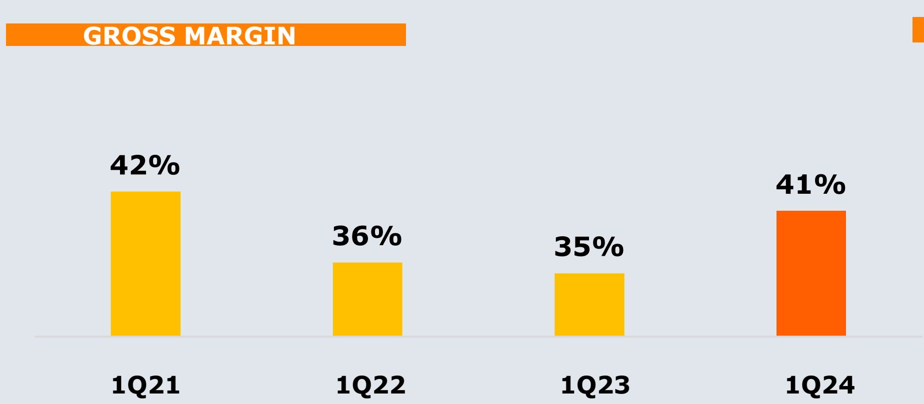
In the context of regaining financial discipline and efficiency, we managed to maintain the same level of recurring fixed expense reductions throughout 1Q24 as compared to 1Q23, even though we had indicated that some of the initial actions promoted last year might not be recurrent. We understand the importance of paying attention to the achievements made so far and continuing to advance on the efficiency journey, which should be a continuous effort of the Company in the coming years. In this sense, we completed in 1Q24 a detailed work of mapping efficiency opportunities, simplification, and a new operational model with clearer roles and responsibilities of what is global or local. Starting in April, we began implementing some of these actions and will continue to focus on this over the coming months. It is important to emphasize that the scope of the intended savings does not include reducing the Company's marketing investment levels. On the contrary, our plan includes reinvesting part of our gains to strengthen our marketing budget in priority markets to support volume and revenue growth and resume a virtuous business cycle.

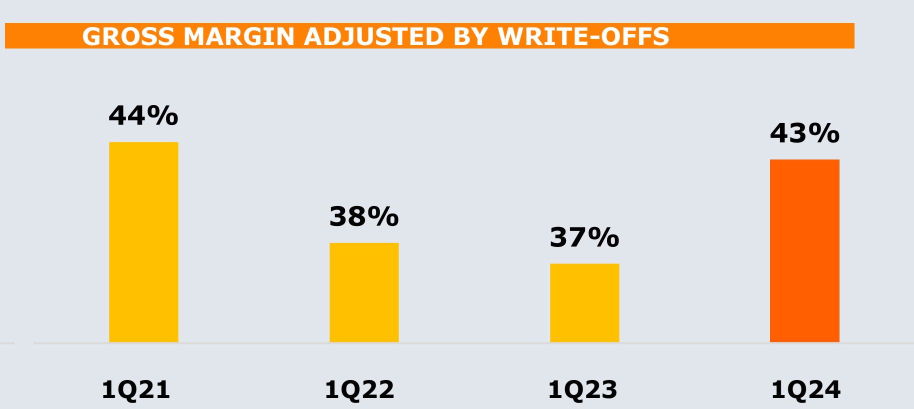
Message from Management



Another priority area for the beginning of our recovery was the destocking of the chain and the reconnection between our sell-in and sell-out levels in Brazil. The first quarter was crucial in confirming our hypothesis that this reconnection would occur and that it would be fundamental for the recovery of our operational scale. After normalizing the chain's inventory and stabilizing our sell-out, we once again had a volume sold in sell-in that was very close to the number of pairs we estimated to be our sell-out. With this, we resumed **growth** with a **12%** yoy variation in **sell-in**.

This volume growth has already triggered our process of regaining operational leverage by diluting fixed industrial costs and expenses. Additionally, the **reduction in raw material cost** per pair (by 5% yoy) and the increase in industrial efficiency, notably marked by a **17% yoy reduction in labor cost per pair**, also contributed significantly to the decrease in cost per pair in Brazil. As a result, Brazil's **gross margin** in 1Q24 was **41%**, an expansion of **+5 p.p**. compared to 1Q23. This quarter, we again had the incidence of write-offs, so if we adjust for this impact, the gross margin was 43%. We also had a significant impact from additional labor litigation provisions above the historical average due to personnel reductions carried out in the factories during the past year. If we had also excluded this additional provision, our **normalized gross margin** for these factors in Brazil would have been **45%** in 1Q24. Interestingly, with these normalizations, our gross margins in Brazil are comparable to those obtained in 1Q21 despite fewer pairs sold.

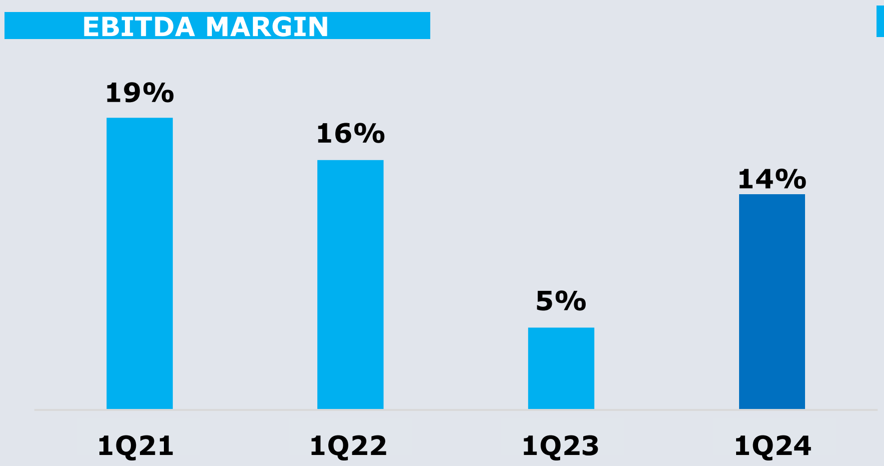


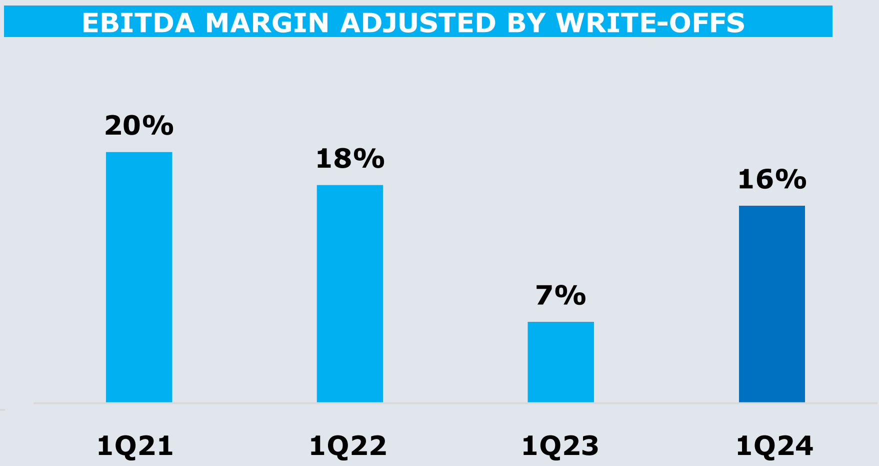


The benefit of the volume growth recovery in Brazil was also important for diluting commercial and corporate expenses. At the same time, we increased our efficiency with the effort to reduce fixed expenses, already mentioned previously, combined with the reduction of **distribution expenses**, which in 1Q24 were **9% lower** than in 1Q23. Unlike 1Q23, when our EBITDA per pair in Brazil had been compressed due to the loss of scale and the lower operational efficiency, 1Q24, our unit EBITDA recovered, reaching R$2.0 per pair, an expansion of 166% yoy. This expansion of **R$1.25 per pair** compared to 1Q23 reflects the reversal of those same dynamics so that our recovery can now be attributed 50% to the scale effect and 50% to the increase in operational efficiency.

Message from Management

With those advances, our **adjusted EBITDA** in **Havaianas Brazil** reached **R$91 million** for the quarter, with an **EBITDA margin** of **14%**. The write-offs during the period negatively affected the EBITDA margin by 2 p.p.. Furthermore, as mentioned, we were also impacted by the increase in provisions for labor litigation compared to history. Thus, our EBITDA margin in Brazil, normalized for these effects, would have reached **18%**, which is also similar to the level of 1Q21 when we had a volume in Brazil of about 3.2 million pairs higher.





It's important to mention that we are seeing encouraging progress in our commercial agenda that is aligned with strategic priorities. Our growth in Brazil was driven by core products, and we see improvements both in distribution and in the volume of male products sold. We are getting closer to our customers to understand the operational bottlenecks we still face and working in alignment to improve our service level.

While we have made significant strides in regaining competitiveness, scale, and cost and expense efficiency in Brazil, our international operations are a few steps behind on this journey.

In Europe, we have significantly improved our logistics operations, which had been a significant source of volume loss and cost increase last year. As a result, we delivered a satisfactory volume at the beginning of the season. By ensuring that customer shelves are stocked from the start of spring, we aim to increase the sell-out and potentially have more relevant replenishment for the rest of the peak season. We have shown significant sequential progress despite achieving a volume below its potential and about 10% lower than 1Q23.

In markets where we operate exclusively through distributors in Asia, the Pacific, and Latin America, we were still impacted by the destocking process in the APAC chain, which began last year and has already made considerable progress. As a result, our sell-in volume in these markets decreased by 4% yoy.

In the United States, we are still in the early stages of implementing our channel strategy. In 1Q24, we experienced a 20% yoy volume decline, mainly due to reduced discount levels and the decreased relevance of the off-price channel. The positive counterpart of this movement appeared in revenue per pair growth and improved gross margin.

Although our international operation's volume and revenue results are still below our desired levels, we have significantly progressed in reducing logistics and distribution costs and implementing our expense reduction agenda. As a result, our gross margin increased by **1 p.p.** compared to 1Q23, and **EBITDA**, despite being lower than 1Q23, showed significant sequential progress and returned to positive territory, totaling **R$16.6 million** in 1Q24.

Message from Management

At Rothy's, despite the first quarter being the least relevant due to seasonality, we also achieved noteworthy progress. Product launches at the beginning of the year had positive results and contributed to revenue growth, which was **10% higher** than last year. Improved manufacturing efficiency and reduced freight and distribution costs, which had already been positive highlights in our results since last year, led to a **7 p.p. expansion in gross margin** compared to 1Q23. Additionally, greater expense discipline contributed to significant EBITDA improvement in the quarter, which, despite being negative, provides a positive outlook for the more relevant quarters in terms of the topline seasonality that follows.

At Havaianas, we couldn't overlook the significant results related to our brand in this first quarter, which remain strong and well above our main competitors. The marketing campaign during 4Q23 and 1Q24 had a very positive impact, boosting key brand health indicators to their highest levels since mid-2022. We recognize that the strength of the Havaianas brand is one of the company's greatest assets, and we plan to invest further in this asset.

Early this year, we also made progress in internal communication regarding the strategy review and the definition of corporate and individual goals to align incentives with the company's strategic choices. Additionally, we've made significant progress in optimizing our portfolio and product innovation process, placing the business goal of each SKU at the heart of our product creation process. We have also been guiding the execution of our product launches with a holistic view, aligning marketing, go-to-market strategies, and in-store execution—all centered around the same objective.

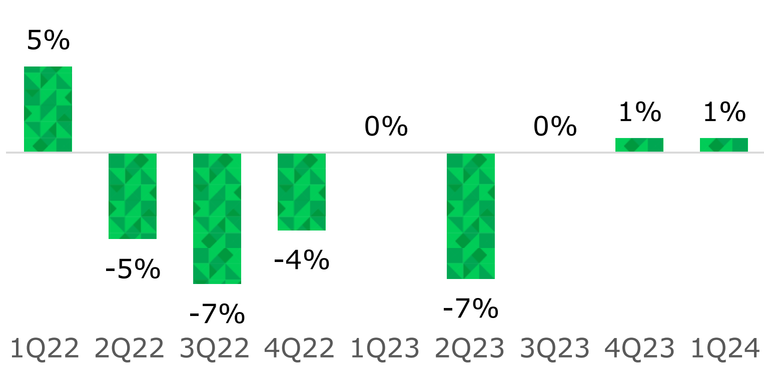
On the one hand, we are confident in the solid steps we have taken so far and recognize these developments' importance as a foundation for sustainable growth. Our focus on discipline, profitability, and prudent capital use is already yielding initial results and will remain a permanent part of our approach. On the other hand, we understand that the journey is long, and the path may not be linear. Our prioritization has been appropriate thus far, and we see a promising path ahead regarding value generation for our shareholders.

Havaianas Performance

(million pairs)	**1Q24**	**1Q23**	**1Q24 vs. 1Q23**
Volume	**52,3**	**48,2**	***+8,6%***
Brazil	45,5	40,6	*+12,0%*
International	6,9	7,6	*-9,6%*

(R$ million | R$ / pair)	**1Q24**	**1Q23**	**1Q24 vs. 1Q23**
Net revenue	**921,1**	**894,3**	***+3,0%***
Brazil	655,8	575,3	*+14,0%*
International	265,3	318,9	*-16,8%*
Net revenue / pair	**17,60**	**18,55**	***-5,1%***
Brazil	14,42	14,17	*+1,8%*
International	38,67	42,04	*-8,0%*
Gross Profit	**418,6**	**385,3**	***+8,7%***
Gross Margin (%)	*45,4%*	*43,1%*	*+2,4pp*
Brazil	265,8	203,6	*+30,6%*
Gross Margin (%)	*40,5%*	*35,4%*	*+5,2pp*
International	152,8	181,7	*-15,9%*
Gross Margin (%)	*57,6%*	*57,0%*	*+0,6pp*
Gross Profit / pair	**8,00**	**7,99**	***+0,1%***
Brazil	5,85	5,01	*+16,6%*
International	22,28	23,95	*-7,0%*
EBITDA (Incl. IFRS16)	**107,5**	**62,3**	***+72,5%***
EBITDA Margin (%)	*11,7%*	*7,0%*	*+4,7pp*
Brazil	90,9	30,6	*+197,0%*
EBITDA Margin (%)	*13,9%*	*5,3%*	*+8,5pp*
International	16,6	31,7	*-47,7%*
EBITDA Margin (%)	*6,2%*	*9,9%*	*-3,7pp*
EBITDA (Incl. IFRS16) / pair	**2,05**	**1,29**	***+58,9%***
Brazil	2,00	0,75	*+165,2%*
International	2,42	4,18	*-42,2%*

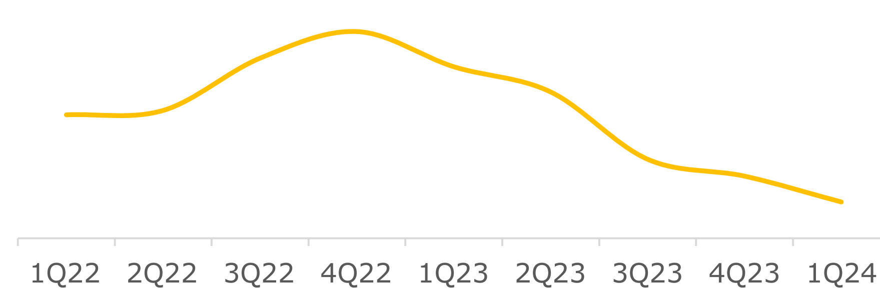
Sell-Out* Brazil
(Quarterly evolution – YoY chg.)



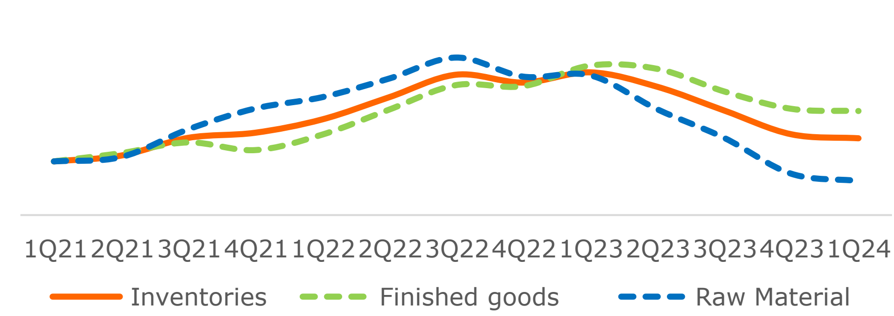
In 1Q24, the estimated sell-out of Havaianas was slightly positive compared to what was observed in 1Q23. In the breakdown between channels, we observed a positive performance in the grocery and DTC channels, while the specialized channel showed a decrease in sell-out yoy. According to Nielsen data (grocery channel), we regained market share vs. 4Q23, although we are still at a lower level compared to the level observed in 1Q23.

Internal panel estimate for sell-out/sell-through – NIELSEN; NEOGRID/SCAN-TRACK

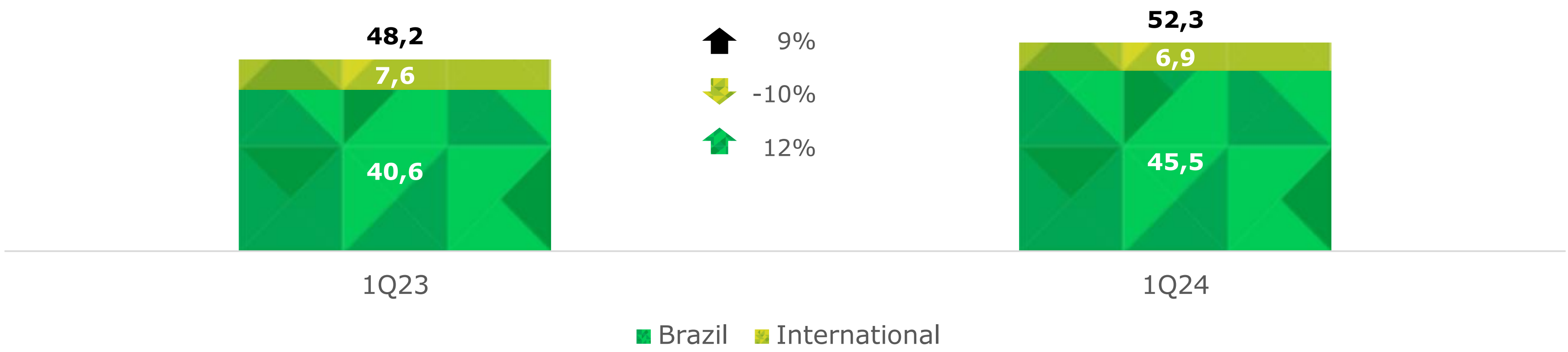
Evolution of the Chain inventory
(on sell-out days)



Evolution of Alpargatas inventory
(100-base)



Volume *(in millions of pairs)*



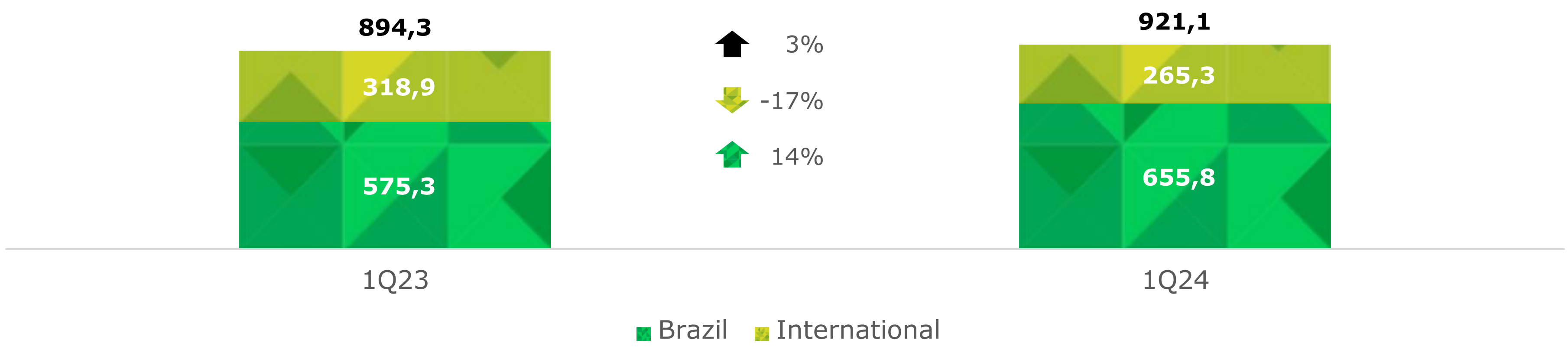
A total of 52.3 million pairs were sold this quarter, an evolution of +8.6% yoy, explained by the beginning of the commercial normalization process in Brazil and a decrease in the volume of international operations.

Havaianas Brazil: We sold 45.5 million pairs in 1Q24, growing +12.0% compared to 1Q23.

We observed sell-in and sell-out volumes quite close in the number of pairs, which reflects the completion of the stock normalization process in the chain and the stabilization of sell-out.

Havaianas International: The volume was 6.9 million pairs sold, reducing -9.6% compared to 1Q23. The drop in international volume was driven by the USA with a decrease of -20% yoy; EMEA with volume -10% vs. 1Q23 and international distributor markets with a decrease of -4% yoy.

Net revenue *(in R$ million)*



(R$ million | R$ / pair)	1Q24	1Q23	1Q24 vs. 1Q23
Net revenue	**921,1**	**894,3**	***+3,0%***
Brazil	655,8	575,3	*+14,0%*
International	265,3	318,9	*-16,8%*
EMEA	180,9	217,0	*-16,7%*
NA&C	35,1	44,7	*-21,4%*
Distributors	49,3	57,2	*-13,9%*
Net revenue / pair	**17,60**	**18,55**	***-5,1%***
Brazil	14,42	14,17	*+1,8%*
International	38,67	42,04	*-8,0%*

Net revenue *(in constant currency)*

(R$ million | R$ / pair)	1Q24	1Q23	1Q24 vs. 1Q23
Net revenue	**921,1**	**882,2**	***+4,4%***
Brazil	655,8	575,3	*+14,0%*
International	265,3	306,8	*-13,5%*
EMEA	180,9	209,7	*-13,8%*
NA&C	35,1	42,7	*-17,6%*
Distributors	49,3	54,4	*-9,4%*
Net revenue / pair	**17,60**	**18,30**	***-3,8%***
Brazil	14,42	14,17	*+1,8%*
International	38,67	40,44	*-4,4%*

Note: For comparison purposes, the constant currency (CC) criterion in reais is used. The values are translated into Reais considering the average exchange rate for the period in the current year. For 1Q24, amounts in US$ were translated to R$ 4.96 and, in EUR, to R$ 5.39.

The net revenue increase for Havaianas is related to the higher sales volume for the quarter, reaching R$921.1 million in 1Q24, an increase of +3.0% and +4.4% in CC compared to 1Q23. However, the net revenue per pair saw a decrease of -5.1% and -3.8% (CC), mainly driven by the geographical mix effect with the Brazilian operation gaining significance compared to 1Q23 and the reduction in price per pair in international markets. This decrease in net revenue per pair is primarily explained by the mix between regions, as the USA lost relevance and international distributor markets gained compared to 1Q23.

Havaianas Brazil: Net revenue increased by +14.0% yoy, with an increase in revenue per pair of +1.8%.

Havaianas International: Net revenue fell -13.5% (CC) yoy for the quarter, driven by negative performance in the USA, Europe, and distributor markets.

The net revenue per pair showed a decrease of -4.4% in CC this quarter, driven by the mix between regions and product mix.

Cost of goods sold *(in R$ million)*

(R$ million)	1Q24	1Q23	1Q24 vs. 1Q23
Cost of goods sold	**502,5**	**509,0**	***-1,3%***
Brazil	390,0	371,8	*+4,9%*
International	112,5	137,2	*-18,0%*

This quarter, the COGS was R$ 502.5 million, showing a decrease of -1.3% compared to R$ 509.0 million in 1Q23.

The COGS/pair this quarter again shows improvements from factory optimization, labor efficiency gains, and a reduction in raw material costs, with a sequential reduction of -5% compared to 4Q23.

The COGS/pair in Brazil of R$ 8.58 would have been R$ 8.26 excluding the costs of R$ 14.3 million related to write-offs of finished goods and raw material inventories. This quarter we also had the impact of provisions related to labor litigation well above 1Q23 and the company's history. Excluding the impact of this additional amount compared to 1Q23, the COGS/pair in Brazil would have been R$7.92.

Internationally, the fall in COGS/pair in CC of -5.8% is explained by progress in the operational simplification process and cost reductions in warehousing in Europe and the USA.

Gross profit *(in R$ million)*

(R$ million | R$ / pair)	1Q24	1Q23	1Q24 vs. 1Q23
Gross Profit	**418,6**	**385,3**	***+8,7%***
Gross Margin (%)	*45,4%*	*43,1%*	*+2,3pp*
Brazil	265,8	203,6	*+30,6%*
Gross Margin (%)	*40,5%*	*35,4%*	*+5,1pp*
International	152,8	181,7	*-15,9%*
Gross Margin (%)	*57,6%*	*57,0%*	*+0,6pp*
Gross Profit / pair	**8,00**	**7,99**	***+0,1%***
Brazil	5,85	5,01	*+16,6%*
International	22,28	23,95	*-7,0%*

Gross profit *(in constant currency)*

(R$ million | R$ / pair)	1Q24	1Q23	1Q24 vs. 1Q23
Gross Profit	**418,6**	**378,4**	***+10,6%***
Gross Margin (%)	*45,4%*	*42,9%*	*+2,5pp*
Brazil	265,8	203,6	*+30,6%*
Gross Margin (%)	*40,5%*	*35,4%*	*+5,1pp*
International	152,8	174,8	*-12,6%*
Gross Margin (%)	*57,6%*	*57,0%*	*+0,6pp*
Gross Profit / pair	**8,00**	**7,85**	***+1,9%***
Brazil	5,85	5,01	*+16,6%*
International	22,28	23,04	*-3,3%*

The gross profit of Havaianas was R$ 418.6 million this quarter, an increase of 8.7% vs. the previous year. The total gross margin of Havaianas was 45.4%, an increase of +2.3 p.p. vs. 1Q23. Excluding the effects of additional costs related to write-offs of raw materials and finished products, the gross margin would have been 1.6 p.p. higher.

Havaianas Brazil: In Brazil, the gross margin was 40.5%, an increase of +5.1 p.p. vs. 1Q23. The gross profit per pair rose by +16.6% yoy. Excluding the additional costs related to write-offs of raw materials and finished products amounting to R$ 14.3 million, the gross margin of Brazil would have been 42.7% and the gross profit per pair would have been R$ 6.16 (+18.5% vs. 1Q23).

Havaianas International: The gross margin for international operations was 57.6%, an increase of +0.6 p.p. vs. 1Q23. This evolution is mainly explained by the increase in efficiency of fixed storage costs in Europe and the USA.

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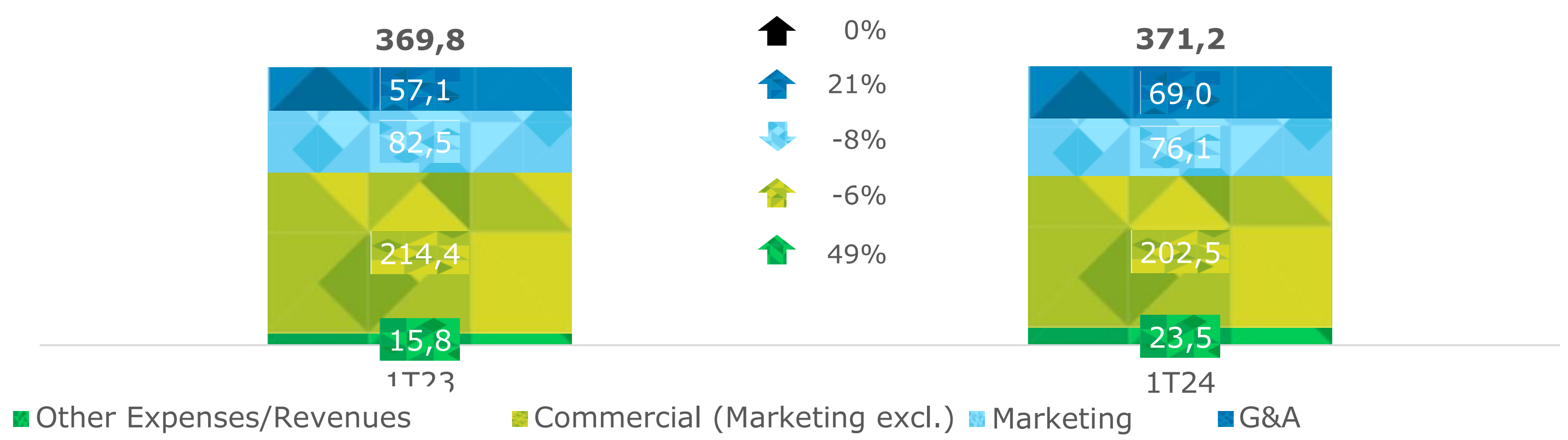
Expenses *(in R$ million)*



EBITDA *(in R$ million)*

(R$ million | R$ / pair)	1Q24	1Q23	1Q24 vs. 1Q23
EBITDA (Incl. IFRS16)	**107,5**	**62,3**	***+72,5%***
EBITDA Margin (Incl. IFRS16) (%)	*11,7%*	*7,0%*	*+4,7pp*
Brazil	90,9	30,6	*+197,0%*
EBITDA Margin (%)	*13,9%*	*5,3%*	*+8,5pp*
International	16,6	31,7	*-47,7%*
EBITDA Margin (%)	*6,2%*	*9,9%*	*-3,7pp*
EBITDA / pair	**2,05**	**1,29**	***+58,9%***
Brazil	2,00	0,75	*+165,2%*
International	2,42	4,18	*-42,2%*

EBITDA *(in constant currency)*

(R$ million | R$ / pair)	1Q24	1Q23	1Q24 vs. 1Q23
EBITDA (Incl. IFRS16)	**107,5**	**61,1**	***+75,8%***
EBITDA Margin (Incl. IFRS16) (%)	*11,7%*	*6,9%*	*+4,7pp*
Brazil	90,9	30,6	*+197,0%*
EBITDA Margin (%)	*13,9%*	*5,3%*	*+8,5pp*
International	16,6	30,5	*-45,7%*
EBITDA Margin (%)	*6,2%*	*9,9%*	*-3,7pp*
EBITDA / pair	**2,05**	**1,27**	***+61,9%***
Brazil	2,00	0,75	*+165,2%*
International	2,42	4,02	*-39,9%*

The total SG&A of Havaianas saw an increase of +0.4% vs. 1Q23. This result is explained by a -13% yoy reduction in the ZBB fixed expense packages, a -8% yoy reduction in marketing expenses, and a -9% yoy reduction in distribution expenses. These reductions were offset by an increase in expenses related to the provision for bonuses (non-existent in 1Q23), as well as higher variable selling expenses due to the higher volume in the quarter.

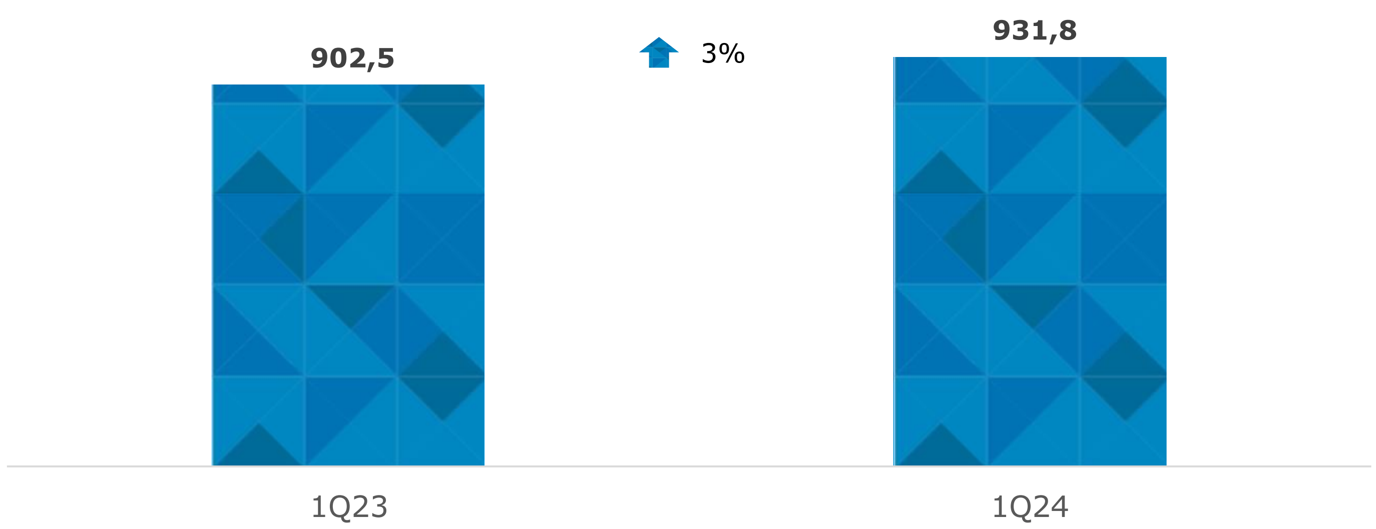
Havaianas Brazil: EBITDA in Brazil reached R$ 90.9 million, an increase of 197.0% yoy, with an EBITDA margin of 13.9%. Adjusting for the impacts caused by write-offs, EBITDA would have reached R$ 105.2 million with an EBITDA margin of 16.0%, an expansion of +9.4 p.p. yoy. Excluding also the impact of the additional provision for labor litigation, the EBITDA margin would have been 18.4%.

Havaianas International: International EBITDA reached R$ 16.6 million, a decrease of 45.7% in CC. The yoy variation in EBITDA per pair is almost entirely explained by the loss of scale with the reduction in volume and mix between regions. The total international SG&A fell -5.5% in the period.

The consolidated EBITDA of Havaianas reached R$ 107.5 million, with an EBITDA margin of 11.7%. Adjusting for the impacts caused by write-offs, EBITDA would have reached R$ 121.8 million with an EBITDA margin of 13.2%, an expansion of 5.2 p.p. yoy. Excluding also the impact of the additional provision for labor litigation, the total Havaianas EBITDA margin would have been 14.9%.

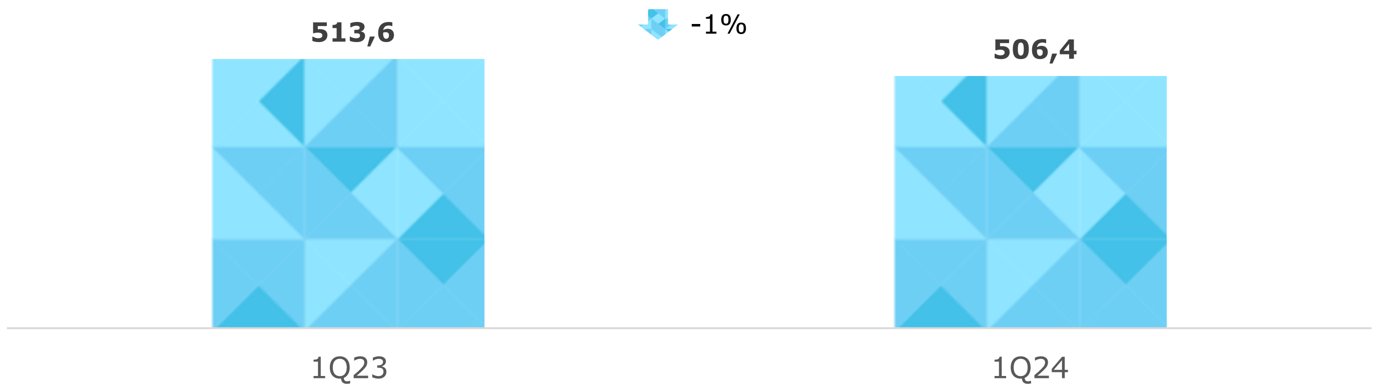
Consolidated Financial **Performance**

Net revenue *(in R$ million)*



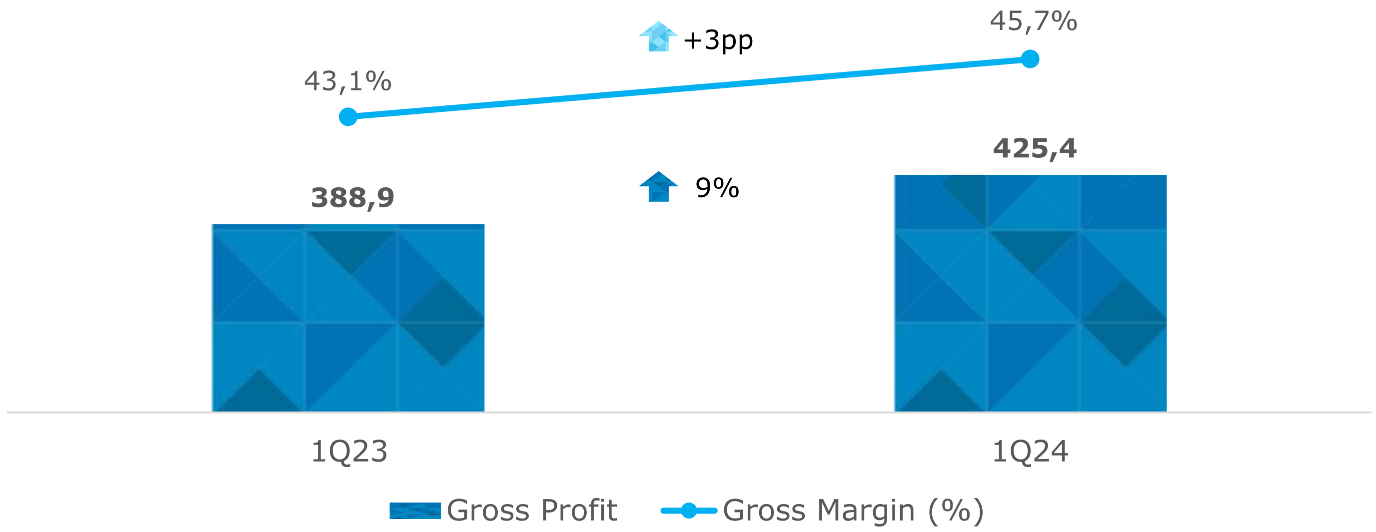
The net revenue reached R$ 931.8 million this quarter, representing an increase of +3.2% yoy. The 8.6% increase in volumes sold was the main driver of this variation.

Cost of goods sold *(in R$ million)*



The Company's efforts in factory efficiency optimization, combined with the decrease in raw material costs, contributed to a -1.4% reduction in the cost of goods sold compared to the previous year, reaching R$ 506.4 million for the quarter.

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



The gross profit reached R$ 425.4 million, an increase of +9.4% compared to 1Q23. This increase was mainly due to the higher volume of pairs sold in the quarter vs. 1Q23, even with a higher volume of write-offs of R$ 14.3 million vs. R$ 9.4 million in 1Q23. Additionally, this quarter, the decrease in raw material costs also contributed to the improved gross profit result.

Expenses *(in R$ million)*

(R$ million)	**1Q24**	**1Q23**	**1Q24 vs. 1Q23**
(-) Operating Expenses	**(384,5)**	**(646,4)**	***-40,5%***
Sales	(282,5)	(298,9)	*-5,5%*
General and administrative	(68,9)	(57,1)	*+20,6%*
Other operating income (expenses), net	(33,2)	(290,5)	*-88,6%*
(+) Extraordinary Items	**10,2**	**277,4**	***-96,3%***
Simplification expenses	5,8	3,9	*+46,0%*
Provision for loss - A.S.A.I.C.	-	268,7	-
Other expenses / revenues	4,4	4,7	-7,2%
Operating Expenses excluding Extraordinary Items	**(374,4)**	**(369,0)**	***+1,5%***
Operating Expenses excluding Extraordinary Items (% NS)	*40,2%*	*40,9%*	*-0,7pp*

Operating expenses reached R$ 384.5 million for the quarter, a decrease of -40.5% yoy, mainly due to the provision for loss on receivables from the sale of ASAIC recognized in 1Q23.

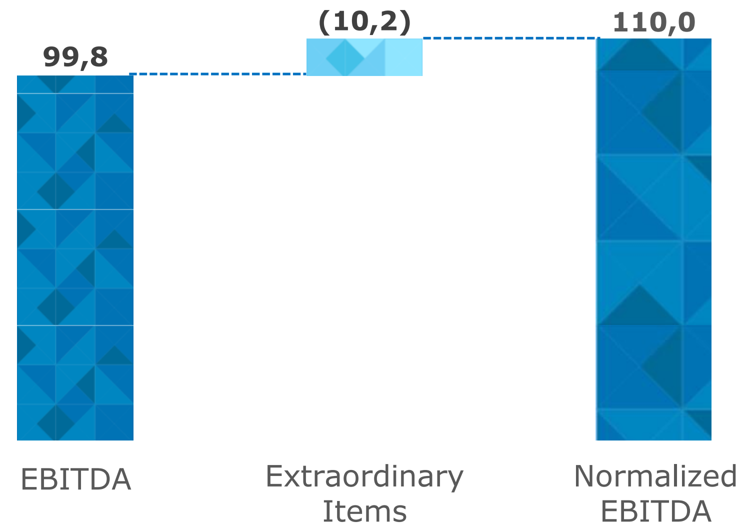
This quarter, extraordinary expenses totaled R$ 10.2 million, of which R$ 5.8 million were related to the simplification of operations in Brazil and R$ 4.4 million to other expenses.

It is worth noting that operating expenses, excluding extraordinary items, were R$ 374.4 million, an increase of 1.5% compared to 1Q23. This variation was explained by the reduction in expenses from ZBB packages, distribution and marketing expenses, offset by an increase in G&A mainly due to the provision of bonuses for the current year.

EBITDA and normalized EBITDA *(in R$ million)*

(R$ million)	**1Q24**	**1Q23**	**1Q24 vs. 1Q23**
(=) Gross Profit	**425,4**	**388,9**	***+9,4%***
Gross Margin (%)	*45,7%*	*43,1%*	*+2,6pp*
(-) Operating Expenses	**(384,5)**	**(646,4)**	***-40,5%***
(+) D&A	59,0	45,9	*+28,4%*
(=) EBITDA	**99,8**	**(211,6)**	**-**
EBITDA Margin (%)	*10,7%*	*-23,4%*	*+34,1pp*
(+) Extraordinary Items	**10,2**	**277,4**	***-96,3%***
(=) Normalized EBITDA	**110,0**	**65,8**	***+67,1%***
Normalized EBITDA Margin (%)	*11,8%*	*7,3%*	*+4,5pp*

The improvement in EBITDA this quarter can be explained by the gain in operational leverage with the greater volume of pairs sold, in addition to the improvement in cost and expense efficiency per pair sold.



EBITDA reconciliation *(in R$ million)*
According to CVM 156

(R$ million)	**1Q24**	**1Q23**	**1Q24 vs. 1Q23**
(=) Net income	**24,7**	**(199,7)**	**-**
(-) Income Tax / Social Contribution	(3,8)	(110,0)	-96,6%
(+) Financial Result	11,9	21,7	-45,0%
(+) D&A	59,0	45,9	*+28,4%*
(+) Equity Income	8,0	30,5	*-73,7%*
(=) EBITDA	**99,8**	**(211,6)**	**-**
(+) Extraordinary Items	10,2	277,4	*-96,3%*
(=) Normalized EBITDA	**110,0**	**65,8**	***+67,1%***
Normalized EBITDA Margin (%)	*11,8%*	*7,3%*	*+4,5pp*

Net income *(in R$ million)*

The consolidated net income for the period was R$ 24.7 million. Excluding the effect of net extraordinary items of income tax, the normalized net income would be R$ 31.4 million. The normalized net income of Havaianas was R$ 39.4 million vs. R$ 15.5 million in 1Q23.

The net financial result was negative at -R$ 11.9 million, an improvement of R$ 9.8 million vs. 1Q23.

The equity income of subsidiaries was -R$ 8.0 million, explained by:
i) recognition of 49.2% of Rothy's result in 1Q24, equivalent to a loss of -R$ 4.4 million; and
ii) the amortization effect of surplus value on assets (PPA) at -R$ 3.7 million.

(R$ million)	**1Q24**	**1Q23**	**1Q24 vs. 1Q23**
(=) EBIT	**40,9**	**(257,5)**	**-**
(+) Financial Result	**(11,9)**	**(21,7)**	***-45,0%***
Financial income	30,1	28,2	*+6,8%*
Financial expenses	(48,0)	(47,5)	*+1,2%*
Exchange variation	6,0	(2,4)	-
(=) EBT	**28,9**	**(279,2)**	**-**
(-) Income Tax / Social Contribution	**3,8**	**110,0**	***-96,6%***
(-) Equity Income	**(8,0)**	**(30,5)**	***-73,7%***
Net Income (49.2% from Rothy's)	(4,4)	(23,9)	*-81,8%*
Surplus value (PPA) amortization	(3,7)	(4,2)	*-11,8%*
Share dillution (Stock Option)	-	(2,5)	-
(=) Net income from continuing operations	**24,7**	**(199,7)**	**-**
(+) Extraordinary Items excl. Income Tax	**6,7**	**184,7**	***-96,4%***
(=) Normalized Net Income	**31,4**	**(15,0)**	**-**
(+) Equity Income	**(8,0)**	**(30,5)**	***-73,7%***
(=) Havaianas Normalized Net Income	**39,4**	**15,5**	***+154,1%***

Working capital *(in R$ million and days of net revenue*)*

Inventories

(R$ million)	1Q23	2Q23	3Q23	4Q23	1Q24	Δ 1Q23	Δ 4Q23
Inventories	**1.457,2**	**1.350,1**	**1.173,7**	**997,7**	**968,3**	**-488,9**	**-29,4**
in days of NS	*128*	*123*	*112*	*98*	*94*	-34	-4
Finished goods	888,3	873,7	775,0	699,3	689,8	-198,5	-9,5
in days of NS	*78*	*79*	*74*	*68*	*67*	-11	-1
Products in process	59,5	56,4	54,1	48,1	46,9	-12,6	-1,2
in days of NS	*5*	*5*	*5*	*5*	*5*	-	-
Raw material and others	509,4	420,0	344,6	250,3	231,6	-277,8	-18,7
in days of NS	*45*	*38*	*33*	*24*	*22*	-23	-2

Accounts receivable

(R$ million)	1Q23	2Q23	3Q23	4Q23	1Q24	Δ 1Q23	Δ 4Q23
Accounts receivable	**930,5**	**768,3**	**771,7**	**883,7**	**763,3**	**-167,2**	**-120,4**
in days of NS	*82*	*70*	*74*	*86*	*74*	-8	-12

Suppliers

(R$ million)	1Q23	2Q23	3Q23	4Q23	1Q24	Δ 1Q23	Δ 4Q23
Total Suppliers	**643,6**	**508,3**	**436,9**	**555,0**	**517,0**	**-126,5**	**-38,0**
in days of NS	*57*	*46*	*42*	*54*	*50*	-7	-4
Suppliers	451,0	376,8	319,7	395,1	381,3	-69,7	-13,8
Forfaiting	192,5	131,5	117,2	159,9	135,7	-56,8	-24,2

Note: Net Revenue for the last 12 months

Reduction of R$ 111.8 million related to the change in core working capital accounts in 1Q24 is explained by:

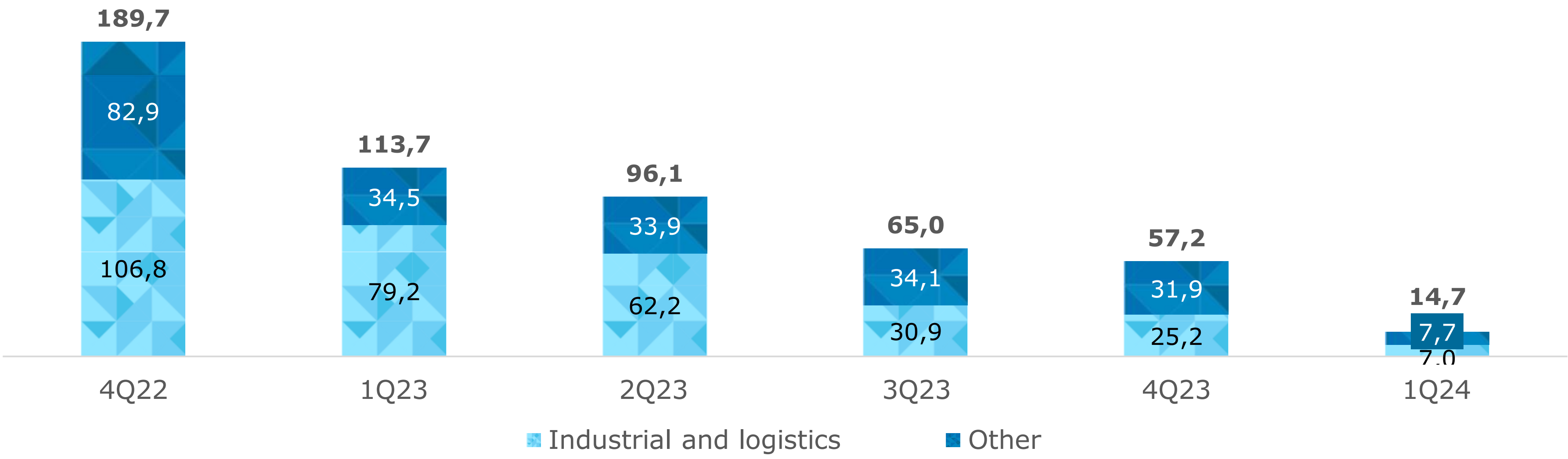
(i) Variation of -R$ 29.4 million in inventory vs. 4Q23, mainly explained by a reduction of R$ 18.7 million in raw material inventory and a reduction of R$ 9.5 million in finished goods inventory. The average period for finished goods inventory decreased by -11 days of revenue compared to 1Q23 as a reflection of the inventory sales executed since 2Q23. Meanwhile, the average period for total inventory decreased by -34 days compared to 1Q23.

(ii) Reduction of -R$ 120.4 million in accounts receivable vs. 4Q23. Compared to 1Q23, we reduced the average receivables period by -8 days of net revenue.

(iii) Reduction of -R$ 38.0 million from suppliers vs. 4Q23 due to weaker seasonality in the first quarter of the year regarding the purchase of raw materials. The average supplier term showed a decrease of -7 days of net revenue vs. 1Q23.

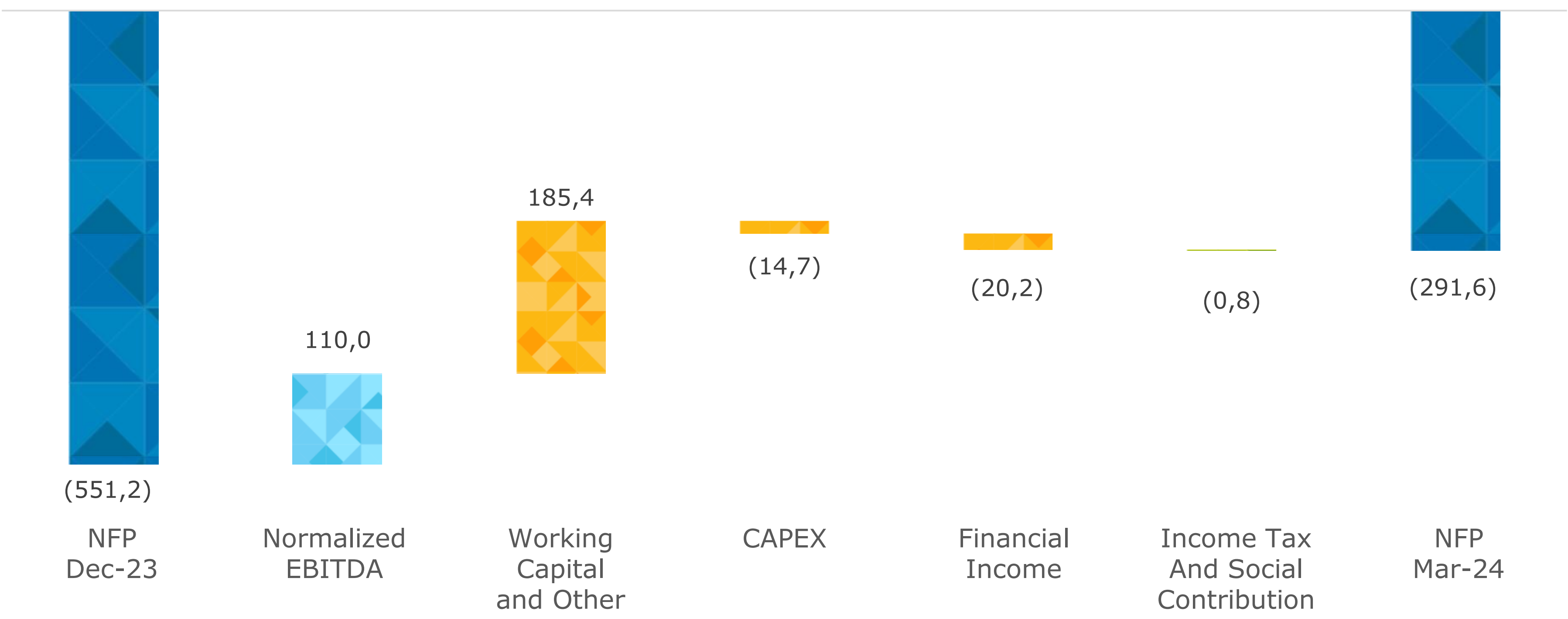
[1]In the Forfaiting operation, suppliers transfer the right to receive from securities to the Bank in exchange of the early receipt of the security. The Bank, in turn, becomes the creditor of the operation and Alpargatas settles the obligation on the date originally agreed-upon with its supplier, without changing the terms, prices and conditions previously established with the supplier. This operation does not generate financial expenses for Alpargatas.

CAPEX *(in R$ million)*



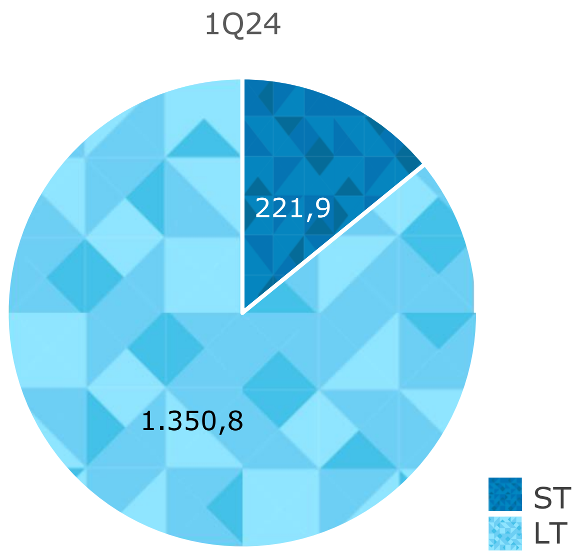
In 1Q24, R$ 14.7 million were invested, of which: (i) R$ 7.0 million in industrial and logistics and (ii) R$ 7.7 million in commercial projects, digital transformation, innovation, IT, and others.

Net financial position *(in R$ million)*



We closed 1Q24 with a negative net financial position of R$ 291.6 million, representing a reduction in net debt of R$ 259.6 million vs. 4Q23. The improvement was mainly due to the working capital and other variations of R$ 185.4 million, and the generation of normalized EBITDA of R$ 110.0 million.

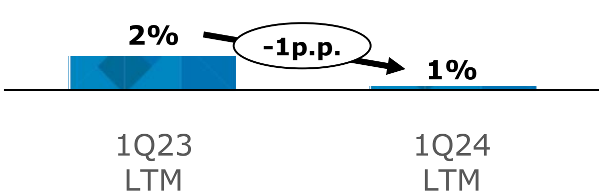
Indebtedness and leverage *(in R$ million)*



(R$ million)	1Q24	1Q23
Loans and Financing	**1.572,7**	**1.382,0**
Short Term	221,9	363,6
Long Term	1.350,8	1.018,3
Cash and Investments	**1.281,1**	**491,7**
Cash and cash equivalentes	94,8	66,1
Short Term	1.174,1	414,7
Long Term	12,2	10,9
Net Debt	**291,6**	**890,2**
Normalized EBITDA (LTM)	**259,0**	**579,8**
Net debt/Normalized EBITDA	**1,1**	**1,5**

Return on invested capital (ROIC)

ROIC* reached 1% in 1Q24 LTM, drop of 1 p.p. vs. 1Q23 LTM.



***Calculation methodology:**

Reported net income excluding financial result and extraordinary items in the last 12 months, divided by the average of the last 12 months of capital employed (net debt and equity).

Rothy's

Rothy's achieved a net revenue of US$ 34.3 million in 1Q24, representing a +9.8% growth yoy. This growth was primarily driven by the higher volume resulting from newly launched products during the quarter and strategic discount and promotion events.

The gross margin improved by 6.6 p.p.year-over-year. This improvement can be attributed to increased industrial efficiency, reduced China-US freight costs, and lower last-mile delivery expenses.

SG&A expenses decreased by 10.5%, driven by optimized marketing investments that led to lower customer acquisition costs. Additionally, general and administrative expenses were optimized.

The EBITDA for the quarter was -US$ 1.5 million, showing a positive evolution of US$ 7.3 million compared to 1Q23.

1Q24

(USD million)	1Q24	1Q23	1Q24 vs. 1Q23
(=) Net Sales	**34,3**	**31,2**	***+9,8%***
(-) COGS	**(13,1)**	**(13,9)**	***-6,4%***
(=) Gross Profit	**21,3**	**17,3**	***+22,9%***
Gross Margin (%)	*62,0%*	*55,4%*	*+6,6pp*
(-) Operational Expenses	**(24,9)**	**(27,8)**	***-10,5%***
(=) EBIT	**(3,6)**	**(10,5)**	***-65,5%***
(+) D&A	**2,1**	**1,7**	***+26,3%***
(=) EBITDA	**(1,5)**	**(8,8)**	***-82,7%***
EBITDA Margin (%)	*-4,4%*	*-28,0%*	*+23,6pp*
(=) Net Income	**(1,9)**	**(9,3)**	***-80,0%***
Net Margin (%)	*-5,5%*	*-29,9%*	*+24,4pp*

Stores	17	16	*+1*
Same Store Sales	12,0%	2,0%	*+10,0pp*
Contribution of physical stores to Revenue (%)	15,0%	12,4%	*+2,6pp*
Recurring customers' contribution to Revenue (%)	58,8%	56,1%	*+2,7pp*
Marketing & store expenses (US$ million)	10,7	12,7	*-15,7%*

Income Statement *(in R$ million)*

(R$ million)	1Q24	1Q23	1Q24 vs. 1Q23
(=) Net sales	**931,8**	**902,5**	***+3,2%***
(-) Cost of sales	(506,4)	(513,6)	*-1,4%*
(=) Gross Profit	**425,4**	**388,9**	***+9,4%***
Gross Margin (%)	*45,7%*	*43,1%*	*+2,6pp*
(-) Operating Expenses	(384,5)	(646,4)	*-40,5%*
Sales	(282,5)	(298,9)	*-5,5%*
General and administrative	(68,9)	(57,1)	*+20,6%*
Other operating income (expenses), net	(33,2)	(290,5)	*-88,6%*
(=) EBIT	**40,9**	**(257,5)**	**-**
(+) Financial income	(11,9)	(21,7)	*-45,0%*
Financial revenues	30,1	28,2	*+6,8%*
Financial expenses	(48,0)	(47,5)	*+1,2%*
Exchange variation	6,0	(2,4)	-
(=) EBT	**28,9**	**(279,2)**	**-**
(-) Income Tax / Social Contribution	3,8	110,0	*-96,6%*
(=) Net income (Exc. Equity Income)	**32,7**	**(169,2)**	**-**
(+) Equity Income	(8,0)	(30,5)	*-73,7%*
Net Income (49.2% from Rothy's)	(4,4)	(23,9)	*-81,8%*
Surplus value (PPA) amortization	(3,7)	(4,2)	*-11,8%*
Share dillution (Stock Option)	-	(2,5)	-
(=) Net Income	**24,7**	**(199,7)**	**-**
Net Margin (%)	*2,6%*	*-22,1%*	*+24,8pp*

Balance Sheet *(in R$ million)*

ASSETS	03/31/2024	12/31/2023
CURRENT		
Cash and cash equivalentes	1.268,9	922,5
Accounts receivable from clients	763,3	883,7
Inventories	968,3	997,7
Recoverable taxes	191,5	227,7
Prepaid expenses	45,7	39,5
Accounts receivable on sale of subsidiary	49,8	48,5
Other credits	77,2	79,9
Total current assets	**3.364,9**	**3.199,6**
NONCURRENT		
Financial investments	12,2	11,9
Recoverable taxes	86,4	97,6
Deferred income and social contribution taxes	261,5	259,2
Court deposits	33,3	31,3
Other credits	16,3	16,8
Long-term assets		
Investments		
Subsidiaries and related companies	640,9	627,9
Fixed assets	1.395,3	1.412,2
Right-of-use asset	185,7	173,2
Intangible	482,1	497,7
Total noncurrent assets	**3.113,7**	**3.127,8**
TOTAL ASSETS	**6.478,6**	**6.327,4**

LIABILITIES AND NET EQUITY	03/31/2024	12/31/2023
CURRENT		
Suppliers	381,3	395,1
Forfait	135,7	159,9
Loans and debts	221,9	127,4
Leasing liabilities	41,4	34,9
Tax liabilities	40,5	35,6
Long-term incentive plan	3,6	3,0
Provisions and other liabilities	152,0	147,4
Labor and social security liabilities	84,7	73,9
Provision for tax, civil and labor contingencies	16,7	5,7
Interests on capital and payable dividends	2,2	2,2
Total current liabilities	**1.079,9**	**985,1**
NONCURRENT		
Loans and debts	1.350,8	1.358,2
Leasing liabilities	156,4	150,1
Deferred income tax and social contribution	0,1	0,2
Provision for tax, civil and labor contingencies	5,7	5,2
Long-term incentive plan	7,8	6,5
Accounts payable on sale of subsidiary	79,9	78,9
Other liabilities	15,4	15,7
Total noncurrent liabilities	**1.616,3**	**1.614,8**
NET EQUITY		
Share Capital	3.967,1	3.967,1
Capital reserves	163,9	153,5
Profit reserves	1.806,1	1.806,1
Equity valuation adjustment	(1.841,5)	(1.866,4)
Other comprehensive income	(313,8)	(333,6)
Assigned shareholders' equity to controlling shareholders	**3.781,9**	**3.726,8**
Non-controlling shareholders'	0,6	0,7
Total net equity	**3.782,4**	**3.727,5**
TOTAL LIABILITIES AND NET EQUITY	**6.478,6**	**6.327,4**

Cash Flow Statement *(in R$ million)*

(R$ million)	1Q24	1Q23
Net cash generated (consumed) in operating activities	**315,4**	**(107,3)**
Adjustments to reconcile net income for the year from continued operation the net cash generated by operating activities	**164,4**	**88,7**
Net income from continued operations	24,7	(199,7)
Depreciation and amortization	47,7	35,1
Income (loss) from sale/write-off of property, plant and equipment	0,7	2,8
Equity in net income of subsidiaries	8,0	30,5
Interest, monetary, and exchange rate variations	31,4	43,6
Provision for labor, civil and tax contingencies	20,3	2,6
Income tax and social contribution - current and deferred	(3,8)	(110,0)
Inventory losses - provision and adjustment	13,6	4,2
Provision for expected loss on accounts receivable	3,3	1,0
(Gain) loss from fair value of derivative financial instruments	(1,3)	(7,0)
Other provisions	(0,2)	0,0
Interest provision - IFRS 16	3,9	3,6
Depreciation from right-of-use assets - IFRS 16	11,2	10,8
Provision for long-term incentive plan	4,9	2,3
Provision for loss on accounts receivable from the sale of subsidiaries	-	268,7
Decrease (increase) in assets and liabilities	**163,2**	**(194,9)**
Accounts receivable from clients	123,5	170,3
Inventories	22,0	(82,9)
Prepaid expenses	(5,8)	0,7
Recoverable taxes	61,7	1,8
Suppliers	(19,0)	(244,4)
Forfait	(24,2)	(24,8)
Tax liabilities	(8,6)	(16,8)
Labor and social security liabilities	10,7	18,5
Contingencies	(8,8)	(4,4)
Others	11,8	(13,0)
Cash (consumed in) generated from operations	**327,5**	**(106,2)**
(Payments) / refunds of income tax and social contribution	(0,8)	7,1
Payment of charges, loans and debts	(8,3)	(4,6)
Payment of lease interest - IFRS 16	(3,0)	(3,6)
Net cash (used) in investment activities	**(13,0)**	**(108,5)**
Acquisition of property, plant and equipment and intangible assets	(14,7)	(113,7)
Net financial investments	1,7	5,2
Net cash generated from (used in) financing activities	**42,3**	**50,1**
Borrowings and financing proceeds	59,7	67,8
Payment of loans and borrowings - Principal	(6,5)	(9,0)
Payment of interest on shareholders' equity and dividends	(0,0)	(0,0)
Payment of lease principal - IFRS 16	(10,9)	(8,9)
Sale of treasury shares	-	0,3
Foreign exchange effect on cash and cash equivalents	**1,7**	**(1,0)**
Increase (decrease) in cash and cash equivalents	**346,4**	**(166,7)**
Initial balance of cash and cash equivalents	**922,5**	**647,5**
Final balance of cash and cash equivalents	**1.268,9**	**480,9**