

## TECHNOS GROUP ANNOUNCES 28,3% GROWTH IN GROSS REVENUE AND 22.0% ADJUSTED EBITDA IN THE FIRST QUARTER OF 2025

Rio de Janeiro, May 12, 2025 – Technos Group (B3: TECN3) announces its results for the first quarter of 2025 (1Q25). The following financial and operational information is presented on a consolidated basis, in compliance with Brazilian Corporate Law, unless otherwise indicated.

### DATE

05/12/2025

### CLOSING PRICE

R\$5,84/share

### MARKET CAP

R\$ 361,2 million

### CONFERENCE CALL

[Link WebCast](#)

05/13/2025 10:00 a.m. Brasília

### IR CONTACTS

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## QUARTER HIGHLIGHTS

- Net revenue at R\$ 86.7 million, 26.1% higher versus 1Q24.
- Gross profit of R\$ 46.3 million, 26.8% higher versus 1Q24.
- SG&A of R\$ 36.9 million, 15.7% higher versus 1Q24.
- Adjusted EBITDA of R\$ 12.0 million, 22.0% higher versus 1Q24.

R\$ million	1Q24	1Q25	%
Gross Revenue	79,3	101,7	28,3%
Net Revenue	68,8	86,7	26,1%
Gross Profit	36,5	46,3	26,8%
Gross Margin	53,1%	53,4%	0,3p.p.
SG&A	-31,9	-36,9	15,7%
Net Income	5,9	4,5	-23,6%
Net Margin	8,5%	5,2%	-3,4p.p.
Adjusted EBITDA	9,9	12,0	22,0%
Adjusted EBITDA Margin	14,3%	13,9%	-0,5p.p.
Number of Watches (000s)	391,0	487,4	24,7%
Average Price (R\$/product)	202,8	208,7	2,9%

**Adjusted EBITDA** - Represents CVM EBITDA (net income plus depreciation and amortization, financial expenses, financial income, current and deferred taxes), adjusted for the present value adjustment on sales and sales taxes, non-operational contingency provisions, nonrecurring results, extraordinary, and stock option plan.

In 2025, the Technos Group once again continued its positive results, combining the efficiency gains that have been consistently demonstrated in previous results with robust growth in gross revenue and gross profit and consolidating the 18th consecutive quarter of growth in Adjusted EBITDA. Even in the face of a volatile and uncertain macroeconomic scenario, the company once again demonstrated resilience and solidity in its results.

In the quarter, Gross Profit was 26,8% higher than the first quarter of 2024. The robust growth in Gross Profit occurred together with the increase of gross margin showing that the company remains committed to defending a healthy margin for our products through rationalization of merchandise costs, selective price pass-throughs and currency hedging policies. In addition, sales growth was driven by a 24.7% increase in the volume of watches sold and a 2.9% increase in the average price.

In the quarter, Selling and Administrative Expenses grew 15.7% versus the same quarter of the previous year. This increase in expenses is mainly the result of higher expenses directly related to sales, such as commercial remuneration, freight, gifts and investment in marketing. As mentioned in previous reports, the Technos Group remains focused on maintaining a lean and efficient expense base.

In the quarter, adjusted EBITDA totalled R\$12.0 million, an increase of 22.0% compared to the first quarter of 2024. The sequence of 18 quarters showing growth in adjusted EBITDA demonstrates the robustness and consistency of the business model implemented by management..

In the quarter, despite robust operational growth, the Technos Group net profit was R\$4.5 million, down 23.6% compared to last year. This drop is primarily due to a temporary, non-cash effect on the financial result, resulting from updating the estimated future impact of the exchange rate hedge. We work with a consistent hedging policy, which aims to mitigate the risks arising from foreign exchange exposure and cushion the cash impact of short-term dollar fluctuations.

In this quarter, the Company recorded a cash balance of R\$ 89.0 million, net debt of R\$ 12.3 million and gross debt of R\$ 101.3 million with average term of 16 months.

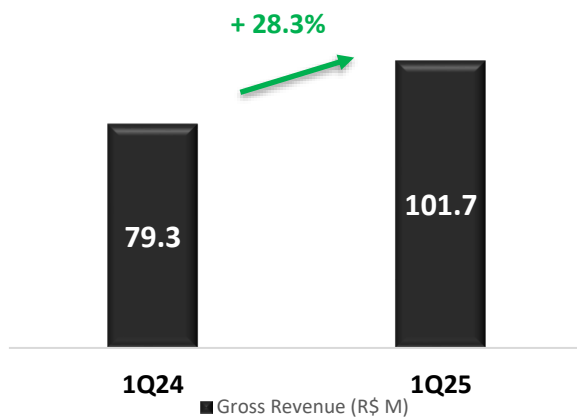
In January 2025, the Company paid R\$15.0 million in interim dividends, equivalent to R\$0.2388 per share.

In 2025, the Company repurchased shares totaling R\$12.2 million, corresponding to 2.1 million shares. As of the date of this report, the Company approved the cancellation of 1,500,000 treasury shares, without reducing the share capital. Following the cancellation, the Company's share capital is now divided into 61,856,215 common shares.

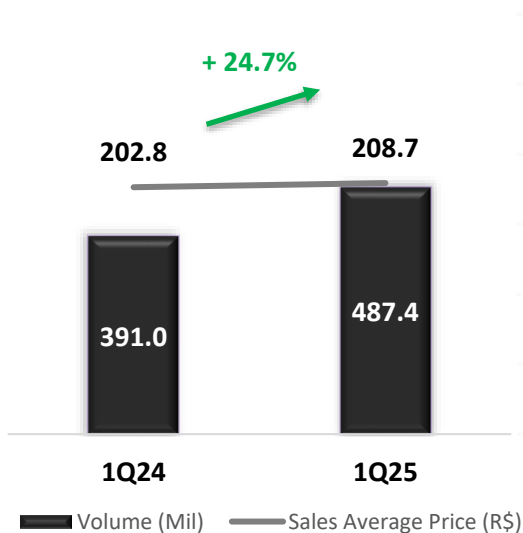
With regard to 2025, the Technos Group plans to continue with its objective of fostering growth with efficiency, seeking market share gains in the traditional watches category and market expansion in the smartwatches category. The company will also continue to invest in expanding its distribution channels in both wholesale and retail, opening up new horizons for growth beyond its core channel. Revenue growth, coupled with the maintenance of efficiency gains achieved in previous periods, are important elements for future operating gains in the long term.

## GROSS REVENUE

In the quarter, gross revenue grew by 28.3% versus the same quarter from last year. The strong sales acceleration is the result of growth in almost all of the company's brands and distribution channels and represents a significant gain in market share in the traditional watch category.



In the quarter, the average price reached R\$209, an increase of 2.9% compared to the same period in 2024. The volume totaled 487.4 thousand, with 24.7% growth versus the same period in 2024.



In the quarter, Net Revenue reached R\$86.7 million, an increase of 26.1% versus the same period in 2024.

Sales taxes grew 41.0% in 1Q25, due to both the increase in sales and the legislative change that, from 2024 onwards, treats donations and subsidies (in the case of Technos, the ICMS tax incentive credit from Zona Franca de Manaus) as a taxable calculation basis for PIS/COFINS.

It is important to highlight that as of the first quarter of 2021, a tax benefit was approved which allowed the company to enjoy an increased use of ICMS tax benefit. This additional benefit, initially approved for 2021, has already been renewed twice and currently runs until December 2026. In 1Q25, we had an impact of R\$4.7 million compared to R\$3.6 million in 1Q24.

R\$ Million	1Q24	1Q25	Var %	Var R\$
Gross Revenue	79.3	101.7	28.3%	22.4
Present Value Adjustment on Sales	(2.8)	(4.1)	49.1%	(1.4)
Sales Taxes	(8.0)	(11.3)	41.0%	(3.3)
Present Value Adjustment on Taxes	0.3	0.4	53.8%	0.1
<b>Net Revenue</b>	<b>68.8</b>	<b>86.7</b>	<b>26.1%</b>	<b>17.9</b>

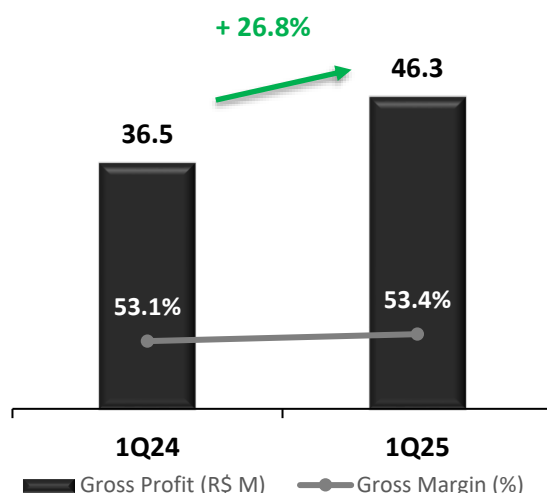


## GROSS PROFIT AND GROSS MARGIN



In 1Q25, the Company recorded Gross Profit at R\$ 46.3 million with 53.4% Gross Margin, showing growth in Gross Profit of 26.8% and an increase in Gross Margin of 0.3 p.p.

It is important to note that the company remains committed to defending a healthy margin for our products by rationalizing merchandise costs, selective price transfers and currency hedging policies.



## SELLING AND ADMINISTRATIVE EXPENSES



In the quarter, selling and administrative expenses amounted to R\$36.9 million, 15.7% increase versus 1Q24. Expenses represented 42.6% of net revenue in the quarter versus 46.4% in the first quarter of 2024.

Selling expenses increased 22.3%, or R\$4.9 million, compared to the same quarter in 2024. This growth was due to expenses with media, higher investment to foster sales, freight, commercial travel, commercial compensation and inflation.

General and administrative expenses increased R\$0.1 million or 1.2% compared to 2024. This growth is a result of the increase in the dollar impacting expenses in China.



Other operating results, net totaled an expense of R\$4.3 million in the quarter, versus an expense of R\$0.2 million in the same period of the previous year.

In the first quarter of 2024, this account was positively impacted by R\$ 2.7 million due to the reversal of a contingency, whereas in the first quarter of 2025, it was impacted by a provision for other operating expenses.



## EBITDA AND ADJUSTED EBITDA



In the first quarter, Adjusted EBITDA went from R\$9.9 million in 2024 to R\$12.0 million in 2025, a growth of 22.0% mainly due to the relevant sales growth. EBITDA margin reached 13.9% in the quarter compared to 14.3% in the first quarter of 2024.

R\$ million	1Q24	1Q25
<b>(=) Net income</b>	<b>5,9</b>	<b>4,5</b>
(+) Amortization and Depreciation	(2,4)	(2,7)
(+/-) Financial Result	5,1	0,2
(+) Current Taxes	(0,7)	(6,1)
(+/-) Deferred Taxes	(2,8)	5,4
<b>(=) EBITDA (CVM 527/12)</b>	<b>6,8</b>	<b>7,7</b>
(+/-) Provision for Non-recurring Contingencies	(0,6)	(0,6)
(+) Other Non-Cash Expenses <sup>2</sup>	0,0	0,0
(+) Impact of Present Value Adjustment on Operational Result <sup>3</sup>	(2,5)	(3,7)
<b>(=) Adjusted EBITDA</b>	<b>9,9</b>	<b>12,0</b>

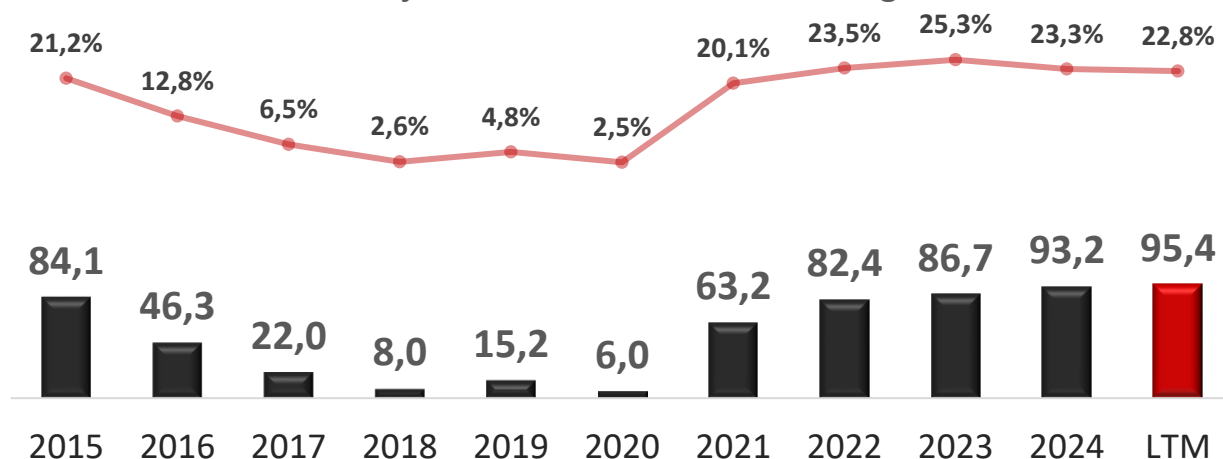
Adjustment of tax on provision for obsolete inventory

<sup>2</sup> Non-recurring or non-operational expenses

<sup>3</sup> Present value adjustment that results in a decrease in the Company's gross revenue (affecting CVM EBITDA) and an increase in the Company's financial income (not affecting CVM EBITDA), leading to a mismatch in connection with the CVM EBITDA view

Adjusted EBITDA in the LTM of R\$95.4 million represent the highest level of Adjusted EBITDA since 2015. EBITDA margin was 22.8%

### Adjusted EBITDA and EBITDA Margin



## NET FINANCIAL RESULT



In the fourth quarter of 2025, the net financial result was a positive R\$0.2 million versus a positive R\$5.1 million in the same quarter of 2024, mainly due to a higher expense of R\$4.5 million with exchange rate variation and hedging.

It is important to emphasise that the exchange rate impact reported is primarily due to a temporary, non-cash effect on the financial result, resulting from updating the estimated future impact of the exchange rate hedge. We work with a consistent hedging policy, which aims to mitigate the risks arising from foreign exchange exposure and cushion the cash impact of short-term dollar fluctuations. On the other hand, maintaining hedge contracts generates temporary effects on the financial result whenever there is high exchange rate volatility. In the quarter, the dollar went from close to R\$6.2 at the end of December 2024 to R\$5.7 at the end of March, a devaluation of close to 8%. The reflection of this impact on updating the adjustment estimate for the hedge contracts in force at the end of March 2025 is the main reason for the variation shown in the financial result when compared to the same period in 2024. It should be noted that the operations are strictly protective in nature and are contracted consistently and independently of short-term currency volatility, in line with the company's risk management policy.

R\$ Million	1Q24	1Q25	Var %	Var R\$
Expenses	-1,5	-3,4	124,1%	-1,9
Revenues	3,5	4,5	28,2%	1,0
Revenues - PVA Reversal	3,3	3,8	16,0%	0,5
Exchange rate impact	-0,2	-4,7	2687,5%	-4,5
<b>Net Financial Revenues/(Expenses)</b>	<b>5,1</b>	<b>0,2</b>	<b>-96,7%</b>	<b>-4,9</b>

## NET INCOME



In the quarter, the Company recorded a net income of R\$ 6.8 million, 16.4% higher compared to the first quarter of last year, result that is the outcome of sales growth. In January 2025 the Company paid R\$15.0 million as interim dividends equivalent to R\$ 0.2388 per share. This amount represents an increase of 47% compared to January 2024, when the company paid \$10.2 millions as interim dividends equivalent to R\$ 0.1484 per share.



## WORKING CAPITAL



R\$ million	1Q24	Days	1Q25	Days
(+) Accounts Receivable	136.1	140	176.4	152
(+) Inventories	121.3	281	161.2	306
(-) Accounts Payable	41.0	95	59.5	113
<b>(=) Working Capital</b>	<b>216.4</b>	<b>326</b>	<b>278.0</b>	<b>345</b>

The Company's working capital totaled R\$278.0 million in the first quarter of 2025, representing an increase of R\$61.6 million or 28.5% compared to the same period in the previous year. In days, working capital totaled 345 in the last 12 months ending this quarter, a increase of 19 days compared to the first quarter of 2024.

The Company's balance of Accounts Receivable amounted to R\$ 176.4 million compared to R\$ 136.1 million in the previous year. The average sales term in the last twelve months shows a 12-day increase as compared to the same period of the previous year, mainly due to the sharp increase in sales during the last quarter. The average sales term for the year was 4 days longer than the previous year, and we continue to maintain a stable and healthy default rate compared to the historical performance of the indicator.

Inventory closed the period with a balance of R\$161.2 million, R\$39.8 million higher than in the first quarter of 2024 and at an ideal level from a supply perspective, mainly due to the sales increase in the last quarter.

The Company presented a Supplier balance of R\$59.5 million versus R\$41.0 million in the same period of 2024, mainly due to the acceleration of the purchasing flow to replenish inventory in a stronger sales scenario.

## CASH BALANCE



Technos Group ended the first quarter of 2025 with net debt of R\$12.3 million, a decrease of R\$24.8 million in net cash compared to the forth quarter of 2024. During the period, share buybacks totaled R\$12.2 million.

R\$ million	1Q24	4Q24	1Q25
Gross Debt	(90.1)	(107.8)	(101.3)
(-) Cash	112.4	120.3	89.0
<b>(=) (Debt)/Net Cash</b>	<b>22.3</b>	<b>12.5</b>	<b>(12.3)</b>

## INCOME STATEMENT



R\$ Thousand

### QUARTER

	Consolidated	
	1Q24	1Q25
Net Revenue	68.766	86.681
Cost of goods sold	-32.256	-40.383
<b>Gross Profit</b>	<b>36.511</b>	<b>46.298</b>
Sales expenses	-21.942	-26.835
Administrative expenses	-9.989	-10.112
Others, net	-235	-4.310
<b>Operating profit</b>	<b>4.345</b>	<b>5.041</b>
Financial result, net	5.056	165
Financial income	6.423	7.802
Financial expenses	-1.367	-7.637
<b>Income before income tax and social contribution</b>	<b>9.401</b>	<b>5.206</b>
Income tax and social contribution	-3.531	-719
Current	-725	-6.080
Deferred	-2.806	5.361
<b>Net income</b>	<b>5.870</b>	<b>4.487</b>

## BALANCE SHEET



R\$ Thousand

	Consolidated	
	March 31, 2024	March 31, 2025
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	112.328	88.638
Restricted cash	97	373
Accounts receivable	136.135	176.356
Inventories	121.306	161.153
Income tax and social contribution recoverable	9.068	0
Taxes recoverable	14.640	13.208
Derivative financial instruments	54	125
Other assets	17.947	16.377
Assets held for sale	438	0
	<b>412.013</b>	<b>456.230</b>
<b>Non-current</b>		
Marketable securities	0	0
Advances to suppliers	875	125
Taxes recoverable	3.252	3.305
Judicial deposits	4.935	7.841
	<b>9.062</b>	<b>11.271</b>
Investments		
Intangible assets	191.050	191.525
Property and Equipment	26.963	26.565
	<b>218.013</b>	<b>229.361</b>
<b>Total assets</b>	<b>639.088</b>	<b>685.591</b>

# BALANCE SHEET



	Consolidated	
	March 31, 2024	March 31, 2025
<b>Liabilities</b>		
<b>Current</b>		
Borrowings	17.536	50.855
Accounts payable	40.336	59.530
Obligations payable for purchasing goods	708	0
Taxes and fees payable	4.489	10.439
Withholding income tax and contributions	1.632	2.046
Amount payable for the acquisition of equity interest	0	0
Salaries and social charges payable	8.041	8.633
Dividends payable	129	140
Derivative financial instruments	217	2.386
Lease payment	1.547	1.675
Other payables	8.469	12.636
Provision for success fees	249	0
	<b>83.353</b>	<b>148.340</b>
<b>Non-current</b>		
Borrowings	72.598	50.452
Income tax and social contributions payable (Note 14)	1.408	0
Deferred income tax and social contribution	29.618	27.024
Provision for contingencies	50.983	49.326
Derivative financial instruments	0	1.189
Lease Payment	2.787	0
Provision for success fees	1.709	1.576
Other accounts payable	0	1.709
	<b>159.103</b>	<b>131.276</b>
<b>Total liabilities</b>	<b>242.456</b>	<b>279.616</b>
<b>Equity</b>		
Capital stock	130.583	130.583
Treasury shares	-7.529	-3.824
Share issuance expenses	-10.870	-10.870
Capital reserves	170.713	131.092
Profit reserves	26.209	59.482
Equity valuation adjustment	-13.965	-14.129
Profit/loss for the period	5.871	4.485
Other comprehensive income	0	-576
Reflective tax incentive profit reserve	95.620	112.180
<b>Total equity</b>	<b>396.632</b>	<b>408.423</b>
<b>Total liabilities and equity</b>	<b>639.088</b>	<b>685.591</b>

## CASH FLOW



R\$ thousand	QUARTER	Consolidated	
		1Q24	1Q25
<b>Income before income tax and social contribution</b>		<b>9.400</b>	<b>5.204</b>
<b>Adjustments for non-cash items</b>			
Amortization and Depreciation		2.437	2.691
Allowance for recoverable value of inventory		-358	1.049
Allowance for recoverable value of accounts receivable		438	532
Reversal of inventory provision due to write-off		0	0
Write-off of accounts receivable for foreclosure of guarantees without generation of cash		0	0
Adjustment to market value in noncurrent assets available for sale		0	0
Provision for contingencies (reversal)		-5.579	592
Results from disposal of permanent assets		1	-115
Impairment of permanent assets		0	0
Interest on loans		3.483	3.254
Other interest expenses and foreign exchange variation		113	-2.689
Derivative financial instruments		-1.121	9.844
Stock option premium		996	1.155
Other		-82	153
<b>Changes in assets and liabilities</b>			
Decrease (increase) in accounts receivable		15.538	13.298
Decrease (increase) in inventories		-3.423	-19.266
Decrease (increase) in taxes recoverable		2.599	7.837
(Decrease) increase in other assets		-1.608	-400
Increase (decrease) in suppliers and accounts payable		-3.939	-11.995
Increase (decrease) in salaries and social charges payable		-2.739	-4.482
Increase (decrease) in taxes, rates and social contributions payable		-2.981	-6.250
Interest paid		-3.397	-2.953
Income tax and social contribution paid		-115	-2.818
<b>Net cash (used in) generated by operating activities</b>		<b>9.663</b>	<b>-5.359</b>
<b>Cash flow from investing activities</b>			
Redemption of escrow accounts		0	0
Acquisition of equity interest		0	0
Restricted cash		0	0
Purchases of property and equipment		-1.003	-1.806
Amount received from the sale of property and equipment		2	293
Purchases of intangible assets		-1.113	-772
<b>Net cash (used in) generated by investing activities</b>		<b>-2.114</b>	<b>-2.285</b>
<b>Cash flow from financing activities</b>			
Deposits as collaterals - restricted cash		22	-7
Borrowings		0	0
Payment of borrowings		-3.884	-4.068
Lease paid		-349	-344

Acquisition of own shares held in treasury	-7.952	-4.225
Acquisition of equity interest	0	0
Dividends paid to Company's shareholders	-10.226	-14.987
Stock Option exercise	2.016	0
<b>Net cash used in financing activities</b>	<b>-20.373</b>	<b>-23.631</b>
Increase (decrease) in cash and cash equivalents	-12.824	-31.275
Cash and cash equivalents at the beginning of period	125.152	119.913
<b>Cash and cash equivalents at the end of period</b>	<b>112.328</b>	<b>88.638</b>

