ALLIED

# 2Q24 MANAGEMENT REPORT

## ALLIED IN KEY FIGURES

### Financial Numbers (2Q24 LTM)

| | | |
|---|---|---|
| R$6.5 billion<br>Gross Revenue | R$233 million<br>Adjusted EBITDA[1] | R$132 million<br>Adjusted Net Income[1] |

### Operational Efficiency

| | |
|---|---|
| 12.3%<br>Gross Margin (+1.3 p.p. vs. 2Q23) | R$48.9 million<br>Operating Cash Flow (2Q24) |

### Operation

| | | | |
|---|---|---|---|
| 6.5 million<br>Products Sold<br>(2024 LTM) | 8%<br>Market Share Smartphones<br>(2Q24) | 16%<br>Market Share Game Consoles<br>(2Q24) | 7%<br>Market Share Laptops<br>(2Q24) |

### Market Presence

| | | | |
|---|---|---|---|
| 407 thousand<br>Deliveries made to B2C customers<br>(2Q24 LTM) | 117<br>B&M Points of Sale | 4<br>Distribution Centers | 1.1 thousand<br>Employees |

### Value Drivers

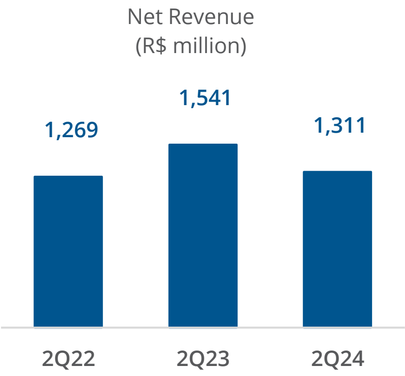
| | | |
|---|---|---|
| INTERNATIONAL<br>Portfolio expansion with new products and manufacturers | TROCAFY<br>2 full years of operations and new partnerships | B2B<br>New partnerships |
| | B&M RETAIL<br>Greater profitability | |

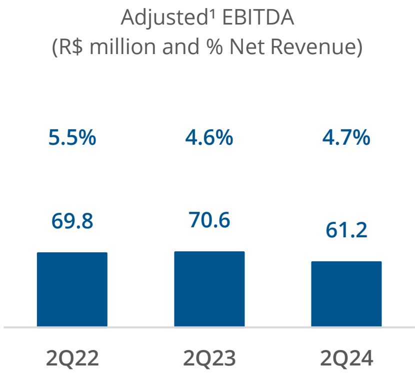
Allied Tecnologia S.A. ("Allied" or "Company"), one of the key consumer electronics companies in the Brazilian market, announces its results for the second quarter of 2024. The results presented herein must be read together with the Financial Statements and their Respective Notes disclosed by the Company on this date.

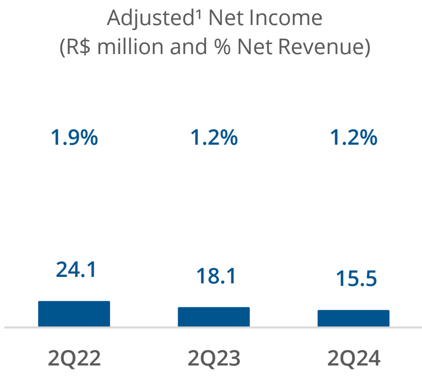
Notes: (1) Same as comment (1) of the following page

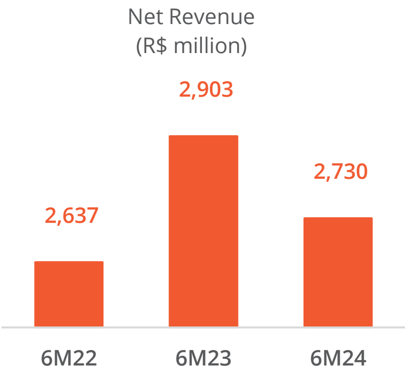
# QUARTERLY HIGHLIGHTS

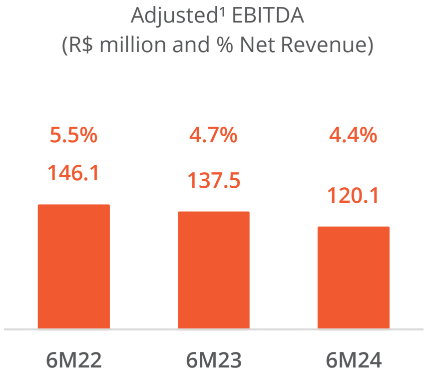
## 2Q24 Results:

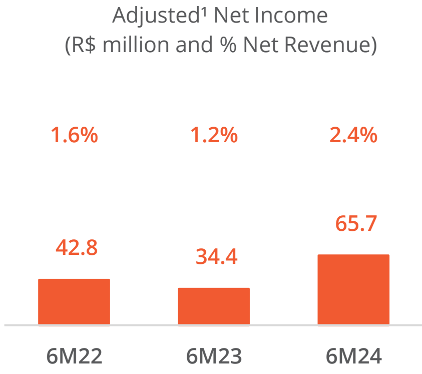



## OTHER HIGHLIGHTS:

- Net revenue **growth** for the retail operations in 2Q24: +32.0% in B&M retail and +14.9% in digital retail, with a strong margin of 29.9%;
- **37.8% growth** in same store sales for the Samsung points of sale;
- **New international partnership**: Microsoft;
- **Gross Margin of 12.3%,** reflecting the strong retail margin in the quarter and the higher share of this channel in the revenue mix;
- **EBIT increased by 52.7%**, reflecting a better optimization of net financial expenses;
- **Net income of R$65.7 million** year-to-date; and
- Dividend yield of **25.4%** in the last 12 months.

Notes: (1) Adjusted result excluding (a) In 2022: operating income refers to reimbursement for losses related to agreements with public bodies; (b) In 2022: expenses with the Company's operational restructuring; (c) In 2023: gains with DIFAL from Jan to Mar 2022; and (ii) In 2023: gains with the exclusion of ICMS-ST from the PIS and COFINS tax base from 2013 to 2022; (d) In 2024: Contingencies related to discontinued operations. More details can be found in the "Financial Performance - Operating Expenses" section.

## OUR MISSION IS TO...

### ... MAKE THE DIGITAL UNIVERSE ACCESSIBLE TO EVERYONE

## HOW?

### WE CONNECT TECHNOLOGY MANUFACTURERS WITH RETAIL NETWORKS AND CONSUMERS IN BRAZIL AND LATIN AMERICA

## OUR BUSINESS OPERATIONS:

### THROUGH VALUE CREATION STRATEGIES, WE OPERATE IN 3 SALES CHANNELS.

### DISTRIBUTION

WE ARE A STRATEGIC PARTNER TO HELPING MANUFACTURERS REACH THE POTENTIAL OF THEIR BRANDS

We yearly sell around 5.7 million items to approximately 3.5 thousand customers in Brazil and other countries through our international operation (headquartered in Miami). We boast on 4 strategically located distribution centers and are constantly investing in efficient and agile operations.

We sell items from 10 categories, mainly: mobile, computers, game consoles and portable electronics.

### DIGITAL RETAIL

WE ARE A RELEVANT PARTNER TO LARGE MANUFACTURERS. WE TAKE AGILITY, PORTFOLIO AND ROBUSTNESS LIKE 3P TO LARGE E-COMMERCE PLATFORMS

- We sell over 380 thousand products a year on this channel and operate through:
- Our brand MobCom as a seller in the main marketplaces in Brazil;
- Strategic partnerships for digital capillarity of large partners, such as the *iPhone Pra Sempre* program (Apple and Banco Itaú); and
- Our brand Trocafy, a platform selling refurbished smartphones.

### B&M RETAIL

WE PROVIDE UNIQUE EXPERIENCE, COMPLETE PORTFOLIO AND CUSTOMIZED SERVICES

We yearly sell around 550 thousand products at our points of sale located in 5 Brazilian states. We operate in stores and Samsung sales stands, offering a complete product portfolio and unique experience to consumers of the brand. The B&M retail has a complete supply of products together with Allied's digital services.

We also operate two sales stands under the Trocafy brand – our refurbished electronics sales platform.

# MESSAGE FROM MANAGEMENT

The results for the second quarter of 2024 confirm our commitment to operational profitability, demonstrating the assertiveness of the portfolio and effectiveness of our commercial strategy, anchored by synergy and business diversification. Although demand for consumer electronics has still been negatively impacted from the slowdown, we made important achievements that reinforce our positioning in the sector.

The Company recorded a consolidated net revenue of R$1.3 billion in 2Q24, reducing by 14.9% from the same periods in 2023. The quarterly performance was influenced by three main factors: (i) a 4.8% decline in the electronics market[1] in Brazil, (ii) stronger performance driven by effective commercial strategies in retail channels, and (iii) reduction in revenue from International operation due to pricing pressures on the company's products. In Brazil, the Distribution channel's revenue was aligned with market trends, but it is worth noting the positive performance in the smartphone category (+9.9%), compared to a 6.0% reduction in the market. Regarding the retail operation, we had double-digit growth in consolidated net revenue, with highlight to Digital Retail, which largely benefiting from the mix of products sold, and the same store sales (SSS) performance of B&M Retail, which grew by 38.7%.

In terms of the financial results for 2Q24, we recorded a consolidated gross margin of 12.3%, increasing by 1.3 p.p. from the previous year. The strategy to prioritize profitability over the sale of products with lower margins, alongside the efficiency gains achieved, allowed us to maintain profitability at a stable level and to record the lowest adjusted operating expenses in the last four years. The adjusted EBITDA margin remained in line in the annual comparison, at 4.7% in 2Q24 and 4.4% in 6M24. Our efficiency in working capital management associated with the performance mentioned above, enabled the Company to record a higher net income before income tax and social contribution (adjusted), reaching 52.7% in 2Q24 and 74.6% in 6M24. This positive result can also be seen in adjusted net income, which totaled R$65.7 million in the first six months of 2024, increasing by 90.7% from the same period of the previous year. Additionally, the Company maintained a solid cash position, with an operating cash generation of R$49.8 million in the quarter and a low debt level.

Even with these important achievements, we remain cautious regarding the sector's performance and strategies to face short-term challenges. During the period, we observed an increase in competitiveness for our international portfolio. However, we believe that portfolio diversification has been a decisive factor for the resilience of the Company's results.

For the second half of 2024, we maintain our priority to focus on expanding the synergy of our operations and to continue to generate value, thus reinforcing our positioning as one of the main players in the electronics segment, by supporting our manufacturers' strategies through our solutions in different channels. Lastly, we would like to share our sincere thanks to our employees, customers, partners, suppliers and shareholders for their engagement and trust in our management.

Notes (1): Market includes sale of smartphones, tablets, laptops, gaming consoles, and printers.

# 2Q24

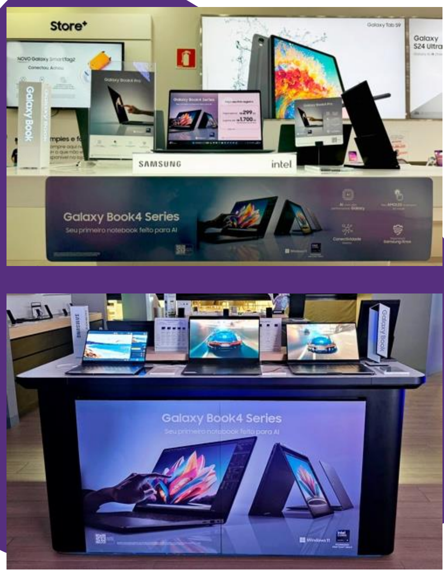
# HIGHLIGHTS

# QUARTERLY HIGHLIGHTS

## B&M Retail: Portfolio expansion, increase in sales conversion of added products and higher profitability

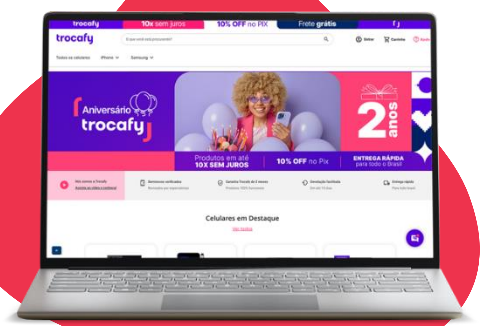
The performance of the B&M Retail segment in 2Q24 was marked by important launches and achievements that contributed to higher revenues and the multifunctionality of our stores.

- Consistency in the sales performance of the Galaxy S24;
- Launch of the **Galaxy Book 4** notebook;
- **Portfolio reinforcement** through a greater variety of tablets and laptops models aimed at different customers;
- Advancement in the B2B customer base, with ready to use devices;
- Increase in insurance sales revenue;
- Increase in **sales conversion for wearables products**, because of business strategies.




**+38,7% SSS**
**(2T23 vs. 2T24)**

## Refurbished products: 2 full years of the Trocafy operations




Since the beginning of its operations, Trocafy has **solidified its presence** in the refurbished smartphone market in a disruptive and innovative way.

We are currently present in the Digital and B&M Retail channels, with sales through the brand's official website, marketplaces and in two kiosks installed in Shopping Center Norte and Shopping Eldorado, both in the city of São Paulo. This quarter, we celebrated the launch of the Trocafy store on the Magalu marketplace.

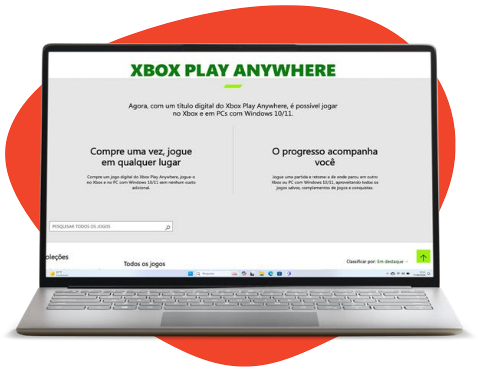
Our funding sources include not only the *iPhone Pra Sempre* program, but also trade in solutions at Samsung stores and at the Fastshop retailer.

In 2Q24, Trocafy's revenue grew by 105% compared to the same period last year

## International Distribution: New products and manufacturers

### Microsoft

Strengthening of the Microsoft Xbox offer in Brazil through sales at the Miami operation. This new route is aimed at serving, in a more competitive way, customers in the Brazilian market who benefit from reduced import taxes.



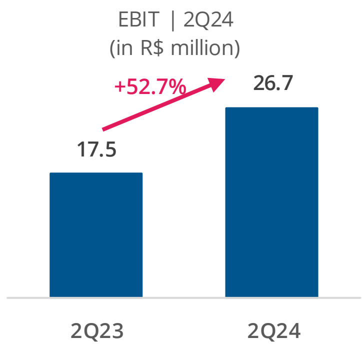

Increase in sales for video game accessories through Microsoft's commitment to the **"XBox Play Anywhere"** concept, in which customers have access to games via laptops.

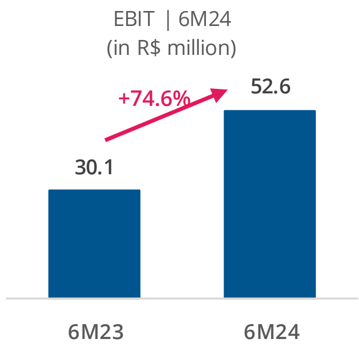
### Motorola

In line with the strategy to expand product offerings for international customers, we integrated Motorola's smartphone and mobile accessories lines into the International Distribution portfolio.

## Operational Profitability

In terms of profitability and operational efficiency, we highlight the **52.7% increase** in net income before income tax and social contribution recorded in 2Q24, and the **74.6% increase in 6M24**, both in relation to the same period of the previous year. This performance resulted from the **resilience** generated through business diversification and the Company's **optimization of working capital management**.



# PERFORMANCE **OF**
# **BUSINESS OPERATIONS**
# **2Q24**

# PERFORMANCE OF BUSINESS OPERATIONS

## DISTRIBUTION

Consolidated net revenue from the Distribution channel reached R$995.9 million in 2Q24, down by 22.3% from the same period of the previous year. From this result, the Brazil Distribution accounted for R$656.7 million (-4.8% vs. 2Q23) and the International Distribution was responsible for R$339.1 million (-42.7%). In Brazil, the channel registered revenues in line with market[1] trends, although the positive performance in the smartphone category (+9.9%) stands out, compared to a reduction of 6.0% in the market. In the International Distribution, the prices of the company's products faced major market pressure.

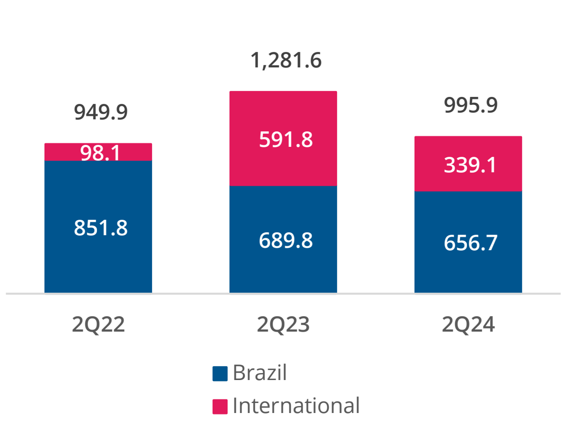
In 2Q24, we sold 1.3 million products through the Distribution channel, down by 6.7% in the annual comparison period. This result was due to a reduction in quantity sold for (i) computers, mainly laptops and accessories; and (ii) video games, as a consequence of reduced availability of Xbox offerings; however, the category increased the number of accessories sold. Still in the same period, we had a higher sales volume for products in the mobile category - in which we highlight smartphones, tablets and accessories - as well as products for TVs.

The average ticket for the channel was R$877.81 in 2Q24, down by 13.8% from 2Q23, due to (i) the reduction in average ticket for some categories such as wearables and smart home devices; and (ii) a higher representativeness of video game accessories and mobile categories in the product mix, which is also a category with a lower average ticket. These factors were partially offset by the increase in the average ticket for tablets and TVs.

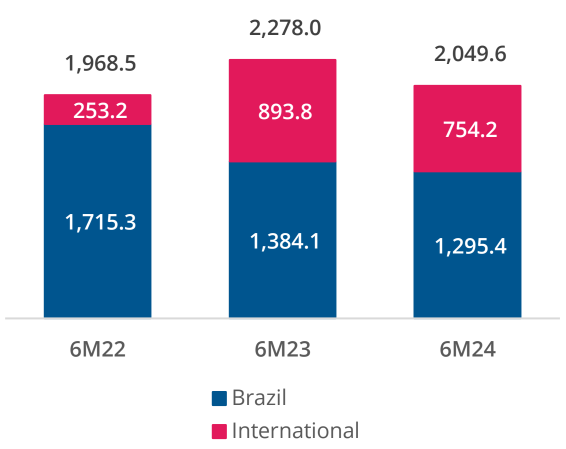
Therefore, net revenue in 2Q24 was mainly impacted by sales in the smartphones in the Internacional market, mobile accessories and the game categories, which had lower average ticket, but with a higher sales volume compared to 2Q23. On the other hand, net revenue from TVs and tablets has increased. It is important to note the sales of smartphones by Distribution Brazil, which grew 9.9% in 2Q24 compared to 2Q23, in contrast to a 6.0% reduction in the market the periods mentioned. In terms of quantity of smartphones sold, Distribution Brazil was 16.5%, compared to 2.0% for the market. Additionally, International Distribution saw an 8.4% increase in laptop sales compared to 2Q23, with this category representing 16.0% of net revenue in 2Q23.

In the last 12 months, Allied served about 3.5 thousand customers (retailers and companies) through its Distribution Channel, with 20 of the most representative ones, accounting for 64% of the net revenue from this channel.

Net Revenue | 2Q24
(in R$ million)




Net Revenue | 6M24
(in R$ million)




Notes (1): Market includes sale of smartphones, tablets, laptops, gaming consoles, and printers.

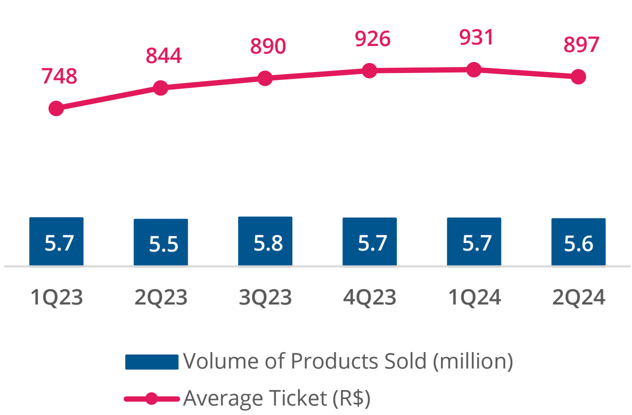
# PERFORMANCE OF BUSINESS OPERATIONS

## DISTRIBUTION

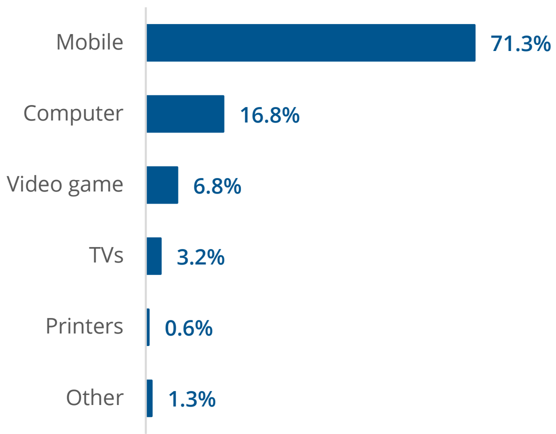
The above-mentioned factors concerning the evolution of volumes sold, average ticket and revenue by product in the Distribution channel resulted in the consolidated figures shown in the charts below.

The slowdown in the average ticket growth curve reflects the increase in price competitiveness in the international market, as previously mentioned. However, this effect was partially offset by a higher average ticket in the domestic operation, due to a product mix that focused more on higher-value items, such as smartphones. Additionally, the average ticket in the market[1] decreased by 7.0%.

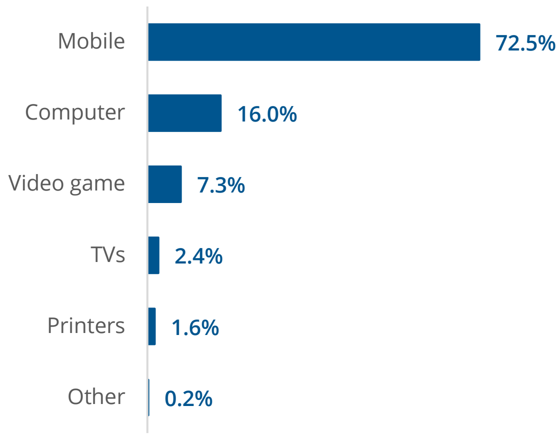
Volume of Products Sold - LTM (million of units) and Average Ticket - LTM (R$)




Mix of Products Sold | 2Q24 (% Net Revenue)




Mix of Products Sold | 6M24 (% Net Revenue)




Notes (1): Market includes sales of smartphones, tablets, laptops, gaming consoles, and printers.

# PERFORMANCE OF BUSINESS OPERATIONS

## DIGITAL RETAIL

Net revenue from the Digital Retail sales channel was R$183.0 million in 2Q24, up by 14.9% from the same period of the previous year. In 6M24, this growth reached 1.7%, reflecting the assertiveness of the Company's commercial strategy for its operations and strategic partnerships.

Revenue from this channel mainly consists of: (i) sales made in marketplace stores, that is, through the MobCom brand, or from the representation and management of official stores belonging to partner brands; (ii) management of strategic partnerships aiming at offering innovative solutions such as "*Iphone pra Sempre*" and the "Xbox All Access" programs; (iii) sale of refurbished electronics by the Trocafy brand on its own website or other digital platforms; and (iv) sale of products and services on the carriers' websites;

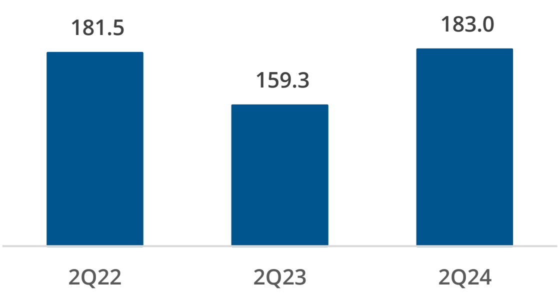
In 2Q24, the volume of products sold was 9.6% greater compared to 2Q23. Laptops and accessories were the key contributor to this result and had a significant share in the channel's net revenue composition. In this scenario, we highlight the new models included to our portfolio aimed at meeting different needs, from the gamer line to entry-level products. This increase was partially offset by the reduction in sales volumes for smartphones, TVs and game consoles.

The average ticket in 2Q24 remained in line with the same period of the previous year, at approximately R$2.1 thousand reais. The smartphones and TVs categories had higher average tickets, however, this was offset by lower average tickets for tablets and wearables.

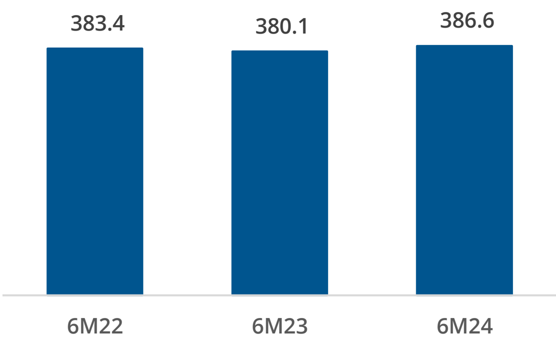
Considering the above-mentioned effects, the performance of smartphone, laptop, printer, and computer accessories sales was the primary driver behind the increase in net revenue. Smartphones, televisions, and video game consoles categories had a reduction in demand and higher competitiveness, which impacted the reduction in sales volume. This effect was widespread across the market; however, our portfolio demonstrated resilience in facing these challenges, with a positive variation in average ticket across all categories. Notably, smartphone revenue increased by 7.8% compared to 2Q23, while the market[1] experienced a 6.5% decline, considering only online sales. In this scenario, it is important to highlight the 30.9% growth in sales from the iPhone Forever program during the period.

This quarter we also highlight the sale of software services, namely from suppliers Microsoft and McAfee

Net Revenue | 2Q24
(in R$ million)




Net Revenue | 6M24
(in R$ million)



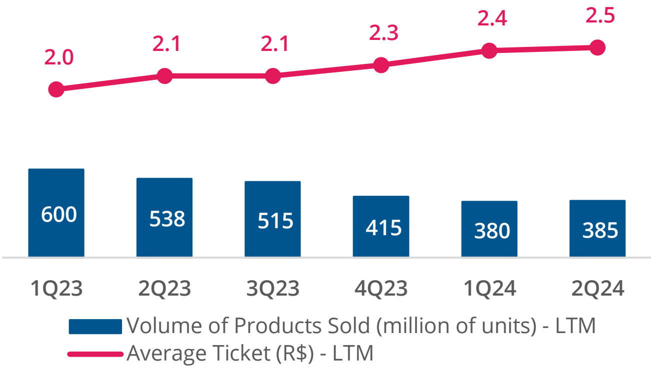

Notes (1): Market includes sales of smartphones, tablets, laptops, gaming consoles, and printers.

# PERFORMANCE OF BUSINESS OPERATIONS

## DIGITAL RETAIL

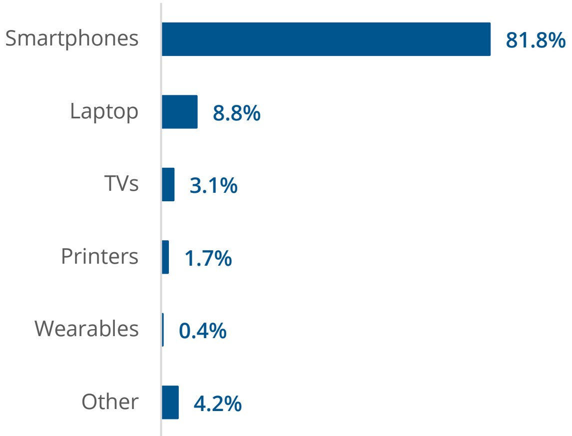
The graph on the side shows the evolution in volumes sold and the average ticket of the Digital channel in the 12-month period. We highlight that smartphone sales increased the average ticket, as this category is highly influenced by the iPhone para Sempre Program, which has an average ticket substantially higher than the market average.

Volume of Products Sold - LTM (thousand of units) and Average Ticket - LTM (R$ thousand)

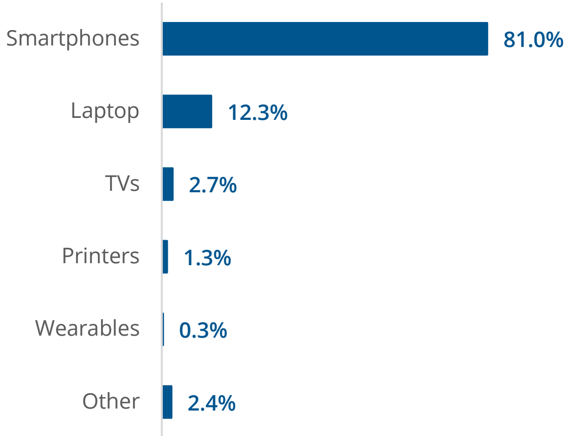



The graphs below illustrate the category concentration in the revenue mix. We observed an increase in the share of laptops at the expense of smartphones and TV sets. In this sense, our partnership with the manufacturer HP had an important contribution to the increase in sales for laptops and accessories. In this context, we highlight the 45.3% increase in sales of the HP store on the Mercado Livre marketplace (2Q24 vs. 1Q24).

Mix of Products Sold | 2Q24
(% Net Revenue)




Mix of Products Sold | 6M24
(% Net Revenue)



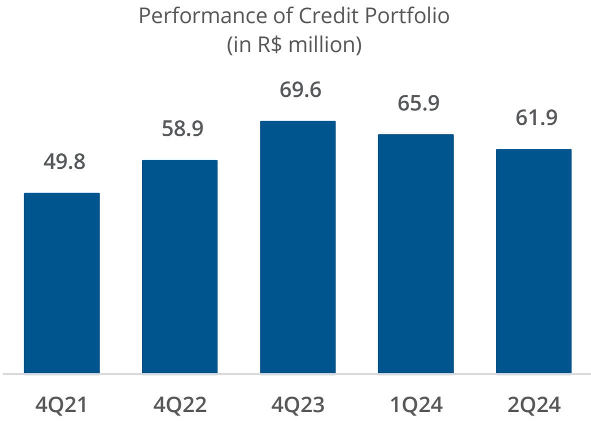
# PERFORMANCE OF BUSINESS OPERATIONS

## SOUDI - DIGITAL FINANCING AND CREDIT TOOL

Soudi was created by Allied in 2019, aimed to facilitate the financing of Samsung mobile phones in the B&M retail operations. In June 2024, Soudi was implemented in 366 points of sale, including 115 Samsung POS operated by Allied, 72 Samsung POS from other partners in Brazil, 177 operator stores and 2 Trocafy kiosks.

Soudi accounted for approximately 8% of sales at Samsung stores operated by Allied.

Throughout 2022 and 2023, the Company pursued a strategy aimed at optimizing the profitability of its B&M retail, which substantially reduced the number of points of sale in this channel.




Given this new reality and the deterioration of the credit scenario, Soudi is no longer a priority for the Company's capital allocation. In this sense, as of July 2024, Allied decided to discontinue granting credit through Soudi, therefore reducing its exposure to credit risk and the need for staff that was directly allocated for this operation.

The Company is evaluating the best alternatives to monetize (i) a technological tool that supports billing management by accessing the customer's mobile phone; and (ii) the portfolio that currently exists.

# PERFORMANCE OF BUSINESS OPERATIONS

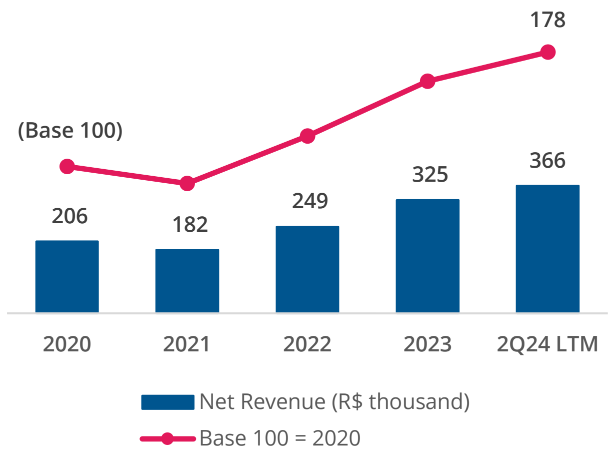
## B&M RETAIL

In 2Q24, the B&M retail channel had a net revenue of R$131.9 million, up by 32.0% from 2Q23. In 2Q23, Allied had 14 additional POS, which reinforces the effectiveness of improving the channel carried out over the last year. This initiative, along with the strategy to expand our portfolio and to increase sales conversion of added products (accessories, insurance and wearables), contributed with the higher net revenue recorded in the period – even with a lower number of points of sale between both periods. Additionally, this channel's profitability and average level of revenue per POS increased, resulting from the initiatives to reduce selling, general and administrative (SG&A) expenses.

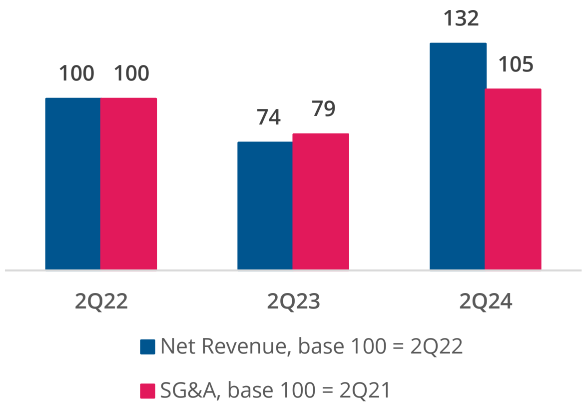
After a few consecutive quarters in which we focused on improving the channel by closing less lucrative POS, optimizing processes and reducing operating expenses, **the average net revenue per POS increased by 12.5% between 2023 and 2Q24 LTM**.

This effect was reinforced by the **38.7% increase in Same-Store Sales** between 2Q23 and 2Q24.

Net Revenue
(R$ thousand; average per POS base 100 = 2020)




Net Revenue and SG&A
(2Q22 = base 100)




**117 POINTS OF SALE**
(June/2024)

| | SAMSUNG | TROCAFY | TOTAL |
|---|---|---|---|
| SP | 70 | 2 | 72 |
| RJ | 18 | | 18 |
| PR | 13 | | 13 |
| MG | 13 | | 13 |
| MS | 1 | | 1 |

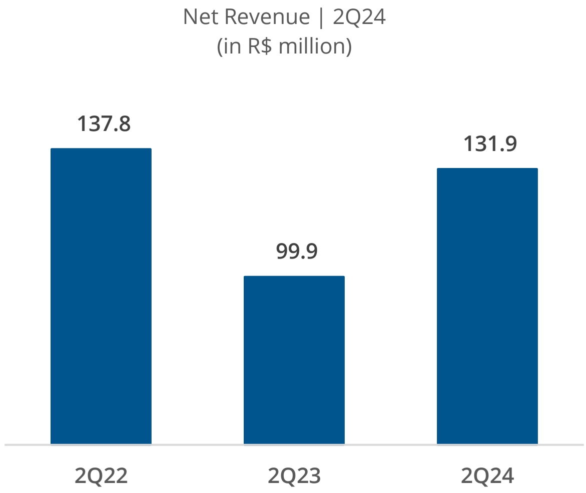
At the end of 2Q24, Allied had 117 POSs, with a total area of 8.0 thousand m². These operations consisted of 115 Samsung stores or kiosks and 2 Trocafy kiosks.

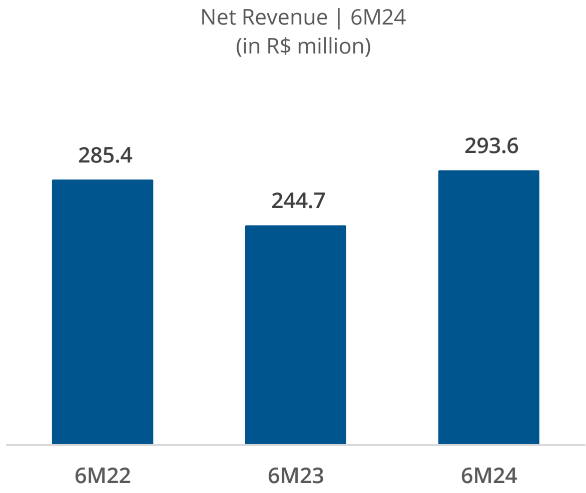
B&M retail is a strategic and synergistic channel between the Company's operations and, therefore, the experience we offer to customers, along with the variety of our portfolio, reinforce our position in the domestic electronics market.

# PERFORMANCE OF BUSINESS OPERATIONS

## B&M RETAIL

During the last 12 months, we implemented initiatives to improve the commercial approach and consumer experience, which brought an increase in the sales conversion of added products, such as wearables and smartphones insurance, with a highlight to the conversion above 50.0% for these categories in 2Q24. In addition, we had a significant growth in the sale of tablets and laptops in our B&M operations, with 10.6% and 5.3% share in net revenue, respectively.

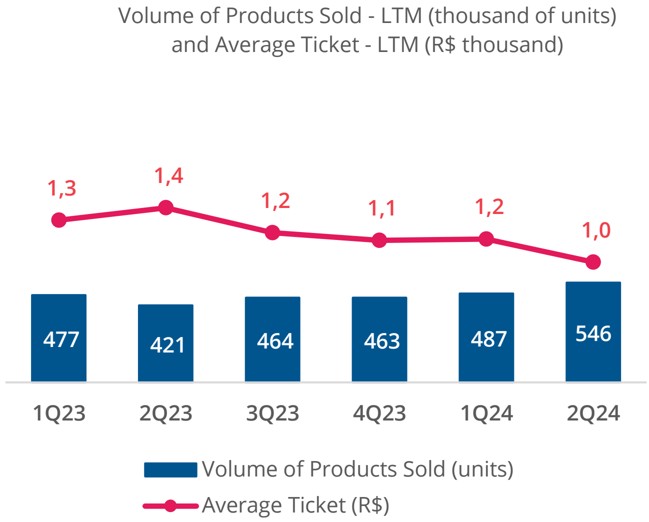



The volume of products and services sold in 2Q24 was 74.7% higher than in 2Q23, and the main products contributing to such increase were mobile accessories, laptops, tablets and wearables.

Wearables gained the largest share in mix of products sold, given the strategy to increase sales for added products. We also enhanced the depth of our portfolio with a greater variety of tablets and laptops models to meet a wide range of customer needs.

The increase in the sales of complementary items, such as wearables and accessories, explains the rise in sales volume despite a reduction in the average ticket. However, the channel was significantly benefited by the assertiveness of business strategy and a large portfolio, which contributed to higher-value sales.




As a result of the dynamics of the channel, the categories with the most positive contribution to revenue were (i) tablets and laptops, which recorded increases in sales volumes and average ticket, due to the greater depth of the portfolio; and (ii) wearables, with an increase in volume sold. These results demonstrate the ability to add value and with profitability and superior customer experience at our POSs, which is a key strategic positioning of this channel.

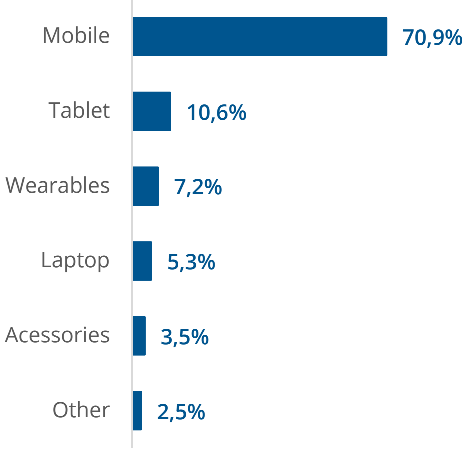
# PERFORMANCE OF BUSINESS OPERATIONS

## B&M RETAIL

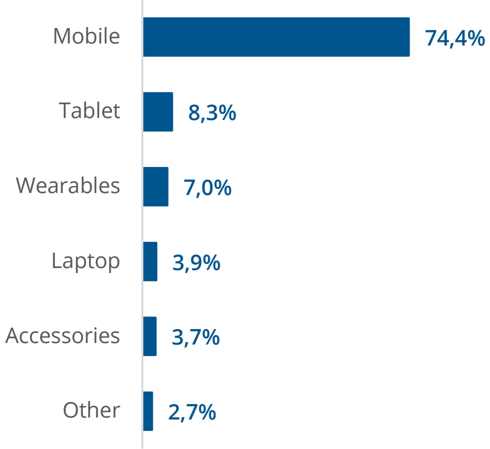
In the quarter, we highlight the sales achieved for laptops, which had its portfolio expanded with new product lines, in particular, the launch of the Galaxy Book 4 model. We also began to explore the B2B market through retail stores aimed at offering corporate customers the same superior level of services that are tailored for the end consumer, characteristics that have already been solidified in the Company's B&M operations. In this quarter, B2B sales accounted for 5.0% of the channel's revenue.

In line with the value proposition of being one of the main sale channels for Samsung premium products, the Samsung stores operated by Allied had an average ticket for smartphones 103.9% higher than the market in 6M24.

Mix of Products Sold | 2Q24
(% Net Revenue)




Mix of Products Sold | 6M24
(% Net Revenue)



# FINANCIAL

# **PERFORMANCE**

# **2Q24**

# FINANCIAL PERFORMANCE

## NET REVENUE

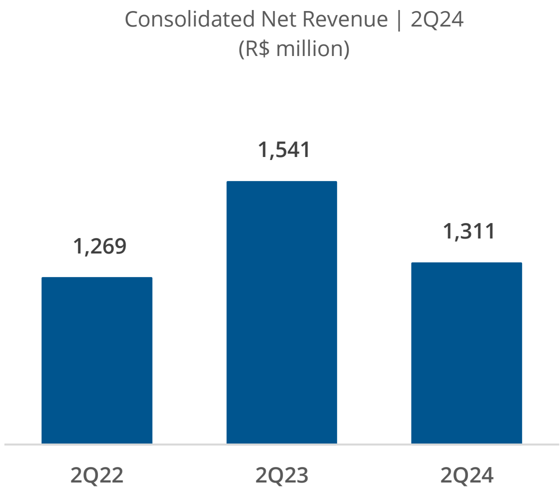
Total net revenue in 2Q24 was R$1,310.7 million, 14.9% lower than in 2Q23. This result reflects the positive performance of the B&M and Digital Retail sales channels, which benefited from the commercial assertiveness and effective management of the product portfolio, and also reflects the drop in sales from the Distribution channel, mainly in the international market, due to marketing factors that negatively impacted price dynamics in the period.

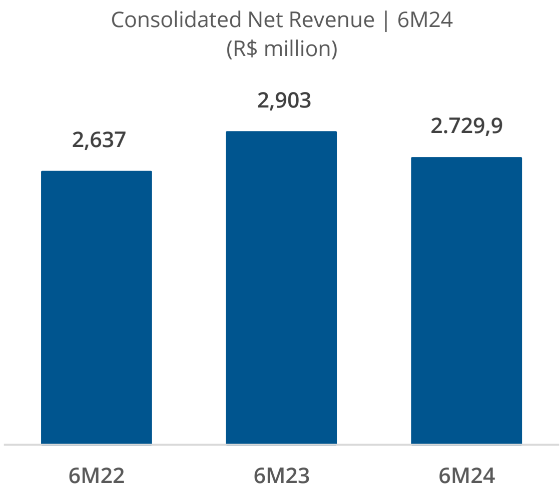
Consolidated revenue consisting of the Brazil Distribution, the International Distribution, the B&M and Digital Retail sales channels accounted, respectively, for 50.1%, 25.9%, 14.0% and 10.1%, of the Company's net revenue.

When analyzing the performance of the channels in 2Q24 against domestic market data, we noticed that Allied increased its market share (in R$) in two important categories – smartphones and tablets. This result highlights the Company's positive performance amid a challenging environment for the electronics market.

In 6M24, total net revenue was R$2.7 billion, down by 6.0% from 6M23. This was due to the 8.9% increase in net revenue for the Retail business, diluted by the 10.0% drop in net revenue for the Distribution business. In this sense, it is important to highlight the strong comparison base in the previous year for the international channel.

| Net Operating Income, R$ million | 2Q24 | 2Q23 | Δ% | 6M24 | 6M23 | Δ% |
|---|---|---|---|---|---|---|
| Distribution - Brazil | 656.7 | 689.8 | -4.8% | 1,295.4 | 1,384.1 | -6.4% |
| Distribution - International | 339.1 | 591.8 | -42.7% | 754.2 | 893.8 | -15.6% |
| **Net Revenue - Distribution** | **995.9** | **1,281.6** | **-22.3%** | **2,049.6** | **2,278.0** | **-10.0%** |
| Digital Retail | 183.0 | 159.3 | 14.9% | 386.6 | 380.1 | 1.7% |
| B&M Retail | 131.9 | 99.9 | 32.0% | 293.6 | 244.7 | 20.0% |
| **Net Revenue - Retail** | **314.9** | **259.2** | **21.5%** | **680.2** | **624.8** | **8.9%** |
| **Net Revenue - Allied Consolidated** | **1,310.7** | **1,540.7** | **14.9%** | **2,729.9** | **2,902.7** | **-6.0%** |



# FINANCIAL PERFORMANCE

## GROSS PROFIT

| Gross profit by Channel, R$ million | 2Q24 | 2Q23 | Δ% | 6M24 | 6M23 | Δ% |
|---|---|---|---|---|---|---|
| Gross Profit - Distribution | 66.4 | 91.1 | -27.1% | 129.1 | 157.3 | -17.9% |
| Brazil Distribution | 58.9 | 78.4 | -24.9% | 112.9 | 137.7 | -18.0% |
| International Distribution | 7.5 | 12.7 | -40.8% | 16.2 | 19.6 | -17.4% |
| Gross Profit - Retail | 94.3 | 78.4 | 20.3% | 199.5 | 187.5 | 6.4% |
| **Gross Profit - TOTAL** | **160.7** | **169.5** | **-5.2%** | **328.6** | **344.8** | **-4.7%** |
| Gross Margin - Distribution | 6.7% | 7.1% | -0.4 p.p. | 6.3% | 6.9% | -0.6 p.p. |
| Brazil Distribution | 9.0% | 11.4% | -2.4 p.p. | 8.7% | 9.9% | -1.2 p.p. |
| International Distribution | 2.2% | 2.1% | 0.1 p.p. | 2.1% | 2.2% | 0.0 p.p. |
| Gross Margin - Retail | 29.9% | 30.2% | -0.3 p.p. | 29.3% | 30.0% | -0.7 p.p. |
| **Gross Margin - TOTAL** | **12.3%** | **11.0%** | **1.3 p.p.** | **12.0%** | **11.9%** | **0.2 p.p.** |

Consolidated gross profit in 2Q24 was R$160.7 million, accompanied by a gross margin of 12.3%, increasing by 1.3 p.p. This result reflects the strategy of prioritizing profitability over the sale of products with lower margins - an approach adopted by the Company in an environment with retraction in demand for electronics.

This quarter, the main factors that impacted this result were: (i) a challenging scenario for the Brazilian Distribution market, with lower revenues and maintenance of a gross margin at a normalized level for the channel, of 9.0%; and (ii) growth in consolidated Retail revenue, with a higher gross margin that increased gross profit by 20.3.

The increase in gross profit, in absolute terms, is the result of the previously presented dynamics of revenue and margin. Therefore, the increase in the Company's consolidated margin was due to the greater share of B&M and Digital Retail channels in the making up of net revenue.

It is worth noting that, unlike the Brazil Distribution, the International Distribution has an operating model that must be analyzed separately. In other words, although the international operation works with a lower gross margin in comparison with the domestic operations, its operational structure was developed in a way that the operating expenses do not materially impact the result after the calculation of gross profit. Further, this channel benefited from the lower invested capital, which translates into favorable cash conversion for the Company.

In 6M24, consolidated gross profit decreased by 4.7%, and gross margin remained in line with the same period of the previous year, at 12.0%, due to the dynamics mentioned above.

# FINANCIAL PERFORMANCE

## OPERATING EXPENSES

| Operating Expenses (R$ million) | 2Q24 | 2Q23 | Δ% | 6M24 | 6M23 | Δ% |
|---|---|---|---|---|---|---|
| Sales | -86.0 | -88.9 | -3.3% | -177.6 | -187.2 | -5.1% |
| General and Administrative Ajusted | -31.4 | -29.9 | 5.0% | -62.0 | -59.1 | 4.9% |
| Other operating income | 4.9 | 3.5 | 40.0% | 4.3 | 4.9 | -11.0% |
| **TOTAL - Adjusted Operating Expenses** | **-112.5** | **-115.3** | **-2.4%** | **-235.3** | **-241.4** | **-2.5%** |
| Non-recurring Adjustment | -1.1 | -1.9 | -39.2% | -1.1 | -1.9 | -39.2% |
| **TOTAL - Operating Expenses** | **-113.7** | **-117.2** | **-3.0%** | **-236.4** | **-243.3** | **-2.8%** |

Adjusted operating expenses totaled R$112.5 million in 2Q24, reducing by 2.4% from 2Q23. In absolute terms, this is the lowest level reached since 2020. When analyzed this line as a percentage of net revenue, it corresponded to 8.6%, up by 1.1 p.p. between the periods due to the decline in revenue. In 6M24, adjusted operating expenses reached R$235.3 million, down by 2.5% from the same period in the previous year.

Selling Expenses:

Total selling expenses was R$86.0 million in 2Q24, down by 3.3% from 2Q23. We highlight the following factors that influenced this result: (i) a reduction in freight expenses, mainly related to Digital Retail, which indicates a higher efficiency between the periods; (ii) lower depreciation and amortization, due to a reduction in number of stores; and (iii) a reduction in personnel expenses, reflecting greater operational efficiency.

General and Administrative Adjusted Expenses:

General and administrative expenses increased by 5.0% in 2Q24, and by 4.9% in 6M24, in the annual comparison. In 2Q24, this result reflects the increase in other general and administrative expenses, mainly related to procedural expenses and provisioning. This effect was partially offset by the reduction in expenses with third-party services.

Non-recurring adjustments to the result in 2024:

2Q24: R$ 1.1 million in general and administrative expenses, related to the discontinuation of the Store in Store operations for B&M Retail, ended in 2021.

# FINANCIAL PERFORMANCE

## FROM EBITDA TO NET INCOME

We present below the Company's EBITDA and net income in 2Q24 and 6M24 compared to the same periods of the previous year. These results highlight the Company's commitment to operational profitability and the resilience enabled through its business diversification strategy. Although we had a lower revenue level, as previously presented, the EBITDA margin remained stable at 4.7% in 2Q24, and reduced slightly in 6M24, by 0.3 p.p.

| In R$ million, unless otherwise stated | 2Q24 | 2Q23 | Δ% | 6M24 | 6M23 | Δ% |
|---|---|---|---|---|---|---|
| Operating Profit before Financial Result | 48.1 | 54.1 | -11.1% | 93.3 | 103.4 | -9.8% |
| Depreciation and Amortization | 13.1 | 16.5 | -20.8% | 26.7 | 34.1 | -21.5% |
| **Adjusted EBITDA** | **61.2** | **70.6** | **-13.3%** | **120.1** | **137.5** | **-12.7%** |
| *Adjusted EBITDA Margin (% NR)* | *4.7%* | *4.6%* | *0.1 p.p.* | *4.4%* | *4.7%* | *-0.3 p.p.* |
| Financial result | -21.4 | -36.7 | -41.5% | -40.7 | -73.3 | -44.5% |
| Income Tax and Social Contribution | -11.2 | 0.6 | -1860% | 13.1 | 4.3 | 203.5% |
| **Adjusted Net Income** | **15.5** | **18.1** | **-14.2%** | **65.7** | **34.4** | **90.7%** |
| *Net Margin (% NR)* | *1.2%* | *1.2%* | *0.0 p.p.* | *2.4%* | *1.2%* | *1.2 p.p.* |
| Non-recurring Operating Expenses | -1.1 | -1.9 | -39.2% | -1.1 | -1.9 | -39.2% |
| Non-recurring Income Tax and Social Contribution | 0.4 | 0.6 | -39.2% | 0.4 | 0.6 | -39.2% |
| Accounting Net Income | 14.8 | 16.9 | -12.4% | 64.9 | 33.2 | 95.6% |

In the quarter, we highlight the 52.7% increase in Profit Before Income Tax and Social Contribution over 2Q24. In 6M24, this line increased by 74.3% over 6M23. This positive result highlights the Company's greater operational profitability, with a lower level of financial expenses due to the optimization of working capital management and the re-profiling of its bank debt, carried out in December 2024.

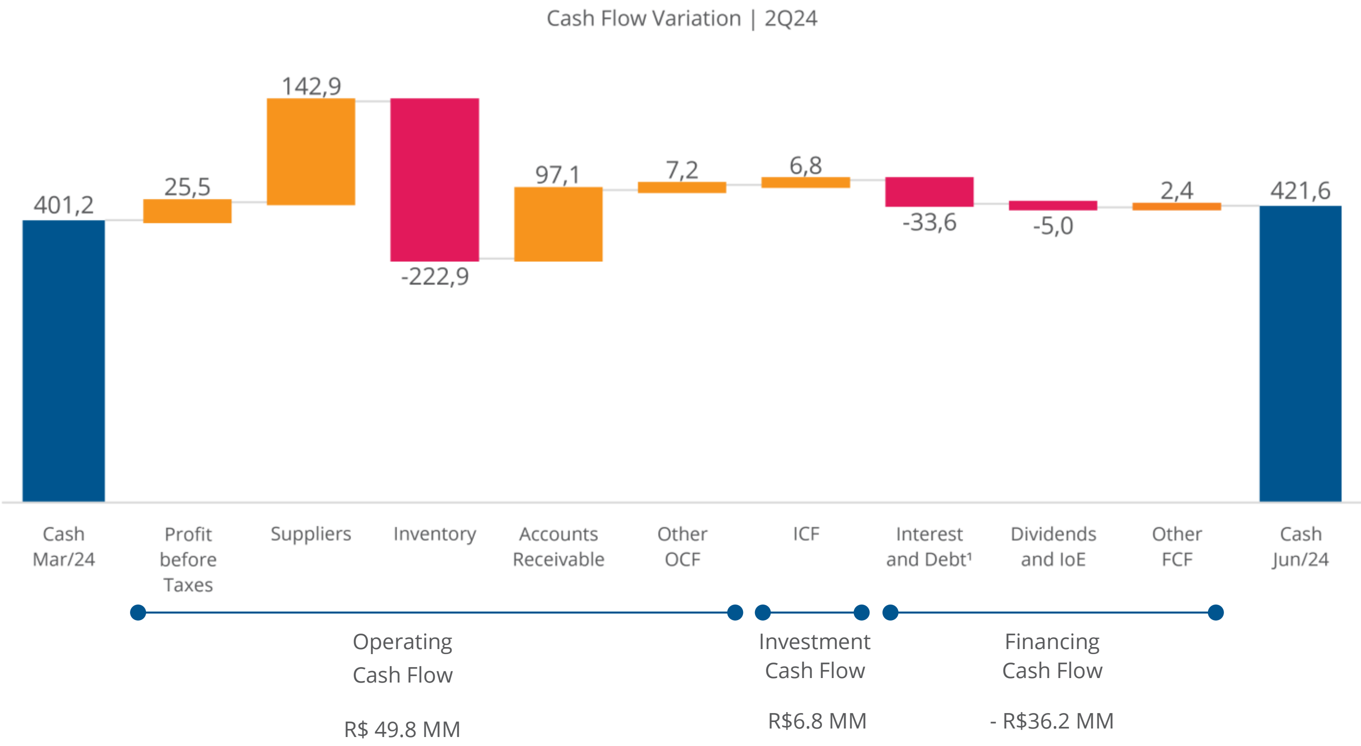
# FINANCIAL PERFORMANCE

## CASH FLOW

A positive variation in cash, by R$20.4 million, was recorded between 1Q24 and 2Q24, and a negative variation, by R$114.0 million, was recorded in 6M24.

Cash Flow - Managerial Adjustment:

Operations related to agreements entered into with partner banks to structure working capital operations (also called confirming operations) with main clients and suppliers are classified as a financing activity in the Company's financial statements. As part of such operations do not have a financial cost to the Company, we believe a managerial analysis of the cash flow must be done, reclassifying these operations to operating cash flow.



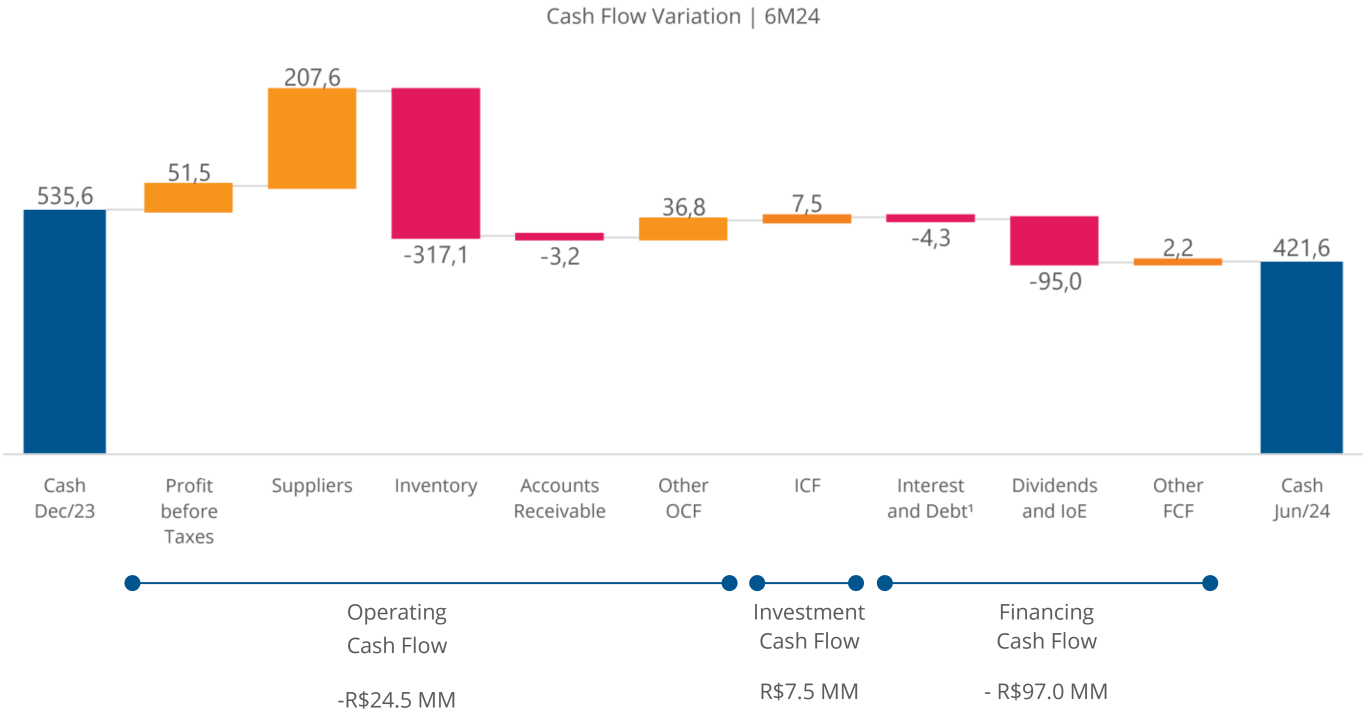

- Operating cash flow was positive by R$ 49.8 million: mainly due to the increase in inventories, reflecting the reduction in revenue between 1Q24 and 2Q24. However, the suppliers and accounts receivable lines offset the negative impact, mainly arising from negotiations with suppliers. It is worth noting that the reduction in sales for the international distribution operation, which has a favorable cash cycle, negatively impacted the cash cycle in the period.

- Cash flow from financing was negative by R$ 36.2 million: mainly impacted by (i) the payment interest on bank debt; (ii) the payment of income tax relating to the interest on equity declared on March 21, 2024

Notes: (1) Includes interest payment flows, amortizations and new loan and financing commitments.

# FINANCIAL PERFORMANCE

## CASH FLOW




- Operating cash flow was negative by R$24.5 million: negatively impacted by the increase in the average days for the Company's inventories. This negative impact was partially offset by the management of payment terms for suppliers and accounts receivable, which positively impacted operating cash. It is worth noting that the reduction in sales for the international distribution operation, which has a favorable cash cycle, negatively impacted the cash cycle in the period.

- Cash Flow from Financing negative by R$97.0 million: mainly impacted by the payment of R$95.0 million of Interest on Equity to the Company's shareholders.

In the 12-month period ended June 30, 2024, Allied declared R$190.0 million in payout to its shareholders. Considering the closing share price[2] of August 7, 2024, the dividend yield was 25.4%.

Notes: (1) Includes interest payment flows, amortizations and new loan and financing commitments; (2) Closing price, adjusted by the payment of profits until the date of publication of this report.

# CAPITAL STRUCTURE

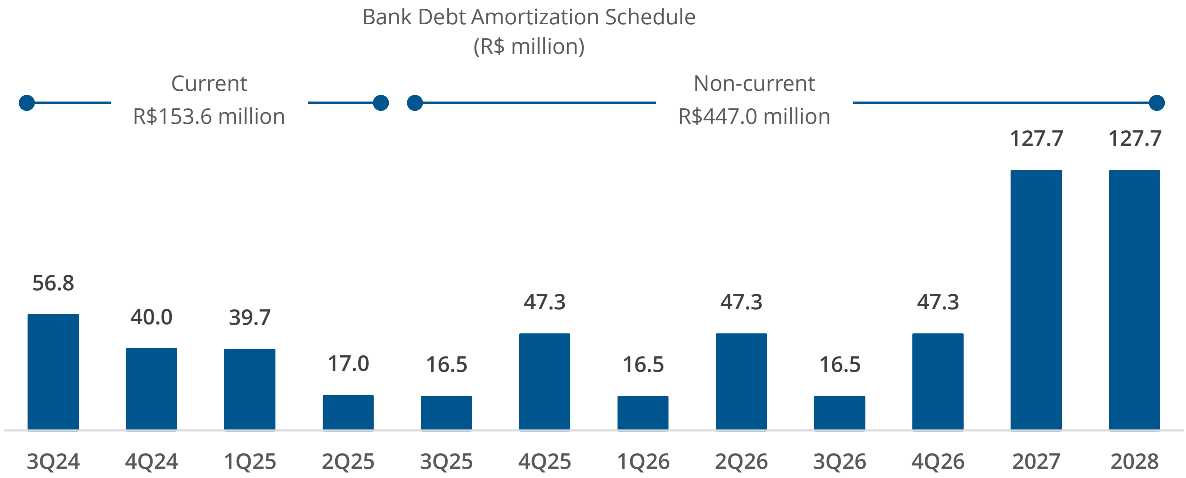
## INDEBTEDNESS

Allied ended 2Q24 with a net debt of R$183.0 million, resulting in a gross debt of R$604.6 million, and cash position of R$421.6 million. Net debt is 0.8x the LTM Adjusted EBITDA; this factor reflects the efficient management of capital allocation. The table below shows the indebtedness calculated according to financial covenants required by debt instruments issued by the Company:

| In R$ million | 2Q24 | 4Q23 | Δ% |
|---|---|---|---|
| Bank Gross Debt | 600.3 | 543.7 | 10.4% |
| Tax Debt – PERT | 4.4 | 4.6 | -4.0% |
| **Gross Debt** | **604.6** | **548.3** | **10.3%** |
| (-) Cash/Cash Equivalents and Financial Investments | -421.6 | -535.6 | -21.3% |
| **Net Debt** | **183.0** | **12.6** | **1347.2%** |
| EBITDA LTM | 231.9 | 250.5 | -7.4% |
| Net Debt / EBITDA | 0.8x | 0.1x | 0.7x |

On June 30, 2024, the Company had the outstanding 5th and 6th issue of simple, non-convertible debentures, both in a single series, in favor of debenture holders. As established in the indenture, the net debt/EBITDA ratio must be lower than or equal to 2.5x.

In December 2023, the Company managed its financial liabilities so as to extend the schedule for the payment of its bank debt, as shown in the chart below. At the end of 2Q24, the total average cost of these debts was 12.7% p.a.



# CAPITAL STRUCTURE

## OWN CAPITAL

On June 30, 2024, Allied's share capital consisted of 93,648,642 common shares, distributed as shown in the table below:

| Ownership structure - 06/30/2024 | # shares | % shares |
|---|---|---|
| Brasil Investimentos 2015 I FIP Multiestratégia | 44,173,806 | 47.2% |
| Brasil Investimentos 2015 II FIP Multiestratégia | 16,773,038 | 17.9% |
| Management | 4,939,373 | 5.3% |
| Free Float (B3) | 27,762,425 | 29.6% |
| **TOTAL** | **93,648,642** | **100.0%** |

In 2Q24, the Company's Board of Directors held three meetings to approve a capital increase through the issuance of new shares attributed to the Stock Option Plan, as follows: (i) 258,060 shares in April/24; (ii) 85,000 shares in May/24; and (iii) 85,000 shares in June/24. As a result, as of the date of this report, the Company's share capital consists of 93,648,642 common shares, all of which registered, book-entry and with no par value.

Following the database of this report (06/30/2024), the Company's Board of Directors approved the capital increase through the issuance of 185,038 new shares attributed to the Stock Option Plan.

# GROWTH
# **DRIVERS**

# GROWTH DRIVERS IN 2024

In line with our strategic planning, the initiatives below will be prioritized over 2024. The objective of these actions is to contribute to the Company's growth and profitability in the medium and long term, supporting the diversification of the business.

## New Business and Diversification

### REFURBISHED

- Current operation optimized with Trocafy products: The sales channels where Allied sells furbished products include both digital retail (1P and 3P models) and B&M retail (2 POS located at Shopping Eldorado and at Shopping Center Norte, both in the city of São Paulo). We also serve customers from the distribution channel. Our brand expansion strategies have proven to be positive, and we are working to increase the capture of high value-added products in the used phones market, as well as to make our attraction and traffic conversion mechanisms more efficient.

### INTERNATIONAL EXPANSION

- Maturation of the current operation: we have 160 potential customers mapped in Latin America with which we are building a commercial relationship. There is a maturation pathway we believe we will be taking over the coming years. On the supplier front, we are already working with major segment brands – Apple, Motorola and Microsoft.

- Expansion of the current operation: in parallel with our current operation, we are continuously mapping opportunities to distribute to other brands and categories.

### STRATEGIC PARTNERSHIPS - B2C

- Allied currently operates two strategic partnerships alongside Banco Itaú with a focus on end consumers (B2C): the *iPhone Pra Sempre* and the Xbox All Access programs. Allied's positioning in the sector and its expertise in resolving market inefficiencies make it the right strategic player to map and operate this type of partnership. We will keep pursuing these pathways to further our growth and profitability.

### B2B

- New products and services, aligned with corporate and government demand: Since 2022, we have gradually incorporated to the portfolio of this business unit some specialized products and services for corporate use. Examples include high-performance tablets and computers, bundles of devices with resistant protection accessories, and minor product customizations. We will continue seeking assertive ways to meet both corporate and government demand. In 2023, we will go into partnership with Acer to provide the rental of electronic equipment to corporate clients.

# EXHIBITS

# 2Q24

# BALANCE SHEET – CONSOLIDATED

Periods ended June 30, 2024 and December 31, 2023.

| Assets (R$ thousand) | 06/30/2024 | 12/31/2023 |
|---|---|---|
| Cash and cash equivalents | 421,621 | 535,620 |
| Accounts receivable | 950,166 | 959,618 |
| Inventories | 913,688 | 583,452 |
| Taxes recoverable | 150,368 | 122,471 |
| Related parties | 463 | 7,738 |
| Other assets | 77,779 | 80,848 |
| **Current Assets** | **2,514,085** | **2,289,747** |
| Marketable Securities | 3,753 | 3,454 |
| Accounts receivable | 9,955 | 8,342 |
| Inventory | 10,955 | 11,127 |
| Taxes recoverable | 183,377 | 179,844 |
| Court deposit | 107,667 | 102,121 |
| Right-of-use | 79,502 | 93,785 |
| Fixed Assets | 13,016 | 15,167 |
| Intangibles | 692,757 | 684,877 |
| Other assets | 21,975 | 7,287 |
| **Non-current Assets** | **1,122,957** | **1,106,004** |
| **Total assets** | **3,637,042** | **3,395,751** |

| Liabilities (R$ thousand) | 06/30/2024 | 12/31/2023 |
|---|---|---|
| Suppliers | 810,225 | 587,414 |
| Suppliers (agreements) | 299,719 | 297,778 |
| Loans, financing, and debentures | 153,580 | 81,660 |
| Contractual obligations with clients | 21,498 | 24,937 |
| Leasing | 24,566 | 24,375 |
| Labor obligations | 28,101 | 30,071 |
| Tax obligations | 15,680 | 21,214 |
| Prepayments from clients | 24,537 | 21,114 |
| Dividends payable | 36 | 22,524 |
| Other liabilities | 33,882 | 23,971 |
| **Current liabilities** | **1,411,824** | **1,135,058** |
| Loans, financing, and debentures | 447,014 | 462,053 |
| Contractual obligations with clients | 19,414 | 20,085 |
| Leasing | 69,456 | 83,157 |
| Provisions for lawsuits | 81,148 | 74,525 |
| Tax obligations | 3,661 | 3,941 |
| Deferred income tax and social contribution | 3,697 | 17,152 |
| Other liabilities | 438 | 614 |
| **Non-current liabilities** | **624,828** | **661,527** |
| Share capital | 1,024,154 | 1,021,575 |
| Share issue expenses | (30,054) | (30,054) |
| Capital reserve | 6,390 | 5,870 |
| Profit reserves | 531,031 | 603,514 |
| Equity valuation adjustment | 3,955 | (1,739) |
| Income for the period | 64,914 | - |
| **Total shareholders' equity** | **1,600,390** | **1,599,166** |
| **Total liabilities and equity** | **3,637,042** | **3,395,751** |

# INCOME STATEMENT – CONSOLIDATED

Period of 3 and 6 months ended June 30, 2024 and June 30, 2023.

| R$ thousand | Adjusted 2Q24 | Adjustment | 2Q24 | Adjusted 2Q23 | Adjustment | 2Q23 |
|---|---|---|---|---|---|---|
| **Net revenue from sales** | **1,310,738** | **-** | **1,310,738** | **1,540,747** | **-** | **1,540,747** |
| Cost of goods sold | -1,150,077 | - | -1,150,077 | -1,371,293 | - | -1,371,293 |
| **Gross profit** | **160,661** | **-** | **160,661** | **169,454** | **-** | **169,454** |
| Operating income/(expenses) | | | | | | |
| Selling expenses | -85,987 | - | -85,989 | -88,879 | -1,317 | -90,196 |
| General and administrative expenses | -31,408 | -1,148 | -32,555 | -29,925 | -572 | -30,497 |
| Other operating income | 4,865 | - | 4,863 | 3,474 | - | 3,474 |
| **Operating profit before financial result** | **48,130** | **-1,148** | **46,980** | **54,124** | **-1,889** | **52,235** |
| Financial result | | | | | | |
| Financial expenses | -33,339 | - | -33,338 | -46,201 | - | -46,201 |
| Financial income | 11,898 | - | 11,899 | 9,551 | - | 9,551 |
| **Profit before income tax and social contribution** | **26,689** | **-1,148** | **25,541** | **17,474** | **-1,889** | **15,585** |
| Income tax and social contribution | | | | | | |
| Current | - | - | - | -2,094 | - | -2,094 |
| Deferred | -11,160 | 390 | -10,770 | 2,728 | 642 | 3,370 |
| **Net income for the period** | **15,529** | **-757** | **14,771** | **18,108** | **-1,247** | **16,861** |

| R$ thousand | 6M24 Adjusted | Adjustment | 6M24 | 6M23 Adjusted | Adjustment | 6M23 |
|---|---|---|---|---|---|---|
| **Net revenue from sales** | **2,729,855** | **-** | **2,729,855** | **2,902,722** | **-** | **2,902,722** |
| Cost of goods sold | -2,401,246 | - | -2,401,246 | -2,557,876 | - | -2,557,876 |
| **Gross profit** | **328,609** | **-** | **328,609** | **344,846** | **-** | **344,846** |
| Operating income/(expenses) | | | | | | |
| Selling expenses | -177,620 | - | -177,620 | -187,152 | 1,317 | -188,469 |
| General and administrative expenses | -61,982 | -1,148 | -63,130 | -59,113 | 572 | -59,685 |
| Other operating income | -1 | - | -1 | -1 | - | -1 |
| **Operating profit before financial result** | **93.328** | **-1.148** | **92.180** | **103.434** | **1.889** | **101.545** |
| Financial result | | | | | | |
| Financial expenses | -65,350 | - | -65,350 | -94,185 | - | -94,185 |
| Financial income | 24,629 | - | 24,629 | 20,879 | - | 20,879 |
| **Profit before income tax and social contribution** | **52,607** | **-1,148** | **51,459** | **30,128** | **1,889** | **28,239** |
| Income tax and social contribution | | | | | | |
| Current | - | - | - | -3,246.00 | - | -3,246.00 |
| Deferred | 13,065 | 390 | 13,455 | 7,551 | -642.00 | 8,193 |
| **Net income for the period** | **65,672** | **-757** | **64,914** | **34,433** | **1,247** | **33,186** |

# CASH FLOW STATEMENT – CONSOLIDATED

Three and six-month periods ended June 30, 2024 and June 30, 2023.

The Cash Flow Statement shown below is adjusted and differs from the Cash Flow Statement, according to accounting standards, which can be consulted in the Financial Statements presented on the same date by the Company. As part of the confirming operations do not have a financial cost, the Company believes that a managerial analysis of the cash flow must be done, reclassifying these operations to operating cash flow. We underscore that confirming operations involving financial cost are treated in the cash flow from financing.

| R$ thousand | 2Q24 | 2Q23 | 6M24 | 6M23 |
|---|---|---|---|---|
| Profit before income tax and social contribution | 25,541 | 15.585 | 51,459 | 28.240 |
| Income tax and social contribution paid | - | (1.111) | - | (1.111) |
| Depreciation and amortization | 13,056 | 16.485 | 26,732 | 34.052 |
| Other profit adjustments | 23,149 | 22.089 | 43,326 | 57.409 |
| Accounts receivable | 97,136 | 263.370 | (3,239) | 423.035 |
| Inventories | (222,898) | (110.132) | (317,068) | (108.344) |
| Suppliers | 89,123 | 131.404 | 205.629 | 241.738 |
| Suppliers agreements without financial cost | 53,760 | (39.173) | 1,942 | (156.111) |
| Taxes recoverable | (15,923) | (6.516) | (26,763) | (14.003) |
| Other working capital adjustments | (13,107) | (23.023) | (6,517) | (14.852) |
| Cash flow from operating activities | 49,837 | 268.978 | (24,499) | 490.053 |
| | | | | |
| Capex | (1,999) | (2.068) | (3,538) | (3.892) |
| Other investing activities | 8,781 | (5.575) | 11,044 | (9.688) |
| Cash flows from investing activities | 6,782 | (7.643) | 7,506 | (13.580) |
| | | | | |
| Interest payment | (25,268) | (22.949) | (37,174) | (44.215) |
| Inflows and outflows of loans and financing | (8,378) | (67.551) | 32,923 | (58.373) |
| Inflow and outflows of suppliers - agreement with cost | - | (97.945) | - | (125.742) |
| Capital increase | 2,579 | - | 2,579 | - |
| Dividends and interest on equity | (4,983) | (31.362) | (94,971) | (33.013) |
| Other financing activities | (183) | (98) | (364) | (220) |
| Cash flow from financing activities | (36.233) | (219.905) | (97,007) | (261.563) |
| | | | | |
| **Changes in cash** | **20,386** | **41,431** | **(114,000)** | **214,911** |

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