

GPS Participações e Empreendimentos S.A.

Parent company and consolidated financial statements as at December 31, 2023

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities Commission (CVM), containing parent company and consolidated financial statements prepared in accordance with the accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board - IASB)

GPS Participações e Empreendimentos S.A.

Financial Statements

December 31, 2023

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GRUPO **GPS**
Earnings Release
2023
March 2024

Results Check

Wednesday, March 6
In Portuguese and English:
10:00 am (BRT)
08:00 am (NYT)

Presenter

Luis Martinez - **CEO**
Marcelo Hampshire - **Executive VP M&A, IT & Corporate**
Gustavo Otto - **COO**
Marita Bernhoeft - **Investor Relations Officer**

São Paulo, March 5, 2024 - GPS Participações e Empreendimentos S.A. ("Company"), together with its subsidiaries ("GPS Group"), announce their results for the year ended December 31, 2023.

About GPS Group

The GPS Group is a leader in the outsourced services sector – facilities, security, indoor logistics, utilities engineering, industrial services, food, temporary labor, field marketing and infrastructure services.

We operate throughout Brazil with a comprehensive portfolio of solutions, serving 4,345* Customers and having more than 147* thousand direct employees.

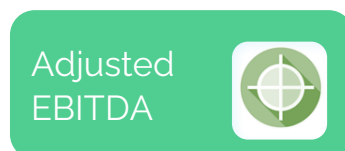
With more than 60 years of experience, we continue a constant and robust process of growth, supported by an agile business model and solid business management principles

Our growth strategy combines the organic vertical, focused on developing new Customers and expanding services and solutions within the current Customer base, with the inorganic vertical, through the acquisition and integration of companies that favor gains in scale and greater penetration into regions or services that converge with our business management model.

1. 2023 Highlights



- R\$ 10,631 million in 2023;
- 15% higher than 2022;
- 10% of organic growth compared to 2022.



- R\$ 1,230 million in 2023;
- 22% higher than 2022;
- 11.6% adjusted EBITDA margin in 2023.



- R\$ 730 million in 2023;
- 25% higher than 2022;
- 6.9% adjusted net margin in 2023.

* The numbers of employees, Customers, and contract managers do not consider the companies TLSV, CampSeg, Trademark, Lyon, Invictus, Control and Marfood.

In 2023, we maintained the pace of organic revenue expansion by winning new contracts and new Customers.

We completed the systems integration of Engie Serviços e Facilities, Compart, TLSV and Campseg, the latter two in January 2024, and we began the integration of Trademark, which will be completed in 2Q24.

The acquisitions of Lyon, Control, Invictus and Marfood were completed between January 15th and February 9th, 2024. The four companies are in the systems integration phase and will be fully considered in the GPS Group's results from 1Q24 onwards.

2. Operational capacity, service portfolio, and Customers

We are a team of more than 147 thousand* direct employees, serving 4,345* Customers throughout the national territory. Our 508* contract managers are focused on delivering services and improving relationships with our Clients, aiming to ensure a high level of satisfaction. This commitment is reflected in our 71% NPS* index, calculated until December 31, 2023, and it is important to highlight that this survey is updated every six months.



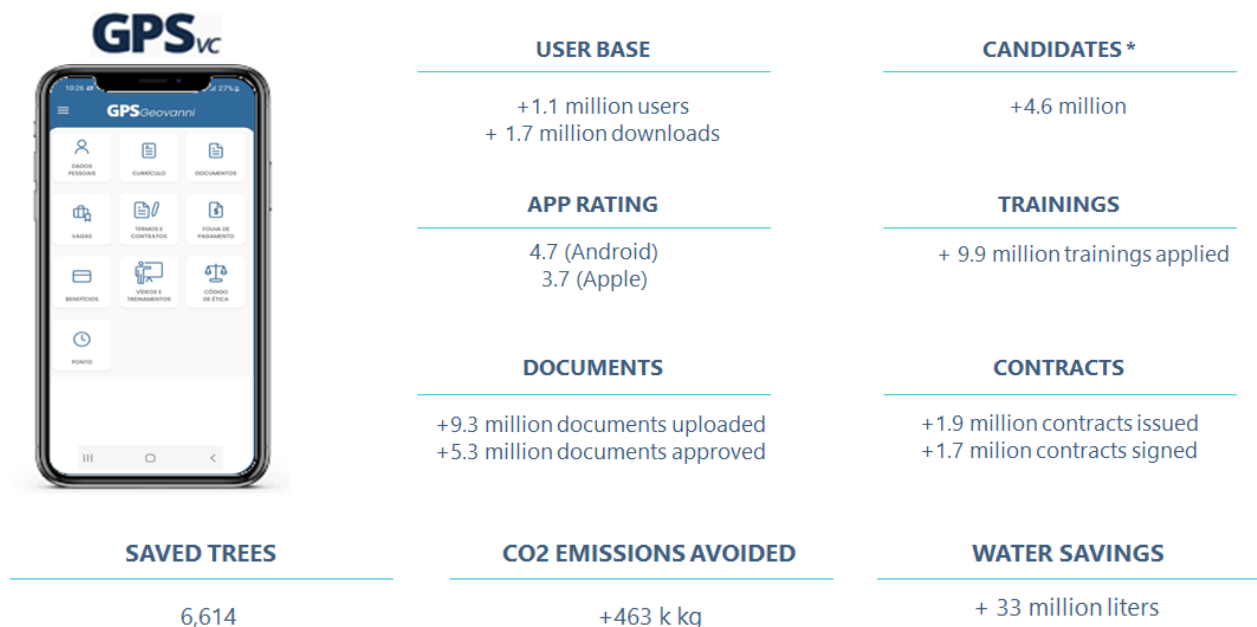
* The numbers of employees, Customers, and contract managers do not consider the companies TLSV, CampSeg, Trademark, Lyon, Invictus, Control and Marfood.

We are continually focused on improving our management model and promoting the development of our employees, thus strengthening our entrepreneurial culture.

To achieve this objective, we prioritize training our teams and attracting and retaining professionals committed to the “spirit to serve” our Customers.

An essential tool to achieve this mission is our people management application – GPSvc. Through it, we ensure that team training is always updated and frequent, we are able to attract and recruit professionals who support the expansion of our contracts and, we provide each employee with control and management of their day-to-day life in the “palm of the hand”.

Through adopting this digitalization strategy, we reinforce our commitment to the conscious use of natural resources and contribute to saving paper usage. This initiative not only modernizes our practices, but also demonstrates our focus on operational efficiency and sustainability.



* Base December/23

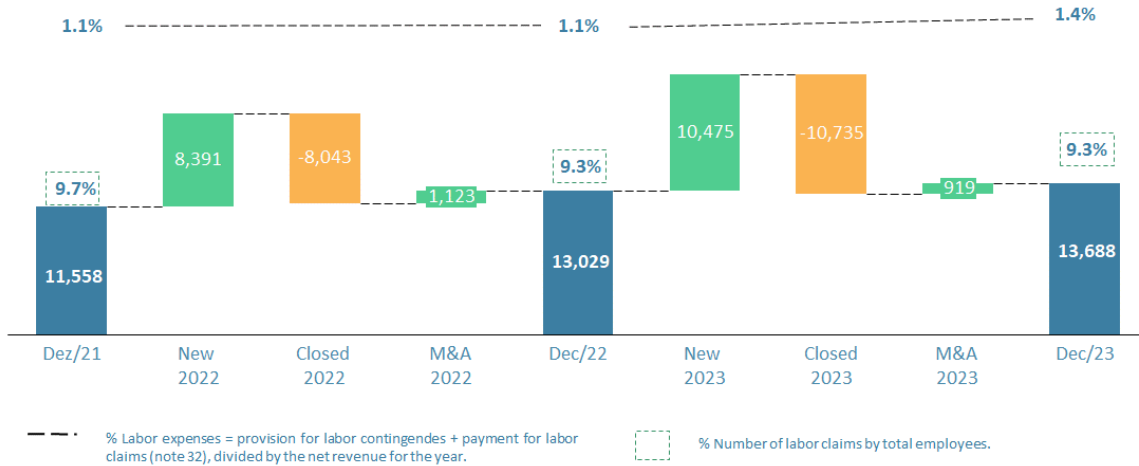
¹ Every 10,000 A4 sheets = 1 tree; 1 A4 sheet = emission of about 0.007KG of CO2 and consumption of about 0.5 liters of water.

We continually monitor labor risk, recognizing its importance both for the continuity of our business and for the business security of our Customers. Ensuring good management practices allows us to keep our labor expenses* under control.

During 2023 we had the impact of several actions originating from acquired companies, which increased labor expenses* to 1.4% of net revenue.

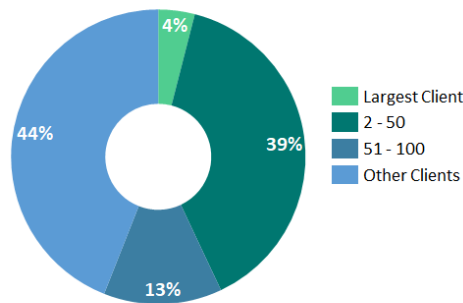
* Labor expenses = provision for labor contingencies + payments labor lawsuits (Note 32).

% Labor expenses* on net revenue and % of labor claims on total employees

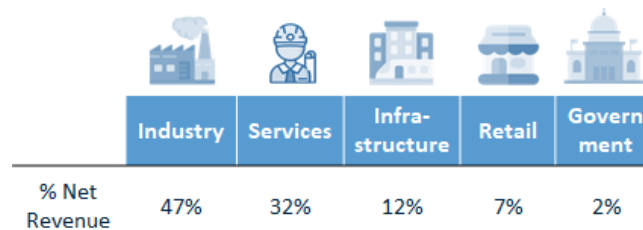


Our Customer base remains quite diversified and with a low level of revenue concentration.

Net revenue concentration by # of Customers (2023)



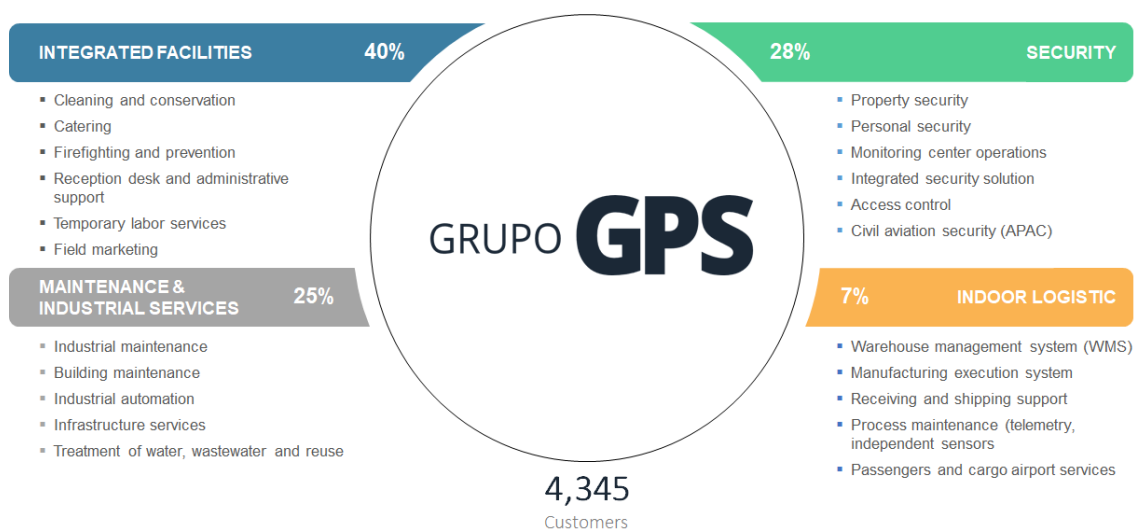
Net revenue concentration by Customers' Sector (2023)



We have increasingly evolved towards a “one stop shop” concept in services, aligned with our strategy of building lasting and consistent relationships with our Customers.

By offering the Customer several solutions, we deepen our commercial and operational relationship and create varied opportunities for growth within our own Customer portfolio.

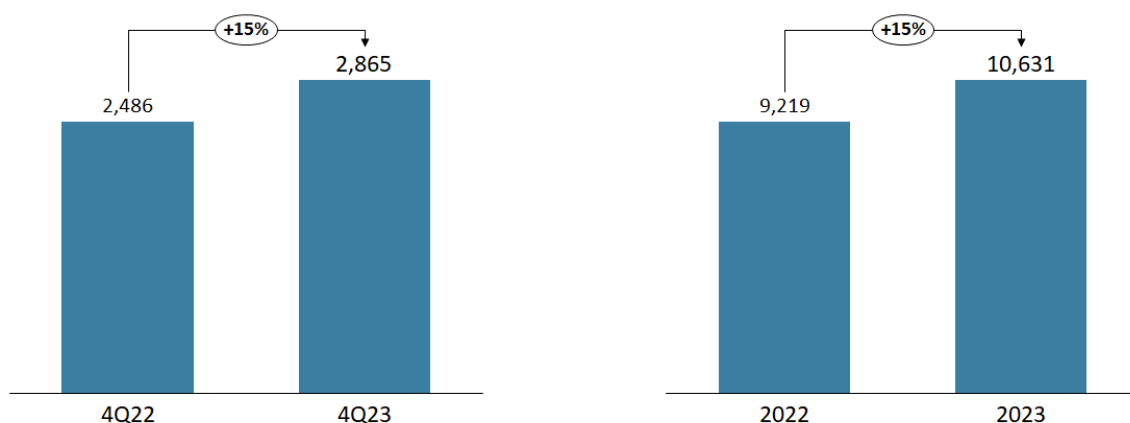
Net revenue distribution by line of solution (2023)



3. Net revenue

- Net revenue in 4Q23 of R\$ 2,865 million, 15% higher than the revenue for 4Q22;
- Net revenue in 2023 of R\$ 10,631 million, 15% higher than the revenue for 2022.

The charts below show the evolution of the quarterly and annual total net revenue. Values are represented in millions of reais.



In 4Q23, we maintained the pace of implementing new contracts, which resulted in an 11% growth in organic net revenue, compared to 4Q22, and 10% when comparing the year 2023 with 2022.

In relation to inorganic revenue, we experienced the impact of the normalization of demand for temporary labor, which already manifested itself in 3Q23 and was repeated in 4Q23, representing a large part of the reduction in net revenue in this period.

The tables below show the quarterly and annual evolution of net revenue, broken down by organic and inorganic revenue. Values are represented in millions of reais.

Net revenue R\$ mi	Companies	4Q23 (a)	3Q22 (b)	Δ (a) / (b)
Organic*	Grupo GPS	2,332	2,108	11%
M&A (2022)	Comau/Force/Ormec/Sulzer/Motus/E-Vertical/Global Serv.	282	378	-25%
M&A (2023)	Engie/Compart/Campseg/TLSV/Trademark	251	-	-
Total net revenue		2,865	2,486	15%

Net revenue R\$ mi	Companies	2023 (c)	2022 (d)	Δ (c) / (d)
Organic*	Grupo GPS	9,015	8,224	10%
M&A (2022)	Comau/Force/Ormec/Sulzer/Motus/E-Vertical/Global Serv.	1,185	995	19%
M&A (2023)	Engie/Compart/Campseg/TLSV/Trademark	432	-	-
Total net revenue		10,631	9,219	15%

* As detailed in Note 31 (c). Organic net revenue includes M&A until 2021.

4. Acquisitions program

The 4Q23 results include the full performance of Engie Serviços e Facilities, Compart, TLSV and Campseg. The company Trademark began to be consolidated in October.

Below we list the total acquisitions included in the 2023 M&A program, totaling R\$1.1 billion in gross revenue recorded in the 12 months prior to the signing of the purchase and sale contracts.

The acquisitions of Lyon, Control, Marfood and Invictus, all announced at the end of 2023, were only completed in 2024. These companies become part of the 2024 M&A program and will be consolidated in the 1Q24 results.

Company	Date	Gross revenue LTM (R\$ mi)	Status	Segment	M&A Program
ENGIE SERVIÇOS E FACILITIES	Signing 11/08/22 Closing 01/16/23 Go live 04/01/23	113	System's integration concluded	Building Maintenance and Facilities	2023
COMPART	Signing 12/14/22 Closing 01/31/23 Go live 06/01/23	145	System's integration concluded	Field marketing	2023
TL SV	Signing 06/28/23 Closing 10/18/23 Go live 01/01/24	107	System's integration concluded	Telephone network maintenance	2023
CAMPSEG	Signing 07/13/23 Closing 09/14/23 Go live 01/01/24	329	System's integration concluded	Security and Facilities	2023
TRADEMARK	Signing 09/19/23 Closing 11/10/23 Go live 07/01/24	371	System's integration	Field marketing	2023
LYON	Signing 10/20/23 Closing 01/15/24 Go live 04/01/24	241	System's integration	HR management in projects and construction works	2024
CONTROL	Signing 10/27/23 Closing 01/18/24 Go live 05/01/24	461	System's integration	Electrical network maintenance	2024
MARFOOD	Signing 11/24/23 Closing 02/01/24 Go live 06/01/24	176	System's integration	Catering and accommodation offshore services	2024
INVICTUS	Signing 10/27/23 Closing 02/09/24 Go live 06/01/24	43	System's integration	Security	2024

* Closing dates will be the basis for defining the year of the M&A Program.

5. EBITDA and adjusted EBITDA

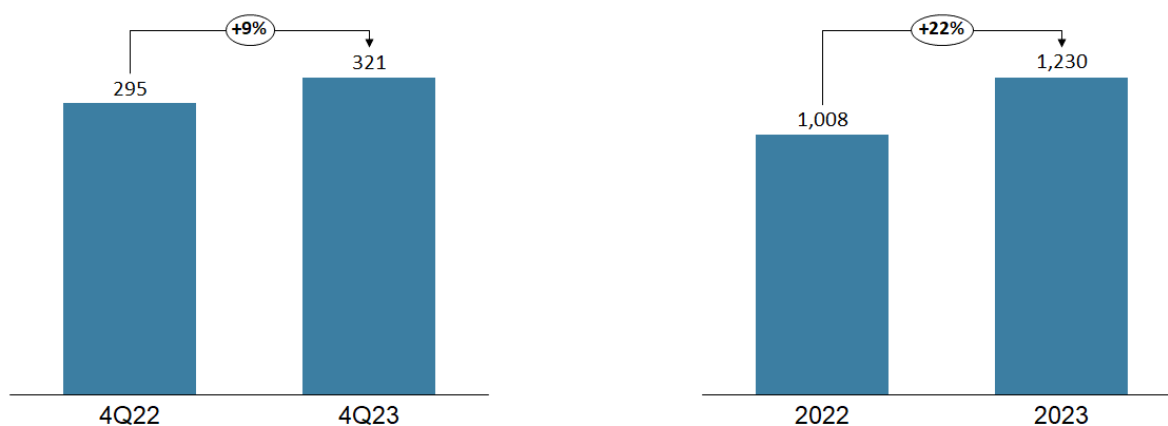
The table below shows the composition of the EBITDA calculation, as per CVM Instruction 527/2012, and the adjusted EBITDA.

EBITDA R\$ mi	4Q23 (a)	4Q22 (b)	Δ (a) / (b)	2023 (c)	2022 (d)	Δ (c) / (d)
Net profit	252	203	24%	646	517	25%
Income tax and social contribution	95	104	-8%	269	257	5%
Net financial income (expenses)	23	27	-13%	223	157	41%
Depreciation of assets	35	25	42%	112	86	30%
Amortization-customers, brands, property and equipment	38	15	163%	127	105	21%
EBITDA (cf. ICVM 527)	444	373	19%	1,377	1,122	23%
Provision for tax risks	0	0	-	0	1	-99%
Provision for non-labor contingencies	3	(2)	-299%	4	0	673%
Expenses with the acquisition of subsidiaries	7	(1)	-1011%	20	9	117%
Update of indemnity assets and contingent liabilities	(12)	(25)	-54%	(19)	(69)	-72%
Earn out write-off / update	(2)	19	-106%	(13)	22	-158%
Reversal FAP from acquired companies	-	0	-	0	(10)	-100%
Reversal of sub judice taxes	(133)	(57)	132%	(133)	(57)	132%
Reconciliation of acquired balances	7	(16)	-144%	4	(16)	-123%
Bargain purchase	3	0	-	(13)	0	-
Reconciliation of balances to be received	0	0	-	1	2	-52%
Adjusted EBITDA	321	295	9%	1,230	1,008	22%
<i>Adjusted EBITDA / net revenue</i>	<i>11.2%</i>	<i>11.9%</i>	<i>-0.7pp</i>	<i>11.6%</i>	<i>10.9%</i>	<i>0.7pp</i>

- Adjusted EBITDA of R\$321 million in 4Q23, 9% higher than the result in 4Q22;
- Adjusted EBITDA margin in 4Q23 of 11.2% lower by 0.7 p.p. to 4Q22;
- Adjusted EBITDA of R\$1,230 million in the year, 22% higher than the 2022 result;
- Adjusted EBITDA margin of 11.6% in 2023, higher by 0.7 p.p. to 2022;

The increase in the EBITDA margin is due to the lower impact of the M&A Program on the year's results.

The charts below show the evolution of the quarterly and annual adjusted EBITDA. Values are in millions of reais.



Adjusted EBITDA considers only three types of events:

- Events with non-operating characteristics, such as the reversal of civil and tax contingencies from previous periods and provisions for tax risks;
- Events related to the acquisition of subsidiaries, including amounts spent on legal and financial procedures and losses incurred that are subject to indemnification by the sellers of the acquired companies;
- Other revenues or expenses not related to the operation.

6. Net profit and adjusted net profit*

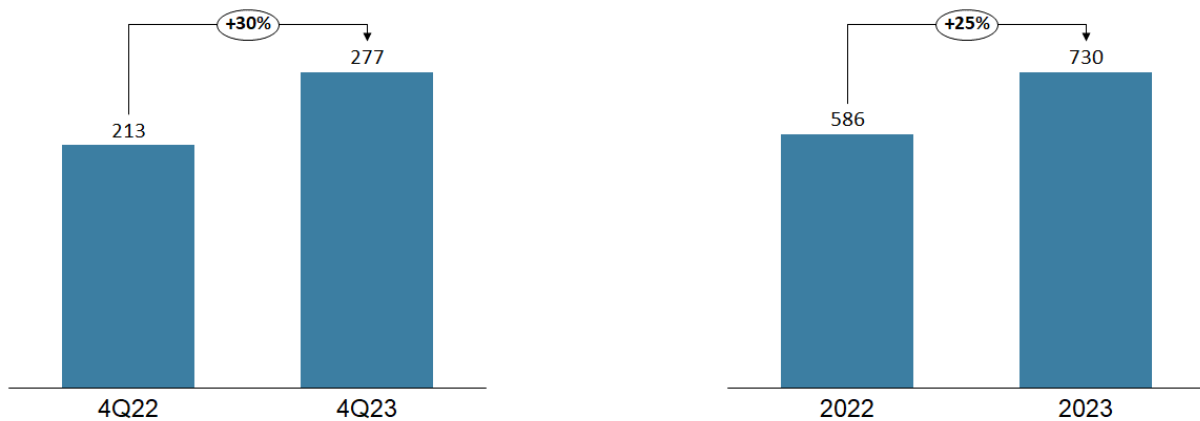
Adjusted net profit * R\$ mi	4Q23 (a)	4Q22 (b)	△ (a) / (b)	2023 (c)	2022 (d)	△ (c) / (d)
Net profit	252	203	24%	646	517	25%
Amortization-customer portfolio, brands and non-competition agreement**	25	10	163%	84	69	21%
Adjusted net profit	277	213	30%	730	586	25%
<i>Adjusted net profit / net revenue</i>	9.7%	8.5%	1.2pp	6.9%	6.4%	0.5pp

* Adjusted net profit is not the basis for the distribution of dividends

** Net of tax effect IR/CSLL (34%)

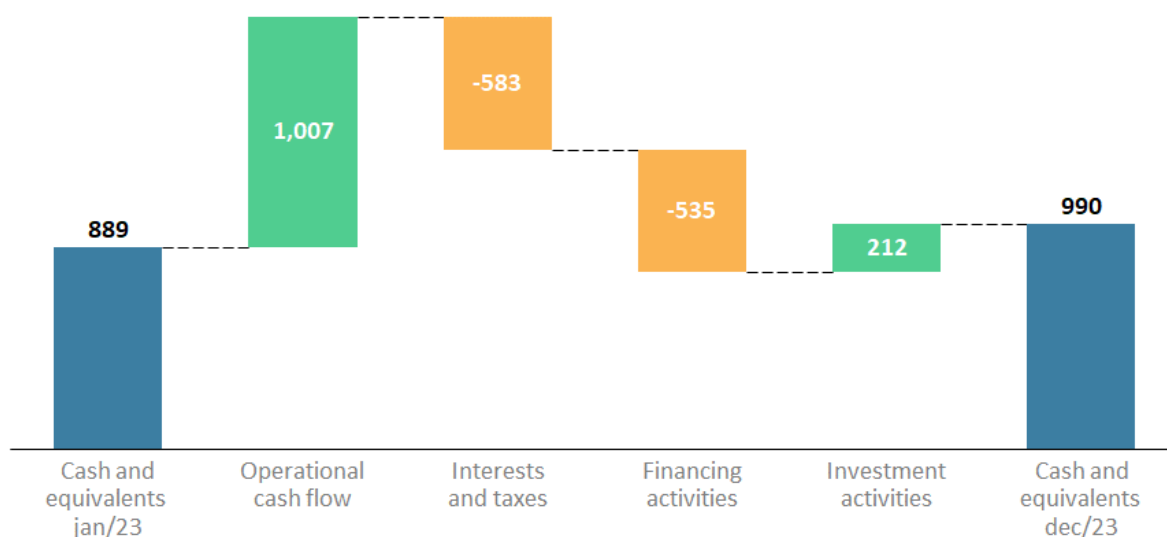
- Adjusted net profit in 4Q23 of R\$ 277 million, 30% higher than the adjusted net profit for 4Q22;
- Adjusted net margin for 4Q23 of 9.7%, 1.2 p.p. higher than the margin of 4Q22;
- Adjusted net profit in 2023 of R\$ 730 million, 25% higher than the adjusted net profit for 2022;
- Adjusted net margin for 2023 of 6.9%, 0.5 p.p. higher than the margin of 2022.

The charts below show the quarterly and annual adjusted net profit evolution. Values are in millions of reais.



7. Cash flow

The graph below shows the accounting cash flow statement. Values are in millions of reais.



- Cash generation from operating activities in 2023 totaled R\$1,007 million, representing 82% of adjusted EBITDA, 8 p.p., above 2022;
- Payment of Interest and Income Tax, in the total amount of R\$583 million, was 69% higher than the amount paid in 2022, due to the increase in interest paid on debentures;
- Net cash from financing activities recorded a negative value of R\$535 million, due to the amortization of loans and debentures totaling R\$298 million, the payment of dividends in the amount of R\$176 million and the exercise of purchase and payment options additional portion of acquisitions worth R\$35 million. On the other hand, we had a positive

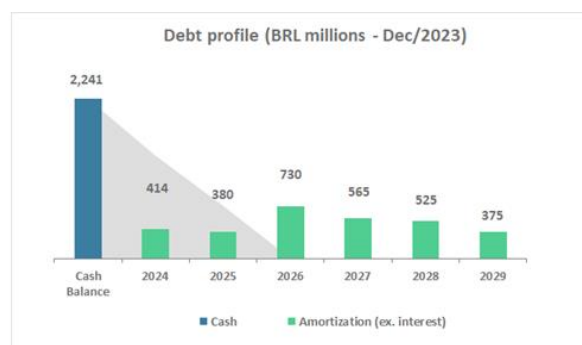
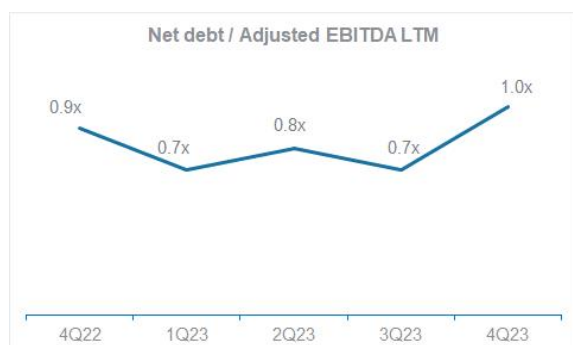
effect of R\$31 million associated with the payment of capital from the issuance of shares under the 2023 stock option program;

- The flow of investment activities showed a positive variation of R\$ 212 million, resulting from the net cash inflow of R\$ 544 million from the redemption of financial investments, offset by net expenses with the purchase of operational fixed assets, in the amount of R\$ \$132 million and for the acquisition of subsidiaries, in the amount of R\$206 million.

8. Leverage

Leverage R\$ mi	4Q23 (a)	3Q23 (b)	2Q23 (c)	1Q23 (d)	4Q22 (e)	△ (a) / (e)
Cash	2,241	2,587	2,582	2,876	2,700	-17%
Cash and cash equivalents	990	944	928	904	889	11%
Financial investments	1,251	1,643	1,654	1,972	1,811	-31%
Gross Debt	3,482	3,471	3,532	3,644	3,645	-4%
Loans	437	475	515	577	635	-31%
Debentures	2,594	2,631	2,656	2,679	2,661	-3%
Acquisition of subsidiaries	393	306	299	322	281	40%
Tax payable through installments	59	59	63	66	68	-14%
Net debt	(1,241)	(884)	(950)	(768)	(945)	31%
Adjusted EBITDA LTM	1,230	1,204	1,176	1,106	1,008	22%
Net debt / adjusted EBITDA LTM	1.0	0.7	0.8	0.7	0.9	8%

- We ended 4Q23 with a leverage ratio of 1.0x adjusted EBITDA, 0.3 p.p. higher than 3Q23. Our cash position, combined with the low level of leverage, strengthens our ability to finance investments in the M&A program for the year 2024;
- Below, we show the evolution of the GPS Group's leverage ratio and debt profile, which remains stable with a total portfolio duration of 33 months in 2023.



9. Return on Capital

Return on Invested Capital (ROIC) reached 20.1% in 2023, higher 0.4 p.p. compared to 2022. We achieved a 21% growth in operating profit (NOPAT), and 19% in invested capital.

The maintenance of profitability levels demonstrates our capacity for sustainable organic growth and quick capture of value from the acquired companies.

BRL (million)	2023 (a)	2022 (b)	△ (a) / (b)
Adjusted EBITDA	1,230	1,008	22%
Depreciation	(112)	(86)	30%
Adjusted EBITA	1,118	922	21%
Tax and social contribution rate	34%	34%	0%
NOPAT	738	609	21%
Net debt (weighted average)*	890	733	21%
Equity (weighted average)**	2,773	2,350	18%
Invested capital (net debt+equity)	3,663	3,083	19%
ROIC (NOPAT / Invested capital)	20.1%	19.7%	0.4pp

* Simple average of net debt at the beginning and end of each quarter, weighted by the representativeness of each quarter in the fiscal year;

** Simple average of shareholders' equity at the beginning and end of each quarter, weighted by the representativeness of each quarter in the fiscal year.

Return on Equity (ROE) reached 26.3%, 1.3 p.p. higher than the 2022 result, reflecting the increase of 25% in Adjusted net profit, while the weighted shareholders' equity increased by 18%.

BRL (million)	2023 (a)	2022 (b)	△ (a) / (b)
Adjusted net profit	730	586	25%
Equity (weighted average)**	2,773	2,350	18%
ROE	26.3%	25.0%	1.3pp

* Adjusted net income for 2021 exclusively considers the effect of net amortization.

** Simple average of shareholders' equity at the start and end date of each quarter, weighted by the representativeness of each quarter in the fiscal year.

10. Final considerations

The results achieved in 2023 reinforce our conviction that the Company's management model, based on decentralization, planned delegation, focus on generating results and the exercise of meritocracy, is the most relevant factor for the success of our growth strategy.

It is through our competence in retaining and engaging people with an entrepreneurial spirit that we will increase our ability to build long-term relationships with Customers and the sustainability of our results.

We work to improve our short, medium and long-term motivation and retention tools and provide our team with an increasingly efficient and productive business environment.

We believe that 2024 will be challenging and, therefore, we are prepared to continue in the direction of growth, combining the efforts of commercial teams with new opportunities for acquiring companies, ensuring balanced management of the risks that involve our business environment.

Legal considerations

Financial information is presented in millions of Reais, unless otherwise indicated. The consolidated financial statements are presented in accordance with International Financial Reporting Standards (IFRS) and also in accordance with accounting practices adopted in Brazil.

This report may include forward-looking statements that are subject to risks and uncertainties. Such statements are based on beliefs and assumptions of the Management of the GPS Group taken within the best knowledge and information to which the GPS Group currently has access. Forward-looking statements and information are not guarantees of performance. They involve risks, uncertainties and assumptions because they refer to future events, depending, therefore, on circumstances that may or may not occur.

This report may include non-accounting metrics, which will be indicated where relevant. Such metrics are inserted because they are considered by Management as relevant for understanding the business, but they do not necessarily pass through the same criteria used in the preparation of the financial statements. Non-accounting data were not audited by the independent auditors of the GPS Group.

Independent audit:

In accordance with CVM Instruction 381/03, we inform that the Company adopts as a formal procedure to consult the independent auditors KPMG Auditores Independentes Ltda. (KPMG), in order to ensure that the provision of other services does not affect its independence and objectivity necessary for the performance of independent audit services. The Company's policy on contracting the services of independent auditors ensures that there is no conflict of interest, loss of independence or objectivity. In the fiscal year ended December 31, 2022, KPMG only provided financial statement audit services with fees of R\$4,500 thousand (net amounts), there was no other service rendered in the period.

11. Attachments

Balance Sheet		Consolidated	
Assets - R\$ million	Note	12/31/2023	12/31/2022
Current			
Cash and cash equivalents	10	990	889
Financial investments	11	1,267	1,810
Derivative financial instruments	30(c)	-	8
Trade receivables	12	2,458	1,949
Loans receivable	15.3	5	4
Inventories		12	12
Recoverable income tax and social contribution	13	235	196
Recoverable taxes	14	343	302
Other assets	16	165	28
Total current assets		5,476	5,199
Non-current			
Long-term receivables			
Financial investments	11	-	0
Derivative financial instruments	30(c)	-	3
Trade receivables	12	101	73
Loans receivable	15.3	21	27
Judicial deposits	27 (c)	186	192
Recoverable income tax and social contribution	13	22	20
Recoverable taxes	14	12	12
Indemnity assets	27 (d)	159	136
Deferred income tax and social contribution	25 (a)	580	504
Total long-term assets		1,081	967
Investments	17	8	3
Property and equipment	18	477	407
Right-of-use assets	19	290	69
Intangible assets	20	2,687	2,352
Total non-current assets		4,543	3,798
Total assets		10,019	8,996
Consolidated			
Liabilities - R\$ million	Note	12/31/2023	12/31/2022
Current			
Trade payables		173	125
Loans	21	169	199
Debentures	22	309	130
Derivative financial instruments	30(c)	11	10
Leases payable	23	63	28
Payroll and social charges	24	1,124	968
Income tax and social contribution payable		33	66
Tax obligations		122	155
Tax installments	26	22	22
Acquisition of subsidiaries	28	151	97
Dividends payable	15.2	215	123
Other liabilities	15.5	58	40
Total current liabilities		2,451	1,961
Non-current			
Loans	21	268	436
Debentures	22	2,284	2,532
Derivative financial instruments	30(c)	5	-
Leases payable	23	239	42
Tax installments	26	37	46
Acquisition of subsidiaries	28	242	184
Provisions for contingencies and sub judice taxes	27(a)(b)	1,492	1,198
Other liabilities		14	6
Total non-current liabilities		4,580	4,443
Equity			
Share capital	29(a)	1,680	1,649
Earnings reserve	29(d)	1,307	932
Other comprehensive income		6	6
Equity valuation adjustments	29(f)	(10)	3
Equity attributable to the controlling shareholders		2,982	2,590
Non-controlling interests		6	2
Total equity		2,988	2,592
Total liabilities and equity		10,019	8,996

Consolidated			
Statements of profit or loss - In thousands of Reais - except earnings per share	Note	From 01/01/2023 to 12/31/2023	From 01/01/2022 to 09/30/2022
Net revenue from services rendered and goods sold	31	10,631	9,219
Costs of services rendered and goods sold	32	(8,794)	(7,693)
Gross profit		1,837	1,525
General and administrative expenses	32	(834)	(630)
Reversal (provision) for expected losses on services billed and to be billed	32	3	(10)
Other operating revenues	32	188	72
Other operating expenses	32	(56)	(26)
Income before net financial income (expenses), equity-accounted investees and taxes		1,138	931
Financial income	33	448	269
Financial expenses	33	(670)	(426)
Net financial income (expenses)		(223)	(157)
Profit before income tax and social contribution		916	774
Current income tax and social contribution	25 (c)	(289)	(280)
Deferred income tax and social contribution	25 (c)	20	24
Net profit for the fiscal year ended		646	517
Profit attributable to:			
Controlling shareholders		643	517
Non-controlling shareholders		4	0
Basic and diluted earnings per share attributable to controlling shareholders that hold ordinary shares	34	0.96	0.77

Consolidated			
Statements of profit or loss - In thousands of Reais - except earnings per share	Note	From 10/01/2023 to 12/31/2023	From 10/01/2022 to 12/31/2022
Net revenue from services rendered and goods sold	31	2,865	2,486
Costs of services rendered and goods sold	32	(2,358)	(2,034)
Gross profit		507	451
General and administrative expenses	32	(338)	(225)
Reversal (provision) for expected losses on services billed and to be billed	32	86	56
Other operating revenues	32	133	59
Other operating expenses	32	(19)	(7)
Income before net financial income (expenses), equity-accounted investees and taxes		370	334
Financial income	33	137	80
Financial expenses	33	(160)	(107)
Net financial income (expenses)		(23)	(27)
Profit before income tax and social contribution		347	307
Current income tax and social contribution	25 (c)	(56)	(91)
Deferred income tax and social contribution	25 (c)	(39)	(13)
Net profit for the fiscal year ended		252	203
Profit attributable to:			
Controlling shareholders		251	203
Non-controlling shareholders		1	0
Basic and diluted earnings per share attributable to controlling shareholders that hold ordinary shares	34	0.38	0.30

Cash Flows - R\$ million	Note	Consolidated	
		From 01/01/2023 to 12/31/2023	From 01/01/2022 to 12/31/2022
Cash flows from operating activities			
Net profit for the fiscal year		646	517
Adjustments for:			
Gain from disposal of property and equipment		(8)	(6)
Constitution of provision for expected loss of billed services	32	6	3
(Reversal) constitution of provision for expected loss of services to be billed	32	(9)	7
Depreciation of property and equipment	18(c)	79	61
Amortization of intangible assets	20(c)	1	1
Right-of-use assets amortization	19(a)	32	24
Surplus value amortization - customer portfolio, brands and non-compete agreement	20(c)	107	97
Surplus value amortization - property and equipment	18(c)	20	8
Provision for tax risks	27(b)	10	775
Provision for sub justice taxes	27(b)	3	5
Reversal for sub justice taxes	27(b)	(133)	(57)
Reversal of monetary update on sub justice taxes	27(b)	(45)	(21)
Reversal acquisition FAP	27(b)	-	(10)
Gain on advantageous purchase	3.8	(13)	-
Income tax and social contribution	25(c)	269	257
Constitution of provision for tax, civil and labor risks	27(a)	164	126
Reversal of provision for tax, civil and labor risks	27(a)	(168)	(122)
Monetary update of System "S"	27(a)	57	30
Update of indemnity assets and contingent liabilities	32	(19)	(69)
Update of contingent installment - acquisition debt	28(a)	(5)	29
Write-off of contingent installment - acquisition debt	28(a)	(7)	(7)
Income of derivative financial instruments	33	23	33
Monetary update of Selic's indebt	13	(2)	(2)
Monetary update of judicial deposits	27(c)	(13)	(14)
Monetary update of loans to be receivable - mutual agreements	15.3	(2)	(3)
Adjustment of balance to be receivable from loans - mutual agreements	15.3	971	2
Payment of the Stock Option Plan Award	15.3.1	-	3
Exchange rate variation, interest and charges on loans	21(b)	55	62
Interest and charges on debentures	22(c)	377	167
Financial charges on installments	26	9	8
Financial charges on lease	23(c)	6	3
Monetary update on sub justice taxes	27(b)	43	30
Monetary update of acquisition of subsidiaries	28(a)	14	1
Settlement of cost incurred with issuance of debentures	22(c)	5	2
		1,491	1,168
Changes in:			
Trade receivables		(343)	(372)
Recoverable income tax and social contribution		(161)	(181)
Recoverable taxes		(33)	(43)
Judicial deposits		23	(16)
Indemnity assets		-	(1)
Trade payables		29	(2)
Payroll and social charges		210	206
Other tax obligations		(70)	13
Changes in other assets and liabilities		(139)	(24)
		1,007	748
Cash (used in) from operating activities			
Interest paid on loans	21(b)	(72)	(77)
Interest paid on debentures	22(c)	(346)	(143)
Interest paid on installments	26	(3)	(2)
Income tax and social contribution paid		(162)	(122)
		424	404
Net cash (used in) from investment activities			
Cash flows from financing activities			
Financial investments		544	(823)
Receipt from loans - mutual agreements	15.3	7	5
Granting of loans - mutual agreements	15.3	(1)	(10)
Receipt from the sale of property and equipment		14	9
Acquisition of property and equipment	18(b)	(146)	(104)
Acquisition of intangible assets	20(b)	(906)	(2)
Acquisition of not consolidated subsidiaries	17(i)	(8)	(3)
Acquisition of subsidiaries, net of cash obtained in the acquisition	3	(197)	(294)
		212	(1,221)
Net cash generated from (used in) investment activities			
Cash flows from financing activities			
Capital increase through the issuance of shares	29(b)	31	33
Payment of tax installments	26	(22)	(16)
Payment of leases	23(c)	(27)	(26)
Dividends paid (shareholders and sellers of acquisition)	15.5	(176)	(1)
Funds from the settlement of derivatives	30(c)	(8)	(2)
Fundraising of debentures	22(c)	-	1,500
Amortization of debentures	22(c)	(100)	(100)
Costs incurred with the issuance of debentures	22(c)	-	(17)
Loans amortization	21(b)	(198)	(207)
Exercise of call option and additional acquisition installment	28(a)	(35)	(110)
		(535)	1,054
Net cash from financing activities			
Net increase in cash and cash equivalents			
		101	237
Cash and cash equivalents as at January 1		889	652
Cash and cash equivalents as at December 31		990	889

A hand holding a smartphone, with a keyboard visible in the foreground. The background is dark and blurred.

GRUPO **GPS**

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Independent auditors' report on the parent company and consolidated financial statements

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities Commission ("CVM"), containing parent company and consolidated financial statements prepared in accordance with the accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards ("IFRS") issued by International Accounting Standards Board - IASB)

To the Board of Directors and Shareholders of

GPS Participações e Empreendimentos S.A.

São Paulo – SP

Opinion

We have audited the individual and consolidated financial statements of GPS Participações e Empreendimentos S.A. ("Company"), respectively referred to as Parent Company and Consolidated, which comprise the statements of financial position as at December 31, 2023, and the statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying parent company and consolidated financial statements present fairly, in all material respects, the parent company and consolidated financial position of GPS Participações e Empreendimentos S.A. as at December 31, 2023, the parent company and consolidated performance of its operations and its respective parent company and consolidated cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and international financial reporting standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

Basis for opinion

We conducted our audit in accordance with Brazilian and international standards on auditing. Our responsibilities, in conformity with these standards, are described in the following section denominated "Auditor's responsibilities for the audit of the parent company and consolidated financial statements". We are independent of the Company and its subsidiaries in accordance with the relevant ethical requirements included in the Accountants Professional Code of Ethics ("*Código de Ética Profissional do Contador*") and in the professional standards issued by the Brazilian Federal Accounting Council ("*Conselho Federal de Contabilidade*") and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company and consolidated financial statements of the current year. These matters were addressed in the context of our audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Determining the fair values of the consideration transferred, the identifiable assets acquired and the liabilities assumed in business combinations

See Notes 3 and 8.1(a) to the parent company and consolidated financial statements

Key audit matters	How the matter was addressed in our audit
<p>The Company, through certain subsidiaries, acquired equity interests that resulted in the obtaining of control of several entities operating in the different operating segments of the Group.</p> <p>In the initial accounting of these business combinations, the Group, with the support of specialized consultants hired, applied several judgments, estimates and significant assumptions to determine the fair values of the consideration transferred, the identifiable assets acquired and the liabilities assumed in those transactions, such as:</p> <p>(i) Consideration transferred: predominantly acquisition price and financial liabilities represented by options for the purchase of remaining equity interests, in addition to contingent considerations, whose assumptions consist of the probability of future events;</p> <p>(ii) Acquired assets: predominantly customers portfolios and trademarks - the assumptions of which consist of an estimate of the present value of the expected net cash flows from customer relations and the present value of future earnings to be generated throughout the remaining useful life of a particular asset; and</p> <p>(iii) Liabilities assumed: mostly contingent liabilities arising from lawsuits, whose main assumptions consist of the probability and magnitude of outflows of funds.</p> <p>Given the uncertainties related to the assumptions and estimates highlighted, which have a significant risk of resulting in a material adjustment in the parent company and consolidated financial statements, as well as their disclosures, we considered this matter as significant in our audit.</p>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> – Evaluation of the competence, skills and objectivity of the specialists hired by the Group to assist it in the assessment of the determination of the fair values of transferred considerations, the identifiable assets acquired and the liabilities assumed in business combinations; – Inspection and reading of the documents that formalized the business combinations; – Evaluation of all relevant business combinations, with the support of our specialists in corporate finance, of the main assumptions and estimates used in determining the fair values of identifiable assets acquired, the liabilities assumed and the consideration transferred linked to future goals to be achieved by the acquired entities; and – Evaluation whether the disclosures in the parent company and consolidated financial statements include relevant information. <p>During our audit process, we identified adjustments that affected the measurement and the disclosure of the fair values of identifiable assets acquired in business combinations. The immaterial adjustments that impacted only reclassification between the lines of the identifiable assets acquired and goodwill were recorded and disclosed.</p> <p>Based on the evidence obtained through the set of audit procedures summarized above, we consider it acceptable to determine the fair values of the consideration transferred, the identifiable assets acquired and the liabilities assumed in the business</p>

	combinations, as well as the disclosures corresponding in the context of the parent company and consolidated financial statements for the year ended December 31, 2023.
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Impairment of cash-generating units that contain goodwill due to expected future profitability

See Notes 8.7 and 20(d) to the parent company and consolidated financial statements

Key audit matters

How the matter was addressed in our audit

The Company, through certain subsidiaries, maintain relevant amounts of goodwill in its statement of financial position due to expected future profitability determined in business combinations that must be tested for impairment, at least once a year, in accordance with the accounting standard in force.

The determination of the value in use of the cash-generating units (CGU) is based on estimated future cash flows, discounted at present value, which involves significant estimates and assumptions, such as: (i) EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) margin and the respective annual growth rate; (ii) discount rate based on weighted average cost of capital (WACC); (iii) average growth in net revenue; and (iv) working capital in relation to the corresponding portion of net revenue.

Due to the uncertainties regarding the assumptions used to estimate the recoverable amount of the cash generating units that have a significant risk of resulting in a material adjustment in the parent company and consolidated financial statements, as well as their disclosures, we considered this matter significant for our audit.

Our audit procedures included, but were not limited to:

- Evaluation of the competence, skills and objectivity of the specialists hired by the Group to assist it in the annual impairment test of assets;
- Evaluation, with the support of our specialists in corporate finance, of the main estimates and assumptions used to project estimated future cash flows, such as: EBITDA margin and the respective annual growth rate; discount rate based on the weighted average cost of capital; average growth in net revenue; working capital, and consequent recalculation of estimated future cash flows, discounted to present value, determined by the Company and its subsidiaries; and
- Comparison of the carrying amount with the value in use for all cash-generating units.
- Evaluation whether the disclosures in the parent company and consolidated financial statements include relevant information.

Based on the evidence obtained through the procedures summarized above, we consider the value in use of cash-generating units that contain goodwill based on expectations of future profitability, as well as the related disclosures, in the context of the parent company and consolidated financial statements for the year ended December 31, 2023.

Other matters - Statements of value added

The parent company and consolidated statements of value added (“DVA”) for the year ended December 31, 2023 prepared under the responsibility of the Company’s Management, and presented herein as supplementary information for IFRS purposes, were submitted to audit procedures jointly performed with the audit of the parent company and consolidated financial statements. In order to form our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in CPC 09 Technical Pronouncement - Statement of Added Value. In our opinion, these parent company and consolidated statements of value added were prepared, in all material respects, in accordance with the criteria defined in this Technical Pronouncement and are consistent in relation to the parent company and consolidated financial statements taken as a whole.

Other information accompanying the parent company and consolidated financial statements and the auditor's report

Management is responsible for this other information comprising the Management Report.

Our opinion on the parent company and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the parent company and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether the other information is materially inconsistent with the parent company and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil and with International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB") and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company and consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company and subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and subsidiaries financial reporting process.

Auditors' responsibilities for the audit of the parent company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and international standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and international standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the

effectiveness of the Company's and its subsidiaries internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the parent company and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company and consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, March 05, 2023

KPMG Auditores Independentes Ltda.
CRC SP-014428/O-6

(original signed in Portuguese)
Marcos A. Boscolo
Accountant CRC 1SP198789/O-0

GPS Participações e Empreendimentos S.A.

Statements of financial position as at December 31, 2023 and 2022

(In thousands of Reais)

Assets	Note	Parent Company		Consolidated		Liabilities	Note	Parent Company		Consolidated	
		2023	2022	2023	2022			2023	2022	2023	2022
Current						Current					
Cash and cash equivalents	10	47	33	989,728	889,159	Trade payables		-	-	173,197	124,732
Financial investments	11	-	-	1,266,682	1,810,414	Loans	21	-	-	169,079	199,243
Derivative financial instruments	30(c)	-	-	-	7,519	Debentures	22	-	-	309,447	129,568
Trade receivables	12	-	-	2,458,492	1,948,832	Derivative financial instruments	30(c)	-	-	10,764	10,344
Dividends receivable	15.4	214,936	122,899	-	-	Leases payable	23	-	-	63,316	28,081
Loans receivable	15.3	1,734	1,275	4,814	4,019	Payroll and social charges	24	-	-	1,124,275	967,540
Inventories		-	-	12,253	12,047	Income tax and social contribution payable		8	32	32,796	65,896
Recoverable income tax and social contribution	13	-	-	235,446	196,291	Tax obligations		3	52	121,689	154,702
Recoverable taxes	14	-	87	343,391	301,974	Tax installments	26	-	16	21,882	21,862
Other assets	16	29	37	164,907	28,492	Acquisition of subsidiaries	28	-	-	151,349	96,749
Total current assets		216,746	124,331	5,475,713	5,198,747	Loans payable - related parties	15.2	374	-	-	-
Non-current						Dividends payable	15.5	215,094	122,712	215,094	122,712
Long-term assets						Other liabilities		-	1	57,954	39,564
Financial investments	11	-	-	-	366	Total current liabilities		215,479	122,813	2,450,842	1,960,993
Derivative financial instruments	30(c)	-	-	-	2,684	Non-current					
Trade receivables	12	-	-	101,088	73,294	Loans	21	-	-	267,663	435,681
Loans receivable	15.3	4,452	7,648	21,379	26,858	Debentures	22	-	-	2,284,302	2,531,632
Loans receivable - related parties	15.2	-	14,882	-	-	Derivative financial instruments	30(c)	-	-	4,824	-
Judicial deposits	27 (c)	-	-	185,503	191,885	Leases payable	23	-	-	239,259	41,814
Recoverable income tax and social contribution	13	-	-	21,627	19,593	Tax installments	26	-	31	36,798	46,008
Recoverable taxes	14	-	-	12,260	12,328	Acquisition of subsidiaries	28	-	-	241,610	184,336
Indemnity assets	27 (d)	-	-	159,076	135,983	Provisions for contingencies and sub judice taxes	27(a)/(b)	-	1,305	1,491,898	1,197,720
Deferred income tax and social contribution	25 (a)	-	411	580,401	504,120	Other liabilities		-	-	13,585	6,050
Total long-term assets		4,452	22,941	1,081,334	967,111	Total non-current liabilities		-	1,336	4,579,939	4,443,241
Investments	17	2,976,546	2,567,261	8,263	2,500	Equity					
Property and equipment	18	-	-	476,734	407,474	Share capital	29 (a)	1,679,699	1,648,808	1,679,699	1,648,808
Right-of-use assets	19	-	-	289,702	68,846	Earnings reserve	29 (d)	1,306,947	931,849	1,306,947	931,849
Intangible assets	20	-	-	2,687,316	2,351,821	Other comprehensive income		5,920	6,461	5,920	6,461
Total non-current assets		2,980,998	2,590,202	4,543,349	3,797,752	Equity valuation adjustments	29 (f)	(10,301)	3,266	(10,301)	3,266
Total assets		3,197,744	2,714,533	10,019,062	8,996,499	Equity attributable to the controlling shareholders		2,982,265	2,590,384	2,982,265	2,590,384
						Non-controlling interests		-	-	6,016	1,881
						Total equity		2,982,265	2,590,384	2,988,281	2,592,265
						Total liabilities and equity		3,197,744	2,714,533	10,019,062	8,996,499

The notes are an integral part of the parent company and consolidated financial statements.

GPS Participações e Empreendimentos S.A.

Statements of profit or loss

Fiscal year ended as at December, 31 2023 and 2022

(In thousands of Reais - except earnings per share)

		Parent Company		Consolidated	
	Note	2023	2022	2023	2022
Net revenue from services rendered and goods sold	31	-	-	10,631,154	9,218,683
Costs of services rendered and goods sold	32	-	-	(8,793,786)	(7,693,449)
Gross profit		-	-	1,837,368	1,525,234
General and administrative expenses	32	(558)	(635)	(833,770)	(630,250)
Reversal (provision) for expected losses on services billed and to be billed	32	-	-	3,382	(10,194)
Other operating revenues	32	1,208	66	187,709	72,350
Other operating expenses	32	(242)	(1,440)	(56,457)	(26,074)
Income before net income (expenses) financial, equity-accounted investees and taxes		408	(2,009)	1,138,232	931,066
Financial revenues	33	840	1,052	447,982	268,605
Financial expenses	33	(98)	(55)	(670,488)	(425,998)
Net financial income (expenses)		742	997	(222,506)	(157,393)
Equity equivalence income	17 (a)	641,841	517,471	-	-
Profit before income tax and social contribution		642,991	516,459	915,726	773,673
Current income tax and social contribution	25 (c)	(70)	(115)	(288,998)	(280,337)
Deferred income tax and social contribution	25 (c)	(411)	339	19,619	23,696
Net profit for the fiscal year		642,510	516,683	646,347	517,032
Profit attributable to:					
Controlling shareholders		642,510	516,683	642,510	516,683
Non-controlling shareholders		-	-	3,837	349
Basic and diluted earnings per share attributable to controlling shareholders that hold ordinary shares	34	-	-	0.96	0.77

The notes are an integral part of the parent company and consolidated financial statements.

GPS Participações e Empreendimentos S.A.

Statements of comprehensive income

Fiscal year ended as at December, 31 2023 and 2022

(In thousands of Reais)

	<u>Parent Company</u>		<u>Consolidated</u>	
	2023	2022	2023	2022
Net profit for the fiscal year	642,510	516,683	646,347	517,032
Net income on hedge	-	-	(541)	(1,833)
Comprehensive income for the fiscal year	<u>642,510</u>	<u>516,683</u>	<u>645,806</u>	<u>515,199</u>
Profit attributable to:				
Controlling shareholders	642,510	516,683	641,969	514,850
Non-controlling shareholders	-	-	3,837	349

The notes are an integral part of the parent company and consolidated financial statements.

GPS Participações e Empreendimentos S.A.

Statements of changes in equity

Fiscal year ended as at December, 31 2023 and 2022

(In thousands of Reais)

	Note	Earnings reserve					Others comprehensive income	Equity valuation adjustments	Controllings equity	Non-controlling interests	Total
		Share capital	Legal reserve	Statutory reserve	Costs of transaction	Retained Earnings					
As at January 1, 2022		1,615,382	63,764	474,923	(809)	-	8,294	33,558	2,195,112	1,493	2,196,605
Issuance of ordinaire shares	29(b)	33,426	-	-	-	-	-	33,426	-	-	33,426
Call options update	29(f)	-	-	-	-	-	(30,292)	(30,292)	-	-	(30,292)
Capital transactions	29(e)	-	-	-	-	-	-	-	39	39	-
Net income on hedge	30(c)	-	-	-	-	-	(1,833)	(1,833)	-	-	(1,833)
Net profit for the fiscal year		-	-	-	-	516,683	-	516,683	349	-	517,032
Legal reserve	29(c)	-	25,834	-	-	(25,834)	-	-	-	-	-
Minimum mandatory dividends	29(c)	-	-	-	-	(122,712)	-	(122,712)	-	-	(122,712)
Retained earnings	29(d)	-	-	368,137	-	(368,137)	-	-	-	-	-
As at December 31, 2022		1,648,808	89,598	843,060	(809)	-	6,461	3,266	2,590,384	1,881	2,592,265
Issuance of ordinaire shares	29(b)	30,891	-	-	-	-	-	30,891	-	-	30,891
Call options update	29(f)	-	-	-	-	-	(13,567)	(13,567)	-	-	(13,567)
Capital transactions	29(e)	-	-	(906)	-	-	-	(906)	298	-	(608)
Net income on hedge	30(c)	-	-	-	-	-	(541)	(541)	-	-	(541)
Additional dividends	29(c)	-	-	(51,412)	-	-	-	(51,412)	-	-	(51,412)
Net profit for the fiscal year		-	-	-	-	642,510	-	642,510	3,837	-	646,347
Legal reserve	29(c)	-	32,125	-	-	(32,125)	-	-	-	-	-
Minimum mandatory dividends	29(c)	-	-	-	-	(152,596)	-	(152,596)	-	-	(152,596)
Additional dividends proposed	29(c)	-	-	-	-	(62,498)	-	(62,498)	-	-	(62,498)
Retained earnings	29(d)	-	-	395,291	-	(395,291)	-	-	-	-	-
As at December 31, 2023		1,679,699	121,723	1,186,033	(809)	-	5,920	(10,301)	2,982,265	6,016	2,988,281

The notes are an integral part of the parent company and consolidated financial statements.

GPS Participações e Empreendimentos S.A.

Statements of cash flows – Indirect method

Fiscal year ended as at December, 31 2023 and 2022

(In thousands of Reais)

	Note	Parent Company		Consolidated	
		2023	2022	2023	2022
Cash flows from operating activities					
Net profit for the fiscal year		642,510	516,683	646,347	517,032
Adjustments for:					
Equity equivalence income	17(a)	(641,841)	(517,471)	-	-
Gain from disposal of property and equipment		-	-	(7,950)	(5,958)
Constitution of provision for expected loss of billed services	32	-	-	5,990	3,325
(Reversal) constitution of provision for expected loss of services to be billed	32	-	-	(9,372)	6,869
Depreciation of property and equipment	18(c)	-	-	78,505	61,080
Amortization of intangible assets	20(c)	-	-	1,038	678
Right-of-use assets amortization	19(a)	-	-	32,065	24,264
Surplus value amortization - customer portfolio, brands and non-compete agreement	20(c)	-	-	107,487	97,421
Surplus value amortization - property and equipment	18(c)	-	-	19,634	7,820
Provision for tax risks	27(b)	-	-	10	775
Provision for sub judice taxes	27(b)	-	-	2,596	5,153
Reversal for sub judice taxes	27(b)	(1,208)	(66)	(133,103)	(57,412)
Reversal of monetary update on sub judice taxes	27(b)	(162)	-	(45,193)	(20,531)
Reversal acquisition FAP	27(b)	-	-	-	(10,339)
Gain on advantageous purchase	3.8	-	-	(13,150)	-
Income tax and social contribution	25(c)	481	(224)	269,379	256,641
Constitution of provision for tax, civil and labor risks	27(a)	-	-	163,589	125,896
Reversal of provision for tax, civil and labor risks	27(a)	-	-	(167,986)	(121,537)
Monetary update of System "S"	27(a)	-	-	56,730	30,411
Update of indemnity assets and contingent liabilities	32	-	-	(19,245)	(68,517)
Update of contingent installment - acquisition debt	28(a)	-	-	(5,367)	28,747
Write-off of contingent installment - acquisition debt	28(a)	-	-	(7,205)	(6,954)
Income of derivative financial instruments	33	-	-	22,758	32,807
Monetary update of Selic's indebt	13	-	-	(2,034)	(2,031)
Monetary update of judicial deposits	27(c)	-	-	(13,467)	(13,502)
Monetary update of loans to be receivable - mutual agreements	15.3	(674)	(1,081)	(2,352)	(3,286)
Adjustment of balance to be receivable from loans - mutual agreements	15.3	200	1,439	971	2,033
Payment of the Stock Option Plan Award	15.3.1	-	-	-	3,326
Exchange rate variation, interest and charges on loans	21(b)	-	-	55,002	62,041
Interest and charges on debentures	22(c)	-	-	377,247	167,260
Financial charges on installments	26	1	5	8,892	8,314
Financial charges on lease	23(c)	-	-	6,325	3,428
Monetary update on sub judice taxes	27(b)	65	-	43,433	30,054
Monetary update of acquisition of subsidiaries	28(a)	-	-	14,118	1,207
Settlement of cost incurred with issuance of debentures	22(c)	-	-	5,009	1,787
		(628)	(715)	1,490,701	1,168,302
Changes in:					
Trade receivables		-	-	(342,954)	(371,839)
Recoverable income tax and social contribution		-	(87)	(161,147)	(181,153)
Recoverable taxes		89	-	(32,995)	(43,327)
Judicial deposits		-	-	22,907	(16,286)
Indemnity assets		-	-	-	(1,318)
Trade payables		-	(49)	28,912	(1,600)
Payroll and social charges		-	-	210,007	206,250
Loans payable with related parties		374	(20,669)	-	-
Other tax obligations		(59)	39	(69,896)	12,995
Changes in other assets and liabilities		14,888	(14,820)	(138,687)	(23,933)
		14,664	(36,301)	1,006,848	748,091
Cash (used in) from operating activities					
Interest paid on loans	21(b)	-	-	(72,384)	(77,359)
Interest paid on debentures	22(c)	-	-	(345,540)	(143,190)
Interest paid on installments	26	-	(3)	(2,969)	(2,368)
Income tax and social contribution paid		(86)	(90)	(162,098)	(121,633)
		14,578	(36,394)	423,857	403,541
Net cash (used in) from operating activities					
Cash flows from investment activities					
Financial investments		-	-	544,098	(823,002)
Dividends receivable	15.4	125,506	-	-	-
Receipt from loans - mutual agreements	15.3	3,211	2,984	7,065	5,324
Granting of loans - mutual agreements	15.3	-	-	(1,000)	(9,500)
Receipt from the sale of property and equipment		-	-	13,850	8,903
Acquisition of property and equipment	18(b)	-	-	(145,940)	(103,682)
Acquisition of intangible assets	20(b)	-	-	(906)	(2,104)
Acquisition of not consolidated subsidiaries	17(i)	-	-	(8,263)	(2,500)
Acquisition of subsidiaries, net of cash obtained in the acquisition	3	-	-	(197,396)	(294,270)
		128,717	2,984	211,508	(1,220,831)
Net cash (used in) from investment activities					
Cash flows from financing activities					
Capital increase through the issuance of shares	29(b)	30,891	33,426	30,891	33,426
Payment of tax installments	26	(48)	(13)	(22,310)	(15,887)
Payment of leases	23(c)	-	-	(26,843)	(26,378)
Dividends paid (shareholders and sellers of acquisition)	15.5	(174,124)	-	(176,140)	(1,400)
Funds from the settlement of derivatives	30(c)	-	-	(8,130)	(2,253)
Fundraising of debentures	22(c)	-	-	-	1,500,000
Amortization of debentures	22(c)	-	-	(100,000)	(100,000)
Costs incurred with the issuance of debentures	22(c)	-	-	-	(16,864)
Loans amortization	21(b)	-	-	(197,662)	(206,827)
Exercise of call option and additional acquisition installment	28(a)	-	-	(34,602)	(109,802)
		(143,281)	33,413	(534,796)	1,054,015
Net cash from financing activities					
Net increase in cash and cash equivalents					
		14	3	100,569	236,725
Cash and cash equivalents as at January 1		33	30	889,159	652,434
Cash and cash equivalents as at December 31		47	33	989,728	889,159

The notes are an integral part of the parent company and consolidated financial statements.

GPS Participações e Empreendimentos S.A.

Statements of value added

Fiscal year ended as at December, 31 2023 and 2022

(In thousands of Reais)

	Note	Parent Company		Consolidated	
		2023	2022	2023	2022
Revenues (1)		1,208	66	11,699,377	10,110,809
Gross revenue from services rendered and good sold	31	-	-	11,508,286	10,048,653
Other revenues	32	1,208	66	187,709	72,350
(Provision) reversal for expected loss of services billed and to be billed	12 (a)	-	-	3,382	(10,194)
Inputs acquired from third parties (2)		(832)	(2,124)	(1,459,917)	(1,106,602)
Costs of goods sold	32	-	-	(165,509)	(151,652)
Materials, third party services and others	32	(832)	(2,124)	(1,294,408)	(954,950)
Gross value added (3) = (1) + (2)		376	(2,058)	10,239,460	9,004,207
Depreciation and amortization (4)		-	-	(238,729)	(191,263)
Net value added produced (5) = (3) + (4)		376	(2,058)	10,000,731	8,812,944
Value added received in transfer (6)		642,681	518,523	447,982	268,605
Equity equivalence income	17 (a)	641,841	517,471	-	-
Financial revenues	33	840	1,052	447,982	268,605
Total distributed value added (7) = (5) + (6)		643,057	516,465	10,448,713	9,081,549
Distribution of value added		(643,057)	(516,465)	(10,448,713)	(9,081,549)
Personnel		-	-	(6,682,966)	(5,957,487)
Direct compensation		-	-	(5,289,171)	(4,761,470)
Benefits		-	-	(1,239,808)	(1,047,000)
Social charges		-	-	(153,987)	(149,017)
Taxes and fees		(481)	223	(2,249,217)	(2,074,524)
Federal		(481)	223	(1,799,857)	(1,684,053)
State		-	-	(19,293)	(15,652)
Municipal		-	-	(430,067)	(374,819)
Remuneration of third parties' capital		(66)	(5)	(870,183)	(532,506)
Interests		(66)	(5)	(572,135)	(317,765)
Rentals		-	-	(298,048)	(214,741)
Equity remuneration		(642,510)	(516,683)	(646,347)	(517,032)
Dividends to controlling shareholders		(215,094)	(122,712)	(215,094)	(122,712)
Retained earnings		(427,416)	(393,971)	(431,253)	(394,320)

The notes are an integral part of the parent company and consolidated financial statements.

GPS Participações e Empreendimentos S.A.

Explanatory notes to the parent company and consolidated financial statements for the fiscal year ended as at December 31, 2023

Balance in thousands of reais, except as otherwise indicated.

1 Operating context

GPS Participações e Empreendimentos S.A. ("Parent Company" or "Company") is a holding company as a publicly-held registered in the Novo Mercado segment of B3 S.A. - Brasil, Bolsa, Balcão ("B3"), characterizing it as the highest level of corporate governance in the Brazilian capital market, under the trading code GGPS3, with registered office at 1,215, Miguel Frias e Vasconcelos avenue, in Sao Paulo city, Sao Paulo state.

The consolidated financial statements include the Company and its subsidiaries (collectively referred to as the "Group"). The Group's main activities are: (i) provision of property security services; (ii) provision of hygiene and cleaning services (facilities); (iii) provision of indoor logistics services; (iv) provision of electronic security services, implementation, operation, and building maintenance services; (v) provision of maritime hospitality services (on oil platforms); (vi) provision of kitchen services and sales of meals; (vii) provision of highway maintenance services; (viii) interest in companies by acquiring shares or quotas of the capital; and (ix) administration and management of temporary labor for third parties, pursuant to Law n° 6,019/74, as amended by Law n° 13,429/17; (x) financial business consulting and advisory, in the area of promotional events, planning, organization and execution of fairs, congresses, events and incentive campaigns; (xi) promotion of sales and distribution of promotional gifts; (xii) provision of industrial maintenance services; and (xiii) insurance brokerage of elementary branches, life insurance, health, pension and capitalization; and (xix) maintenance of telephone networks, maintenance of access and installation of telecommunication systems.

2 Description of the subsidiaries

The consolidated financial statements are composed of the financial statements of the parent company and the companies directly and indirectly controlled. As at December 31, 2023 and 2022, the consolidated financial statements include the consolidation of the following companies, all of which are domiciled in Brazil:

Direct subsidiary	Direct subsidiary	December 31, 2023	December 31, 2022
Top Service Serviços e Sistemas S.A. - (Top Service)	GPS Participações e Empreendimentos S.A.	100.00	100.00
Indirect subsidiary	Direct subsidiary	December 31, 2023	December 31, 2022
GPS Predial Sistemas de Segurança Ltda. - (GPS RJ)	Top Service Serviços e Sistemas S.A.	100.00	100.00
GPS Predial Sistemas de Segurança Ltda. - (GPS SP)	Top Service Serviços e Sistemas S.A.	100.00	100.00
GPS Predial Sistemas de Segurança Ltda. - (GPS BA)	Top Service Serviços e Sistemas S.A.	100.00	100.00
Ecopolo Gestão de Águas, Resíduos e Energia Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
GPS Tec Sistemas Eletrônicos de Segurança Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Engeseg Empresa de Vigilância Computadorizada Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
In-Haus Industrial e Serviços de Logística Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Proguarda Vigilância e Segurança Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Proguarda Administração e Serviços Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Proteg Segurança Patrimonial Eireli	Top Service Serviços e Sistemas S.A.	100.00	100.00
Quattro Serv Serviços Gerais Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Servis Segurança Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
SECOPI - Segurança Comercial do Piauí Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Ultralimpo Empreendimentos e Serviços Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Polonorte Segurança da Amazônia Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00

Indirect subsidiary	Direct subsidiary	December 31, 2023	December 31, 2022
Gol Segurança e Vigilância Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
BC2 Construtora Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
BC2 Infraestrutura Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Top Service Facilities Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
LC Administração de Restaurantes Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Presidente Altino Participações e Comercialização de Imóveis Próprios Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Eleva In-Haus Manutenção Industrial Ltda. (formerly called Comau do Brasil Indústria e Comércio Ltda.) (a)	Top Service Serviços e Sistemas S.A.	100.00	100.00
Evimeria Corretagem de Seguros e Consultoria Ltda.	Top Service Serviços e Sistemas S.A.	80.00	80.00
Ormec Engenharia Ltda. (a)	Top Service Serviços e Sistemas S.A.	100.00	100.00
Global Serviços Ltda. (a)	Top Service Serviços e Sistemas S.A.	100.00	100.00
Global Serviços Empresariais de Mão de Obra Temporária Ltda. (a)	Top Service Serviços e Sistemas S.A.	100.00	100.00
Global Empregos Ltda. (a)	Top Service Serviços e Sistemas S.A.	100.00	100.00
Global Administração e Serviços Aeroportuários Ltda. (a)	Top Service Serviços e Sistemas S.A.	100.00	100.00
Global Central de Estágios Ltda. (a)	Top Service Serviços e Sistemas S.A.	100.00	100.00
Global Treinamento e Desenvolvimento Profissional Ltda. (a)	Top Service Serviços e Sistemas S.A.	100.00	100.00
Allis Soluções Inteligentes Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Rudder Segurança Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Serviços de Cogeração Carioca Ltda.	Top Service Serviços e Sistemas S.A.	88.82	88.82
Allis Luandre Soluções em Trade e Pessoas Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Compart Marketing e Tecnologia Ltda. (a)	Top Service Serviços e Sistemas S.A.	100.00	-
Maestro Tecnologia S.A. (a)	Top Service Serviços e Sistemas S.A.	77.27	-
TLSV Engenharia S.A. (a)	Top Service Serviços e Sistemas S.A.	70.00	-
GPS AIR - Serviços Auxiliares ao Transporte Aéreo Ltda.	In-Haus Industrial e Serviços de Logística Ltda.	100.00	100.00
Loghi's Logística e Serviços Ltda.	In-Haus Industrial e Serviços de Logística Ltda.	100.00	100.00
Predial Axel Manutenção Industrial Ltda. (formerly called Sulzer Brasil Indústria e Comércio Ltda.) (a)	In-Haus Industrial e Serviços de Logística Ltda.	100.00	100.00
Motus Serviços Ltda. (a)	In-Haus Industrial e Serviços de Logística Ltda.	60.00	60.00
Conbras Manutenção Ltda.	In-Haus Industrial e Serviços de Logística Ltda.	100.00	100.00
In-Haus Log Ltda.	In-Haus Industrial e Serviços de Logística Ltda.	100.00	100.00
IH Eficiência Energética, Manutenção e Facilities Ltda. (formerly called Engie Brasil Serviços de Energia Ltda.) (a)	In-Haus Industrial e Serviços de Logística Ltda.	100.00	-
Graber Sistemas de Segurança Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Visel Vigilância e Segurança Ltda.	Graber Sistemas de Segurança Ltda.	100.00	100.00
Fortaleza Serviços de Vigilância Ltda.	Graber Sistemas de Segurança Ltda.	100.00	100.00
Onseg Serviços de Vigilância e Segurança Ltda.	Graber Sistemas de Segurança Ltda.	100.00	100.00
Onserv Serviços Terceirizados Ltda.	Graber Sistemas de Segurança Ltda.	100.00	100.00
Poliservice - Sistemas de Segurança S.A.	Graber Sistemas de Segurança Ltda.	100.00	100.00
Sunset Serviços Patrimoniais Ltda.	Graber Sistemas de Segurança Ltda.	55.00	55.00
Sunset Vigilância e Segurança Ltda.	Graber Sistemas de Segurança Ltda.	55.00	55.00
Global Segurança Ltda.	Graber Sistemas de Segurança Ltda.	100.00	100.00
Force Vigilância Ltda. (a)	Graber Sistemas de Segurança Ltda.	100.00	100.00
Force Serviços Terceirizados Eireli. (a)	Graber Sistemas de Segurança Ltda.	100.00	100.00
Campseg Vigilância e Segurança Patrimonial Ltda. (a)	Graber Sistemas de Segurança Ltda.	100.00	-
Campseg Serviços de Facilities Ltda. (a)	Graber Sistemas de Segurança Ltda.	100.00	-
Rudder Serviços Gerais Ltda.	Rudder Segurança Ltda.	100.00	100.00
Eleva Facilities Ltda. (formerly called Comau Facilities Ltda.) (a)	Eleva In-Haus Manutenção Industrial Ltda.	100.00	100.00
Wrapper Sistemas Ltda. (a)	Motus Serviços Ltda.	80.00	80.00
Evertical Comércio de Máquinas e Equipamentos de Informática Ltda. (a)	GPS Tec Sistemas Eletrônicos de Segurança Ltda.	55.00	55.00
	GPS Tec Sistemas Eletrônicos de Segurança Ltda.	55.00	55.00
Evertical Tecnologia Ltda. (a)			
IH Facilities, Limpeza e Conservação Ltda. (formerly called Engie Facilities, Limpeza e Conservação Ltda.) (a)	Engie Brasil Serviços de Energia Ltda.	100.00	-
SW Invest Tecnologia, Serviços e Participações Ltda. (a)	Maestro Tecnologia S.A.	100.00	-
	Allis Luandre Soluções em Trade e Pessoas Ltda.	70.00	-
Trademark Participações S.A. (a)	Trademark Participações S.A.	100.00	-
Pop Trade Marketing e Consultoria Ltda. (a)	Trademark Participações S.A.	100.00	-
Seven Trade Marketing e Consultoria Ltda. (a)	Trademark Participações S.A.	100.00	-

a) Acquisition of control by purchase of capital shares. About the business combination, see details in note nº 3.

3 Business combination

The Group's strategic objective is to seek leadership in the market sectors in which it operates, for which purpose it has a structured program of inorganic growth. This program includes acquisitions from groups of companies or companies in the same business segments.

Such acquisitions are mainly aimed at:

- increasing the portfolio of services offered, strengthening the one stop shop position;
- expansion of the customers portfolio;
- the achievement of operational and fiscal synergies;
- the consolidation of presence in the regions in which it operates; and
- the expansion of the territorial base by entering new markets.

The evaluation techniques used to measure fair value of relevant acquired assets and liabilities are as follows:

Assets and liabilities acquired	Valuation method
Brand and customers portfolio	Income approach that considers future cash flows attributed to intangible assets discounted to present value.
Surplus value of fixed assets	To determine the value in use of these items, they were evaluated based on the market value of the equivalent products.
Contingent liabilities	The fair value of contingent liabilities was determined based on legal audit and due diligence reports issued by legal advisors and took into account the probability and magnitude of outflows of resources.

All partial acquisitions refers to the acquisition of control. For the partial acquisitions of the shares of the acquired companies, the Group has adopted, whenever applicable, the early acquisition methodology, in which, on the same acquisition date, an option instrument is mutually granted between the parties for the purchase and sale of the residual shares of the capital of the acquired companies, constituting themselves as separate accounting units. Since the acquisition of control already occurs at this stage, its acquisitions are fully recorded (in 100%, even if the purchase on the acquisition date is partial), regardless of the shareholding held.

The fair value of the assets and liabilities acquired assumed and the transaction values at the acquisition date are presented below:

Acquired in 2022	Note	Comau Group 3.1	Force Group 3.2	Ormec 3.3	Sulzer 3.4	Evertical Group 3.5	Motus Group 3.6	Global Emplegos Group 3.7	Total of 2022
Cash and cash equivalents		1,186	15,666	11,384	1,976	8,383	5,616	7,210	51,421
Financial investments		-	91	-	-	-	-	-	91
Trade receivables		88,658	10,997	42,331	33,541	9,927	8,325	33,880	227,659
Recoverable taxes		33,005	4,834	2,966	4,011	185	7,852	2,350	55,203
Deferred income tax and social contribution (vi)		21,105	12,757	6,132	4,423	2,384	2,205	13,655	62,661
Judicial deposits		18,584	226	1,843	32	50	23	88,445	109,203
Property and equipment		5,272	3,473	77,548	19,874	2,802	852	762	110,583
Right-of-use assets		609	243	855	-	874	1,962	1,875	6,418
Intangible assets (iv)		23,088	14,968	15,340	6,427	44,768	11,879	85,086	201,556
Other assets (v)		16,154	31	5,408	1,319	907	182	6,498	30,499
Loans		-	-	(42,348)	-	(1,331)	(692)	-	(44,371)
Leases payable		(645)	(243)	(855)	-	(874)	(1,962)	(1,875)	(6,454)
Trade and other liabilities		(9,489)	(1,934)	(4,865)	(8,250)	(20,629)	(12,676)	(2,344)	(60,187)
Payroll and social charges		(40,225)	(18,733)	(18,229)	(18,246)	(5,502)	(3,920)	(15,521)	(120,376)
Tax obligations		(7,385)	(2,722)	(11,962)	(2,083)	(1,267)	(1,036)	(12,115)	(38,570)
Provision for contingencies (iii)		(39,214)	(3,780)	(8,414)	(2,828)	(676)	(601)	(101,407)	(156,920)
Sub judice taxes		(18,167)	(35,697)	(4,956)	(7,562)	(5,233)	(5,408)	(25,403)	(102,426)
Fair value of identifiable net assets (x) (A)		92,536	177	72,178	32,634	34,768	12,601	81,096	325,990
Consideration transferred (B)	3.1 to 3.7 (a)	136,935	26,187	109,512	42,461	97,886	28,195	159,457	600,633
Cash payment on previously year (i) (C)		105,537	-	-	-	-	-	-	105,537
Cash payment in the year (D)		-	26,187	63,192	42,461	37,811	16,674	159,457	345,782
Contingent consideration (E) = (B - C - D)		31,398	-	46,320	-	60,075	11,521	-	149,314
Update of contingent consideration (F)		2,117	-	5,693	-	8,551	2,660	-	19,021
Balance payable from acquisition debt (E + F)		33,515	-	52,013	-	68,626	14,181	-	168,335
Cash and cash equivalents and financial investments (G)		(1,186)	(15,757)	(11,384)	(1,976)	(8,383)	(5,616)	(7,210)	(51,512)
Cash effect in the year = (D + G)		(1,186)	10,430	51,808	40,485	29,428	11,058	152,247	294,270
Goodwill (vii) (B - A)		44,399	26,010	37,334	9,827	63,118	15,594	78,361	274,643

Acquired in 2023	Note	Engie Group 3.8	Compart 3.9	Maestro Group 3.10	Campseg 3.11	TLSV 3.12	Trademark Group 3.13	Total of 2023
Cash and cash equivalents		36,586	9,318	6,132	5,181	1,288	(388)	58,117
Trade receivables		25,469	31,347	89	51,655	10,850	72,591	192,001
Recoverable taxes		2,435	2,612	-	10,134	16	5,268	20,465
Deferred income tax and social contribution (vi)		-	27,469	-	3,359	-	18,582	49,410
Judicial deposits		1,013	13	-	166	804	1,063	3,059
Property and equipment		5,224	923	-	7,971	1,627	5,423	21,168
Right-of-use assets		493	2,625	-	709	3,574	5,645	13,046
Intangible assets (iv)		14,058	38,152	1,324	60,819	13,102	74,219	201,674
Other assets (v)		464	25,116	1	25,405	20	5,722	56,728
Loans		-	(3,894)	-	(8,776)	(4,192)	-	(16,862)
Leases payable		(493)	(2,625)	-	(709)	(3,574)	(5,645)	(13,046)
Trade and other liabilities		(11,581)	(2,747)	(1)	(24,143)	(2,678)	(26,985)	(68,135)
Payroll and social charges		(8,333)	(9,462)	-	(47,194)	(9,529)	(28,382)	(102,900)
Tax obligations		(4,451)	(2,180)	(15)	(2,370)	(728)	(2,842)	(12,586)
Provision for contingencies (iii)		(5,202)	(11,716)	-	(19,190)	(25,336)	(3,324)	(64,768)
Sub judice taxes		(42,532)	(68,533)	(8)	(27,237)	(6,561)	(34,564)	(179,435)
Fair value of identifiable net assets (xi) (A)		13,150	36,418	7,522	35,780	(21,317)	86,383	157,936
Non-acquired interests (ix) (H)		-	-	1,408	-	-	-	1,408
Consideration transferred (B)	3.8 to 3.13 (a)	-	86,613	8,487	91,268	3,500	193,760	383,628
Cash payment on previously year (ii) (C)		-	2,500	-	-	-	-	2,500
Cash payment in the year (D)		-	41,129	7,710	88,539	3,500	114,635	255,513
Contingent consideration (E) = (B - C - D)		-	42,984	777	2,729	-	79,125	125,615
Update of contingent consideration (F)		-	4,175	109	225	-	1,807	6,316
Balance payable from acquisition debt (E + F)		-	47,159	886	2,954	-	80,932	131,931
Cash and cash equivalents and financial investments (G)		(36,586)	(9,318)	(6,132)	(5,181)	(1,288)	388	(58,117)
Cash effect on the year = (D + G)		(36,586)	31,811	1,578	83,358	2,212	115,023	197,396
Goodwill (vii) (B - A + H)		-	50,195	2,373	55,488	24,817	107,377	240,250
Bargain purchase (viii) (B - A)		(13,150)	-	-	-	-	-	(13,150)

- (i) Payment made in 2021 by advance, therefore, with no effect on the statement of cash flows in 2022.
- (ii) Payment made in 2022 by advance, therefore, with no effect on the statement of cash flows in 2023.
- (iii) Refers to the allocation of contingent liabilities (not recorded in the statement of financial position of the acquired company) and to the provisions themselves, recognized in the statement of financial position.
- (iv) Allocation determined to the client portfolio. The intangible of the client portfolio derives from the company's relationship with its clients who represent a stable and recurring source of income. The intangible of brands derives from the ease with which consumers identify a business by products and services. Deferred taxes are recognized in the acquiring company, which records the capital gains. The rate is 34% (income tax and social contribution).
- (v) Refers to indemnification assets, advance expenses, advances and other trades to be receivable.
- (vi) Refers to deferred taxes on temporary differences arising from the fair value of the net assets acquired.
- (vii) The goodwill resulting from the acquisition, which comprises the amount of the difference paid and/or payable by the Group in relation to the identifiable net assets. It is mainly attributed to the skills and technical talent of the workforce and the expected synergies in the integration of the acquired companies into the Group's existing businesses. See note nº 20 (a). In this sense, the tax treatment will occur from the moment of the realization of the investment, with the incorporation of the acquired company, which corresponds to the triggering of the tax benefit of the goodwill, under the terms of the legislation in force.
- (viii) The bargain purchase arises from the excess of the net value of the identified assets and liabilities assumed in relation to the consideration transferred by the control of the acquired. See details in note nº 3.8 (d(i)).
- (ix) Company partially acquired, without agreement to acquire the residual portion.
- (x) For the fiscal year ended December 31, 2022, the fair values of identifiable assets and liabilities assumed, collected on the date of acquisition were pending completion, thus, we report the provisional values, as instructed by CPC 15 / IFRS 3. Balances are now being presented after the assessment is complete.
- (xi) For the fiscal year ended December 31, 2023, the fair values of identifiable assets and liabilities assumed, collected on the date of acquisition are pending completion, thus, we report the provisional amounts until the completion of the evaluation is obtained, as instructed by CPC 15 / IFRS 3. The same applies to fair values of intangible assets (client portfolio, brands, fixed assets, indemnity assets and contingent liabilities), which were determined provisionally. If new information is established within the period of measurement (one year), as determined by CPC 15 / IFRS 3, from the date of acquisition, about facts and circumstances that existed on the date of acquisition, any adjustments in the amounts mentioned above, or any need for additional provision, the accounting of the acquisition will be reviewed.

3.1 Comau Group

On January 1, 2022, the Group, through its direct subsidiary Top Service Serviços e Sistemas S.A., acquired 100% of the share capital, which also comprises 100% of the voting capital of the acquired companies, thus obtaining control of the company Eleva In-Haus Manutenção Industrial Ltda. (formerly called Comau do Brasil Indústria e Comércio Ltda.), which is the parent company of Eleva Facilities Ltda. (formerly called Comau Facilities Ltda.), pursuant to the Purchase and Sale Agreement signed on December 15, 2021.

a. Consideration transferred

The acquisition was made for the amount of R\$ 136,935, being:

- (i) R\$ 105,537 paid via bank transfer on the date of signing the purchase agreement, in December 15, 2021; and
- (ii) R\$ 31,398 as a refund of supervening assets, referring to tax credits in recovery, as related in the purchase and sale agreement, to be paid as such credits are used by the buyer upon request for compensation or are credited to the buyer's current account due to refund requests.

b. *Incorporated revenues and income*

The Group consolidated for the fiscal year ended December 31, 2022 the amounts of net income and net income for the fiscal year from January 1 to December 31, 2022 arising from the acquisition of R\$ 389,083 and R\$ 37,668, respectively.

c. *Acquisition costs*

The Group incurred costs related to the acquisition in the amount of R\$ 1,124 related to attorney's fees and due diligence costs. Attorney's fees and due diligence costs have been recorded as "Other operating expenses" on the income statement.

3.2 Force Group

On February 24, 2022, the Group, through its indirect subsidiary Graber Sistemas de Segurança Ltda., acquired 100% of the share capital, which also comprises 100% of the voting capital of Force Vigilância Ltda e Force Serviços Terceirizados EIRELI., thus obtaining its control from April 1, 2022

a. *Consideration transferred*

The acquisition was made for the amount of R\$ 26,187, being:

- (i) R\$ 1,000 paid by bank transfer, on the date of signature of the purchase and sale agreement, as a sign, on January 12, 2022; and
- (ii) R\$ 25,187 paid by bank transfer, on the date of the closing term of the purchase and sale agreement, in February 24, 2022.

b. *Incorporated revenues and income*

The Group consolidated in the fiscal year ended December 31, 2022 the amounts of revenue and net income for the period from April 1 to December 31, 2022 arising from the acquisition of R\$ 102,379 and R\$ 4,386, respectively (if the acquisition date were at the beginning of the reporting period, such amounts would be R\$ 135,568 and R\$ 1,945, respectively).

c. *Acquisition costs*

The Group incurred costs related to the acquisition in the amount of R\$ 406 related to attorney's fees and due diligence costs. Attorney's fees and due diligence costs have been recorded as "Other operating expenses" on the income statement.

3.3 Ormec

On April 13, 2022, the Group, through its direct subsidiary Top Service Serviços e Sistemas S.A., acquired 100% of the share capital, which also comprises 100% of the voting capital of Ormec Engenharia Ltda., thus obtaining its control from May 1, 2022.

a. *Consideration transferred*

The acquisition was made for the amount of R\$ 109,512, being:

- (i) R\$ 4,423 paid by bank transfer, on the date of signature of the purchase and sale agreement, as a signal, on February 17, 2022; and

- (ii) R\$ 58,769 paid by bank transfer, on the date of the closing term of the purchase and sale agreement, in April 13, 2022.
- (iii) R\$ 46,320 as an additional amount (Earn-out) to be paid up to 120 days after the end of the year 2022, in accordance with contractual clauses establishing the criteria to be met by the parties (based on multiples of EBITDA, plus or decreased working capital, gross debt and cash and equivalents, calculated by the variation occurred between the statement of financial position of the closing of the statement of financial position ended in December 31, 2022). Once the trigger is reached, the amount needs to be paid by the Group;

b. *Incorporated revenues and income*

The Group consolidated in the fiscal year ended December 31, 2022 the amounts of revenue and net income for the period from May 1 to December 31, 2022 arising from the acquisition of R\$ 168,819 and R\$ 4,527, respectively (if the acquisition date were at the beginning of the reporting period, such amounts would be R\$ 238,017 and R\$ 5,259, respectively).

c. *Acquisition costs*

The Group incurred costs related to the acquisition in the amount of R\$ 412 related to attorney's fees and due diligence costs. Attorney's fees and due diligence costs have been recorded as "Other operating expenses" on the income statement.

3.4 Sulzer

On June 2, 2022, the Group, through its indirect subsidiary In-Haus Industrial e Serviços de Logística Ltda, acquired 100% of the share capital, which also comprises 100% of the voting capital of Sulzer Brasil Indústria e Comércio Ltda., thus obtaining its control from July 1, 2022.

a. *Consideration transferred*

The acquisition was made for the amount of R\$ 42,461, being:

- (i) R\$ 40,388 paid through international transfer, on the date of the closing term of the purchase and sale agreement, on June 2, 2022; and
- (ii) R\$ 2,073 as a refund of supervening assets related to the activities of the Jundiai/SP branch not acquired in the transaction, to be paid as such supervening assets are converted into cash or equivalents.

b. *Incorporated revenues and income*

The Group consolidated in the fiscal year ended December 31, 2022 the amounts of net revenue and net income for the period from July 1 to December 31, 2022 arising from the acquisition of R\$ 102,938 and R\$ 15,172, respectively (if the acquisition date were at the beginning of the reporting period, such amounts would be R\$ 179,745 of net income and R\$ 3,590 of loss).

c. *Acquisition costs*

The Group incurred costs related to the acquisition in the amount of R\$ 323 related to attorney's fees and due diligence costs. Attorney's fees and due diligence costs have been recorded as "Other operating expenses" on the income statement.

3.5 Evertical Group

On June 24, 2022, the Group, through its indirect subsidiary GPS Tec Sistemas Eletrônicos de Segurança Ltda., acquired 55% of the share capital, which also comprises 55% of the voting capital of Evertical Tecnologia Ltda. and Evertical Comércio de Máquinas e Equipamentos de Informática Ltda., thus obtaining its control from July 1, 2022, both companies are based in the city of Sao Paulo/SP.

a. Consideration transferred

The acquisition was made for the amount of R\$ 97,886, being:

- (i) R\$ 2,042 paid by bank transfer, on the date of signature of the purchase and sale agreement, as a signal, on April 13, 2022; and
- (ii) R\$ 35,769 paid by bank transfer, on the date of the closing term of the purchase and sale agreement, in June 24, 2022.
- (iii) R\$ 12,758 as an additional amount (Earn-out) to be paid up to 150 days after the end of the fiscal year 2022, in accordance with contractual clauses establishing the criteria to be met by the parties (based on multiples of EBITDA calculated in the period from January 1, 2022 to December 31, 2022). Once the trigger is reached, the amount needs to be paid by the Group;
- (iv) *Call option* Call option in the amount of R\$ 47,317, based on the contract for the purchase and sale of shares signed between the parties that provides for a purchase option held by GPS Tec Sistemas Eletrônicos de Segurança Ltda. and a sale option held by the holders of the remaining 45%, in order to finalize the acquisition of 100% of the Evertical Group, and throughout the term of the contract either party can anticipate the exercise of the respective option, which can be calculated considering the use of the Anticipated Acquisition Method"). The options may be exercised by their respective holders, during the period of ninety (90) days, counted from the delivery of each annual statement of financial position, starting from the delivery of the annual statement of the financial position for the fiscal year ended December 31, 2024, until the end of the term of the contract. By virtue of this clause, the Group through the indirect subsidiary GPS Tec Electronic Security Systems Ltda. recorded the equivalent the present value of the exercise price of the call and call or ("PUT") in determining the payment paid. The total amount recorded in the outstanding payment refers to the adoption of the Anticipated Acquisition Method for the remaining 45% of the Evertical Group. See note n° 28;
- (v) The purchase and sale options are valid over 10 years from June 24, 2022.

b. Incorporated revenues and income

The Group consolidated in the fiscal year ended December 31, 2022 the amounts of revenue and net income for the period from July 1 to December 31, 2022 arising from the acquisition of R\$ 41,414 and R\$ 6,039, respectively (if the acquisition date were at the beginning of the reporting period, such amounts would be R\$ 80,103 and R\$ 8,535, respectively).

c. Acquisition costs

The Group incurred costs related to the acquisition in the amount of R\$ 296 related to attorney's fees and due diligence costs. Attorney's fees and due diligence costs have been recorded as "Other operating expenses" on the income statement.

3.6 Motus Group

On June 29, 2022, the Group, through its indirect subsidiary In-Haus Serviços Industriais e Logística Ltda, acquired 60% of the share capital, which also comprises 60% of the voting capital, of Motus Serviços Ltda., which is the parent company of Wrapper Sistemas Ltda., thus obtaining its control from July 1, 2022. Motus is headquartered in the city of Sao Paulo, SP and operates in the segment of logistics services.

a. Consideration transferred

The acquisition was made for the amount of R\$ 28,195, being:

- (i) R\$ 1,000 paid by bank transfer, on the date of signature of the purchase and sale agreement, as a signal, on March 29, 2022; and
- (ii) R\$ 15,674 paid by bank transfer, on the date of the closing term of the purchase and sale agreement, in June 29, 2022.
- (iii) R\$ 6,285 as a refund of supervening assets, referring to tax credits to be recovered/recovered, as listed in the purchase and sale agreement, to be paid to the extent that such credits are used by the buyer upon request for compensation or are credited to the buyer's current account due to refund requests.
- (iv) Call option in the amount of R\$ 5,236, based on the contract for the purchase and sale of shares signed between the parties that provides for a purchase option held by In-Haus Serviços Industriais e Logística Ltda. and a sale option held by the holders of the remaining 40%, in order to finalize the acquisition of 100% of the Motus Group, and throughout the term of the contract either party can anticipate the exercise of the respective option, which can be calculated considering the use of the "Anticipated Acquisition Method"). The options may be exercised by their respective holders, during the period of ninety (90) days, counted from the delivery of each annual statement of financial position starting from the delivery of the annual statement of financial position for the fiscal year ended December 31, 2024, until the end of the term of the contract. As a result of this clause, the Group through the indirect subsidiary In-Haus Serviços Industriais e Logística Ltda. recorded the equivalent of the present value of the exercise price of the option to buy and sell ("CALL") or ("PUT") in determining the payment paid. The total amount recorded in the outstanding payment refers to the adoption of the "Anticipated Acquisition Method") for the remaining 40% of the Motus Group. See note n° 28;
- (v) The purchase and sale options are valid over 10 years from June 29, 2022.

b. Incorporated revenues and income

The Group consolidated in the fiscal year ended December 31, 2022 the amounts of revenue and net income for the period from July 1 to December 31, 2022 arising from the acquisition of R\$ 46,438 and R\$ 3,698, respectively (if the acquisition date were at the beginning of the reporting period, such amounts would be R\$ 93,330 and R\$ 4,827, respectively).

c. Acquisition costs

The Group incurred costs related to the acquisition in the amount of R\$ 248 related to attorney's fees and due diligence costs. Attorney's fees and due diligence costs have been recorded as "Other operating expenses" on the income statement.

3.7 Global Empregos Group

On July 13, 2022, the Group, through its direct subsidiary Top Service Serviços e Sistemas S.A., acquired 100% of the share capital, which also comprises 100% of the voting capital of Global Serviços Ltda., Global Administração e Serviços Aeroportuários Ltda., Global Serviços Empresariais e Mande Labor Ltda., Global Treinamento e Desenvolvimento Profissional Ltda., Global Empregos Ltda. and Global Central de Estágios Ltda., thus obtaining its control from July 13, 2022, being the companies based in the state of Sao Paulo, in the municipalities of Sao Paulo and Santo André.

a. Consideration transferred

The acquisition was made for the amount of R\$ 159,457, being:

- (i) R\$ 10,000 paid by bank transfer, on the date of signature of the purchase and sale agreement, as a signal, on April 22, 2022; and
- (ii) R\$ 149,457 paid by bank transfer, on the date of the closing term of the purchase and sale agreement, in July 13, 2022.

b. Incorporated revenues and income

The Group consolidated in the fiscal year ended December 31, 2022 the amounts of revenue and net income for the period from July 1 to December 31, 2022 arising from the acquisition of R\$ 183,573 and R\$ 5,289, respectively (if the acquisition date were at the beginning of the reporting period, such amounts would be R\$ 329,268 and R\$ 8,671, respectively).

c. Acquisition costs

The Group incurred costs related to the acquisition in the amount of R\$ 521 related to attorney's fees and due diligence costs. Attorney's fees and due diligence costs have been recorded as "Other operating expenses" on the income statement.

3.8 Engie Group

On January 16, 2023, the Group, through its indirect subsidiary In Haus Industrial e Serviços de Logística Ltda., acquired 100% of the share capital, which also comprises 100% of the voting capital, of Engie Brasil Serviços de Energia Ltda., which is the parent company of Engie Facilities, Limpeza e Conservação Ltda., thus obtaining its control from February 1, 2023.

a. Consideration transferred

The acquisition was made by the symbolic amount of R\$ 1 (one real), based on the identifiable liabilities and debtors. This amount was settled on the date of signature of the purchase and sale agreement on November 08, 2022.

b. Incorporated revenues and income

The Group consolidated in the fiscal year ended December 31, 2023 the amounts of revenue and net income for the period from February 1 to December 31, 2023 arising from the acquisition of R\$ 95,866 and R\$ 35,180 (if the acquisition date were at the beginning of the reporting period, such amounts would be R\$ 103,668 and R\$ 33,176), respectively.

c. Acquisition costs

The Group incurred costs related to the acquisition in the amount of R\$ 773 related to attorney's fees and due diligence costs. Attorney's fees and due diligence costs have been recorded as "Other operating expenses" on the income statement.

d. Gain on bargain purchase

The gain on bargain purchase recognized as a result of the acquisition was determined as follows:

Consideration transferred (A)	-
Bargain purchase - income (B) (i)	<u>13,150</u>
Total of the gain with bargain purchase (A - B)	13,150

- (i) The Group recorded in "Other operating revenues" in the income statement, a gain of R\$ 13,150 related to the advantageous purchase in the acquisition of the companies Engie Brasil Serviços de Energia Ltda. and Engie Facilities, Limpeza e Conservação Ltda. As required in item 36 of CPC 15 (R1) / IFRS 3 - Business Combination, the Group carried out a review to ensure that all assets acquired and all liabilities assumed were correctly identified, thus obtaining confirmation of the advantageous purchase scenario. The result of the negotiation was mainly due to the seller's intention to withdraw from the business.

3.9 Compart

On January 31, 2023, the Group, through its indirect subsidiary Top Service Serviços e Sistemas S.A., acquired 100% of the share capital, which also comprises 100% of the voting capital, of Compart Marketing e Tecnologia Ltda., thus obtaining its control from February 1, 2023.

a. Consideration transferred

The acquisition was made for the amount of R\$ 86,613, being:

- (i) R\$ 2,500 paid by bank transfer, on the date of signature of the purchase and sale agreement, as a signal, on December 14, 2022;
- (ii) The total amount of R\$ 41,129 paid by bank transfer, on February 02, 2023;
- (iii) The total amount of R\$ 18,038 to be paid within 60 months from the closing date on January 31, 2023;
- (iv) R\$ 18,053 as an additional amount (Earn-out) to be paid up to 180 days after the end of the 2023 fiscal year, in accordance with contractual clauses establishing the criteria to be met by the parties (based on EBITDA multiples, with the EBITDA margin limited to 10% of Net Revenue). Once the trigger is reached, the amount needs to be paid by the Company;
- (v) R\$ 6,893 as an additional amount (Earn-out) to be paid up to 60 months from the closing date, on January 31, 2023.

b. Incorporated revenues and income

The Group consolidated in the fiscal year ended December 31, 2023 the amounts of revenue and net income for the period from February 1 to December 31, 2023 arising from the

acquisition of R\$ 168,529 and R\$ 20,533, (if the acquisition date were at the beginning of the reporting period, such amounts would be R\$ 184,511 and R\$ 24,283), respectively.

c. Acquisition costs

The Group incurred costs related to the acquisition in the amount of R\$ 437 related to attorney's fees and due diligence costs. Attorney's fees and due diligence costs have been recorded as "Other operating expenses" on the income statement.

3.10 Maestro Group

On June 14, 2023, the Group, through its indirect subsidiary Top Service Serviços e Sistemas S/A, acquired 77.27% of the share capital, which also comprises 77.27% of the voting capital, of Maestro Tecnologia S/A, which is the parent company of SW Invest Tecnologia, Serviços e Participações Ltda., thus obtaining its control from July 1, 2023.

a. Consideration transferred

The acquisition was made for the amount of R\$ 8,487, being:

- (i) R\$ 2,487 in three semiannual installments, to be paid to sellers as at the date of signature of the share purchase agreement, the first of which will be paid on June 15, 2023 and which corresponds to 27.27% of the shares issued by the company representing 27.27% of the share capital;
- (ii) R\$ 6,000 on June 15, 2023, referring to the subscription of new shares issued by the company, which corresponds to 50% of the shares representing the share capital.

b. Incorporated revenues and income

The Group consolidated in the fiscal year ended December 31, 2023 the amounts of revenue and net income for the period from July 1 to December 31, 2023 arising from the acquisition of R\$ 421 and R\$ 58, (if the acquisition date were at the beginning of the reporting period, such amounts would be R\$ 791 and R\$ 289), respectively.

c. Acquisition costs

The Group incurred costs related to the acquisition in the amount of R\$ 97 related to attorney's fees and due diligence costs. Attorney's fees and due diligence costs have been recorded as "Other operating expenses" on the income statement.

3.11 Campseg Group

On September 14, 2023, the Group, through its indirect subsidiary Graber Sistemas de Segurança Ltda, acquired 100% of the share capital, which also comprises 100% of the voting capital, of Campseg Vigilância e Segurança Patrimonial LTDA and Campseg Serviços de Facilities Ltda, thus obtaining its control from October 1, 2023.

a. Consideration transferred

The acquisition was made for the amount of R\$ 91,268, being:

- (i) R\$ 3,850 paid by bank transfer, on the date of signature of the purchase and sale agreement, as a signal, on July 14, 2023;

- (ii) The total amount of R\$ 69,904 paid by bank transfer, on September 14, 2023;
- (iii) The total amount of R\$ 17,514 related to the Active Supervenience of customer receivables to be paid as such supervening assets are converted into cash or equivalents.

b. *Incorporated revenues and income*

The Group consolidated in the fiscal year ended December 31, 2023 the amounts of net revenue and net income (loss) for the period from October 1 to December 31, 2023 arising from the acquisition of R\$ 101,886 and R\$ (3,920), (if the acquisition date were at the beginning of the reporting period, such amounts would be R\$ 379,816 and R\$ 1,630), respectively.

c. *Acquisition costs*

The Group incurred costs related to the acquisition in the amount of R\$ 947 related to attorney's fees and due diligence costs. Attorney's fees and due diligence costs have been recorded as "Other operating expenses" on the income statement.

3.12 TLSV

On October 18, 2023, the Group, through its indirect subsidiary Top Service Serviços e Sistemas S.A., acquired 70% of the share capital, which also comprises 70% of the voting capital, of TLSV Engenharia S.A., thus obtaining its control from November 1, 2023.

a. *Consideration transferred*

The acquisition was made for the amount of R\$ 3,500, being:

- (i) R\$ 3,500 paid by bank transfer on June 28, 2023, referring to the subscription of new shares issued by the company, which corresponds to 70% of the shares representing the share capital.

b. *Incorporated revenues and income*

The Group consolidated in the fiscal year ended December 31, 2023 the amounts of net revenue and net income (loss) for the period from November 1 to December 31, 2023 arising from the acquisition of R\$ 16,297 and R\$ (1,561), (if the acquisition date were at the beginning of the reporting period, such amounts would be R\$ 100,196 and R\$ (2,920)), respectively

c. *Acquisition costs*

The Group incurred costs related to the acquisition in the amount of R\$ 516 related to attorney's fees and due diligence costs. Attorney's fees and due diligence costs have been recorded as "Other operating expenses" on the income statement.

3.13 Trademark

On November 10, 2023, the Group, through its indirect subsidiary Allis Luandre Soluções em Trade e Pessoas Ltda, acquired 70% of the share capital, which also comprises 70% of the voting capital, of Trademark Participações S.A., Pop Trade Marketing e Consultoria Ltda, Seven Trade Marketing e Consultoria Ltda., thus obtaining its control from November 1, 2023.

a. Consideration transferred

The acquisition was made for the amount of R\$ 193,760, being:

- (i) R\$ 5,380 paid by bank transfer, on the date of signature of the Purchase and sale agreement, as a signal, on September 20, 2023;
- (ii) The total amount of R\$ 109,255 paid by bank transfer, on November 10, 2023;
- (iii) R\$ 30,989 as an additional amount (Earn-out) to be paid up to 150 days after the 2024 fiscal year ended, in accordance with contractual clauses establishing the criteria to be met by the parties (based on multiples of EBITDA calculated in the period from January 1, 2024 to December 31, 2024). Once the trigger is reached, the amount needs to be paid by the Company;
- (iv) Put option in the amount of R\$ 48,136, based on the Trademark share purchase and sale agreement that provides for a call option ("CALL") held by Allis Luandre Soluções em Trade e Pessoas Ltda. and a put option ("PUT") held by the holders of the remaining 30%, in order to finalize the acquisition of 100% of the company.

b. Incorporated revenues and income

The Group consolidated in the fiscal year ended December 31, 2023 the amounts of revenue and net income for the period from November 1 to December 31, 2023 arising from the acquisition of R\$ 67,954 and R\$ 7,377, (if the acquisition date were at the beginning of the reporting period, such amounts would be R\$ 356,908 and R\$ 19,806), respectively

c. Acquisition costs

The Group incurred costs related to the acquisition in the amount of R\$ 898 related to attorney's fees and due diligence costs. Attorney's fees and due diligence costs have been recorded as "Other operating expenses" on the income statement.

4 Basis for preparation

4.1 Declaration of compliance (with respect to the Accounting Pronouncements Committee – CPC and International Financial Reporting Standards – IFRS)

The individual and consolidated financial statements identified as parent company and consolidated were prepared in accordance with the accounting policies adopted in Brazil (BR GAAP) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Details about the Group accounting policies, including the changes, are presented in note n° 7 and note n° 8.

The issuance of finance was authorized by Management on March 05, 2024. After its issuance, only shareholders are empowered to change the financial statements.

All relevant Company information in the financial statements, and only that information is being evidenced and corresponds to that used by management in its Management.

4.2 Consolidation

The Group consolidates all entities controlled by it, that is, when it is exposed or has rights

to variable returns from its involvement with the investee and is able to direct the relevant activities of the investee.

The subsidiaries included in the consolidation are described in note n° 2 and the accounting policies applied in the preparation of the consolidated financial statements are described in note n° 8.

4.3 Functional and presentation currency

This parent company and consolidated financial statements is presented in Reais, which is the Group's functional currency. All balances have been rounded up to the nearest thousand, except where otherwise specified.

4.4 Presentation of information by segment

The information by operating segments is presented in a manner consistent with the internal report provided to the main chief operations decision maker.

The Company's main decision-making body, responsible for defining the allocation of resources and evaluating the performance of the operating segments, is the Board of Directors.

5 Use of estimates and judgments

In preparing these parent company and consolidated financial statements, required Management to make judgments, estimates and assumptions that affect the application of the parent company's and its subsidiaries' accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Underlying estimates and assumptions are continuously reviewed. Estimates reviews are recognized on a prospective basis.

5.1 Judgments

There is information on judgments made in the application of accounting policies that have significant effects on the amounts recognized in the financial statements are included in the following notes:

- **Note n° 2** – consolidation: determining whether the Group actually has control over an investee;
- **Note n° 17** – equity in earnings of investees: determining whether the Group has significant influence over an investee; and
- **Note n° 23** – lease term: whether the Group is reasonably certain of exercising extension options.

5.2 Uncertainties regarding assumptions and estimates

Information about uncertainties related to assumptions and estimates as at December 31, 2023 that have a significant risk of resulting in a material adjustment in the carrying balances of assets and liabilities in the next fiscal year are included in the following notes:

- **Note n° 12** - Trade receivables: Measurement of expected credit loss for trade receivables;
- **Note n° 20** - Impairment test for intangible assets and goodwill: main assumptions regarding recoverable values and value in use of cash-generating units based on discounted cash flow;
- **Note n° 25** - Deferred income tax and social contribution - recognition of deferred tax assets: availability of future taxable income against which deductible temporary differences and tax losses can be used;
- **Note n° 27** - Recognition and measurement of provisions for contingencies and sub judice taxes: main assumptions on likelihood and magnitude of outflows of funds;
- **Note n° 28** - Acquisition of subsidiary: Fair value of the consideration transferred (including contingent consideration) and assets acquired, and liabilities assumed; and
- **Note n° 30** - Financial instruments: The effectiveness of hedge: determined by prospective periodic assessments on effectiveness to ensure that there is an economic relationship between the protected item and the hedge instrument. Fair value of swap: the fair value is calculated based on the present value of estimated future cash flows.

6 Basis for measurement

The parent company and consolidated interim accounting information have been prepared on a historical cost basis, except for the following material items recognized in the statements of financial position:

- (i) Derivative financial instruments are measured at fair value;
- (ii) Non-derivative financial instruments measured at their fair value through profit or loss are measured at fair value; and
- (iii) Contingent liabilities assumed in a business combinations are measured at fair value.

Fair value measurement

Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants on the measurement date, in the main market or, in its absence, in the most advantageous market to which the Group has access on that date. The fair value of a liability reflects its risk of non-performance.

A few of the Group's accounting policies and disclosures require the assessment of fair value, for both financial and non-financial assets and liabilities.

When available, the Group measures the fair value of an instrument using the price quoted in an active market for that instrument. A market is considered active if transactions for asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no price quoted in an active market, the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account when fixing the price of a transaction.

If an asset or liability measured at fair value has a purchase price and a sale price, the Group measures assets based on purchase prices and liabilities based on sale prices.

The best evidence of the fair value of a financial instrument on initial recognition is generally the price of the transaction - that is, the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is not evidenced by a price quoted in an active market for an identical asset or liability or based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at the fair value to distinguish the difference between the fair value at initial recognition and the transaction price. Subsequently, this difference is recognized in profit or loss on an appropriate basis over the life of the instrument, or until such time as the valuation is fully supported by market observable inputs or the transaction is closed, whichever occurs first.

7 New or revised pronouncements applied for the first time in 2023

The Group has applied for the first-time certain standards and amendments which are valid for annual periods beginning on or after January 1, 2023 (except as otherwise indicated). The Group has decided not to adopt in advance any other rules, interpretation or amendment that have been issued but are not yet in force.

a) Release of accounting policies (amendments to CPC 26/IAS 1 and IFRS Practice Statement 2)

In February 2021, the IASB issued amendments to IAS 1 (a standard related to CPC 26 (R1)) and IFRS Practice Statement 2 Making Materiality Judgments, which provide guides and examples to help entities apply materiality judgment to the disclosure of accounting policies. The changes are to help entities disclose accounting policies that are most useful by replacing the requirement for disclosure of meaningful accounting policies with material accounting policies and adding guides for how entities should apply the concept of materiality to make decisions about the release of accounting policies.

The changes had an impact on the Group accounting policies disclosures (note n° 8), but not on the measurement, recognition or financial reporting of items in the Group financial statements.

b) Definition of accounting estimates (amendments to CPC 23 / IAS 8)

In February 2021, the IASB issued amendments to IAS 8 (a standard related to CPC 23), in which it introduces the definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and error correction. In addition, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The changes had no impact on the Group consolidated financial statements.

c) Deferred Tax related to Assets and Liabilities arising from a Simple Transaction - Amendments to IAS 12

The amendments to IAS 12 Income Tax (equivalent to CPC 32 – Taxes on profit) narrow the scope of the initial recognition exception, so that it no longer applies to transactions that

generate equal taxable and deductible temporary differences, such as leases and decommissioning liabilities.

The changes had no impact on the Group consolidated financial statements.

d) Insurance contracts (CPC 50 / IFRS 17)

The IFRS 17 (equivalent to CPC 50 Insurance Contracts) is a new accounting standard with scope for insurance contracts, covering recognition and measurement, presentation and disclosure. IFRS 17 (CPC 50) replaces IFRS 4 - Insurance Contracts (equivalent to CPC 11).

The IFRS 17 (CPC 50) applies to all types of insurance contracts (such as life, property and casualty, direct insurance and reinsurance), regardless of the type of entities issuing them, as well as to certain guarantees and financial instruments with discretionary participation characteristics; some scope exceptions will apply. The overall objective of IFRS 17 (CPC 50) is to provide a comprehensive accounting model for insurance contracts that is most useful and consistent for insurers, covering all relevant accounting aspects.

The changes had no impact on the Group consolidated financial statements.

8 Significant accounting policies

The Group applied the accounting policies described below consistently to all fiscal years presented in these parent company and consolidated financial statements, unless otherwise indicated.

In addition, the Group adopted the Disclosure of Accounting Policies (amendments to CPC 26/IAS 1 and IFRS Practice Statement 2) from January 1, 2023. The amendments require the disclosure of "material", rather than "significant", accounting policies. Although the amendments have not resulted in any changes to the accounting policies themselves, they have affected the information on accounting policies disclosed in this note 8 in certain cases (see note 7(a) for more information).

8.1 Consolidation basis

a. Business combination

Partial business combinations (where acquired share represents less than 100%) are accounted for when applicable using the anticipated acquisition method. Following this methodology, in the same date of the acquisition, the parts mutually agree on a put and call option instrument for the residual capital or quotas of the acquired companies. This instrument determines the exercise periods. The Group therefore registers all its acquisitions in full, regardless of its share in the acquisitions. Except when there is no option contract, as mentioned in item "C" of this explanatory note.

The cost of an acquisition is measured as the sum of the transferred consideration, measured at fair value at the date of acquisition, and the unacquired portion measured at fair value by the date of preparation of the Purchase Price Allocation (PPA). Acquisition costs incurred are treated as expenses and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for the appropriate classification and designation according to the contractual terms, the economic circumstances and the relevant conditions on the date of the acquisition.

Any contingent consideration payable is measured at fair value as of the date of acquisition. If the contingent consideration is classified as an equity instrument, then it is not remeasured, and settlement is recorded within equity, within equity valuation adjustments. Other contingent considerations are remeasured at fair value on each reporting date, presented in Statement of financial position in “Acquisition of subsidiaries” and subsequent changes to fair value are recorded in the Statements of Profit and Loss, in “Other operating revenues (expenses)”.

Goodwill is measured using the anticipated acquisition method. By this method, the transaction is accounted considering the put option as already 100% exercised, since control is already acquired at the initial moment of the transaction.

After initial recognition, goodwill is measured at cost, less any impairment. For the purpose of testing for impairment, the goodwill acquired in a business combination is, since the acquisition date, allocated to each of the cash-generating units (note nº 8.7) that should benefit from the business combination carried out, regardless of whether other assets or liabilities of the acquiree will be allocated to these units.

Liabilities from acquisitions are updated on a quarterly basis and the most relevant assumptions used on contingent consideration calculation are based on:

- Fair value at the measurement date;
- EBITDA multiples;
- Price additions based on financial indices including indicators such as working capital, net debt and/or withholdings from contingent considerations (liabilities assumed but not economically realized);
- Adjustment on the fair value of such considerations and valuation metrics based on the discounted cash flow method (when applicable).

b. Subsidiaries

The Group controls an entity when it is exposed to variable returns or has the right over the variable returns that arise from its interest in the entity, having also the capacity to affect those returns using its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements as from the date when control began, up to the date when it ceased to exist.

In the parent company's financial statements, subsidiaries are recognized using the equity accounting method.

c. Loss of control

Upon loss of control, the Group derecognizes the subsidiary's assets and liabilities, any non-controlling interests and other components recorded in the equity pertaining to subsidiary. Any gain or loss from loss of control is recognized in the Statement of profit or loss. If the Group retains any equity interest in the former subsidiary, this is shown at its fair value on the date when the loss of control occurs.

d. Participation of non-controlling interests

The Group elected to measure any non-controlling interests in the acquired company by the proportionate share in the identifiable net assets on the acquisition date, except for acquisitions using the anticipated acquisition method which does not consider non-controlling interest.

Changes in the parent company's interest in a subsidiary that do not result in loss of control are accounted for as equity transactions.

e. Investments in entities recorded by the equity accounting method

The Group's investments in entities recorded by the equity accounting method include its interests in subsidiaries. Such investments are recognized initially at cost, including transaction costs. After the initial recognition, the financial statements include the Group interest in the net profit or loss of the fiscal year and other comprehensive income from investee up to the date when the joint control ceases to exist.

f. Transactions eliminated in consolidation

Intragroup balances and transactions, and any unrealized revenues or expenses arising from intragroup transactions, are eliminated. Unrealized gains resulting from transactions with investee recorded by the equity accounting method are eliminated against the investment, in the proportion of Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is evidence of impairment losses.

g. Foreign-currency transactions

Foreign currency transactions, if any, are converted to the respective functional currency of Group entities by exchange rates on the transaction dates.

Monetary assets and liabilities denominated and calculated in foreign currencies on the date of statement of financial position are reconverted into the functional currency at the exchange rate determined on that date. Non-monetary assets and liabilities which are measured by the fair value in foreign currency are reconverted into the functional currency at the exchange rate on the date when the fair value was calculated. The differences of foreign currencies resulting from the conversion are recognized in the income.

8.2 Financial instruments**(i) Recognition and initial measurement**

The Group applies the simplified approach of CPC 48 / IFRS 9 to the measurement of its financial instruments. All financial assets and liabilities are initially recognised when the Group becomes part of the contractual provisions of the instrument. Trade receivables from customers and debt securities issued are initially recognized on the date they were originated.

A financial asset (unless it is a trade receivables from customers without a significant financing component) or financial liability is initially measured at fair value, plus, for an item not measured at fair value through profit or loss (FVTPL), of the transaction costs that are directly attributable to their acquisition or issuance. Accounts receivable from customers without a significant financing component are initially measured at the transaction price.

(ii) ***Subsequent classification and measurement***

Financial instruments

At the initial recognition, a financial asset is classified as measured: at amortized cost; at fair value through other comprehensive income (FVTOCI) - debt instrument; at FVTOCI - equity instrument; at fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to initial recognition, unless the Group changes the business model for the management of financial assets, in which case all affected financial assets are reclassified on the first day of the presentation period after the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as measured at FVTPL:

- It is held within a business model that has as purpose the maintenance of financial assets to receive contractual cash flows; and
- Its contractual terms generate, on specific dates, cash flows that are related only to the payment of principal and interest on the outstanding principal amount.

A debt instrument is measured at FVTOCI if it meets both conditions below and is not designated as measured at FVTPL:

- It is maintained within a business model whose objective is achieved both by the receipt of contractual cash flows and by the sale of financial assets; and
- Its contractual terms generate, on specific dates, cash flows that are only related to the payment of principal and interest on the outstanding principal amount.

Upon initial recognition of an investment in an equity instrument that is not held for trading, the Group may irrevocably choose to present subsequent changes in the fair value of the investment in other comprehensive income. This choice is made investment by investment.

All financial assets not classified as measured at amortized cost or FVTOCI, as described above, are classified as FVTPL. This includes all derivative financial assets (see note n° 30). At initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or as FVTOCI or FVTPL if this eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model appraisal

The Group performs an assessment of the objective of the business model in which a financial asset is kept in the portfolio because it better reflects the way in which the business is managed and the information is provided to management. The information considered includes:

- The policies and objectives set for the portfolio and the practical functioning of these policies.

They include the question of whether Management's strategy focuses on obtaining contractual interest income, maintaining a specific interest rate profile, the correspondence between the duration of financial assets and the duration of related liabilities or expected outflows cash flow, or the realization of cash flows through the sale of assets;

- How the portfolio's performance is assessed and reported to the Group's Management;
- The risks that affect the performance of the business model (and the financial asset held in that business model) and the way those risks are managed; and
- The frequency, volume and timing of sales of financial assets in previous periods, the reasons for such sales and your expectations about future sales.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales, in a manner consistent with the continued recognition of the Group's assets.

Financial assets - Assessment of whether contractual cash flows are principal and interest payments only

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset upon initial recognition. 'Interest' is defined as a consideration for the time value of money and for the credit risk associated with the principal outstanding over a given period of time and for the other basic risks and costs of borrowing (for example, liquidity risk and administrative costs), as well as a profit margin.

The Group considers the contractual terms of the instrument to assess whether contractual cash flows are principal and interest payments only. This includes assessing whether the financial asset contains a contractual term that could change the timing or value of contractual cash flows so that it would not meet this condition. In making this assessment, the Group considers:

- Contingent events that change the amount or timing of cash flows;
- Terms that can adjust the contractual rate, including variable rates;
- Prepayment and deadline extension; and
- The terms that limit the Group's access to cash flows from specific assets (for example, based on the performance of an asset).

Prepayment is consistent with the principal and interest payment criteria if the prepayment amount mostly represents unpaid principal and interest on the outstanding principal amount - which may include additional compensation reasonable for early termination of the agreement. In addition, with respect to a financial asset acquired for less than or greater than the nominal value of the agreement, the permission or requirement for prepayment for an amount that represents the nominal value of the agreement plus contractual interest (which also may include reasonable additional compensation for early termination of the agreement) accumulated (but not paid) are treated as consistent with this criterion if the fair value of the prepayment is insignificant on initial recognition.

Financial assets - Subsequent measurement and profit and loss

Financial assets at FVTPL	Those assets are subsequently measured at fair value. The net result, including interest or dividend income, is recognized in the statement of profit or loss. However, see note n° 30 for derivatives designated as instruments of economic protection. To adjust the debt to its fair value, the Group developed a methodology using the market rates available on the statement of financial position disclosure date. Each payment flow is calculated up to its future value and discounted to present value using market rates.
Financial assets at amortized cost	Measured at amortized cost using the effective interest method. The amortized cost is decreased by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Any gain or loss on derecognition is recognized in the income.
FVTOCI debt instruments	Measured at amortized cost using the effective interest method. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in income. Other net results are recognized in OCI. Upon derecognition, the accumulated result in OCI is reclassified to the income.
Equity instruments at FVTOCI	Measured at fair value and changes in fair value, except for impairment losses, interest and foreign exchange differences on debt instruments, were recognized in OCI and accumulated in the fair value reserve. When these assets were derecognized, the accumulated gains and losses in equity were reclassified to the income.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities were classified as measured at amortized cost or at FVTPL. A financial liability is classified as measured at fair value through profit or loss if it is classified as held for trading, is a derivative or is designated as such at initial recognition. Financial liabilities measured at FVTPL are measured at fair value and the net result, including interest, is recognized in the income. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense, foreign exchange gains and losses are recognized in the income. Any gain or loss on derecognition is also recognized in the income.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense, foreign exchange gains and losses are recognized in income. Any gain or loss on derecognition is also recognized in the income statement.

See note n° 30 on financial liabilities and derivatives designated as protection instruments.

(iii) Derecognition

The Group carries out transactions in which it transfers assets recognized in the statement of financial position, but retains all or substantially all the risks and benefits of the assets transferred. In such cases, financial assets are not derecognized.

Upon the derecognition of a financial liability, the difference between the extinct carrying amount and the consideration paid (including transferred assets that do not transit through the cash or assumed liabilities) is recognized in the statement of profit or loss.

Interest rate reform

When the basis for determining the contractual cash flows of a financial asset or financial liabilities measured at amortized cost changes as a result of the interest rate reform, the

Group updates the effective interest rate of the financial asset or financial liabilities to reflect the change that is required by the reform. A change in the basis for determining contractual cash flows is required by the reference interest rate reform if the following conditions are nonfulfillment:

- change is necessary as a direct consequence of reform; and
- the new basis for determining contractual cash flows is economically equivalent to the previous basis - i.e. the basis immediately prior to the change.

When changes have been made to a financial asset or financial liability, in addition to changes in the basis to determine the contractual cash flows required by the reference interest rate reform, the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reference interest rate reform. After that, the Group applies the accounting policies for changes to the additional changes.

(iv) *Offset*

The financial assets or liabilities are offset, and the net amount is presented in the statement of financial position when, and only when, the Group has the legal right of offsetting the amounts and has the intention of settling them on a net basis, or realizing the asset and settling the liability simultaneously.

(v) *Financial instruments derivative and hedge accounting*

The Group designates certain derivatives as hedge instruments to protect the variability of cash flows associated with highly probable anticipated transactions resulting from changes in exchange and interest rates, in addition to certain derivative and non-derivative financial liabilities as foreign exchange risk hedge instruments of a net investment in a foreign transaction.

At the beginning of the designated hedging relationships, the Group documents the objective of risk management and the acquisition strategy of the hedge instrument. The Group also documents the economic relationship between the hedge instrument and the item hedged, including whether there is an expectation that changes in the cash flows of the item hedged and the hedge instrument will compensate each other.

Cash flow hedges

When a derivative is designated as a cash flow hedge instrument, the effective part of the changes in the fair value of the derivative is recognized in other comprehensive results and presented in the hedge liquid income account. The effective part of the changes in the fair value of the derivative recognized is limited to the cumulative change in the fair value of the item subject to hedging, determined on the basis of the present value, since the beginning of the hedge. Any non-effective part of the changes in the fair value of the derivative is recognized immediately in statements of profit or loss.

8.3 Share Capital

Common shares

When applicable, additional costs directly attributable to the issuance of shares are recognized as a deduction from equity, net of any tax effects. Discretionary dividends are recognized as distributions in equity upon their approval by the shareholders.

8.4 Taxes

a. Current income tax and social contribution

The current income tax and social contribution are calculated at the regular rate of 15%, plus an additional 10% on the surplus profit of R\$ 240 for income tax and 9% for social contribution, on the net income for the fiscal year and consider the writing-off of tax losses and negative basis of social contribution, limited to 30% of taxable income, adjusted according to criteria established by the tax legislation in effect.

Income tax and social contribution expenses comprise current and deferred taxes. The current and deferred taxes are recognized through Statement of profit or loss, unless they are related to business combination or items directly recognized in equity or in other comprehensive income.

Current tax assets and liabilities are only offset if certain criteria are met.

b. Deferred income tax and social contribution

Deferred tax assets are recognized on deductible temporary differences relating to investments in subsidiaries only to the extent that it is likely that the temporary differences will be reversed in the near future, and that taxable income will be available for them to be used.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date, and is written-off when it is not probable anymore for the taxable income to be available to allow the utilization of all or part of deferred tax assets to be used.

Deferred tax assets and liabilities are measured at the tax rate that is expected to be applied in the year when assets will be realized or liabilities will be settled, based on tax rates (and tax law) that were issued on statement of financial position date.

Deferred taxes regarding items directly recognized in equity are also recognized in equity, other than in the statement of profit or loss. Deferred tax items are recognized according to the transactions that originated them, in comprehensive income or directly in equity.

Deferred tax assets and liabilities are shown net if there is a legal or contractual right to offset the tax asset against the tax liability, and if the deferred tax relates to the same taxable entity and is subject to the same tax authority.

8.5 Property, plant, and equipment

a. Recognition and measurement

It is shown at the historical cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Deemed cost of certain items of property, plant and equipment as at January 1st, 2009, transition date for the CPCs was determined based on its fair value on that date.

An item of the property, plant, and equipment is written-off when sold or when no future economic benefit is anticipated from its use or sale. Any gains or losses resulting from the write-off of an asset (calculated as being the difference between the net sales amount and the carrying amount of the asset) are included in the Statement of profit or loss for the fiscal

year in which the asset is written-off.

Repairs and maintenance are included in income during the period when they are incurred.

b. *Subsequent expenditure*

Subsequent expenditure is capitalized only when it is probable that associated future benefits may be earned by the Group.

c. *Depreciation*

Depreciation is calculated by the straight-line method, according to the rates disclosed in note n° 18 and which take into account the useful life of the goods.

The residual value, the useful life of the assets, and the depreciation methods are reviewed upon closing of each fiscal year, being prospectively adjusted as the case may be.

8.6 Intangible assets

Intangible assets purchased separately are measured at cost price at the time of their initial recognition. After initial recognition, intangible assets are presented at cost price, less accumulated amortization and accumulated losses of recoverable value.

The useful life of an intangible asset is considered defined or undefined.

The amortization period and method for an intangible asset with a defined life are reviewed at least at the end of each fiscal year. Changes in the estimated useful life or expected consumption of future economic benefits of these assets are recorded through changes in the amortization period or method, as the case may be, and treated as changes in accounting estimates. The amortization of intangible assets with defined life is recognized in the Statement of profit or loss in the expense category consistent with the use of the intangible asset.

Intangible assets with undefined useful life are not amortized, and they are subjected to annual impairment tests to assess and validate their recoverability.

Gains and losses resulting from the write-off of an intangible asset are measured as the difference between the net amount earned from the sale and the carrying amount of the asset, and are recognized in the Statement of profit or loss upon write-off of the asset.

The following table provides a summary of the policies applied to the Group's intangible assets:

	Softwares licenses	and Goodwill	Brands (a)	Brands	Section on non-competition with former quotaholders	Surplus value of Fixed assets	of Indemnity assets	Contingent liabilities	Customer Portfolio
Useful life	Defined	Undefined	Undefined	Defined	Defined	Defined	Undefined	Undefined	Defined
Amortization period	5 years	-	-	2 to 5 years	5 years	4 to 5 years	-	-	3 to 18 years
Amortization method used	Linear amortization	Does not amortize	Does not amortize	Linear amortization	Linear amortization	Linear amortization	Does not amortize	Does not amortize	Linear amortization
Origin	Acquired	Acquired (business combination)	Acquired (business combination)	Acquired (business combination)	Acquired (business combination)	Acquired (business combination)	Acquired (business combination)	Acquired (business combination)	Acquired (business combination)

(a) Brands with an undefined useful life have well-known and consolidated names in the market in their localities, being considered relevant at the time of their acquisition.

(i) Goodwill

Goodwill is measured at cost, less any accumulated losses from impairment. The goodwill is due to the acquisition operations, registered in the investment group in the parent company and as an intangible asset in the consolidated. It is segregated according to the allocation obtained from the Purchase Price Allocation assessment and represents the difference between the amount paid in the transaction and the net balance of the fair value of acquired assets and liabilities.

(ii) Surplus value of assets and other intangible assets

Substantially, the amounts are distributed among the items customers portfolio, added value of fixed assets, brand value and non-competition agreements. The value attributed to the customers portfolio is amortized according to the Multi-Period Excess Earning (MPEEM) method, for brands with a defined useful life, amortization is based on the Royalty Relief Method and non-competition based on the useful life defined by the With or Without Method technique, the others are subject to annual impairment tests.

(iii) Subsequent expenditure

Subsequent expenditure is capitalized only when they increase future economic benefits incorporated in the specific asset to which they are related. All other expenses are recognized in statements of profit or loss.

8.7 Impairment

(i) *Non-derivative financial assets*

Financial instruments and contractual assets

The Group recognizes provisions for expected credit losses on:

- Financial assets measured at the amortized cost; and
- Agreements assets.

The Group measures the provision for losses in an amount equal to the expected credit loss for the entire life of the financial instrument, except for the items described below, which are measured as expected credit loss for 12 months:

- Debt securities with low credit risk on the date of the statement of financial position; and
- Other debt securities and bank balances for which credit risk (i.e. default risk over the expected life of the financial instrument) has not increased significantly since beginning of the recognition.

Provisions for losses on customers' trade receivables and contract assets are measured at an amount equal to the expected credit loss for the entire life of the instrument.

Credit losses expected for the entire life are the expected credit losses resulting from all possible default events over the expected life of the financial instrument.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportive information that is relevant and available at no cost or without excessive effort. This includes quantitative and qualitative information and analysis, based on the Group's historical experience, credit assessment and forward-looking information.

The Group considers a financial asset to be defaulted when:

- It is unlikely that the debtor will fully pay its credit obligations to the Group, without resorting to actions such as the enforcement of the guarantee (if any); or
- In accordance with the Group's accounting policy for the provision for expected loss, the percentage of each range is applied on the aging list of outstanding securities on the base date of analysis, on December 31, 2023 the percentages were calculated as follows:
 - Due: 1.73%;
 - Expired from 1 to 30 days: 2.33%
 - Expired from 30 to 60 days: 10.66%;
 - Expired from 61 to 90 days: 17.77%;
 - Expired from 91 to 180 days: 45.81%;
 - Expired from 181 to 360 days: 61.43%; and
 - Over 360 days: 58.43%.

According to the Group's accounting policy, the provision for expected loss of customers to be invoiced it is calculated considering 0.8% on the monthly gross operating revenue and any complements of specific cases resulting from the analysis process carried out in November, which aims to evaluate the maintenance or definitive reduction of the provisional values.

Such percentages were estimated based on risk assessment and historical data from the Group and risk.

The maximum period considered in the expected credit loss estimate is the maximum contractual period during which the Group is exposed to credit risk.

Measurement of expected credit losses

Expected credit losses are estimates weighted by the probability of credit losses. Credit losses are measured at present value based on all cash shortfalls (i.e., the difference between the cash flows due to the Group under the agreement and the cash flows that the Group expects to receive).

Expected credit losses are discounted by the effective interest rate of the financial asset.

Due to the characteristics of the trade receivables, the Group has adopted the simplified approach of expected credit loss, which consists in recognizing the expected credit loss over the total useful life of the asset using two analysis methods, on both a collective and an individual basis.

Collective basis

The Group adopts the expected loss model, based on the history of defaults by maturity range after 12 months of recognition, applying these rates in the aging list maturity ranges calculated on the base date of presentation.

Individual basis

At each statement of financial position settlement, the Group assesses whether or not there was a significant increase in credit risk for each customer or specific receivables characteristics through qualitative analysis of the factors that may lead to a high expectation of default.

Credit-impaired financial assets

A financial asset is "credit-impaired" when one or more events with a detrimental impact on the estimated future cash flows of the financial asset occur.

Objective evidence that financial assets have had credit-impaired includes the following observable inputs:

- Significant financial difficulties of the issuer or borrower;
- Breach of contractual sections, such as default or delay of more than 90 days;
- Restructuring of an amount owed to the company, in conditions that would not be accepted under normal conditions;

- The probability that the debtor will go bankrupt or undergo another type of financial reorganization; and
- For these customers or asset classes, the Group determines the expected loss to be recognized.

Presentation of the provision for expected credit losses in the statement of financial position

The provision for losses for financial assets measured at amortized cost is deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written-off when the Group has no reasonable expectation of recovering the financial asset in whole or in part. With respect to individuals, the Group adopts the policy to write-off the gross carrying amount when the financial asset has been overdue 360 days based on historical experience of recovering similar assets. Regarding to corporate customers, the Group makes an individual assessment of the time and value of the write-off based on whether or not there is reasonable expectation of recovery. The Group does not expect any significant recovery of the amount written off. However, financial assets written off may still be subject to credit execution for compliance with the Group's procedures for the recovery of amounts due.

(ii) Non-financial assets

The carrying values of the Group's non-financial assets, other than income tax and social contribution, deferred assets and inventories, are reviewed at each balance sheet date to determine whether there is an indication of impairment. If such an indication occurs, then the recoverable value of the asset is estimated. In the case of goodwill, the recoverable amount is tested annually.

For impairment testing, assets are grouped into the smallest possible group of assets that generate cash inflows from their continued use, inflows that are largely independent of cash inflows from other assets, or CGUs. The goodwill of business combinations is allocated to the CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable value of an asset or CGU is the greater of its values in use or its fair value minus costs to sell. Value in use is based on estimated future cash flows, discounted to their present value, using a pre-tax discount rate that reflects current market valuations of the time value of money and the specific risks of the asset or CGU.

An impairment loss is recognized if the carrying value of the asset or CGU exceeds its recoverable value.

Impairment losses are recognized in profit or loss. Losses recognized in respect of CGUs are initially allocated to reduce any goodwill allocated to this CGU (or group of CGUs), and then to reduce the carrying value of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss related to goodwill is not reversed. For other assets, impairment losses are reversed only to the extent that the carrying value of the asset does not exceed the carrying value that would have been determined, net of depreciation or amortization, if the loss of value had not been recognized.

8.8 Leases

Determining when an agreement has a lease

At the beginning of a contract, the Group evaluates whether a contract is or contains a lease.

An agreement is, or contains a lease, if the contract transfers the right to control the use of an identified asset for a period of time in exchange for payment.

CPC 06 (R2) / IFRS 16 includes two recognition exemptions for lessees that were applied by the Group and its subsidiaries: low-value asset leases and short-term leases, i.e. with a term of up to 12 months.

As lease

The Group classified leases that transferred substantially all of the risks and benefits inherent in ownership as finance leases. When this was the case, leased assets were initially measured at an amount equal to the lesser of their fair value and the present value of the minimum lease payments. The minimum lease payments were the payments during the term of the lease that the lessee was required to make, excluding any contingent rent. After initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operational and were not recognized in the Group's statement of financial position. Payments made under operating leases were recognized in the result in a linear manner by the term of the lease. The incentives received were recognized as an integral part of the total cost of the lease during the lease term.

(i) Right-of-use assets

Recognition of right-of-use asset at the date of initial application for leases previously classified as operating lease. The measurement of the right-of-use asset to the value equivalent to the Lease Operations liability, adjusted by the value of any prepaid or accrued lease payments relating to that lease that has been recognized in the statement of financial position immediately before the date of initial application.

The right-to-use asset is initially measured at cost, which comprises the initial measurement value of the lease payable, adjusted for any lease payments made up to that of the start date, plus any initial direct costs incurred by the lessee and an estimate of costs to be incurred by the lessee in disassembling and removing the underlying asset, restoring the location in which it is located or restoring the underlying asset to the condition required by the lease terms and conditions, less any lease incentives received.

The right-to-use asset is subsequently depreciated using the straight-line method from the start date to the end of the lease term.

(ii) Lease payables

The lease payable is initially measured at the present value of lease payments that are not made on the start date, discounted by the implied interest rate on the lease or, if this rate cannot be determined immediately, by the Group's incremental lending rate. Generally, the Group uses its incremental loan rate as a discount rate.

The Group determines its incremental rate on loans by obtaining interest rates from various external sources of financing and making some adjustments to reflect the terms of the contract and the type of leased asset.

The lease payments included in the measurement of lease payables comprise as follows:

- Fixed payments, including fixed payments in essence;
- Variable lease payments that depend on index or rate, initially measured using the index or rate on the start date;
- Amounts that are expected to be paid by the lessee, in accordance with the guarantees of residual value; and
- The exercise price of the purchase option if the lessee is reasonably certain to exercise this option, and fines for termination of the lease, if the lease term reflects the lessee exercising the option of terminating the lease.

The lease payable is measured at amortized cost, using the effective interest method. It is remeasured when there is a change in future lease payments resulting from a change in index or rate, if there is a change in the amounts that are expected to be paid in accordance with the residual value guarantee, if the Group changes its valuation will exercise a purchase, extension or termination option or if there is a fixed revised lease payment in essence.

When the lease payable is remeasured in this manner, an adjustment is made corresponding to the book value of the right-of-use asset or recorded in the profit if the book value of the right-of-use asset has been reduced to zero.

As lessor

The Group did not define accounting policies when it acts as a lessor because it understands that these amounts are not significant.

8.9 Provisions*General*

Provisions are recognized when: the Group has a current (legal or non-formalized) obligation as a result of a past event; it is likely that economic benefits will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made. When the Group expects that the amount of a provision is reimbursed, either fully or partially, e.g., by virtue of an insurance agreement, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of profit or loss, net of any reimbursement.

Provisions for tax, civil and labor risks

The Group is a party to several legal and administrative proceedings. Provisions are constituted for all contingencies related to judicial processes to which it is probable that an outflow of resources be made to settle the contingency/obligation and a reasonable estimate may be made. The assessment of the probability of loss includes assessing available evidence, the hierarchy of laws, available case law, the most recent court decisions and their relevance in the legal system, as well as the assessment of external lawyers. Provisions are reviewed and adjusted to consider changes in circumstances, such as applicable lapse of time, conclusions of tax inspections or additional exposures identified based on new matters or court decisions.

Sub judice taxes

In the process of acquiring companies, there are risks raised in a report by experts regarding tax risks not provided for by the previous Management. Such risks refer mainly to federal debts with suspended chargeability, reductions in the tax calculation base with court precedents unfavorable to taxpayers, non-payment of IOF on loan operations and non-compliance with some aspects of the Consolidation of Labor Laws as a liabilities assumed in the allocation of the sub judice tax item and treated as such.

8.10 Employee benefits

Liabilities for short-term benefits to employees are recognized as personnel expenses according to the way the related service is supplied. The liability is recognized by the amount expected to be paid if the Group has a legal or constructive current obligation to pay for a service rendered by an employee in the past, and if the obligation can be reliably estimated.

Recognition of bonuses payable to employees is usually made upon closing of the fiscal year, according to individual performance targets following specific criteria.

The Group does not maintain retirement benefits, pension plans, private pension plans, or any retirement plans or benefits for its employees and managers after they leave the Group.

8.11 Share Purchase Plan

The Group has a Stock Options Plan ("Options Plan"), approved at the Shareholders' General Meeting of April 14, 2022, whose objectives are:

- (i) To provide certain Employees, selected by the Company's Board of Directors ("CA-GPS"), the possibility of becoming shareholders of the Company, providing, consequently, a greater alignment of their interests with the interests of other shareholders, and consequent sharing of capital market risks;
- (ii) Stimulate the permanence and loyalty of these Employees; and
- (iii) Share the creation of value in the Company among such Employees and other shareholders of the Company.

In the context of the Options Plan, according to the annual Program approved by the Board of Directors, the selected Employees sign the Options Agreement and may exercise them in accordance with the rules stipulated and, according to the resolutions contained in the Minutes of the Extraordinary Meeting of CA-GPS, on March 29, 2023 were approved:

- Issuance of 2,461,432 (two million, four hundred and sixty-one, four hundred and thirty-two) common shares, nominative, book-entry and no nominal value.
- Exercise price based on the average closing price of the Company's shares in the period between March 8, 2023 and March 14, 2023, of R\$ 12,55 (twelve reais and fifty-five cents) per option.
- Discount of 10% (ten percent) to be paid as a premium, corresponding to the amount of R\$ 1,26 (one real and twenty-six cents) per option.

Also, by the Annual Program, the options had immediate vesting and maximum period of 5 (five) working days for the employees, and the exercise price was paid in cash, simultaneously to the formalization of the subscription of the shares, acquired by the Employees. The shares issued as a result of the exercise of the options are subject to a "Lock Up" period and do not imply a requirement to remain in the Group. The Options Plan (thus understood the shares issued by the Company as a result of it) is recorded, from the accounting point of view, in accordance with the terms CPC 10 / IAS 2 and according to the granting of equity instruments acquired immediately. Thus, the discount applied had its accounting reflex considered as Premium, in the amount of R\$ 3,087 (according to note n° 32) and capitalization as equity (capital increase, see note n° 29 (a)).

8.12 Revenue from contracts with customers

Revenue is measured based on the consideration available in the contract with the customer. The Group recognizes revenue when it transfers control over the product or service to the customer.

Information on compliance with performance obligations in agreements with customers, including significant payment terms and related revenue recognition policies, is detailed in note n° 31 (d).

8.13 Financial income and expenses

The Group financial revenues and expenses include the following:

- Revenue of interest
- Interest expenses
- Net profit/losses on disposal of financial assets available for sale
- Net profit/losses on foreign exchange fluctuation on financial assets and liabilities
- Impairment losses on financial assets (not trade receivables)
- Monetary adjustments of judicial deposits

Finance income and finance expenses are recognized in income by the effective interest method. The revenue with dividends is recognized the Statement of profit or loss on the date when the right of Group to receive the payment is established. The Group classifies interest received and dividends and interest on equity received as cash flows from investment activities.

The 'effective interest rate' is the rate that exactly discharges payments or receipts on cash

estimated futures over the expected life of the financial instrument at:

- The gross carrying amount of the financial asset; or
- The amortized cost of the financial liability.

In the calculation of interest income or expense, the effective interest rate is on the gross carrying amount of the asset (when the asset is not having credit-impaired) or the amortized cost of the liability. However, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset that presents credit-impaired after initial recognition. If the asset no longer has credit-impaired, the interest income will be calculated again based on the gross amount.

8.14 New norms and interpretations not yet effective

The new standards and interpretations amended but not adopted by the date of issue of the Group's individual and consolidated financial statements are described below. The Group intends to adopt these standards and interpretations, if applicable, when they come into force.

a) Amendments to IAS 1 (CPC 26): Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 (equivalent to CPC 26 (R1) – Presentation of Financial Statements) to specify the requirements for classifying liabilities as current or non-current and require new disclosures for non-current liabilities that are subject to future covenants.

The amendments clarify:

- That meant by the right to postpone liquidation
- That the right to defer should exist at the end of the financial reporting period.
- That the rating is not affected by the likelihood that the entity will exercise its right to defer.
- That only if a derivative embedded in a convertible liability is itself an equity instrument, the terms of a liability will not affect its classification.

In addition, a disclosure requirement has been introduced where a liability arising from a loan agreement is classified as non-current and the entity's right to postpone liquidation is contingent on the fulfilment of future covenants within twelve months.

The changes are effective for annual financial statement periods beginning on or after January 1, 2024 and must apply retrospectively.

The Group is currently assessing the impact the changes will have on current practice and whether existing loan arrangements may require renegotiation.

b) Other standards

The following new and amended standards are not expected to have a significant impact on the Group's parent company and consolidated financial statements:

- Amendments to IFRS 16 (CPC 06): Lease Liability in a Sale and Leaseback (sale and leaseback transactions)
- Supplier Financing Agreements - Amendments to IAS 7 and IFRS 7
- Lack of convertibility (amendments to CPC 02/IAS 21).

9 Information by segment

Information by operating segments is presented in a form that is consistent with the internal report provided to the principal operations decision taker. The main operating decision maker, responsible for allocating resources and evaluating the performance of operational segments, is the Board of Directors in accordance with the annual approval of the Business Plan, also responsible for making strategic decisions of the Group.

The determination of the Group's operating segments is based on its Corporate Governance framework, which divides the businesses for management and decision-making purposes into regional units, in the customers' geographical areas. The revenue and cost are used to define the respective management frameworks, based on the regional units. The Board of Directors monitors the results of each business unit at least quarterly.

The revenues and costs of the segment are based on the customers' geographic location, which is the same metric used to define the respective management frameworks, based on regional units.

There is no customer that has contributed more than 10% of net operating revenue at December 31, 2023 and 2022. All revenues from contracts with customers of the Group are concentrated in a single geographic market (Brazil) and all products and services are transferred at a specific moment.

The following table contains summarized accounting information related to the geographical distribution of the Group's business operations as at December 31, 2023 and 2022:

	Net revenue		Costs		Gross (loss) profit	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Southeast	6,542,282	5,589,985	(5,334,422)	(4,581,111)	1,207,860	1,008,874
North and Northeast	1,618,153	1,330,121	(1,318,027)	(1,119,514)	300,126	210,607
South	1,456,032	1,169,172	(1,184,875)	(931,195)	271,157	237,977
Midwest	697,511	585,721	(562,628)	(487,011)	134,883	98,710
Unallocated (i)	317,176	543,684	(393,834)	(574,618)	(76,658)	(30,934)
Total	<u>10,631,154</u>	<u>9,218,683</u>	<u>(8,793,786)</u>	<u>(7,693,449)</u>	<u>1,837,368</u>	<u>1,525,234</u>

- (i) These amounts refer to consolidated balances that are not yet part of the Group's operating system, such as companies that have been acquired and have not yet been fully integrated. Since these acquisitions are still in the measurement period, the amounts are being presented provisionally in the Group's consolidated financial statements, in accordance with CPC 15 (R1) / IFRS 3 - Business Combination. The accounting records of results are classified by Result Centers, which carry information such as: segment, region, management structure, among others. Unlike the patrimonial accounting records, which are classified only by accounting accounts, so that it becomes impractical to present the equity items by regionalized segment.

10 Cash and cash equivalents

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Cash and banks	47	33	67,073	93,065
Bank deposit certificates (a)	-	-	922,655	796,094
Total	47	33	989,728	889,159

- (a) Investments in bank deposit certificates referring to cash and cash equivalents as at December 31, 2023 are remunerated based on average rates equivalent to 107.45% p.a. (104.79% p.a. as at December 31, 2022) of the variation in the Interbank Deposit Certificates (CDI). These resources have prompt liquidity, are readily convertible into a known amount of cash, are used to cover payment of the Group's operating obligations and are subject to a negligible risk of value changes.

The balance of "Cash and cash equivalents" considers the average monthly turnover of the last six months, provided that it also cumulatively meets the criteria of CPC 03 / IAS 7. The cash surplus will be used for strategic purposes of the Group; therefore, it is classified under "Financial investments" in current and non-current assets.

Information on the Group's exposure to market and credit risks is included in note n° 30.

11 Financial investments

	Consolidated	
	12/31/2023	12/31/2022
Bank deposit certificates (i)	1,266,682	1,810,780
Current	1,266,682	1,810,414
Non-current	-	366

- (i) Financial investments in Bank deposit certificates as at December 31, 2023 are remunerated based on average rates equivalent to 111.39% p.a. (106.33% p.a. as at December 31, 2022) of the variation in the Interbank Deposit Certificates (CDI). These resources have prompt liquidity, are readily convertible into a known amount of cash and are subject to a negligible risk of value changes.

These financial investments, even if of immediate settlement, were separated from cash and cash equivalents because they are not intended to maintain the Group's operating cash flow.

Information on the Group's exposure to market and credit risks is included in note n° 30.

12 Trade receivables

	<u>Consolidated</u>	
	12/31/2023	12/31/2022
Billed services	1,616,255	1,284,207
Services to be billed (a)	946,020	757,304
Contractual withholdings (c)	92,094	72,491
Other trade receivables	-	81
Subtotal	<u>2,654,369</u>	<u>2,114,083</u>
Provision for expected loss from billed services (b)	(85,974)	(74,612)
Provision for expected loss from services to be billed (b)	(8,815)	(17,345)
Total	<u>2,559,580</u>	<u>2,022,126</u>
Current	2,458,492	1,948,832
Non-current	101,088	73,294

- (a) Services to be billed refers to the billed provided and measured and not billed yet as of the closing date of the individual and consolidated financial statement.
- (b) The provision for expected loss from billed services and services to be billed is calculated in accordance with the policy mentioned in note n° 8.7.
- (c) Refers to retentions made by customers, contractually provided, which will be returned at the end of the contractual term.

The aging list of accounts receivable from billed services is presented in note n° 30 (c).

The movement of the provision balance for expected losses of the billed services is shown below:

	<u>Consolidated</u>	
	2023	2022
As at January 1,	(74,612)	(56,848)
Provision from acquired of business combination	(5,372)	(14,844)
Constitution of the provision for loss	(56,123)	(46,197)
Realization of the provision for loss	50,133	42,872
Others	-	405
As at December 31,	<u>(85,974)</u>	<u>(74,612)</u>

The movement of the provision balance for expected losses of the services to be billed is shown below:

	<u>Consolidated</u>	
	2023	2022
As at January 1,	(17,345)	(4,627)
Provision from acquired of business combination	(842)	(5,861)
Constitution of the provision for loss	(66,364)	(98,888)
Realization of the provision for loss	75,736	92,019
Others	-	12
As at December 31,	<u>(8,815)</u>	<u>(17,345)</u>

There are fiduciary assignments of receivables for working capital loans, see note n° 21.

Information on the Group's exposure to credit risks, of market and expected losses related to "Trade receivables and other trade receivables" is disclosed in note n° 30 (c).

13 Recoverable income tax and social contribution

	<u>Consolidated</u>	
	12/31/2023	12/31/2022
Income tax from operating, net	155,220	118,513
Income tax from financial investments, net	1,009	1,052
Social contribution, net	79,217	76,726
Income tax credit arising from the Selic update on tax overpayments	12,913	12,913
Social contribution credit arising from the Selic update on tax overpayments	4,649	4,649
Update currency of Selic's overpayments	4,065	2,031
Total	<u>257,073</u>	<u>215,884</u>
Current	235,446	196,291
Non-current	21,627	19,593

The balance of income tax and social contribution to be recovered refers to the amounts withheld at source in the tax notes of sale/services provided.

14 Recoverable taxes

	<u>Parent Company</u>		<u>Consolidated</u>	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Social Security Financing Contribution (COFINS) (i)	-	-	100,635	77,053
Social Integration Program Contribution (PIS) (i)	-	-	22,050	17,394
Contributions to the National Institute of Social Security (INSS) (i)	-	-	176,167	133,485
Tax Over Service Rendered (ISSQN) (i)	-	-	54,016	51,338
Others (ii)	-	87	2,783	35,032
Total	<u>-</u>	<u>87</u>	<u>355,651</u>	<u>314,302</u>
Current	-	87	343,931	301,974
Non-current	-	-	12,260	12,328

- (i) Recoverable taxes are substantially presented by the origin of taxes withheld at source regarding services provided to customers according to Law n° 10,833 of December 29, 2003. The payments made by legal entities to other private legal entities, for the provision of cleaning, conservation, maintenance, security, surveillance, transportation of valuables and rental of labor services, for the provision of credit and marketing consulting, management of credit, selection and risks, marketing, management of trade payables and receivables services, as well as remuneration for professional services, are subject to the withholding at source of COFINS and PIS/PASEP contribution, as disclosed at this note and the Social Contribution on Net income - CSLL, see note n° 13. Thus, the Group has in its current assets withholding of ISS (2% to 5%), PIS (0.65%), COFINS (3%), Income Tax (1% to 4.8%), Social Contribution (1%), and INSS (11%), which are used as a reducing source of its payable taxes.
- (ii) Other taxes refers essentially to IPI and ICMS taxes. In relation to the comparative period there was a reduction in the balance due to compensations made by PER/DCOMP (governmental compensation system) throughout the time of the 2023 fiscal year.

15 Related parties

15.1 Ultimate controlling party

Control of the Company is exercised by a control block consisting of the following shareholders: José Caetano Paula de Lacerda, Carlos Nascimento Pedreira, NP Participações S.A., Valora Participações Ltda., Luis Carlos Martinez Romero and Marcelo Niemeyer Hampshire.

15.2 Loans receivable – related parties and Loans payable – related parties

The Group companies carry out among themselves operations with the nature of "current account" and single cash agreement, through debits and credits that involve the account holders and the company defined as the leader of the agreement, the subsidiary Top Service Serviços e Sistemas S.A. In this sense, the parent company recorded, on December 31, 2023, the amount of R\$ 374 in "Loans payable – related parties", in current liabilities (R\$ 14,882 as at December 31, 2022 in "Loans receivable – related parties", in non-current assets), of the subsidiary Top Service Serviços e Sistemas S.A.

15.3 Loans receivable

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Loans receivable (i)	6,186	8,923	26,193	30,877
Total	6,186	8,923	26,193	30,877
Current	1,734	1,275	4,814	4,019
Non-current	4,452	7,648	21,379	26,858

- (i) These are loans for Group executives. The term of the loan agreements is eight years with payments in eight annual installments. The amounts are updated monthly (pro rata temporis) by the accumulated variation in the remuneration of the CDI (Interbank Deposit Certificate) and, for loans granted in 2022 and 2023, updates are based on the IPCA (Ample National Consumer Price Index).

	<u>Parent Company</u>		<u>Consolidated</u>	
	2023	2022	2023	2022
As at January 1,	8,923	12,265	30,877	25,448
Loan granted	-	-	1,000	9,500
Update currency	674	1,081	2,352	3,286
Receipts	(3,211)	(2,984)	(7,065)	(5,324)
Others	(200)	(1,439)	(971)	(2,033)
As at December 31,	6,186	8,923	26,193	30,877

15.3.1 Compensation for key Management personnel

Key Management personnel includes the officers who are in the Company's Stock Options Plan. The remuneration paid for services provided as shown below:

	<u>Consolidated</u>	
	12/31/2023	12/31/2022
Salaries	31,321	16,649
Benefits	2,492	1,883
Charges	3,339	2,702
Profit and Results Share (PLR)	127,217	101,062
Stock option plan premium (i)	3,087	3,326
Total	167,456	125,622

(i) See note nº 29 (b).

The compensation of the Group's key Management personnel includes salaries and benefits (medical assistance, meal vouchers and food stamps).

15.4 Dividends receivable

As at December 31, 2023, the parent company had R\$ 214,936 of dividends to be receivable (R\$ 122,899 as at December 31, 2022 which was received by the Company in April 2023) from its subsidiary Top Service Sistemas e Serviços S.A.

	<u>Parent Company</u>	
	2023	2022
As at January 1,	122,899	-
Declared dividends minimum mandatory dividends	152,437	122,899
Additional dividends proposed	62,499	-
Additional dividends approved	2,607	-
Dividends distributed	(125,506)	-
As at December 31,	214,936	122,899

15.5 Dividends payable

As at December 31, 2023, the parent company had R\$ 215,094 of amounts to be payable to your shareholders (R\$ 122,712 as at December 31, 2022).

	<u>Parent Company</u>		<u>Consolidated</u>	
	2023	2022	2023	2022
As at January 1,	122,712	-	122,712	-
Declared dividends minimum mandatory dividends	152,596	122,712	152,596	122,712
Additional dividends proposed	62,498	-	62,498	-
Additional dividends approved	51,412	-	51,412	-
Dividends anticipated recorded to be distributed in subsidiaries	-	-	875	-
Dividends recorded to be distributed by indirect subsidiaries to non-controlling	-	-	1,141	1,400
Dividends distributed	(174,124)	-	(176,140)	(1,400)
As at December 31,	215,094	122,712	215,094	122,712

15.6 Guarantees, sureties, and collaterals with related parties

The Group also has transactions in which the parent company provides endorsement in contracts made by the direct subsidiary Top Service Serviços e Sistemas S.A. and the indirect subsidiaries Loghis Logística e Serviços Ltda. and Ormec Engenharia Ltda., at no cost to the subsidiaries, as follows:

Type	12/31/2023	12/31/2022
Loans (i)	432,908	626,031
Debentures	<u>2,602,084</u>	<u>2,661,200</u>
Total	<u>3,034,992</u>	<u>3,287,231</u>

- (i) As at December 31, 2023, of the total amount of R\$ 436,742 (R\$ 634,924 as at December 31, 2022) of loans, R\$ 432,908 (R\$ 626,031 as at December 31, 2022) is guaranteed by the Company in contracts made by subsidiaries.

15.7 Other transactions with related parties

The Group also had transactions with related operational parties with elimination in the consolidated. As at December 31, 2023, the elimination between revenue and cost was R\$ 16,881 (R\$ 6,151 as at December 31, 2022), due to services provided by GPS Tec Sistemas Eletrônicos de Segurança Ltda., Top Service Serviços e Sistemas S.A., In-Haus Industrial e Serviços de Logística Ltda., Graber Sistemas de Segurança Ltda., LC Administração de Restaurantes Ltda., Loghis Logística e Serviços Ltda., Evertical Tecnologia Ltda., Allis Luandre Soluções em Trade e Pessoas Ltda., Maestro Tecnologia S.A., SW Invest Tecnologia, Serviços e Participações Ltda., Global Central de Estágios Ltda., Predial Axel Manutenção Industrial Ltda. and Proguarda Vigilância e Segurança Ltda.

16 Other assets

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Advance to trade payables and benefits (i)	-	-	142,522	6,519
Advance to employees	-	3	8,555	6,142
Insurances to be allocated	29	34	11,630	6,397
Advance expenses	-	-	2,130	9,192
Other assets	-	-	70	242
Total	29	37	164,907	28,492

- (i) A large part of the balance refers to the advance of benefits, as a result of the understanding of the Superior Court of Justice (STJ) in early 2023 that the food allowance paid in cash does not qualify as a utility salary, the Group adopted the use of a benefits card that complies with the criteria of the Worker's Food Program (PAT), being recorded as a very short-term advance. In addition, in 2023 the Group joined the Federal Revenue Service's "zero litigation" program, which, in short, allows taxpayers to settle their tax cases that are in administrative judgment, however, the payment occurs in advance, even before the approval of the installment plan. As at December 31, 2023, the advance balance of the "zero litigation" was R\$ 32,694.

17 Investments

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Investments in controlled companies	2,908,417	2,499,132	-	-
Investment in the acquisition process (i)	-	-	8,263	2,500
Goodwill on investment acquisition	68,129	68,129	-	-
Total	2,976,546	2,567,261	8,263	2,500

- (i) **In 2022:** > On December 14, 2022, the acquisition of 100% of the quotas and the signing of the purchase and sale agreement was carried out by the direct subsidiary Top Service Serviços e Sistemas S.A., of the company Compart Marketing e Tecnologia Ltda. Also occurring on the same date, payment as deposit in the total amount of R\$ 2,500, with an agreed balance to be paid on the closing date in national currency. Compart provides field marketing, merchandising, promotions and events services, with a presence in 7 states and a strong presence in the Southeast region. The completion of the acquisition took place as described in note n°. 3.9.

In 2023: > On October 20, 2023, the purchase and sale agreement for the acquisition of 60% of the shares of the company Lyon Engenharia Comercial Ltda was approved and signed, with the payment of R\$ 2,988 as a down payment on this date. The acquisition was completed on January 15, 2024, as detailed in note 37 (a). It was agreed between the parties, in the closing term, that control will be assumed from February 1, 2024, so the consolidation of the statement financial position and measurement of the initial balances of these companies will be carried out on that date.

> On October 27, 2023, the purchase and sale agreement for the acquisition of 60% of the shares of Control Construções S.A. was approved and signed, with a down payment of R\$ 1,000 on this date. The completion of the acquisition took place on January 18, 2024, as detailed in note n° 37 (a). It was agreed between the parties, in the closing term, that control will be assumed from February 1, 2024, so the consolidation of the statement financial position and measurement of the opening balances of these companies will be carried out on that date.

> On October 27, 2023, a purchase and sale agreement was signed for 100% of the shares of the companies Invictus Serviços de Outsourcing de Labor Ltda. and Invictus Segurança Ltda. (together, "Invictus"), by the indirect subsidiary Graber Sistemas de Segurança Ltda.. On the same date, a signal payment in the amount of R\$ 275 was made. Invictus provides private security, inspection, reception and concierge services, with a strong presence in the states of Pará and Amapá. The acquisition was completed on February 9, 2024, as detailed in note n° 37 (a). It was agreed between the parties, in the closing term, that control will be assumed from February 1, 2024, so the consolidation of the statement of financial position and measurement of the initial balances of these companies will be carried out on that date.

> On November 24, 2023, the purchase and sale of 100% of the shares of the companies Marfood Comércio e Serviços de Hotelaria Ltda. ("Marfood") was entered into, by the indirect subsidiary Top Service Serviços e Sistemas S.A. On the same date, a down payment of R\$ 4,000 was made. Marfood provides catering and maritime hotel services, with a strong presence in the State of Rio de Janeiro. The completion of the acquisition took place on February 1, 2024, as detailed in note n° 37 (a). It was agreed between the parties, in the closing term, that control will be assumed from February 1, 2024, so the consolidation of the statement of financial position and measurement of the initial balances of these companies will be carried out on that date.

a. Information on investments

As at December 31, 2023	Interest	Profit of the fiscal year	Equity-accounted investees	Assets	Liabilities	Equity
Direct subsidiary						
Top Service Serviços e Sistemas S.A.	100%	641,841	641,841	8,355,833	5,447,416	2,908,417
As at December 31, 2022						
As at December 31, 2022	Interest	Profit of the fiscal year	Equity-accounted investees	Assets	Liabilities	Equity
Direct subsidiary						
Top Service Serviços e Sistemas S.A.	100%	517,471	517,471	7,673,407	5,174,275	2,499,132

b. Changes in investments

	<u>Parent Company</u>	
	2023	2022
As at January 1,	2,567,261	2,204,812
Equity-accounted investees	641,841	517,471
Distributed dividends (ii)	(217,543)	(122,899)
Capital transaction (i)	(15,013)	(32,123)
As at December 31,	<u>2,976,546</u>	<u>2,567,261</u>

- (i) According to the advance acquisition method, the balance refers to the distribution of dividends from subsidiaries to shareholders or minority shareholders, treated in the parent company as a capital transaction, and also adjustments in the net equity of subsidiaries identified during the validation process of the initial balances that occurs in conjunction with the allocations of the purchase price as instructed by CPC 15 (R1) / IFRS 3, such as equity valuation adjustments.
- (ii) Constitutionality of dividends from the parent company Top Service Serviços e Sistemas S.A. to the parent company. See note n° 15.4.

c. Changes in equity of the direct subsidiary

Direct subsidiary	Balance as at 12/31/2022	Capital transactions with indirect investees	Distributed dividends	Equity- accounted Investees	Balance as at 12/31/2023
Top Service Serviços e Sistemas S.A.	2,499,132	(15,013)	(217,543)	641,841	2,908,417
Total	2,499,132	(15,013)	(217,543)	641,841	2,908,917

Direct subsidiary	Balance as at 12/31/2021	Capital transactions with indirect investees	Distributed dividends	Equity- accounted Investees	Balance as at 12/31/2022
Top Service Serviços e Sistemas S.A.	2,136,683	(32,123)	(122,899)	517,471	2,499,132
Total	2,136,683	(32,123)	(122,899)	517,471	2,499,132

18 Property and equipment - consolidated
a. Breakdown of property and equipment

	Marchinery, utensils, and tools	Buildings and lands (i)	IT equipment	Vehicles	Weapons	Leasehold improvements	Treatment equipment	Monitoring center	Property and equipment in progress	Total
Annual average depreciation rates	10%	From 4% to 25%	20%	20%	20%	33%	20%	33%	-	-
Breakdown as at December 31, 2023										
Total cost	484,926	42,587	100,635	241,147	22,008	31,635	11,093	27,750	53,323	1,015,104
Accumulated depreciation	(242,556)	(6,343)	(66,188)	(162,352)	(16,422)	(23,665)	(7,815)	(13,029)	-	(538,370)
Net property and equipment	242,370	36,244	34,447	78,796	5,586	7,970	3,278	14,721	53,323	476,734
Breakdown as at December 31, 2022										
Total cost	399,580	43,126	79,942	222,408	21,178	23,995	11,093	12,589	31,358	845,269
Accumulated depreciation	(203,581)	(5,321)	(51,969)	(129,670)	(15,732)	(17,035)	(6,894)	(7,593)	-	(437,795)
Net property and equipment	195,999	37,805	27,973	92,738	5,446	6,960	4,199	4,996	31,358	407,474

- (i) In cost of buildings and lands, R\$ 21,470 refers to the land acquired in 2020, R\$ 2,228 of balance arising from acquisitions in 2022, R\$ 7,132 of allocation of capital gain by the acquisition of the subsidiary Top Service Facilities Ltda. (formerly ISS Servisystem do Brasil Ltda.), and R\$ 12,296 from the allocation of capital gains for the acquisition subsidiary Predial Axel Manutenção Industrial Ltda. (formerly Sulzer Brasil Indústria e Comércio Ltda.) in 2022. In 2023, there were write-offs in the amount of R\$ 539 due to the sale of real buildings. The added value has a useful life of 4 years, with depreciation of 25% per year. The land is not depreciated.

b. Changes in cost of property and equipment

	Machinery, utensils, and tools	Buildings and land	IT equipment	Vehicles	Weapons	Leasehold improvements	Treatment equipment	Monitorin g center	Assets in progress	Total
Balances as at December 31, 2021	291,126	28,602	67,699	138,652	17,404	20,104	10,836	9,767	7,441	591,631
Acquisitions	39,849	-	11,450	14,275	699	2,658	-	156	34,595	103,682
From acquired companies	66,143	2,228	7,128	51,907	2,861	-	-	-	938	131,205
Surplus value of property and equipment	11,744	12,296	114	28,145	-	-	-	-	-	52,299
Write-offs (i)	(13,467)	-	(4,626)	(12,565)	(671)	(73)	-	(1,334)	(812)	(33,548)
Transfers	4,185	-	(1,823)	1,994	885	1,306	257	4,000	(10,804)	-
Balances as at December 31, 2022	399,580	43,126	79,942	222,408	21,178	23,995	11,093	12,589	31,358	845,269
Acquisitions	69,966	-	14,706	21,435	1,832	2,791	-	387	41,893	153,010
From acquired companies	17,914	-	6,612	5,135	-	4,083	-	163	-	33,907
Surplus value of property and equipment	2,888	-	68	51	-	-	-	-	-	3,007
Write-offs	(7,310)	(539)	(857)	(9,800)	(1,330)	(18)	-	(31)	(204)	(20,089)
Transfers	1,888	-	164	1,918	328	784	-	14,642	(19,724)	-
Balances as at December 31, 2023	484,926	42,587	100,635	241,147	22,008	31,635	11,093	27,750	53,323	1,015,104

- (i) The companies acquired in 2021, which were within the measurement period, as instructed by CPC 15 (R1) / IFRS 3, suffered losses in inventory of fixed assets in the net amount of R\$ 6,613 (R\$ 21,216 in cost and R\$ 14,603 of accumulated depreciation). These adjustments were recorded in the measurement of the initial balances, with an impact on the shareholders' equity of the acquired companies and on the allocation of the goodwill of the acquirers, with no impact on the result and cash flow statement for the period, the remaining losses that occurred in the period are sprayed and occurred in the group's normal operating flow.

c. Changes in accumulated depreciation

	Marchinery, utensils, and tools	Buildings and land	IT equipment	Vehicles	Weapons	Leasehold improvements	Treatment equipment	Monitoring center	Total
Balance as at December 31, 2021	(143,617)	(2,202)	(43,891)	(91,818)	(12,055)	(13,259)	(5,990)	(6,166)	(318,998)
Surplus value of property and equipment	-	(2,534)	-	(5,286)	-	-	-	-	(7,820)
From acquired companies	(39,280)	(543)	(3,979)	(28,766)	-	-	-	-	(72,568)
Depreciation	(28,486)	(42)	(8,923)	(15,662)	(1,824)	(3,821)	(904)	(1,418)	(61,080)
Write-offs (i)	8,022	-	2,339	11,678	587	45	-	-	22,671
Transfers	(220)	-	2,485	184	(2,440)	-	-	(9)	-
Balance as at December 31, 2022	(203,581)	(5,321)	(51,969)	(129,670)	(15,732)	(17,035)	(6,894)	(7,593)	(437,795)
Surplus value of property and equipment	(217)	(939)	-	(18,478)	-	-	-	-	(19,634)
From acquired companies	(6,878)	-	(3,791)	(2,537)	-	(2,437)	-	(103)	(15,746)
Depreciation	(35,620)	(83)	(10,696)	(20,033)	(1,618)	(4,195)	(921)	(5,339)	(78,505)
Write-offs	3,740	-	366	8,268	928	2	-	6	13,310
Transfers	-	-	(98)	98	-	-	-	-	-
Balance as at December 31, 2023	(242,556)	(6,343)	(66,188)	(162,352)	(16,422)	(23,665)	(7,815)	(13,029)	(538,370)

- (i) The companies acquired in 2021, which were within the measurement period, as instructed by CPC 15 (R1) / IFRS 3, suffered losses in inventory of fixed assets in the net amount of R\$ 6,613 (R\$ 21,216 in cost and R\$ 14,603 of accumulated depreciation). These adjustments were recorded in the measurement of the initial balances, with an impact on the shareholders' equity of the acquired companies and on the allocation of the goodwill of the acquirers, with no impact on the result and cash flow statement for the period, the remaining losses that occurred in the period are sprayed and occurred in the group's normal operating flow.

d. Assessment of the useful life of the property and equipment

The Group, considering the provisions contained in CPC 27 / IAS 16 reviews every year and, if necessary, adjusts its criteria for determining the useful life and residual value of property and equipment.

e. Provision for impairment

The Group's assets are recorded at amounts that do not exceed their recoverable values, with no need for recognition of devaluation by setting up a provision for losses. In order to ensure that the assets are not accounted for at a higher value than the value recoverable from their use or disposal, the Group makes an analysis based on external and internal factors provided for in CPC 01 (R1) / IAS 36, and runs an impairment test based on the expected income (loss) at least on a yearly basis. As at December 31, 2023, Management has not identified factors that would indicate the need for a new valuation.

f. Guarantee

In 2023 and 2022, there is no property and equipment sin given in guarantee for the Group's debts.

19 Right-of-use assets

		<u>Consolidated</u>	
	Useful life in years (i)	12/31/2023	12/31/2022
Right-of-use	2 - 8	338,926	93,704
Accumulated amortization of the right-of-use		<u>(49,224)</u>	<u>(24,858)</u>
Total		<u>289,702</u>	<u>68,846</u>

- (i) The useful lives applied refer to the terms for which the Group believes that it will use the assets covered by the lease agreements, observing the contractual conditions.

The Group has lease operations for the use of properties as administrative headquarters in several geographic regions of the Brazilian territory, where it provides property security, indoor logistics, maintenance and cleaning services of its customers service areas.

The Group recognizes a right-of-use asset at the lease start date. On conversion, the right-of-use asset is initially measured at cost, adjusted for any lease payments made up to that of the start date, plus any initial direct costs incurred by the Group.

The right-of-use assets are subsequently amortized using the straight-line method from the start date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the lessee at the end of the lease term. In this case, the right-of-use assets will be amortized over the useful life of the underlying asset. In addition, the right-of-use assets are decreased of impairment losses, if any, and adjusted for certain remeasurements of the lease payable.

a. Changes in right-of-use assets

	Consolidated	
	2023	2022
As at January 1,	68,846	39,866
Cost additions (a)	251,395	68,503
Cost write-offs (b)	(17,759)	(51,985)
Write-off of amortization (b)	6,239	30,308
From acquired companies	13,046	6,418
Amortization	(32,065)	(24,264)
As at December 31,	289,702	68,846

- (a) The additions that occurred in the period are substantially composed of two real estate lease agreements related to storage contracts. These contracts were added at the end of 2023 and have lease periods between 55 and 70 months.
- (b) In 2022 the Management carried out careful analysis on the basis of lease agreements, during such analysis was carried out the systemic write-off of contracts finalized and consequently amortized in its entirety. These effects were also reflected in the accounting balances, resulting in write-offs between lines of the right-to-use asset and their respective accumulated amortizations. Cancellations occurred to regional synergies also affect this line.

20 Intangible assets

a. Breakdown of intangible assets

	Useful life	Amortization annual	Consolidated	
			12/31/2023	12/12/2022
Acquisition costs				
Goodwill generated in stock mergers	Undefined	-	66,970	66,970
Goodwill operations from acquired companies	Undefined	-	1,867,666	1,627,681
Customers portfolio	Defined	From 6% to 55%	883,280	734,991
Brands	Defined / Undefined	From 3% to 100%	258,569	214,070
Surplus value of softwares	Defined	Up to 20%	12,600	3,268
Non-compete agreement	Defined	Up to 20%	21,700	21,700
Provision for surplus and goodwill	Undefined	-	1,158	1,158
Goodwill, customers portfolio, brands, surplus value of softwares and non-compete agreement			3,111,943	2,669,838
Softwares from third parties	Defined	Up to 20%	17,868	11,636
Others	Defined	Up to 20%	682	682
			18,550	12,318
Total costs			3,130,493	2,682,156
Accumulated amortization				
Softwares	-	-	(13,583)	(8,228)
Customers portfolio, brands, non-compete agreement and softwares	-	-	(429,064)	(321,577)
Others	-	-	(530)	(530)
Total of accumulated amortization	-	-	(443,177)	(330,335)
Net intangible assets	-	-	2,687,316	2,351,821

b. Changes in cost

	Incorporation of shares	Surplus value							Provision of surplus value and goodwill	Total
		Goodwill	Customers portfolio	Brands	Non-compete agreement	Softwares	Softwares	Others		
Balance as at December 31, 2021	66,970	1,364,770	577,352	156,733	16,740	2,649	8,821	573	1,158	2,195,766
Global (i)	-	(2,190)	-	-	-	-	-	-	-	(2,190)
Vivante (i)	-	(7,274)	8,129	-	480	-	-	-	-	1,335
Allis (i)	-	2,074	774	-	-	-	-	-	-	2,848
Rudder (i)	-	(1,328)	6,329	-	-	-	-	-	-	5,001
Única (i)	-	(3,279)	4,601	-	-	-	-	-	-	1,322
Eleva (Comau)	-	44,399	23,088	-	-	-	-	-	-	67,487
Force	-	26,010	6,421	8,548	-	-	-	-	-	40,979
Ormec	-	37,334	-	10,859	4,480	-	-	-	-	52,673
Predial Axel (Sulzer)	-	9,827	6,427	-	-	-	-	-	-	16,254
Evertical	-	63,354	36,919	6,703	-	-	880	-	-	107,856
Motus	-	15,594	10,392	1,487	-	-	-	-	-	27,473
Global Serviços	-	78,390	54,559	29,740	-	619	-	-	-	163,308
Bussiness combination effect	-	262,911	157,639	57,337	4,960	619	880	-	-	484,346
Other additions	-	-	-	-	-	-	1,995	109	-	2,104
Other write-offs	-	-	-	-	-	-	(60)	-	-	(60)
Balance as at December 31, 2022	66,970	1,627,681	734,991	214,070	21,700	3,268	11,636	682	1,158	2,682,156
Evertical (i)	-	(236)	1,146	121	-	-	-	-	-	1,031
Global Serviços (i)	-	(29)	143	25	-	-	-	-	-	139
Engie	-	-	14,058	-	-	-	-	-	-	14,058
Compart	-	50,195	23,119	6,014	-	9,017	5	-	-	88,350
Maestro	-	2,373	1,010	-	-	315	-	-	-	3,698
TLSV	-	24,817	13,102	-	-	-	-	-	-	37,919
Campseg	-	55,488	38,322	22,496	-	-	-	-	-	116,306
Trademark	-	107,377	57,389	15,843	-	-	5,321	-	-	185,930
Bussiness combination effect	-	239,985	148,289	44,499	-	9,332	5,326	-	-	447,431
Other additions	-	-	-	-	-	-	906	-	-	906
Balance as at December 31, 2023	66,970	1,867,666	883,280	258,569	21,700	12,600	17,868	682	1,158	3,130,493

(i) The movements refers to adjustments in the statement of financial position of companies acquired in fiscal year 2022, which were within the measurement period, as instructed by CPC 19 (R1) / IFRS 3, and which underwent evaluation and measurement of surplus value allocation in 2023.

c. Changes in accumulated amortization

	Customers portfolio	Brands	Non-compet agreement	Softwares	Others	Total
As at December 31, 2021	(201,483)	(21,631)	(1,042)	(7,421)	(530)	(232,107)
Amortization	(88,097)	(3,009)	(6,315)	(678)	-	(98,099)
From acquired companies	-	-	-	(118)	-	(118)
Others	-	-	-	(11)	-	(11)
As at December 31, 2022	(289,580)	(24,640)	(7,357)	(8,228)	(530)	(330,335)
Amortization	(60,655)	(29,983)	(16,849)	(1,038)	-	(108,525)
From acquired companies	-	-	-	(4,336)	-	(4,336)
Others	-	-	-	19	-	19
As at December 31, 2023	(350,235)	(54,623)	(24,206)	(13,583)	(530)	(443,177)

d. Impairment test for CGUs containing goodwill

The Group evaluated the recoverability of the book value of goodwill and other assets with an indefinite useful life, using the concept of "Value in Use", through a discounted cash flow model, representative of the sets of tangible and intangible assets used in the production and sale of products/services to its customers.

For the purposes of the impairment test, goodwill (goodwill, trademarks, merger of shares and non-compet agreement) was allocated to the Group's cash-generating units (CGU) (operating divisions) that refer to the agglutination of companies, by CNPJ and preponderance of businesses.

The base date for the impairment test was June 30, 2023 and included all of the Group's intangible assets on that date, except for of the assets acquired during the year in the amount of R\$ 230,737 see note n° 3, since these were evaluated within the scope of the business combination and will naturally be incorporated into the CGUS and the impairment test for the following year. Below is a table summarizing the main intangible assets that were subjected to the impairment test carried out by the Group during the fiscal year:

Useful life	12/31/2023			12/31/2022		
	Undefined	Defined	Total	Undefined	Defined	Total
Goodwill and merger of shares						
Security	499,768	-	499,768	473,758	-	473,758
Facilities	422,817	-	422,817	369,567	-	369,567
Meals	67,626	-	67,626	67,626	-	67,626
Maintenance	290,515	-	290,515	251,887	-	251,887
Logistics	54,620	-	54,620	39,026	-	39,026
Electronic Security	85,010	-	85,010	21,892	-	21,892
Human Resources	273,478	-	273,478	194,976	-	194,976
	1,693,834	-	1,693,834	1,418,732	-	1,418,732
Non-compete agreement						
Security	-	4,813	4,813	-	5,565	5,565
Facilities	318	4,549	4,867	318	998	1,316
Maintenance	-	5,695	5,695	-	6,367	6,367
Electronic Security	-	126	126	-	185	185
	318	15,183	15,501	318	13,115	13,433
Brands						
Security	55,379	16,572	71,951	37,435	29,434	66,869
Facilities	10,243	16,507	26,750	4,664	9,527	14,191
Electronic Security	55	5,485	5,540	55	-	55
Logistics	-	4,730	4,730	-	3,712	3,712
Human Resources	-	67,947	67,947	-	41,678	41,678
	65,677	111,241	176,918	42,154	84,351	126,505
Customers portfolio						
Security	-	121,187	121,187	-	157,995	157,995
Facilities	-	65,227	65,227	-	68,790	68,790
Meals	-	4,172	4,172	-	7,424	7,424
Maintenance	-	59,066	59,066	-	44,395	44,395
Electronic Security	-	37,433	37,433	-	3,339	3,339
Logistics	-	16,724	16,724	-	7,681	7,681
Humans Resources	-	108,064	108,064	-	63,987	63,987
	-	411,873	411,873	-	353,611	353,611
Fixed assets						
Facilities	-	38,116	38,116	-	4,687	4,687
Maintenance	-	21,550	21,550	-	13,215	13,215
	-	59,666	59,666	-	17,902	17,902
Total	1,759,829	597,963	2,357,792	1,461,204	468,979	1,930,183

The main assumptions used to estimate recoverable value are set out below.

The values assigned to the key assumptions represent the assessment of future trends in relevant industries and were based on historical data from internal and external sources.

	Security	Facilities	Meals	Maintenance	Logistics	Electronic Security	Humans Resources
In percentage – 2023							
WACC rate (a)	11.9	11.9	12.1	11.9	11.9	11.9	11.9
Leverage of CGU	12.5	12.5	77.7	12.5	12.5	12.5	12.5
Perpetuity growth rate (after 10 years of projected cash flow)	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Average growth in net revenue	7.0	7.6	8.2	9.7	7.5	9.4	5.8
EBITDA Margin	9.4	15.0	16.3	12.1	11.9	35.0	13.3
Working capital in % of net revenue	4.0	10.6	12.8	9.8	11.7	17.1	16.1
In percentage – 2022							
WACC rate (a)	11.9	11.9	12.2	11.9	11.9	11.9	11.9
Leverage of CGU	12.6	12.6	25.0	12.6	12.6	12.6	12.6
Perpetuity growth rate (after 10 years of projected cash flow)	4.9	4.1	4.9	4.9	4.9	4.9	4.9
Average growth in net revenue	9.2	9.2	10.4	8.3	8.6	6.7	8.9
EBITDA Margin	9.0	13.6	16.3	11.6	9.5	31.6	9.5
Working capital in % of net revenue	5.6	12.0	9.6	8.0	20.1	19.7	12.0

- (a) The WACC Weighted Average Cost of Capital is calculated based on the CAPM (Capital Asset Leveraging Model) model using a market beta, leverage, risk free, market premium, size risk and the Group's financing cost.

According to the assumptions presented above, for the application of the methodology of the discounted future cash flow, in order to verify the possible loss to recoverable value, a financial projection was prepared for the period from July 2023 to June 2033. Management deems it appropriate to use the ten-year period based on its past experience in accurately preparing projections of its cash flow. Such understanding is in accordance with CPC 01 (R1) / IAS 36.

Based on the annual recovery test of intangible assets, prepared in accordance with the projections made on the financial statements as at June 30, 2023, no possible losses or indications of losses were identified, as the estimated recoverable value of each CGU exceeds the net carrying value on the valuation date. It is worth mentioning that the Company will monitor the earnings projections and growth prospects during the fiscal year ended December 31, 2023.

d.1 Re-evaluation of impairment test assumptions

Based on the annual recovery test for intangible assets, a stress test was carried out and is being presented on a voluntary basis, with the order to analyzing which assumptions would make the book values of the goodwill equal to the recoverable value.

The calculation was made considering the stress of 2 assumptions: the discount rate (increase in the discount rate compared to the one used in the official impairment test) and the EBITDA margin (reduction in EBITDA growth compared to the projected in the official impairment test), which were the two main assumptions for which reasonably possible changes may result in impairment. In the case of the discount rate, an increase of 3 p.p was adopted in almost all CGUs, moving to the sensitized discount rate of 14.88%, except for of CGU Food, in which the rate went to 15.05%. In the CGU Human Resources, an increase of 2.5% was adopted, reaching its stress with this premise. In the case of the EBITDA margin, its growth was reduced in relation to the EBITDA growth in the official impairment test, until the value in use reached the limit of the value of the book goodwill. This test was carried out with exactly the same assumptions as the official impairment test carried out on the financial statements of June 30, 2023, with a projection of 10 years, with the first 5 with adjustments and the next 5 with maintenance of margins and growth equal to the inflation of the model.

The table below presents the stress test with the assumptions mentioned above that would make the CGU stay at the limit of presenting an indication of loss of the recoverable value of the goodwill:

		2022	2023
Facilities	WACC	14.94%	14.88%
	Growth. EBITDA	5.69%	6.80%
Security	WACC	14.94%	14.88%
	Growth. EBITDA	0.90%	(0.52%)
Electronic Security	WACC	14.94%	14.88%
	Growth. EBITDA	(2.93%)	4.37%
Logistics	WACC	14.94%	14.88%
	Growth. EBITDA	7.31%	(0.77%)
Maintenance	WACC	14.94%	14.88%
	Growth. EBITDA	2.42%	0.73%
Meals	WACC	15.17%	15.05%
	Growth. EBITDA	(11.23%)	(4.18%)
Human Resources	WACC	12.84%	14.38%
	Growth. EBITDA	15.22%	6.37%

In addition to the stress test, a comparison was made of the macroeconomic projections and data used on the base date of the official test, carried out on the base date of June 30, 2023, with the results carried out on the base date of December 31, 2023, where no relevant changes were identified that could indicate a revision of the official test.

21 Loans

a. Breakdown of balances

Credit facilities used	Annual interest rate	Currency	Consolidated	
			12/31/2023	12/31/2022
Working capital	CDI + up to 2%	BRL	139,118	209,367
Working capital	CDI + 2.1% to 2.5%	BRL	168,017	228,185
Working capital	CDI + 2.6% to 3.0%	BRL	4,214	8,810
Working capital	Prefixed 8.7% to 8.9%	BRL	7,541	12,880
Working capital (i)	SOFR + 2.09%	USD	112,194	159,379
Commercial papers (ii)	CDI + 1.94%	BRL	5,658	16,303
Total			436,742	634,924
Current			169,079	199,243
Non-current			267,663	435,681

- (i) The Group has loans operations in foreign currency denominated in US\$ (US Dollar), but with swap in amount consistent with the estimated future cash flow, eliminating the foreign currency variation and converting the entire operation to 100% of the Interbank Deposit Certificate (CDI) rate, plus interest of 2.47% per year, in compliance with risk management criteria. See note n° 30 (c).
- (ii) In May 2019, subsidiary Top Service Serviços e Sistemas S.A. issued private debt securities, as commercial papers, amounting to R\$ 50,000. The commercial papers will circulate by endorsement, with no guarantee, of a mere transfer of ownership, as provided for in paragraph 1, article 4, of the Instruction of the Brazilian Securities and Exchange Commission ("CVM") n° 566. The unit par value of each series will be remunerated at 100% of the Interbank Deposit Certificate (CDI) rate, plus a percentage of 1.94% p.a. The remuneration will be paid, together with the unit par value of the respective series, in a single installment at the maturity date, or, even, at the date of possible early maturity of the commercial papers as a result of a default event. The commercial papers will have a guarantee provided universally by GPS Participações e Empreendimentos S.A. and are exempt from registration with the CVM in accordance with CVM Instruction n° 476/2009.

The amounts recorded in non-current liabilities as at December 31, 2023 present the following amortization schedules until 2027:

Maturity	12/31/2023
2025	124,377
2026	103,286
2027	40,000
Total	267,663

Guarantees

The balances of working capital loans are subject to the financial charges mentioned in the table and are substantially guaranteed by fiduciary assignments of receivables with simple domicile without balance withholding.

The commercial notes are guaranteed universally by the Company.

b. Changes in balance

	<u>Consolidated</u>	
	2023	2022
As at January 1,	634,924	812,698
Agreements from acquired companies	16,862	44,371
Provisioned exchange variation	(10,386)	(15,050)
Provisioned interest and charges	65,388	77,091
Payments		
Principal	(197,662)	(206,827)
Interest paid	(72,384)	(77,359)
As at December 31,	436,742	634,924

c. Restrictive contractual clauses in loans (covenants)

The Group holds secured bank loans that, according to the terms of the contract, will be paid in installments over the next four years. except from of contracts signed with Banco Bradesco in December 2017, all contracts contain covenants that are monitored in a timely manner and establish that at the end of each fiscal year the group's net debt amount must be less than or equal to a multiple ranging from 2.5 to 3.5 times its EBITDA for the same fiscal year, observing that for the cases of covenants with net debt limit established at 2.5 times, in case of operational leverage proven generated by acquisitions in a given fiscal year, the financial index corresponding to the same fiscal year, exclusively, should be less than or equal to 3.5 times its EBITDA.

22 Debentures

	<u>Consolidated</u>	
	12/31/2023	12/31/2022
Current liabilities		
Issuance of guaranteed debt securities	316,396	134,688
Transaction cost	(6,949)	(5,120)
	309,447	129,568
Non-current liabilities		
Issuance of guaranteed debt securities	2,299,999	2,550,000
Transaction Cost	(15,697)	(18,368)
	2,284,302	2,531,632
Total	2,593,749	2,661,200

In November 2019, the Group, through its subsidiary Top Service Serviços e Sistemas S.A., carried out the first issuance of private debt securities, in the form of simple debentures, non-convertible into shares, of the security interest type, with additional personal guarantee, in a single series, for public distribution, with limited distribution efforts in accordance with of CVM instruction n° 476 and other legal and regulatory provisions, being, therefore, in accordance with article 6 of CVM Instruction n° 476/2009, automatically exempted from the distribution register covered by Article 19 of Law n° 6,385/76. The offer is registered with Anbima - Brazilian Association of Financial and Capital Markets Entities under Chapter VIII of the Anbima Code. The debentures were registered with unit par value of R\$ 1.00, for the issued and traded amount of R\$ 500,000 (five hundred thousand) debentures, with the

transaction amounting to R\$ 500,000.

The unit par value of each series shall be remunerated quarterly at 100% of the Interbank Deposit Certificate (CDI) + 1.60% p.a.

In December 2021, through its subsidiary Top Service Serviços e Sistemas S.A., carried out the third issuance of private debt securities, in the form of simple debentures, non-convertible into shares, of the security interest type, with additional personal guarantee, in a single series, for public distribution, with limited distribution efforts in accordance with of CVM instruction n° 476 and other legal and regulatory provisions, being, therefore, in accordance with article 6 of CVM Instruction n° 476 automatically exempted from the distribution register covered by Article 19 of Law n° 6,385/76. The offer is registered with Anbima - Brazilian Association of Financial and Capital Markets Entities under Chapter VIII of the Anbima Code. The debentures were registered with unit par value of R\$ 1.00, for the issued and traded amount of R\$ 750,000 (seven hundred and fifty thousand) debentures, with the transaction amounting to R\$ 750,000.

The unit par value of each series shall be remunerated quarterly at 100% of the Interbank Deposit Certificate (CDI) + 2.15% p.a.

In December 2022, through its subsidiary Top Service Serviços e Sistemas S.A., carried out the second issuance of private debt securities, in the form of simple debentures, non-convertible into shares, of the security interest type, with additional personal guarantee, in a single series, for public distribution, with limited distribution efforts in accordance with of CVM instruction n° 476 and other legal and regulatory provisions, being, therefore, in accordance with article 6 of CVM Instruction n° 476, automatically exempted from the distribution register covered by Article 19 of Law n° 6,385/76. The offer is registered with Anbima - Brazilian Association of Financial and Capital Markets Entities under Chapter VIII of the Anbima Code. The debentures were registered with a unit par value of R\$ 1.00, for the issued and traded amount of 1,500,000 (one million and five hundred thousand) debentures, with the transaction amounting to R\$ 1,500,000.

The unit par value of each series shall be remunerated quarterly at 100% of the Interbank Deposit Certificate (CDI) + 2.15% p.a.

a. Terms and debt repayment schedule

The remuneration shall be paid, without prejudice to payments as a result of early maturity, and the optional early redemption and the offer of full early redemption of the Debentures, pursuant to the deed of Issuance. The balance of the nominal unit value of the first and second issuance debentures will be amortized, in 20 (twenty) quarterly and successive installments, from the eighth quarter of grace, while the third issuance is 16 successive quarterly installments from the 12 grace quarters. The net resources obtained by the Group with the issuance will be used for cash reinforcement.

The debentures will have a fiduciary guarantee under the terms of article 822 of Law n° 10,406/2002. The Company provides sureties in favor of the debenture holders. The debentures of the second and third issuance are only secured by GPS Participações e Empreendimentos S.A. in favor of debenture holders.

The table below highlights the characteristics defined for the first and second issuance carried out:

Issuance	Series	Beginning	Maturity	DI + spread p.a.	Number of securities	Unit par value	Total amount issued	Position on 12/31/2023
First	Single	11/20/2019	10/25/2026	14.57%	500,000	1	500,000	307,027
Second	Single	12/27/2021	10/25/2028	15.12%	750,000	1	750,000	768,360
Third	Single	12/28/2022	10/18/2029	15.12%	1,500,000	1	1,500,000	1,541,007
Total					2,750,000	1	2,750,000	2,616,394

Issuance	Series	Beginning	Maturity	DI + spread p.a.	Number of securities	Unit par value	Total amount issued	Position on 12/31/2022
First	Single	11/20/2019	10/25/2026	15.25%	500,000	1	500,000	410,875
Second	Single	12/27/2021	10/25/2028	15.80%	750,000	1	750,000	771,167
Third	Single	12/28/2022	10/18/2029	15.80%	1,500,000	1	1,500,000	1,502,646
Total					2,750,000	1	2,750,000	2,684,688

Maturity	12/31/2023
2025	250,000
2026	625,000
2027	524,999
2028	525,000
2029	375,000
Total	2,299,999

b. Restrictive contractual clauses (covenants)

The deed of debentures contains covenants, which are monitored in a timely manner and establish that at the end of each fiscal year, the amount of net financial debt divided by EBITDA for the respective year must be less than or equal to 2.5 times, observing that, in case of operational leverage proven generated by acquisitions in a given fiscal year, the financial index corresponding to the same fiscal year, should be less than or equal to 3.5 times.

c. Changes in balances

	<u>Consolidated</u>	
	2023	2022
As at January 1,	2,661,200	1,252,207
Issuance	-	1,500,000
Costs incurred with the issuance	-	(16,864)
Settlement of cost incurred with issuance of debenture	5,009	1,787
Reclassification of balances – transaction cost (i)	(4,167)	-
Provisioned interest and charges	377,247	167,260
Payments		
Principal	(100,000)	(100,000)
Interest	(345,540)	(143,190)
As at December 31,	2,593,749	2,661,200

- (i) The cost of issuance of the first debenture was initially recognized in Other assets to receivable, in current assets. For correction, in 2023, the balance was reclassified to the correct item.

23 Leases payable

The Group has lease operations for the use of properties as administrative headquarters in several geographic regions of the Brazilian territory, where it provides property security, maintenance and cleaning services of its customers' service areas.

	<u>Consolidated</u>	
	12/31/2023	12/31/2022
Current liabilities		
Leases payable	78,779	31,437
Interest to be allocated	<u>(15,463)</u>	<u>(3,356)</u>
	63,316	28,081
Non-current liabilities		
Leases payable	272,404	47,280
Interest to be allocated	<u>(33,145)</u>	<u>(5,466)</u>
	239,259	41,814
Total	<u>302,575</u>	<u>69,895</u>

The lease payable is initially measured at the present value of lease payments that are not made on the start date of each contract, discounted at the interest rate implicit in the lease or, if that rate cannot be determined immediately, at the Group's incremental loan rate. Generally, the Group uses its incremental loan rate as a discount rate.

a. Assumptions for obtaining the incremental rate

The Group determines its incremental rate on leases by obtaining interest rates projected and disclosed by B3, which consider the relationship between the SELIC and DI rates and external sources of financing, and by making some adjustments to reflect the terms of the agreement and the type of asset leased.

		<u>12/31/2023</u>	
Consolidated	Incremental annual rate %	Par value	Carrying value
Leases payable by right-of-use assets	6.1	<u>351,183</u>	<u>351,183</u>
Total (i)		<u>351,183</u>	<u>351,183</u>

		<u>12/31/2022</u>	
Consolidated	Incremental annual rate %	Par value	Carrying value
Leases payable by right-of-use assets	6 – 7.6	<u>78,717</u>	<u>78,717</u>
Total (i)		<u>78,717</u>	<u>78,717</u>

(i) The amounts are increased by interest incurred in the fiscal year.

b. Amortization schedule for lease liabilities

The distribution by maturity is shown below:

	12/31/2023		
Consolidated	Minimum future lease payments	Interests	Present value of minimum lease payments
Under a year	78,779	(15,463)	63,316
From one to five years	254,144	(30,316)	223,828
More than five years	18,260	(2,829)	15,431
Total	351,183	(48,608)	302,575

	12/31/2022		
Consolidated	Minimum future lease payments	Interests	Present value of minimum lease payments
Under a year	31,437	(3,356)	28,081
From one to five years	47,280	(5,466)	41,814
Total	78,717	(8,822)	69,895

c. Changes in lease liabilities

	2023	2022
As at January 1,	69,895	41,945
Additions (a)	251,395	68,503
From acquisition	13,046	6,454
Appropriate interest	6,325	3,427
Payments	(26,843)	(26,378)
Remeasurement (b)	-	(2,078)
Write-offs	(11,243)	(21,978)
As at December 31,	302,575	69,895

- (a) In 2023, significant contracts were added for logistics services, with lease terms of between 55 and 70 months, which led to an increase in the balance.
- (b) Management carried out an inventory of its base of lease contracts and systemically wrote off contracts that had been finalized and consequently fully amortized. These effects were reflected in the accounting balances, resulting in the remeasurement amounts.

d. Additional Disclosures Required by CVM

The Group estimated the discount rates based on the risk-free interest rates observed in the Brazilian market, for the terms of its contracts, adjusted to its reality ("credit spread"). The spreads were obtained through surveys of potential investors in the Group's debt securities. The following table shows the fees applied taking into account the terms of the contracts.

In accordance with the Circular Letter/CVM/SNC/SEP/ of February 2019, the Group presents the comparative balances of lease obligations, right of use, financial expenses and depreciation expenses, taking into account the effect of projected future inflation on lease contract flows, discounted at the nominal rate:

	2023	2024	2025	2026	From 2027
Lease liabilities					
Accounting - CPC 06 (R2) / IFRS 16	302,575	237,562	179,199	126,319	75,651
Flow with inflation projection	414,406	354,047	291,188	230,252	170,007
Variation	36.96%	49.03%	62.49%	82.28%	124.73%
Right-of-use assets					
Accounting - CPC 06 (R2) / IFRS 16	289,702	175,616	105,988	55,629	22,528
Flow with inflation projection	362,650	252,895	166,505	98,540	47,663
Variation	25.18%	44.00%	57.10%	77.14%	111.57%
Financial expenses					
Accounting - CPC 06 (R2) / IFRS 16	6,325	4,442	3,351	2,362	1,415
Flow with inflation projection	19,146	16,357	13,453	10,638	7,854
Variation	202.70%	268.23%	301.46%	350.37%	455.08%
Amortization expenses					
Accounting - CPC 06 (R2) / IFRS 16	32,065	31,633	49,137	45,678	40,501
Flow with inflation projection	51,756	51,756	67,204	61,384	55,960
Variation	61.41%	63.61%	36.77%	34.38%	38.17%
	2022	2023	2024	2025	From 2026
Lease liabilities					
Accounting - CPC 06 (R2) / IFRS 16	69,895	28,853	19,357	13,079	8,231
Flow with inflation projection	89,737	55,302	36,968	26,204	18,619
Variation	28.39%	91.67%	90.98%	100.35%	126.21%
Right-of-use assets					
Accounting - CPC 06 (R2) / IFRS 16	68,846	15,819	9,220	5,361	3,035
Flow with inflation projection	86,400	19,952	11,265	6,723	3,638
Variation	25.50%	26.13%	22.18%	25.41%	19.87%
Financial expenses					
Accounting - CPC 06 (R2) / IFRS 16	3,428	1,154	774	523	329
Flow with inflation projection	4,146	2,555	1,708	1,211	860
Variation	20.95%	121.40%	120.67%	131.55%	161.40%
Amortization expenses					
Accounting - CPC 06 (R2) / IFRS 16	24,264	24,478	5,871	3,823	2,447
Flow with inflation projection	46,531	46,531	12,627	-	-
Variation	91.77%	90.09%	115.07%	-	-

24 Payroll and social charges

	Consolidated	
	12/31/2023	12/31/2022
Salaries and wages	258,897	221,013
Social charges	189,224	162,733
Provision for vacation and social charges	520,392	458,614
Provision for bonus (a)	155,762	125,180
Total	1,124,275	967,540

(a) The changes of the provision for bonuses can be presented as follows:

	2023	2022
As at January 1,	<u>125,180</u>	<u>98,450</u>
Write-off of provision for payment	(131,074)	(102,248)
Constitution of the provision	<u>161,656</u>	<u>128,978</u>
As at December 31, (i)	<u>155,762</u>	<u>125,180</u>

- (i) The amount of the provision for bonus is presented net of pro-labore's advance at R\$ 6,983 (R\$ 4,849 as at December 31, 2022).

25 Income tax and social contribution

a. Breakdown of current and deferred tax credits

The parent company and certain subsidiaries present the following balances to be offset, deducted or added in the calculation basis of future taxable income to be assessed based on taxable income. Additionally, there are differences to be deducted in future fiscal years, as indicated below:

	Parent Company		Consolidated						
	Note	12/31/2023	12/31/2022	12/31/2023			12/31/2022		
		Total basis	Calculation basis	Basis of deferred income not constituted	Total basis	Calculation basis	Basis of deferred income not constituted		
Credits to be offset with future taxable income:									
Tax losses and negative basis of social contribution	-	-	210,568	210,568	-	171,425	171,425	-	-
Business combinations effects:									
Goodwill portion amortized for tax purpose on future profitability	-	-	(349,293)	(349,293)	-	(259,713)	(259,713)	-	-
Accounting amortization of surplus value allocation with defined useful life prior to Law n° 11,638/07	-	-	5,007	5,007	-	5,007	5,007	-	-
Amortization of surplus value allocation with defined useful life	-	-	120,987	120,987	-	135,296	135,296	-	-
Amortization of customers portfolio, brands and property and equipment	-	-	301,899	301,899	-	228,440	228,440	-	-
Adjustment to fair value - acquisition debt	-	-	34,191	34,191	-	13,636	13,636	-	-
Temporary differences:									
Constitution of provision for expected loss of services billed and to be billed	12	-	94,789	82,107	12,682	91,957	82,229	9,728	-
Constitution of provision for credit loss from contractual withholding	12	-	2,569	419	2,150	4,285	4,285	-	-
Provision for labor agreement or execution	27(a)	-	242,421	197,110	45,311	210,281	196,371	13,910	-
Provision for tax agreement or execution	27(a)	-	526,546	522,310	4,236	361,624	357,545	4,079	-
Provision for civil agreement or execution	27(a)	-	46,381	29,638	16,743	34,175	30,068	4,107	-
Graber indemnity assets	27(d)	-	(63,000)	(63,000)	-	(58,350)	(58,350)	-	-
Income tax and social contribution credit arising from the Selic update on tax overpayments	13	-	(17,562)	(16,628)	(934)	(17,562)	(16,305)	(1,257)	-
Provision for variable remuneration	24	-	155,762	150,804	4,958	125,180	119,361	5,819	-
Derivative instruments - unrealized swap	30(c)	-	8,970	8,970	-	9,789	9,789	-	-
Sub judice taxes	27(b)	-	1,305	493,267	427,511	65,756	446,089	446,089	-
Other temporary differences	-	-	(96)	60,696	44,462	16,234	45,220	17,534	27,686
Calculation basis	-	1,209	-	1,707,062	-	-	1,482,707	-	-
Deferred income tax and social contribution assets (34%)	-	411	-	580,401	-	-	504,120	-	-
Total deferred tax assets	-	444	-	726,234	-	-	617,805	-	-
Total deferred tax liabilities	-	(33)	-	(145,833)	-	-	(113,685)	-	-
Net deferred tax assets	-	411	-	580,401	-	-	504,120	-	-

The tax loss and the negative calculation basis of the social contribution do not have limitation periods, and their offsetting is limited to 30% of the calculation bases to be determined in each future base year.

Deferred tax liabilities refer to the tax amortization of future profitability goodwill related to merged subsidiaries and will only be realized in the event of investment disposal or write-off due to impairment.

b. Changes in deferred tax assets and liabilities balances (consolidated)

	Net Balance as at January 1, 2023	Recognized in statement of profit or loss	Recognized in equity	Acquired in business combinations	Others	Balance as at December 31, 2023		
						Net debt	Deferred tax assets	Deferred tax liabilities
Credits to be offset with future taxable income:								
Tax losses and negative basis of social contribution	58,285	13,308	-	-	-	71,593	71,593	-
Business combinations effects:								
Goodwill portion amortized on future profitability	(88,302)	(30,457)	-	-	-	(118,759)	-	(118,759)
Accounting amortization of surplus value allocation with defined useful life prior to Law n° 11,638/07	1,702	-	-	-	-	1,702	1,702	-
Amortization of surplus value allocation with defined useful life	46,001	(4,865)	-	-	-	41,136	41,136	-
Amortization of customers portfolio, brands and property and equipment	77,670	24,976	-	-	-	102,646	102,646	-
Adjustment to fair value - acquisition debt	4,636	-	6,989	-	-	11,625	11,625	-
Temporary differences:								
Provision for expected loss of services billed and to be billed	27,958	(930)	-	888	-	27,916	27,916	-
Constitution of provision for credit loss from contractual withholding	1,457	(1,315)	-	-	-	142	142	-
Provision for labor agreement or execution	66,766	(2,583)	-	2,834	-	67,017	67,017	-
Provision for tax agreement or execution	121,565	51,916	-	4,104	-	177,585	177,585	-
Provision for civil agreement or execution	10,223	(146)	-	-	-	10,077	10,077	-
Graber indemnity assets	(19,839)	(1,581)	-	-	-	(21,420)	-	(21,420)
Income tax and social contribution credit arising from the Selic update on tax overpayments	(5,544)	(110)	-	-	-	(5,654)	-	(5,654)
Provision for variable remuneration	40,583	10,362	-	329	-	51,274	51,274	-
Derivative instruments - unrealized swap	3,328	(556)	278	-	-	3,050	3,050	-
Sub judice Taxes	151,670	(43,340)	-	37,024	-	145,354	145,354	-
Other temporary differences	5,961	4,940	-	4,231	(15)	15,117	15,117	-
Assets (liabilities) net taxes	504,120	19,619	7,267	49,410	(15)	580,401	726,234	(145,833)

	<u>Balance as at December 31, 2022</u>							
	Net Balance as at January 1, 2022	Recognized in statement of profit or loss	Recognized in equity	Acquired in business combinations	Others	Net debt	Deferred tax assets	Deferred tax liabilities
Credits to be offset with future taxable income:								
Tax losses and negative basis of social contribution	65,738	(7,453)	-	-	-	58,285	58,285	-
Business combinations effects:								
Goodwill portion amortized on future profitability	(66,319)	(21,983)	-	-	-	(88,302)	-	(88,302)
Accounting amortization of surplus value allocation with defined useful life prior to Law n° 11,638/07	1,702	-	-	-	-	1,702	1,702	-
Amortization of surplus value allocation with defined useful life	51,237	(5,236)	-	-	-	46,001	46,001	-
Amortization of customers portfolio, brands and property and equipment	53,418	24,252	-	-	-	77,670	77,670	-
Adjustment to fair value - acquisition debt	(11,425)	456	15,605	-	-	4,636	4,636	-
Temporary differences:								
Provision for expected loss of services billed and to be billed	20,902	4,335	-	2,721	-	27,958	27,958	-
Constitution of provision for credit loss from contractual withholding	1,457	-	-	-	-	1,457	1,457	-
Provision for loss debt tax credit	6,614	(6,614)	-	-	-	-	-	-
Provision for labor agreement or execution	61,930	1,363	-	3,473	-	66,766	66,766	-
Provision for tax agreement or execution	63,680	57,530	-	355	-	121,565	121,565	-
Provision for civil agreement or execution	16,381	(6,158)	-	-	-	10,223	10,223	-
Graber indemnity assets	(18,714)	(1,125)	-	-	-	(19,839)	-	(19,839)
Income tax and social contribution credit arising from the Selic update on tax overpayments	(5,795)	251	-	-	-	(5,544)	-	(5,544)
Provision for variable remuneration	33,473	6,982	-	128	-	40,583	40,583	-
Derivative instruments - unrealized swap	(9,832)	16,488	(3,328)	-	-	3,328	3,328	-
Sub <i>judice</i> Taxes	134,717	(32,589)	-	49,542	-	151,670	151,670	-
Other temporary differences	3,001	(6,803)	6,034	6,442	(2,713)	5,961	5,961	-
Assets (liabilities) net taxes	402,165	23,696	18,311	62,661	(2,713)	504,120	617,805	(113,685)

c. Reconciliation of income tax and social contribution with the corresponding expenses in the income

The reconciliation between income tax (IRPJ) and social contribution (CSLL) at the nominal and effective tax rates is shown below:

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Net income for the year	642,510	516,683	646,347	517,032
Equity-accounted investees	(641,841)	(517,471)	-	-
Adjusted accounting (loss) profit without equity-accounted (IRPJ/CSLL)	669	(788)	646,347	517,032
	481	(224)	269,379	256,641
Loss (profit) before income tax and social contribution	1,150	(1,012)	915,726	773,673
Income tax and social contribution at nominal rate (34%)	(391)	344	(311,347)	(263,049)
(Additions) / Permanent Exclusions (i)	(94)	(68)	14,867	(1,124)
Donations / Worker's Meal Program (PAT) / additional (ii)	7	19	5,852	6,658
<i>Lei do bem</i> (tax incentive for technological innovation - law 11,196/05)	-	-	4,258	2,244
Others (iii)	(3)	(71)	16,991	(1,370)
Income tax and social contribution expenses	(481)	224	(269,379)	(256,641)
Current taxes	(70)	(115)	(288,998)	(280,337)
Deferred taxes	(411)	339	19,619	23,696
Effective rate	41.83%	22.13%	29.42%	33.17%

- (i) Permanent additions are made up of traffic fines, union dues, gifts, and infraction notice fines. Permanent deletions are comprised of chargebacks, discounts, and credit corrections.
- (ii) These refers to deductions incurred in the period as set forth in the IRPJ regulations
- (iii) The differences and non-constituted tax loss of companies with no prospect of future profitability

26 Tax payment through installments agreement

Type	Monthly financial charges	Parent Company		Consolidated	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
REFIS IV	SELIC	-	47	20,812	21,562
PPI	SELIC	-	-	8,943	11,180
Simplified Social Security	SELIC	-	-	28,925	35,128
Total		-	47	58,680	67,870
Current		-	16	21,882	21,862
Non-current		-	31	36,798	46,008

The Group has REFIS IV-type installment plans, referring to Law n° 11,941/09, Law n° 12,973/14 and Law n°12,996/14 administered by the RFB (Brazilian Federal Revenue Office) and PGFN (Office of the General Counsel for the National Treasury), as well as municipal PPI in the city of Sao Paulo and in 2017 based on Law n° 13,496/17, the simplified installment plans were included in the "NEW REFIS" known as PERT (Special Program Tax Regularization) and administered by the RFB and PGFN.

Change in the amounts due is shown below:

	<u>Parent Company</u>		<u>Consolidated</u>	
	2023	2022	2023	2022
As at January 1,	47	58	67,870	62,511
Financial charges	1	5	8,892	8,314
Payments made of principal	(48)	(13)	(22,310)	(15,887)
Payments made of interest	-	(3)	(2,969)	(2,368)
Offsets	-	-	-	(1,235)
From acquired companies	-	-	1,717	11,872
New installments	-	-	5,480	4,663
As at December 31,	-	47	58,680	67,870

The non-current installments have the following maturity schedule:

Year	<u>Consolidated</u>
	12/31/2023
2025	16,556
2026	10,701
2027	5,303
2028 onwards	4,238
Total	36,798

27 Provision for contingencies, indemnification assets, judicial deposits and sub judge taxes

	<u>Parent Company</u>		<u>Consolidated</u>	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Provision for tax, civil and labor risks (a)	-	-	998,631	751,631
Sub judge taxes (b)	-	1,305	493,267	446,089
Total	-	1,305	1,491,898	1,197,720

a. Provision for tax, civil and labor risks

The Group is subject to various legal proceedings and tax, labor and civil administrative procedures. As at December 31, 2023, the Group had a provision equivalent to R\$ 998,631 (R\$ 751,631 as at December 31, 2022), considered adequate and sufficient by management based on legal advisor's opinions.

	<u>Consolidated</u>	
	<u>12/31/2023</u>	<u>12/31/2022</u>
Labor (i)	242,421	210,281
Tax (ii)	92,991	84,270
Civil (iii)	46,381	34,176
"S" System (iv)	433,555	277,354
Monetary update of "S" System (iv)	90,535	33,805
Provision for tax, civil and labor risks	<u>905,883</u>	<u>639,886</u>
Allocation of contingent liabilities (v)	92,748	111,745
Total	<u>998,631</u>	<u>751,631</u>

- (i) The main demands of labor demands are: differences in overtime, additional dangerousness, unhealthiness and additional nocturnal.
- (ii) The main nature of the demands are: (i) non- homologation of tax credits of IRPJ, CSLL, PIS and COFINS declared in PER/DCOMP; (ii) non-homologation of INSS credits used in PER/DCOMP for INSS compensation; (iii) questioning about non-collection/retention of the ISS; (iv) no incidence of INSS on indemnity funds (vacation, 1/3 vacation sums, 15 days prior to sickness or accident aid, indemnified notice).
- (iii) The main civil proceedings do not involve individually relevant values and are mainly related to: (i) contractual discussions with customers and (ii) reparation for material damage.
- (iv) For compulsory contributions to the "S" System, the Group has 26 lawsuits that support 36 companies, of which 19 companies are active and 17 companies have been extinguished by incorporation, being succeeded by companies that hold decisions. The lawsuits in question have injunctions/sentences, which allow the limitation of the INSS calculation basis to 20 times the highest minimum wage in force, with regarding to the payment for the institutions SENAC, SESC, SESI, SENAI, SEBRAE, INCRA and education salary. For certain companies/actions, the success is partial and covers only part of these third parties, and in cases of taking advantage of the decisions, the differences are being provisioned. The provision recorded in relation to these lawsuits is determined by management, based on the analysis of its legal advisors, and reflects the risk of probable loss estimated for the current undefined scenario. These analyses include the evaluation of available evidence, the hierarchy of laws, available case law, the most recent court decisions and their relevance in the legal system. As of January 2021, supported by the injunctions mentioned above, the Group stopped settling these obligations and began to recognize them as a provision for contingencies. Prior to this date, the System "S" assessments were settled in full, so there was no risk prior to January 2021.
- (v) Refers to an allocation made in the acquisitions of companies, recognized in the acquiring company, broken down in a PPA - Purchase Price Allocation report, arising from legal processes and risks raised in due diligence of civil, labor and tax spheres evaluated with a possible expectation of loss.

In accordance with accounting practices, the Group makes provisions for contingencies for which the risk of loss is probable, according to the analysis of its legal advisors.

The main process is:

- Tax lawsuit filed by the Brazilian Federal Revenue Service against the subsidiary Graber, for disallowance of social security offsets (INSS) that occurred in 2015 and 2016. Challenge dismissed in 2018, voluntary appeal filed and awaiting judgment. It is worth noting that the debt is the responsibility of the sellers of the Graber Group and in relation to which the Group has withheld payment as a contingent portion and indemnifiable asset according to the agreed position described in the purchase and sale agreement, in the amount of R\$ 63,000 as at December 31, 2023 (R\$ 58,350 as at December 31, 2022). The estimated loss on December 31, 2023 is R\$ 63,000 (R\$ 58,350 on December 31, 2022). This amount is estimated by the legal advisors based on the results of current and expected legal proceedings.

Change in provision for contingencies can be summarized as follows:

	<u>Consolidated</u>	
	12/31/2023	12/31/2022
As at January 1,	751,631	564,058
Contingency update against indemnity assets	4,650	(15,676)
“S” System	156,201	164,362
Monetary update of “S” System	56,730	30,411
Adjustment of provision “S” System from acquisition – Única	-	(1,395)
Provision from acquisition – Comau	-	16,827
Provision from acquisition – Force	-	1,937
Provision from acquisition – Ormec	-	7,409
Provision from acquisition – Sulzer	-	1,942
Provision from acquisition – Evertical	-	513
Provision from acquisition – Motus	-	569
Provision from acquisition – Global Emplegos	-	12,744
Provision from acquisition – Engie	690	-
Provision from acquisition – Compart	11,716	-
Provision from acquisition – Campseg	12,503	-
Provision from acquisition – Trademark	2,601	-
Provision from acquisition – TLSV	24,967	-
Others	336	(1,737)
Reversal of provision	(167,986)	(121,537)
Provision supplement	163,589	125,896
Subtotal	<u>1,017,628</u>	<u>786,323</u>
Write-off of contingent liabilities (i)	(33,008)	(66,399)
Allocation of contingent liabilities (i)	12,291	32,685
Update of contingent liabilities (i)	1,720	(978)
As at December 31,	<u><u>998,631</u></u>	<u><u>751,631</u></u>

(i) The movement of contingent liabilities allocation occurred as detailed below:

	12/31/2021	Additions	Write-offs	Update	12/31/2022	Additions	Write-offs	Update	12/31/2023
Proguarda	86	-	-	-	86	-	(86)	-	-
Fortaleza	224	-	(191)	172	205	-	-	(161)	44
LC	2,435	-	(2,435)	-	-	-	-	-	-
Grabber	4,165	-	(4,164)	-	1	-	-	-	1
Onseg	183	-	(169)	-	14	-	-	-	14
Poliservice	236	-	(129)	-	107	-	(94)	15	28
RZF	520	-	(353)	-	167	-	-	-	167
Magnus	933	-	(902)	89	120	-	(120)	-	-
Algar	570	-	(499)	(4)	67	-	(61)	1	7
Quattro	453	-	(422)	-	31	-	(13)	-	18
Jam	2,417	-	(1,896)	-	521	-	-	-	521
Servis	1,033	-	(837)	(39)	157	-	(67)	1	91
Polonorte	1,402	-	(1,051)	-	351	-	(351)	-	-
Gol	998	-	(559)	53	492	-	(456)	9	45
BC2	1,572	-	(1,500)	173	245	-	(171)	(37)	37
Sunset	82	-	(5)	67	144	-	-	20	164
Conbras	15,261	-	(1,726)	1,338	14,873	-	(6,525)	635	8,983
Luandre	1,082	-	(593)	124	613	-	(601)	3	15
ISS	61,199	-	(33,537)	(7,164)	20,498	-	(5,843)	1,713	16,368
Vivante	22,270	-	(7,010)	(587)	14,673	-	(8,104)	(51)	6,518
Loghis	277	-	-	94	371	-	(326)	11	56
Única	2,330	-	(369)	159	2,120	-	(285)	73	1,908
Rudder	8,001	-	(466)	1,712	9,247	-	(2,536)	(2,411)	4,300
Allis	18,708	-	(6,575)	1,310	13,443	-	(1,592)	206	12,057
Comau	-	22,386	-	-	22,386	-	(2,340)	2,249	22,295
Force	-	1,843	-	744	2,587	-	(1,233)	(168)	1,186
Ormec	-	1,005	(740)	776	1,041	-	(55)	146	1,132
Sulzer	-	886	(214)	1	673	-	(346)	-	327
Global	-	-	-	-	-	-	-	-	-
Empregos	-	6,370	-	-	6,370	-	-	(603)	5,767
Motus	-	32	-	-	32	-	-	-	32
Evertical	-	163	(57)	4	110	-	(21)	-	89
Engie	-	-	-	-	-	4,512	(1,782)	69	2,799
Campseg	-	-	-	-	-	6,687	-	-	6,687
TLSV	-	-	-	-	-	369	-	-	369
Trademark	-	-	-	-	-	723	-	-	723
Total	146,437	32,685	(66,399)	(978)	111,745	12,291	(33,008)	1,720	92,748

Possible losses not provisioned in the statement of financial position

Actions involving risk of loss classified by the Group as possible, based on the assessment of its legal advisors, for which there is no provision constituted on December 31, 2023, total R\$ 924,804, of which R\$ 391,713 are tax, R\$ 220,411 civil and R\$ 312,680 labor (R\$ 865,794 as at December 31, 2022, of which R\$ 389,270 were tax, R\$ 132,149 civil and R\$ 344,375 labor). The nature of these actions is the same as described in the item "(a.) Provision for tax, civil and labor risks".

The main cases of possible loss are:

- Civil: This is a request to initiate arbitration against Top Service Serviços e Sistemas S.A. and GPS Participações e Empreendimentos S.A., in which the plaintiffs claim payment of an additional adjustment of around R\$ 75,386. The procedure is in the process of being formed, and the latest progress was the notification of the request for arbitration. The Group recorded the acquisition debt in full, in accordance with the contractual clauses
- Tax: Tax Enforcement filed by the Municipality of Rio de Janeiro, the object of which is alleged ISS debts from 03/2012 to 01/2017. The Tax Enforcement is currently on hold, due to the presentation of an insurance guarantee in an annulment action, which was filed with the aim of deconstructing the tax credit and is awaiting judgment in the 1st instance. The estimated amount of the loss on December 31, 2023 is R\$ 25,661 (R\$ 17,936 on December 31, 2022).

b. Sub judice taxes

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Municipal taxes	-	-	11,550	10,130
Federal taxes (i)	-	1,305	405,586	364,307
State taxes	-	-	173	732
Labor and social security risks (ii)	-	-	75,958	70,920
Total	-	1,305	493,267	446,089

- (i) Federal taxes all of which come from the companies acquired. These balances are set up to cover tax risks in certain practices up to the time of acquisition and not provisioned by previous management. These are mainly related to discrepancies in the debits and credits reported in accessory obligations in relation to the application of the cumulative and non-cumulative regime for PIS and COFINS and also inconsistencies in the credits reported in accessory obligations in relation to those used in electronic offsets (PERD/COMP) for IRPJ and CSLL;
- (ii) Labor and social security risks: this provision was made to cover labor risks arising from companies acquired due to non-adherence to some aspects of the CLT (Consolidation of Labor Laws). Such risks refer mainly to the compensation of INSS unduly paid on indemnity amounts, with discussions not yet settled in the judiciary and the absence of INSS taxation on variable amounts.

Change in sub judice taxes can be summarized as follows:

	Controladora		Consolidado	
	2023	2022	2023	2022
As at January 1,	1,305	1,371	446,089	396,226
Update currency	65	-	43,433	30,054
Provision for tax risks	-	-	10	775
Provision from acquisition – Comau (a)	-	-	-	18,167
Provision from acquisition – Force (a)	-	-	-	35,697
Provision from acquisition – Ormec (a)	-	-	-	4,956
Provision from acquisition – Predial Axel (Sulzer) (a)	-	-	-	7,562
Provision from acquisition – Evertical (a)	-	-	-	5,233
Provision from acquisition – Motus (a)	-	-	-	5,408
Provision from acquisition – Global Emplegos (a)	-	-	-	25,403
Provision from acquisition – Engie (a)	-	-	42,532	-
Provision from acquisition – Compart (a)	-	-	68,533	-
Provision from acquisition – Maestro (a)	-	-	8	-
Provision from acquisition – Campseg (a)	-	-	27,237	-
Provision from acquisition – Trademark (a)	-	-	34,564	-
Provision from acquisition – TLSV (a)	-	-	6,561	-
Reconciliation balanceeb from acquisition	-	-	-	(263)
Provision supplement	-	-	2,596	5,153
Reversal FAP from acquisition (b)	-	-	-	(10,339)
Reversal update currency (c)	(162)	-	(45,193)	(20,531)
Reversal of provision (c)	(1,208)	(66)	(133,103)	(57,412)
As at December 31,	-	1,305	493,267	446,089

- (a) For more details, see note n° 3.
- (b) Refers to the reversal of provision made by acquisition by possible questions of adequacy of the FAP (Accident Prevention Factor) in certain clients. The Group, after the process of operational stabilization and integration, understands that this is no longer applicable (since all contracts are renegotiated and dimensioned).
- (c) Refers to the reversal of the principal and monetary restatement of taxes under appeal, for which the 5-year limitation periods have already elapsed.

c. Judicial deposits

They represent restricted assets of the Group and are related to the amounts deposited and held in court until the settlement of the disputes to which they relate. The judicial deposits held by the Group as at December 31, 2023 and 2022 are as follows:

	<u>Consolidated</u>	
	12/31/2023	12/31/2022
Labor judicial deposits	88,900	87,989
Civil judicial deposits	5,785	39,601
Tax judicial deposits	<u>90,818</u>	<u>64,295</u>
Total	<u>185,503</u>	<u>191,885</u>

Change in judicial deposits can be summarized as follows:

	<u>Consolidated</u>	
	2023	2022
As at January 1,	191,885	136,702
Update currency	13,467	13,502
Deposits	44,423	34,628
Write-offs	(67,331)	(19,855)
From acquisition	<u>3,059</u>	<u>26,908</u>
As at December 31,	<u>185,503</u>	<u>191,885</u>

d. Indemnification assets

The Group has withholding of payouts as contingent portion and assets indemnifiable according to the position agreed and described in the sale agreements.

	<u>Consolidated</u>	
	12/31/2023	12/31/2022
Graber Group	63,000	58,350
Allocation of indemnity assets (i)	<u>96,076</u>	<u>77,633</u>
Total	<u>159,076</u>	<u>135,983</u>

- (i) The composition per company of the allocation of indemnity assets can be summarized as follows:

Consolidado	12/31/2021	Additions	Write-offs	12/31/2022	Additions	Write-offs	Atualizações	12/31/2023
Fortaleza	123	-	-	123	-	(15)	(69)	39
Graber	20,479	-	-	20,479	-	(144)	-	20,335
Onseg	930	-	-	930	-	(930)	-	-
Poliservice	535	-	-	535	-	(181)	11	365
RZF	1,693	-	(274)	1,419	-	(922)	-	497
Magnus	1,196	-	-	1,196	-	(1,185)	-	11
Proteg	220	-	-	220	-	-	1	221
Jam	4,571	-	(24)	4,547	-	(4,000)	19	566
Servis	6,729	178	-	6,907	-	(647)	(549)	5,711
Gol	1,709	-	-	1,709	-	-	(31)	1,678
BC2	505	-	(505)	-	-	-	-	-
Sunset	557	-	-	557	-	-	(253)	304
Luandre	1,849	-	(4)	1,845	-	(980)	416	1,281
Loghis	830	-	-	830	-	-	(79)	751
Rudder	30,000	1,946	(18,985) (ii)	12,961	-	-	999	13,960
Comau	-	11,614	-	11,614	-	-	(697)	10,917
Ormec	-	4,956	-	4,956	-	(2,183)	-	2,773
Motus	-	32	-	32	-	-	-	32
Evertical	-	403	-	403	-	-	-	403
Global	-	-	-	-	-	-	-	-
Empregos	-	6,370	-	6,370	-	-	(624)	5,746
Compart	-	-	-	-	24,931	-	-	24,931
Campseg	-	-	-	-	5,429	-	-	5,429
Trademark	-	-	-	-	126	-	-	126
Total	71,926	25,499	(19,792)	77,633	30,486	(11,187)	(856)	96,076

- (ii) On March 11, 2022, the pecuniary fine was paid in the amount of R\$ 18,985 and the extinction of all penalties and prohibitions imposed in administrative proceedings.

28 Acquisition of subsidiaries

Through of business combinations, the Group registers the purchase options of the remaining quotas in the capital of investees, in addition to the contractual contingent installments.

As at December 31, 2023 and 31, 2022, the breakdown of these financial liabilities was registers as follows:

	Consolidated	
	12/31/2023	12/31/2022
Servtec	-	2,976
Proevi	-	1,301
Graber (i)	56,149	52,823
JAM	529	1,718
Luandre	5,324	7,071
Sunset (ii)	45,182	43,985
Comau	25,102	33,515
Ormec (iii)	47,626	52,013
Evertical (iv)	49,615	68,626
Motus	31,501	14,181
Compart (v)	47,159	-
Maestro	886	-
Campseg	2,954	-
Trademark (vi)	80,932	-
Other acquisition amounts	-	2,876
Total	392,959	281,085
Currents assets	151,349	96,749
Non-current assets	241,610	184,336

- (i) Refers to the "retained price" of the consideration transferred in the acquisition, initially scheduled for discharge in 3 installments, maturing for 20, 40 and 60 months from the date of the business combination, May 31, 2017. Considering that the parties are in negotiation regarding the deductions of materialized contingencies and/or indemnifications of the retained price, these installments should be settled by May 31, 2025 as provided in the Purchase and Sale Agreement (CCV). Such installments are corrected by the accumulated variation of the CDI and will be adjusted, subtracting any materialized losses and/or indemnities corresponding to the occurrences described in the CCV, on the date of settlement;
- (ii) The Group has an option to purchase the remaining 45% of the Sunset Group, which may be exercised in full and only once, during the period of 90 days from the delivery of the annual statement of financial position of December 31, 2023. The year-end price, whether a purchase option or a sales option, will be defined by a formula indicated in the contract, which considers the applicable multiple (according to the type of option exercised) x EBITDA. On May 13, 2022, the additional amount (earnout) was paid in the amount of R\$ 15,835, calculated based on EBITDA calculated in the period from January 1, 2021 to December 31, 2021. As at December 31, 2023, R\$ 45,182 registered is equivalent to an open payment, referring to the adoption of the early acquisition method;
- (iii) Refers to the "additional value" of the consideration transferred in the acquisition, which will be calculated based on the EBITDA calculated for the period from January 1, 2022 to December 31, 2022, limited to 12% of the Net Revenue for that period. From this amount will be added or subtracted the variation in Gross Debt, Cash and Equivalents and Working Capital, verified between the closing of the statement of financial position (January 31, 2022) and the Company's statement of financial position dated December 31, 2022;
- (iv) Refers to the additional amount (earn-out), measured at fair value, to be paid up to 150 days after the end of the 2022 financial year, in accordance with contractual clauses establishing the criteria to be met by the parties (based on multiples of EBITDA calculated in the period from January 1, 2022 to December 31, 2022). The Group also has an option to buy the remaining 45% of the Evertical Group, which can be exercised in full and only once, during the 90-day period starting from the delivery of the annual statement of financial position for December 31, 2024. The exercise price, whether it is a call option or a put option, will be defined by the formula indicated in the contract, which considers the applicable multiple (according to the type of option exercised) x EBITDA. In May 2023, the additional amount (Earn-out) of R\$ 17,477 was paid, calculated based on the EBITDA calculated from January 1, 2022 to December 31, 2022. On December 31, 2023, R\$ 49,615 was recorded as the outstanding consideration, related to the adoption of the early acquisition method;
- (v) See note nº 3.9;
- (vi) Refers to the additional amount (Earn-out) to be paid up to 150 days after the end of the 2024 financial year, in accordance with contractual clauses establishing the criteria to be met by the parties (based on multiples of EBITDA calculated in the period from January 1, 2024 to December 31, 2024). The Group has a call option on the remaining 30% of Trademark Participações S.A., which can be exercised in full and only once, during the 90-day period starting from the delivery of the annual statement of financial position for December 31, 2025. The exercise price, whether it is a call option or a put option, will be defined by the formula indicated in the contract, which considers the applicable multiple (according to the type of option exercised) x EBITDA.

a. Changes of acquisition liabilities of subsidiaries

	12/31/2022	Acquisition record	Update option	Write-off earn-out	Update earn-out	Adjustments	Update currency	Payment exercise of call option and additional Purchase and installment	Payment price of acquisition	Previous year's payments	12/31/2023
Servtec	2,976	-	-	(2,976)	-	-	-	-	-	-	-
Proevi	1,301	-	-	(1,314)	-	-	13	-	-	-	-
Grabber	52,823	-	-	-	-	-	3,326	-	-	-	56,149
JAM	1,718	-	-	-	(171)	(558)	(189)	(271)	-	-	529
Luandre	7,071	-	-	-	(509)	(179)	1,274	(2,333)	-	-	5,324
Sunset	43,985	-	1,197	-	-	-	-	-	-	-	45,182
Única	-	-	-	-	12,652	(1,160)	3,029	(14,521)	-	-	-
Comau	33,515	-	-	-	(8,413)	-	-	-	-	-	25,102
Ormec	52,013	-	-	-	(4,387)	-	-	-	-	-	47,626
Evertical	68,626	93	(980)	-	(5,366)	563	4,156	(17,477)	-	-	49,615
Motus	14,181	-	19,002	-	(1,897)	-	215	-	-	-	31,501
Compart (i)	-	86,613	-	-	2,050	-	2,125	-	(41,129)	(2,500)	47,159
Maestro (i)	-	8,487	-	-	-	-	109	-	(7,710)	-	886
TLSV (i)	-	3,500	-	-	-	-	-	-	(3,500)	-	-
Campseg (i)	-	91,268	-	-	204	-	21	-	(88,539)	-	2,954
Trademark (i)	-	192,809	1,337	-	470	-	-	-	(114,635)	-	79,981
Others trades payable	2,876	-	-	(2,915)	-	-	39	-	-	-	-
Total	281,085	382,770	20,556	(7,205)	(5,367)	(1,334)	14,118	(34,602)	(255,513)	(2,500)	392,008

(i) Refers to the total amount paid for the acquisition of the company. In the statement of cash flows, the amount is presented net of cash earned in the acquisition. For more details, see note n° 3.

	12/31/2021	Acquisition record	Update option	Write-off earn-out	Update earn-out	Adjustment	Update currency	Payment exercise of Purchase option and additional portion of acquisition	Payment price of acquisition	Previous year's payments	12/31/2022
Servtec	2,976	-	-	-	-	-	-	-	-	-	2,976
Proevi	1,274	-	-	-	-	-	27	-	-	-	1,301
Sempre	1,050	-	-	-	-	(1,050)	-	-	-	-	-
Grabber	51,842	-	-	-	-	-	981	-	-	-	52,823
JAM	19,393	-	3,696	-	(182)	400	122	(21,711)	-	-	1,718
Gol	3,916	-	46	-	-	(315)	144	(3,791)	-	-	-
BC2	7,203	-	-	(6,954)	(249)	-	-	-	-	-	-
Luandre	35,239	-	17,869	-	2,582	(53)	217	(48,783)	-	-	7,071
Sunset	31,334	-	20,657	-	8,251	(390)	(32)	(15,835)	-	-	43,985
Loghis	7,214	-	-	-	15,512	(2,724)	(320)	(19,682)	-	-	-
Única	12,652	-	-	-	(12,652)	-	-	-	-	-	-
Comau (ii)	-	136,935	-	-	2,117	-	-	-	-	(105,537)	33,515
Force (ii)	-	26,187	-	-	-	-	-	-	(26,187)	-	-
Ormec (ii)	-	109,512	-	-	5,693	-	-	-	(63,192)	-	52,013
Sulzer (ii)	-	42,461	-	-	-	-	-	-	(42,461)	-	-
Evertical (ii)	-	97,793	3,277	-	5,367	-	-	-	(37,811)	-	68,626
Motus (ii)	-	28,195	352	-	2,308	-	-	-	(16,674)	-	14,181
Global Empregos (ii)	-	159,457	-	-	-	-	-	-	(159,457)	-	-
Others trades payable	2,808	-	-	-	-	-	68	-	-	-	2,876
Total	176,901	600,540	45,897	(6,954)	28,747	(4,132)	1,207	(109,802)	(345,782)	(105,537)	281,085

(ii) Refers to the total amount paid for the acquisition of the company. In the statement of cash flows, the amount is presented net of cash earned in the acquisition.

29 Equity

Breakdown of share capital by number of shares:

	12/31/2023		12/31/2022	
	Number of shares	Capital	Number of shares	Capital
At the beginning of the year	669,708,835	1,707,276	667,490,790	1,673,850
Stock issuance	2,461,432	30,891	2,218,045	33,426
Year-end closing	<u>672,170,267</u>	<u>1,738,167</u>	<u>669,708,835</u>	<u>1,707,276</u>

a. Share capital

The share capital fully subscribed and paid as at December 31, 2023 is R\$ 1,738,167 (R\$ 1,707,276 as at December 31, 2022), divided into 672,170,267 common shares (669,708,835 common shares as at December 31, 2022) all nominative with no par value and distributed as follows:

	12/31/2023		12/31/2022	
	Total shares	Interests	Total shares	Interests
Control block	279,290,445	41.55%	278,264,021	41.55%
Managers	10,544,694	1.57%	5,022,816	0.75%
Miscellaneous	382,335,128	56.88%	386,421,998	57.70%
Total	<u>672,170,267</u>	<u>100%</u>	<u>669,708,835</u>	<u>100%</u>

Share capital fully subscribed and paid is presented net of expenses with issuance of shares in the amount of R\$ 58,468. Thus, according to the statement of changes in equity, the share capital is presented of R\$ 1,679,699 as at December 31, 2023 (R\$ 1,648,808 as at December 31, 2022).

By resolution of the Company's Board of Directors, the share capital may be increased, regardless of amendment to the bylaws, through the issue of ordinary shares, up to a limit of R\$ 2,750,000.

Upon approval of the Stock Option Plan at the Ordinary and Extraordinary Shareholders' Meeting held on April 14, 2022, the Board may grant options representing a maximum amount equivalent to 2.5% of the Company's net equity as stated in the last audited financial statement, and within the limit of the authorized capital provided for in the Company's Bylaws, of R\$ 2,750,000.

b. Common shares

Events 2022 – On April 18, 2022, the Company's Board of Directors approved a capital increase within the authorized capital limit, with the issuance of new shares, as a result of the approval of the proposal of the Committee of People & Organization with respect to the Company's Stock Option Program for the calendar year 2022 (PROCA-22) and consequent issuance of common shares in the context of said PROCA-22.

The total amount of the Company's capital increase was R\$ 33,426, which increased from R\$ 1,673,850 to R\$ 1,707,276 through the issuance of 2,218,045 common shares, registered

book-entry and without nominal value of the Company, representing 0.33% of the Company's capital stock prior to such issuance, at the issuance price calculated based on the average quotation of the 5 trading sessions corresponding to the period from April 8 to 14, 2022, of R\$ 15.07 per option, and a 10% discount to be paid as a premium, corresponding to the amount of R\$ 1.50 per option, with a total value of R\$ 3,327, for subscription by the selected partners, increasing the Company's capital stock from 667,490,790 to 669,708,835 common shares, nominative, book-entry and without par value, excluding the preemptive right of the current shareholders in the subscription of the common shares issued by the Company.

Events 2023 - On March 29, 2023, the Company's Board of Directors approved a capital increase within the authorized capital limit, with the issuance of new shares, as a result of the approval of the proposal of the Committee of People & Organization with respect to the Company's Stock Option Program for the calendar year 2023 (PROCA-23) and consequent issuance of common shares in the context of said PROCA-23.

The total amount of the Company's capital increase was R\$ 30,891, which increased from R\$ 1,707,276 to R\$ 1,738,167 through the issuance of 2,461,432 common shares, registered book-entry and without nominal value of the Company, representing 0.37% of the Company's capital stock prior to such issuance, at the issuance price calculated based on the average quotation of the 5 trading sessions corresponding to the period from March 8 to 14, 2023, of R\$ 12.55 per option, and a 10% discount to be paid as a premium, corresponding to the amount of R\$ 1.26 per option, with a total value of R\$ 3,101, for subscription by the selected partners, increasing the Company's capital stock from 669,708,835 to 672,170,267 common shares, nominative, book-entry and without par value, excluding the preemptive right of the current shareholders in the subscription of the common shares issued by the Company. The amount actually paid as a prize was R\$ 3,087, as disclosed in note n° 15.3.1.

c. Destination of proposed profits and dividends

According to the articles of partnership, from the net income for the fiscal year, after offsetting accumulated losses, 5% will be applied to constituting the legal reserve up to 20% of the share capital, and 25% will be allocated to the distribution of the minimum mandatory dividend, respecting the priority of payment of fixed dividends.

The dividend proposal set out in the Parent Company's financial statements is as follows:

	2023	2022
Profit for the fiscal year basis for allocation	642,510	516,682
Constitution of a legal reserve - 5% of net profit	<u>(32,125)</u>	<u>(25,834)</u>
Net income for the fiscal year (basis for calculating dividends)	<u>610,385</u>	<u>490,848</u>
Mandatory dividend - 25% of net profit	152,596	122,712
Additional dividends proposed	<u>62,498</u>	<u>-</u>
Total dividends (i)	<u>215,094</u>	<u>122,712</u>

- (i) Management proposes a partial dividend distribution of the profit for the year and the remaining balance, after approval by the General Meeting, will be kept in earnings reserve.

On April 5, 2023, the Annual General Meeting approved the payment of accrued dividends at the end of 2022, R\$ 122,712 corresponding to 25% of Net Profit for 2022 (adjusted after

the allocation of the legal reserve), and R\$ 51,412 corresponding to 10.47% of Net Profit as additional dividends, totaling R\$ 174,124 and R\$ 0,2590 per common share issued by the Company. The dividends were paid in full to shareholders on April 17, 2023.

In addition, according to note 15.5, dividends were distributed and paid by certain subsidiaries, which have third-party shareholdings, in the amount of R\$ 2,015.

During 2022 and 2023, no advance dividends were paid to holders of the Company's ordinary shares.

In addition, according to note 15.5, dividends were distributed and paid by certain subsidiaries, which have third-party shareholdings, in the amount of R\$ 1,400.

d. Earnings reserve

As provided for in the Bylaws, the purpose of the statutory investment reserve is to provide funds to guarantee the Company's level of capitalization, investments in activities related to the Company's corporate purpose and/or the payment of future dividends to shareholders or their anticipation.

e. Capital transactions

Capital transactions correspond to transactions with the members, without passing through the parent company's income. Reflects the events affecting the subsidiaries and indirectly the parent company through capital transactions. The composition of the fiscal year mutation refers to the items below:

	12/31/2023	12/31/2022
Dividends paid to non-controlling (i)	(1,141)	
Business combination adjustments	235	-
Total	(906)	-

- (i) Due to the early acquisition method, dividends paid to non-controlling shareholders are treated as a capital transaction.

f. Equity valuation adjustments

Equity valuation adjustments mainly include the net changes in the fair value of contingent consideration for call option agreements and other contingent consideration specified in the sale agreement on the acquisition date, which are updated each reporting period, the detailed changes of which are disclosed in note 28 (a). The amounts recorded in equity valuation adjustments are reclassified to the income statement in full or in part when the assets/liabilities to which they refer are sold.

	12/31/2023	12/31/2022
Fair value	(15,608)	4,948
Deferred income tax and social contribution	5,307	(1,682)
Total	(10,301)	3,266

The movement of equity valuation adjustments can be summarized as:

	<u>Consolidated</u>	
	2023	2022
As at January 1,	3,266	33,558
Fair value	(20,556)	(45,897)
Deferred income tax and social contribution	<u>6,989</u>	<u>15,605</u>
As at December 31,	<u>(10,301)</u>	<u>3,266</u>

30 Financial instruments

a. Accounting classification and fair values

The table below shows the carrying amounts and the fair values of the financial assets and liabilities, including their levels in the hierarchy of fair value. It does not include information on the fair value of the financial assets and liabilities not measured at fair value, if the carrying amount is a reasonable approach of the fair value.

Consolidated assets		Carrying amount			Fair value		
		Financial assets measured at fair value through profit or loss	Financial assets at amortized cost	Total	Level 2	Level 3	Total
December 31, 2023	Note						
Financial assets measured at fair value							
Financial investments (i)	10 e 11	2,189,337	-	2,189,337	2,189,337	-	2,189,337
Total		2,189,337	-	2,189,337	2,189,337	-	2,189,337

Consolidated assets		Carrying amount			Fair value
		Financial assets measured at fair value through profit or loss	Financial assets at amortized cost	Total	Total
December 31, 2023	Note				
Financial assets not measured at fair value					
Cash and cash equivalents (i)	10	-	67,073	67,073	67,073
Trade receivables	12	-	2,559,580	2,559,580	2,559,580
Loans receivable (ii)	15.3	-	26,193	26,193	26,193
Other assets to be receivable	16	-	164,907	164,907	164,907
Total		-	2,817,753	2,817,753	2,817,753

- (i) In cash and cash equivalents and financial investments, the fair value is a reasonable approximation of the carrying amount since all of the Group's investments have daily liquidity and, therefore, the balance presented by the bank is the exact balance available for use.
- (ii) In loans receivable, the fair value is a reasonable approximation of the carrying amount since all agreements have a term of receipt and monthly correction index.

Consolidated liabilities		Carrying amount			Fair value		
		Financial liabilities at fair value	Financial liabilities at amortized cost	Total	Level 2	Level 3	Total
December 31, 2023	Note						
Financial liabilities measured at fair value							
Derivative financial instruments (i)	30 (c)	(15,588)	-	(15,588)	(15,588)	-	(15,588)
Acquisition of subsidiaries	28	(392,959)	-	(392,959)	-	(392,959)	(392,959)
Total		(408,547)	-	(408,547)	(15,588)	(392,959)	(408,547)

Consolidated liabilities		Carrying amount			Fair value
		Financial liabilities at fair value	Financial liabilities at amortized cost	Total	Total
December 31, 2023	Note				
Financial liabilities not assessed at fair value					
Trade payables		-	(173,197)	(173,197)	(173,197)
Loans	21	-	(436,742)	(436,742)	(446,137)
Debentures	22	-	(2,593,749)	(2,593,749)	(2,692,118)
Leases payable		-	(302,575)	(302,575)	(302,575)
Other liabilities		-	(50,204)	(50,204)	(50,204)
Total		-	(3,556,467)	(3,556,467)	(3,664,231)

(i) Swap contracts were assigned to hedge accounting.

Consolidated assets		Carrying amount			Fair value		
		Financial assets measured at fair value through profit or loss	Financial assets at amortized cost	Total	Level 2	Level 3	Total
December 31, 2022	Note						
Financial assets measured at fair value							
Financial investments (i)	10 e 11	2,606,874	-	2,606,874	2,606,874	-	2,606,874
Derivative financial instruments (iii)	30 (c)	10,203	-	10,203	10,203	-	10,203
Total		2,617,077	-	2,617,077	2,617,077	-	2,617,077

Consolidated assets		Carrying amount			Fair value
		Financial assets measured at fair value through profit or loss	Financial assets at amortized cost	Total	Total
December 31, 2022	Note				
Financial assets not measured at fair value					
Cash and cash equivalents (i)	10	-	93,065	93,065	93,065
Trade receivables	12	-	2,022,126	2,022,126	2,022,126
Loans receivable (ii)	15.3	-	30,877	30,877	30,877
Others assets to be receivable	16	-	243	243	243
Total		-	2,146,311	2,146,311	2,146,311

- (i) In cash and cash equivalents, the fair value is a reasonable approximation of the carrying amount since all of the Group's investments have daily liquidity and, therefore, the balance presented by the bank is the exact balance available for use.
- (ii) In loans receivable, the fair value is a reasonable approximation of the carrying amount since all agreements have a term of receipt and monthly correction index.
- (iii) Swap contracts were assigned to hedge accounting.

Consolidated liabilities		Carrying amount			Fair value		
		Financial liabilities at fair value	Financial liabilities at amortized cost	Total	Level 2	Level 3	Total
December 31, 2022	Nota						
Financial liabilities measured at fair value							
Derivative financial instruments	30 (c)	(10,344)		(10,344)	(10,344)	-	(10,344)
Acquisition of subsidiaries	28	(281,085)	-	(281,085)	-	(281,085)	(281,085)
Total		(291,429)	-	(291,429)	(10,344)	(281,085)	(291,429)

Consolidated liabilities		Carrying amount			Fair value
		Financial liabilities at fair value	Financial liabilities at amortized cost	Total	Total
December 31, 2022	Nota				
Financial liabilities not assessed at fair value					
Trade payables		-	(124,732)	(124,732)	(124,732)
Loans	21	-	(634,924)	(634,924)	(646,775)
Debentures	22	-	(2,661,200)	(2,661,200)	(2,758,485)
Leases payable		-	(69,895)	(69,895)	(69,895)
Other liabilities		-	(32,937)	(32,937)	(32,937)
Total		-	(3,523,688)	(3,523,688)	(3,632,824)

Level 1 - The fair value of assets traded in active markets (such as securities held for trading and at fair value through other comprehensive income) is based on market prices quoted on the statement of financial position reporting date. Assets included in Level 1 mainly comprise IBOVESPA 50 ranking of shares equity investments classified as trading securities or at fair value through other comprehensive income.

Level 2 - The fair value of assets and liabilities that are not traded in active markets (e.g., over-the-counter derivatives) is determined using valuation techniques. If all relevant assumptions used to determine the fair value of an asset or liability can be observed in the market, it will be included in Level 2.

Level 3 - If one or more relevant pieces of information are not based on data adopted by the market, such as investments in shares or unquoted debts, the asset or liability is included in Level 3.

b. Fair value measurement

(i) Assessment techniques and significant non-observable inputs

The tables below present the valuation techniques used to measure Level 2 and 3 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant non-observable inputs used. The valuation processes are described in note nº 8.7.

Financial instruments measured at fair value

Type	Assessment Techniques	Significant observable inputs	non-significant and non-observable inputs and fair value measurement
Swap	Swap Models: fair value is calculated on the basis of estimated future cash flows at present value. Estimates of future cash flows of post-fixed rates are based on quoted swap rates, futures prices and interest rates on interbank loans. Estimated cash flows are discounted using a curve built from similar sources, reflecting the relevant interbank benchmark rate used by the market participant for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment reflecting the credit risk of the Group and the counterparty, calculated based on credit spreads derived from credit default swaps or current prices of traded securities.	Not applicable.	Not applicable.
Liabilities from acquisitions of subsidiaries - Call options	Discounted Cash Flow: The valuation model uses a projection of up to 10 years, although the maturity of the options is between 1 and 4 years. Cash flows are discounted using a risk-adjusted discount rate. In addition to this methodology, the Scenario Based Model was adopted, in which there is a base scenario projection, an optimistic scenario and a pessimistic scenario, being considered the average value of the options of these scenarios. The calculation is annual, based on the month of September, and is corrected quarterly by the discount rate used in the calculation.	Revenue growth initial period: (2023: 16.7% to 7.8%, average 12.5%; 2022: 32% to average 3.1%). Projected EBTIDA Margin: (2023: 19.9% to 13.1%, average 7.9%; 2022: 19.2% to 3.4%, average 10.0%). Risk-adjusted discount rate: (2023: 11.88%, average 11.88%; 2022: 11.94%, average 11.94%).	The fair value of the options would rise (fall) if: The estimated revenue growth would be higher (lower) The estimated EBITDA margin would be higher (lower) The discount rate would be lower (higher)
Liabilities from acquisition of subsidiaries - earn-outs	Discounted Cash Flow: The valuation model uses a projection of up to 10 years, although the maturity of the earn outs is between 1 and 5 years. Cash flows are discounted using a risk-adjusted discount rate. In addition to this methodology, the Scenario Based Model was adopted, in which there is a base scenario projection, an optimistic scenario and a pessimistic scenario, being considered the average value of the options of these scenarios. The calculation is annual, based on the month of September, and is corrected quarterly by the discount rate used in the calculation.	Revenue growth initial period: (2023: 16.7% to 7.8%, average 12.5%; 2022: 32% to average 3.1%). Projected EBTIDA margin: (2023: 19.9% to 13.1%, average 7.9%; 2022: 19.2% to 3.4%, average 10.0%). Risk-adjusted discount rate (2023: 11.88%, average 11.88%; 2022: 11.94%, average 11.94%).	The fair value of earn-outs would rise (fall) if: The estimated revenue growth would be higher (lower) The estimated EBITDA margin would be higher (lower) The discount rate would be lower (higher)

c. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk (see (c)(ii));
- Liquidity risk (see (c)(iii)); and
- Market risk (see (c)(iv)).

(i) Structure of risk management

The risk management policies of the Group are established to identify and analyze the risks faced by the Group, in order to define appropriate limits and controls for the risk, and also to monitor risks and compliance with limits. The risk management policies and systems are frequently revised to reflect changes in market conditions and in the activities of the Group. The Group, through its training and management standards and procedures, aims to keep a disciplined and controlled environment in which all employees understand their roles and obligations.

(ii) Credit risk

Credit risk is the risk of the Group incurring financial losses if a customer or financial instrument counterparty fails to comply with contractual obligations. Such risk arises mainly from the Group's trade receivables and financial instruments.

Carrying amounts of financial assets and agreement assets represent the maximum credit exposure.

Trade receivables

The Group's exposure to credit risk is mainly influenced by the individual characteristics of each customer, respectively. Details on the concentration of revenue are in note n° 9.

The Group limits its exposure to trade receivables credit risk by establishing a maximum payment term of one and three months for individual and corporate customers, respectively.

The Group does not require guarantees in relation to trade and other receivables. The Group has no trade receivables or contract assets for which no loss provision is recognized because of the guarantee.

As at December 31, 2023, the carrying amount of the Group's most important customer (a petrochemistry) is R\$ 137,562. As at December 31, 2022 it was R\$ 144,641 (a petrochemistry).

*Assessment of expected loss of credit customers***a. Contractual financial assets**

The Group uses the simplified approach of CPC 48 / IFRS 9 for measuring the recoverable amount of trade receivables due to their characteristics of not containing significant financing components, thus the calculation is based on a risk matrix for measuring the expected credit loss with trade receivables.

Loss rates are calculated by using the “rollover” method based on the probability of a value receiving advancing through successive stages of default to full write-off. Rollover rates are calculated separately for exposures on clients in different segments such as those in legal recovery, legal action or bankruptcy. We take into account the rating, for customers who disclose such information, and more conservative percentages for those who do not disclose the rating.

The following table provides information on credit risk exposure and expected credit losses for trade receivables and contractual assets for individual customers as at December 31, 2023 and 2022:

As at December 31, 2023	Weighted-average loss rate	Gross accounting balance	Provision for estimated loss
Due	1.73%	1,384,809	(23,957)
Overdue 1-30 days	2.33%	94,524	(2,202)
Overdue 31-60 days	10.66%	28,414	(3,029)
Overdue 61-90 days	17.77%	11,319	(2,011)
Overdue 91-180 days	45.81%	18,981	(8,695)
Overdue 181-360 days	61.43%	12,665	(7,780)
More than 360 days	58.43%	65,543	(38,299)
Total		1,616,255	(85,974)

As at December 31, 2022	Weighted-average loss rate	Gross accounting balance	Provision for estimated loss
Due	0.84%	1,045,598	(8,783)
Overdue 1-30 days	5.46%	112,834	(6,161)
Overdue 31-60 days	16.14%	19,261	(3,109)
Overdue 61-90 days	25.01%	11,940	(2,986)
Overdue 91-180 days	42.55%	10,572	(4,498)
Overdue 181-360 days	57.36%	8,313	(4,768)
More than 360 days	58.54%	75,689	(44,307)
Total		1,284,207	(74,612)

Loss rates are based on actual credit loss experience over the past seven years. These rates were multiplied by factors of scale, to reflect the differences between economic conditions in the period in which historical data were collected, the current conditions, and the Group's view of economic conditions throughout the receivables expected life.

b. Non-contractual financial assets

The market value of these assets does not differ from the amounts shown in the parent company and consolidated financial statements (see notes n° 10 and n° 11). The agreed rates reflect the usual market conditions. The “Cash and cash equivalents” and “financial investments” are maintained with banks and financial institutions that have a rating between BB- and AAA, based on Fitch and Moody’s credit rating agencies.

The Group adopts the following assumptions for determining impairment loss on non-contractual financial assets:

- A financial asset has no credit risk when its rating is equivalent to the globally accepted definition of “investment grade” or has the same risk grading as the Federative Republic

of Brazil. The Group considers this to be baa3 or above according to the Moody's credit rating agency or bbb- or higher by the Fitch's credit rating agency;

- For financial assets with risk within the definition of globally accepted grading of "speculative grade", the Group adopts a graded matrix from 1.73% to 58.43% to be applied on the balance of financial assets; and
- For financial assets rated as "default risk" by agencies, the Group considers a 100% provision for impairment losses.

The estimated impairment in cash and cash equivalents was calculated based on the expected loss of 12 months and reflects the short maturities of risk exposures. The Group considers that its cash and cash equivalents do not have credit risk based on the external credit ratings of the counterparties.

c. Derivative financial instruments

Derivatives are contracted from banks and financial institutions with which the Group has a relationship. Currently, derivatives are only with Citi Bank.

The following are described the types of contracts in force and their protected risks (cash flow hedge):

- (i) Credit Agreements Bacen Resolution n° 4131 with Banco Citi bank:

Swap: active edge of the Group that considers "USD exchange variation + 3-month USD Libor rate" versus passive edge of the Group that considers "100% of CDI + prefixed rate per year", in order to protect the Group from exchange rate and interest fluctuations in foreign currency arising from a debt contracted in dollars.

		Consolidated			
		Notional amount		Fair value	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
Debt protection	Currency				
Assets					
(i) Bacen Resolution n° 4131	BRL	123,222	154,450	113,771	164,521
Subtotal				113,771	164,521
Liabilities					
(i) Bacen Resolution n° 4131	BRL	123,222	154,450	129,359	164,662
Subtotal				129,359	164,662
Total				(15,588)	(141)

The swap transactions carried out by the Group aim to protect the agreed foreign currency loans against the risk of exchange and international interest rate fluctuations, converting the entire operation to 100% of the Interbank Deposit Certificate (CDI), plus interest from 2% to 3% per annum, following the management criteria of risks shown in the table below:

	<u>Consolidated</u>	
	12/31/2023	12/31/2022
Net swap transactions - Assets	-	10,203
Net swap transactions - Liabilities	<u>(15,588)</u>	<u>(10,344)</u>
Total	<u>(15,588)</u>	<u>(141)</u>
Current assets	-	7,519
Non-current assets	-	2,684
Current liabilities	(10,764)	(10,344)
Non-current liabilities	(4,824)	-

The amount recorded in long-term assets on December 31, 2023 present the following settlement schedules until 2026:

Maturity	12/31/2023
2025	(4,534)
2026	<u>(290)</u>
Total	<u>(4,824)</u>

It should be stressed that the swap at fair value (MtM) does not represent the obligation of immediate disbursement or cash receipt as, since this effect will only occur on the dates of contractual verification or expiration of each transaction, when the result will be calculated, as the case may be and under the market conditions on the referred dates.

Changes in financial instruments derivatives

	<u>Consolidated</u>	
	2023	2022
As at January 1,	(141)	28,918
(Loss) recognized on income	(22,758)	(32,807)
(Loss) gain recognized on OCI	(819)	1,495
Resources from derivatives liquidation	<u>8,130</u>	<u>2,253</u>
As at December 31,	<u>(15,588)</u>	<u>(141)</u>

Hedge accounting designation

On April 1, 2021, the Group chose to designate the hedge accounting according to CPC 48 / IFRS 9. The Group documents the hedge relation, the purpose and the risk management strategy for hedge identifying the instrument, the hedged item, the nature of the risk being hedged and assesses if the hedge relation meets the hedge effectiveness requirements. This required the Group to ensure that the hedge relations are in line with its purposes and risk management strategies that aim to protect the cashflow and the Group's property against interest and foreign exchange rates fluctuations.

The Group uses swap agreements to protect cash flows variation. The active edge of the Group considers the “foreign exchange USD + rate USD Libor 3 months (or pre-fixed rate)” and the passive edge of the Group as “100% CDI + prefixed rate per year”, with the purpose of protecting the Group from interest and foreign exchange variation arising from a debt undertaken in dollars.

The actual portion of the fair value variations in the hedge instruments is accrued in a cash flow hedge reserve as a separate component within the equity (OCI). According to CPC 48 / IFRS 9, such amounts are reclassified for the income of the same period in which the expected cash flows affect the income as a reclassification adjustment.

The Group carries out a qualitative assessment of hedge effectiveness, which is determined through periodic prospective assessments to ensure that an economic relationship exists between the protected item and the hedge instrument.

The Group contracts swaps with critical terms that are identical to the protected item, with the benchmark rate, redefinition dates, payment dates, maturities and benchmark values. Since the key terms corresponded during the period, the economic relationship was 100% effective and, therefore, did not present ineffective portion to be recognized in the result. The exposure management is carried out by the Group’s treasury.

Guarantees

The parent company's policy is to provide financial guarantees only to obligations of its subsidiaries. As at December 31, 2023 and 2022, the parent company had issued guarantees to certain banks in relation to credit facilities granted to its subsidiaries (see note n° 15.6).

(iii) *Liquidity risk*

Liquidity risk is the risk of the Group facing difficulties meeting obligations associated with its financial liabilities that are settled with spot cash payouts or with another financial asset. The Group’s approach to management of liquidity is assuring, as far as possible, that it always has sufficient liquidity to meet its obligations as they mature, under normal and stressful conditions, without causing losses that are unacceptable or have the risk of being detrimental to the Group’s reputation. The Group seeks to maintain the level of its 'Cash and cash equivalents' and other investments with active market in an amount higher than cash outflows for settlement of financial liabilities (except 'Trade payables') for the next 30 days. The Group also monitors the expected level of cash inflows from 'Trade and other receivables', jointly with the expected cash outflows related to 'Trade payables, Salaries and charges’.

Liquidity risk exposure

Below are the contractual maturity dates of financial liabilities on the date of the financial statements. These amounts are presented gross, without deductions, including estimated interest payouts and excluding the effects of offsetting agreements.

Consolidated As at December 31, 2023	Less than 1 year	Between 1 and 2 years	Between 3 and 5 years	More than 5 years	Financial cash flow	Carrying amount
Trade payables	173,197	-	-	-	173,197	173,197
Other payables	49,069	1,135	-	-	50,204	50,204
Loans	216,924	271,310	47,867	-	536,101	436,742
Debentures	580,075	1,200,056	1,367,327	148,439	3,295,897	2,593,749
Leases payable	70,062	118,780	100,288	49,156	338,286	302,575
Acquisition of subsidiaries	156,338	152,257	137,485	-	446,080	392,008
Total	1,245,665	1,743,538	1,652,967	197,595	4,839,765	3,956,810

Consolidated As at December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 3 and 5 years	More than 5 years	Financial cash flow	Carrying amount
Trade payables	124,732	-	-	-	124,732	124,732
Other payables	31,387	1,550	-	-	32,937	32,937
Loans	260,020	388,062	161,038	-	809,120	634,924
Debentures	449,013	1,207,566	1,608,473	1,042,000	4,307,052	2,661,200
Leases payable	33,463	25,810	9,008	5,510	73,791	69,895
Acquisition of subsidiaries	105,613	135,789	82,853	-	324,255	281,085
Total	1,004,228	1,758,777	1,861,372	1,047,510	5,671,887	3,804,773

Inflows (outflows) shown in the above table represent undiscounted contractual cash flows related to non-derivative financial liabilities held to manage risk, and which are normally closed off before contractual maturity. Net cash flows are shown for derivatives settled in cash, based on their net exposure, and gross cash flows for inflows and outflows of derivatives with simultaneous gross settlement.

As disclosed in explanatory notes n° 21 and n° 22, the Group has bank loans and debentures that contain a restrictive contractual clause (covenant). Failure to comply with this restrictive contractual clause may require the Group to repay the loan before the date indicated in the table above. The restrictive contractual clause is regularly monitored by the treasury and periodically reported to management to ensure that the contract is being fulfilled. Interest payments on loans at a post-fixed interest rate and the debt securities included in the table above reflect the fixed-term market interest rates on the statement of financial position date and these amounts may change as post-fixed interest rates change.

(iv) Market Risk

Market risk is the risk that changes in market prices - such as exchange rates, interest rates and stock prices - may affect the Group's earnings or the value of financial instruments. The purpose of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

The Group uses derivatives to manage market risks. All these transactions are carried out within the guidelines set by the Risk Management Committee.

Foreign exchange risk

Foreign exchange risk arises when future trading transactions recorded as assets or liabilities are held in a currency other than the Group's functional currency.

Exchange rate risk arises from the Group's exposure to variations in the US Dollar due to loans in that currency (note n° 21(a) (i)). The risk management policy is to *hedge* 100% of

its foreign exchange exposure through an adequate derivative financial instrument, to be made by the Group's Treasury.

Thus, loans in foreign currency are fully protected by currency *swap*, which equates these financial instruments to others exposed to the CDI variation.

Management believes that any impacts of exchange rate variation on the Group's exposure to currency variations would not generate relevant effects on its parent company and consolidated financial statements information. Therefore, it did not disclose the sensitivity analysis resulting from this subject.

See below the Group's exposure in foreign exchange risk and for more details on the instruments contracted to cover this exposure, see note n° 30(c) (i):

As at December 31, 2023	Maturity 1 to 6 months	6 to 12 months	Over one year
Foreign exchange risk			
Loan agreements			
Net exposure	24,572	24,572	61,431
<hr/>			
As at December 31, 2022	Maturity 1 to 6 months	6 to 12 months	Over one year
Foreign exchange risk			
Loan agreements			
Net exposure	19,143	19,143	119,172

(v) ***Interest rate risk***

The associated risk arises from the possibility of the Group incurring losses due to floating interest rates that would increase financial expenses related to liabilities raised in the market. Interest rates on loans and borrowings are mentioned in note n° 21. Contracted interest rates on financial investments are mentioned in note n° 10 and note n° 11. The Group does not execute derivatives agreements to hedge interest rate risks involving CDI; however, constantly monitors market interest rates in order to assess any need to contract operations to hedge the volatility risk of these rates.

Exposure to CDI rate	12/31/2023	12/31/2022
Assets		
Certificates of bank deposit	2,189,337	2,606,874
Liabilities		
Working capital loans	(318,890)	(459,242)
Swap transactions	(112,194)	(159,379)
Commercial papers	(5,658)	(16,303)
Debentures	<u>(2,593,749)</u>	<u>(2,661,200)</u>
Net exposure	<u>(841,154)</u>	<u>(689,250)</u>

Sensitivity analysis

Sensitivity analysis was developed considering the exposure to CDI variation, the sole indexer of the loans taken out by the Group, as well as its financial investments. There are also mutual contracts that are linked to the CDI in the amount of R\$ 26,193, which we did not evidence the sensitivity analysis because we understand that the effect is not relevant.

Transaction	Amounts	Risk	Probable (i)	Possible (ii)	Remote (iii)
Working capital subject to CDI variation	(318,890)	CDI Increase	(28,700)	(30,295)	(31,889)
Swap transactions subject to CDI variation	(112,194)	CDI Increase	(10,097)	(10,658)	(11,219)
Commercial papers subject to CDI variation	(5,658)	CDI Increase	(509)	(538)	(566)
Debentures subject to CDI variation	(2,593,749)	CDI Increase	<u>(233,437)</u>	<u>(246,406)</u>	<u>(259,375)</u>
Subtotal			<u>(272,743)</u>	<u>(287,897)</u>	<u>(303,049)</u>
Investments subject to CDI variation	2,189,337	CDI Decrease	<u>197,040</u>	<u>207,987</u>	<u>218,934</u>
Subtotal			<u>197,040</u>	<u>207,987</u>	<u>218,934</u>
Net exposure	(841,154)		<u>(75,703)</u>	<u>(79,910)</u>	<u>(84,115)</u>

Indexer	100 bps drop	50 bps drop	Probable scenario	50 bps increase	100 bps increase
CDI	8.00%	8.50%	9.00%	9.50%	10.00%

- (i) Interest calculated based on the Focus Report from the Brazilian Central Bank, December 29, 2023 (based on the aggregate median of expectations for the reference rate - Selic - for the end of 2024).
- (ii) Interest calculated considering an increase of 50 bps in the variation of the CDI - based on the latest adjustments of the Monetary Policy Committee of the Central Bank of Brazil (whose mode in the recurring basis corresponds to 50 bps).
- (iii) Interest calculated considering a 100-bps increase in the CDI variation - based on the latest adjustments of the Monetary Policy Committee of the Central Bank of Brazil (which would consider two consecutive base adjustments of 50 bps - as per item (ii), above).

31 Net revenue from services rendered and goods sold

As described in note n° 1, the Group generates operating revenue mainly by providing services related to asset security, cleaning and sanitation services, indoor logistics, electronic security, implementation, operation, and maintenance of buildings, and maritime hospitality. Additionally, revenues are generated to a lesser extent from kitchen services, meal sales, road maintenance, temporary employment, sales promotion and maintenance of telephone networks.

a. Revenue flow and breakdown

The reconciliation between the gross taxable revenues and the revenues presented in the statement of profit or loss for the fiscal year is shown below:

	<u>Consolidated</u>	
	12/31/2023	12/31/2022
Gross revenue from services	11,198,559	9,776,617
Gross sales revenue	<u>309,727</u>	<u>272,036</u>
Subtotal	11,508,286	10,048,653
Taxes on revenue		
ISS	(430,068)	(374,819)
COFINS (i)	(351,996)	(361,551)
PIS (i)	(75,775)	(77,947)
ICMS	<u>(19,293)</u>	<u>(15,653)</u>
Subtotal	<u>(877,132)</u>	<u>(829,970)</u>
Net revenue	<u>10,631,154</u>	<u>9,218,683</u>

- (i) The values of PIS and COFINS are presented in net amounts of credits for inputs under the non-cumulative.

b. Net revenues by type of service

	<u>Consolidated</u>	
	12/31/2023	12/31/2022
Facilities	4,040,633	3,665,436
Security	2,942,770	2,715,454
Industrial maintenance and services	2,591,624	1,973,040
Indoor logistics	763,686	607,532
Others	247	74
Sales revenue (i)	<u>292,194</u>	<u>257,147</u>
Net revenue	<u>10,631,154</u>	<u>9,218,683</u>

- (i) Sales revenue is recognized at the time of purchase by the customer, when the goods have been delivered, accepted by the customer, and the risks and rewards related to the goods have been transferred. In 2023, 86% of this revenue came from sales of meals in cafeterias, where measurements are made by volume of meals sold. In 2022, this item accounted for 87%. The remainder is distributed across the industrial services maintenance and logistics lines.

c. Net revenues by operation

	<u>Consolidated</u>	
	12/31/2023	12/31/2022
Net revenue from organic operations	5,383,276	4,099,867
Net revenue from inorganic operations (i)	<u>5,247,878</u>	<u>5,118,816</u>
Net revenue	<u>10,631,154</u>	<u>9,218,683</u>

- (i) Revenue stemming from inorganic transactions corresponds to all agreements with customers concluded in conjunction with the acquired companies, with no set deadline. In this sense, the new contracts signed after the date of acquisition are considered "organic". Opening of net revenue from inorganic operations by harvests that include contracts with customers in conjunction with the acquired companies, without a defined term:

Net revenue - Inorganic operations (Crops)	Consolidated	
	12/31/2023	12/31/2022
Before 2022	3,631,331	4,124,182
2022	1,184,548	994,634
2023	431,999	-
Net revenue	5,247,878	5,118,816

d. Performance obligations and revenue recognition policies

The revenue is measured based on the consideration specified in the contract with the customer. The Group recognizes revenue when it transfers control over the product or when it provides services to customer, as follows:

Type of product/service	Nature and time of fulfilment of the performance obligations, including significant payment terms	Recognition of revenue
Services in general*	<p>Contracts are usually signed based on an agreed number of hours per month of certain services provided by certain teams. Contracts are usually for 12 months and may or may not be renewed. Payment must be made monthly.</p> <p>Measurements of services rendered are made and their revenues recognized at the end of the month, at the time the service was rendered.</p> <p>Invoices for services are issued subsequently and normally paid within 30 days at most. Additional services not considered in contract.</p>	<p>Services under a single contract will be allocated based on their individual selling prices in each period.</p> <p>Revenue is recognized during the time the service is provided. The stage of completion determines the amount of revenue to be recognized and is evaluated based on the measurement of the work performed.</p> <p>If the service under a specific contract is provided in different reporting periods, then consideration is allocated based on the stage of measurement.</p> <p>For variable consideration, the service provided up to the reporting date is monitored, measured, and billed to the customer.</p>
Sales	<p>Mostly represented by the preparation and sale of meals, contracts are usually signed on the basis of the number of meals provided per month. Contracts are generally for 12 months and may or may not be renewed. Payment is due monthly.</p> <p>The meals provided are measured and the revenue recognized at the end of the month.</p> <p>Invoices are issued later and usually paid within 30 days.</p>	<p>Sales revenues are recognized at the time of purchase by the customer, when the goods have been delivered, accepted by the customer, and the risks and rewards related to the goods have been transferred. The majority of these are contracts for the sale of meals in canteens, which are measured by the volume of meals sold per month.</p> <p>In addition, there are one-off sales of specific materials, such as electronic security and maintenance items.</p>

- (*) Services in general refer to: (i) asset security; (ii) sanitation and cleaning services (facilities); (iii) indoor logistics; (iv) electronic security services, implementation, operation, and building maintenance; (v) maritime hospitality service (on oil platforms); and (vi) kitchen services and the sale of meals (when they do not cover the sale of meals).

32 Costs of services rendered, general and administrative expenses and other operating revenues and expenses

The Group chose to present the opening of the costs, in its consolidated statement, by nature:

a. Expenses by nature

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Spending with personnel (vii)	-	-	(6,545,864)	(5,898,400)
Employee benefits (i)	-	-	(1,239,808)	(1,047,000)
Provision for bonus	-	-	(161,656)	(128,978)
Stock option plan awards (iv)	-	-	(3,087)	(3,326)
Costs of goods sold	-	-	(165,509)	(151,652)
Maintenance and third-party services	(282)	(358)	(366,628)	(270,278)
Rentals (iii)	-	-	(298,048)	(214,741)
Material and supplies	-	-	(320,348)	(266,999)
Provision for labor contingencies	-	-	7,905	(3,905)
Provision for non-labor contingencies	-	-	(3,508)	(454)
Payments non-labor lawsuits	-	-	(5,651)	(2,265)
Payments labor lawsuits	-	-	(152,248)	(95,989)
Provision for tax risks (ii)	-	-	(10)	(775)
Taxes and fees	(2)	(27)	(65,484)	(48,627)
Reversal of sub judice taxes	1,208	66	133,103	57,412
Reversal of FAP acquisition	-	-	-	10,339
Constitution of tax debt	-	-	(2,680)	(4,390)
Losses with customers	-	-	(41,893)	(41,567)
Provision for expected loss of billed services (v)	-	-	(5,990)	(3,325)
Provision for expected loss of services to be billed (v)	-	-	9,372	(6,869)
Depreciation and amortization of property and equipment, intangible assets and right-of-use in leases	-	-	(111,608)	(86,022)
Amortization - customers portfolio, brands, non-compete agreement surplus of property and equipment	-	-	(127,121)	(105,241)
Update and write-offs of indemnity assets and contingent liabilities (vi)	-	-	19,245	68,517
Earn-out update	-	-	5,367	(28,747)
Earn-out write-off	-	-	7,205	6,954
Expenses with acquisition of subsidiaries	-	-	(20,010)	(9,237)
Reconciliation of balances to be received	(200)	(1,439)	(971)	(2,033)
Expenses with telephone and travel	-	-	(36,150)	(19,905)
Expenses with insurance	-	-	(11,239)	(10,051)
Bargain Purchase	-	-	13,150	-
Reconciliation of acquired balances	-	-	(3,823)	16,307
Others	(316)	(251)	1,065	3,630
Total	408	(2,009)	(9,492,922)	(8,287,617)
Cost of services rendered	-	-	(8,793,786)	(7,693,449)
General and administrative expenses	(558)	(635)	(833,770)	(630,250)
Expected credit losses on trade receivables	-	-	3,382	(10,194)
Other operating revenues (viii)	-	66	187,709	72,350
Other operating expenses	966	(1,440)	(56,457)	(26,074)
Total	408	(2,009)	(9,492,922)	(8,287,617)

- (i) Employee benefits mean amounts related to: food vouchers, meal vouchers, transportation vouchers, and medical and dental assistance.
- (ii) See note n° 27 (b).
- (iii) See note n° 35.
- (iv) See note n° 29 (b).
- (v) See note n° 12.

- (vi) Refers substantially to the updates and write-offs of contingent liabilities identified at the time of acquisition of subsidiaries, with a possible prognosis of realization, and the revaluations are made according to the new position of the Group's legal advisors and according to the prescription of tax risks. The main drop in contingency and tax risks was the acquired "ISS Group", with the extinction of tax executions through the conversion of judicial deposits into income and with the prescription of risks related to the years 2016 and 2017.
- (vii) Personnel costs are not impacted by the System S provision, as the provision affects the obligation to be paid with wages and charges.
- (viii) The balance is substantially made up of the reversal of sub judice taxes of R\$ 133,103 (R\$ 57,214 in 2022) and a gain on advantageous purchase of R\$ 13,150 (zero in 2022)

33 Financial income and financial expenses

Financial income	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Income from financial investments	-	-	318,248	156,487
Update currency assets	675	1,051	50,073	31,805
Foreign exchange variation	-	-	22,525	52,947
Reversal of interest on sub judice taxes	162	-	45,193	20,531
Interest received	-	-	10,788	6,013
Others financial revenues	3	1	1,155	822
Total	840	1,052	447,982	268,605
Financial expenses	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Interest on loans	-	-	(65,388)	(77,091)
Interest on debentures	-	-	(377,247)	(167,260)
Bank expenses	-	-	(3,646)	(4,497)
MTM income (i)	-	-	(22,758)	(32,807)
Foreign Exchange variation (i)	-	-	(12,650)	(38,131)
Interest on sub judice taxes	(65)	-	(43,433)	(30,054)
Interest on "S" System	-	-	(56,732)	(30,411)
Interest on acquisition debt	-	-	(14,118)	(1,207)
Interest on leases payable	-	-	(6,325)	(3,428)
Interest on installments	(1)	(5)	(8,892)	(8,314)
Taxes on financial transactions	-	-	(19,584)	(11,626)
Discounts granted	-	-	(17,334)	(6,159)
Settlement of cost incurred with issuance of debentures	-	-	(5,009)	(1,787)
Others financial expenses	(32)	(50)	(17,372)	(13,226)
Total	(98)	(55)	(670,448)	(425,998)

- (i) The Group has loan operations in foreign currency denominated in US\$ (Dollar), but with swap in an amount consistent with the estimated future cash flow, eliminating the variation of foreign currency and converting the entire operation to 100% of the remuneration of the Interbank Certificate of Deposit (CDI), plus interest from 1.96% to 2.47% per year, obeying the risk management criteria. Derivative transactions are designated for hedge accounting and all volatility is shown in Other Comprehensive Income to Equity (note nº 30 (c)).

34 Earnings per share

The calculation of basic earnings per share is made by dividing the net income of the period, attributed to the holders of common shares of the parent company, by the weighted average amount of common shares available during the fiscal year.

Diluted earnings per share is calculated by dividing the net income attributed to the holders of the parent company's common shares by the weighted average amount of common shares available during the year plus the average amount of common shares that would be issued in the conversion of all potential common shares diluted into common shares.

The following is earnings per share information for the fiscal year ended December 31, 2023 and 2022:

(i) Basic earnings and diluted per share

The basic calculation of earnings per share is done by dividing the net income for the fiscal year by weighted average of the common shares available during the fiscal year:

Base date	R\$ - Net income attributable to holders of common shares	Weighted average of shares	R\$ - Earnings per share
12/31/2023	642,510	671,664,493	0.96
12/31/2022	516,683	669,052,537	0.77

35 Operating leases

a. Leases as lessee

The Group leases a series of vehicles and machines for operation, allocated in the contracts, under operating leases. These operating leases do not transfer risks and rewards to the user of the assets and have been excluded from the application of CPC 06 (R2) / IFRS 16. Lease payments are readjusted annually to reflect market values. For certain operating leases, the Group is prevented from entering into any sublease agreement.

The rent paid to the lessor is adjusted at regular intervals according to market prices, and the Group does not participate in the residual value of the leased assets. Consequently, it has been determined that basically all risks and benefits of the assets fall on lessor.

(i) Future minimum operating lease payments

As at December 31, 2023, the minimum future payouts for non-cancellable operating leases are:

	<u>Consolidated</u>
	<u>12/31/2023</u>
Less than one year	266,023
Between one and five years	456,090
Total	<u>722,113</u>

36 Transactions not affecting cash

Below is the list of transactions during the fiscal year which did not affect cash and cash equivalents:

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Net income on hedge	541	1,833	541	1,833
Fair value adjustment of call options of acquisitions (i)	20,556	45,897	20,556	45,897
Constitution of mandatory minimum dividends	152,596	122,712	152,596	122,712
Constitution of proposed additional dividends	62,499	-	62,499	-
Disproportionate dividends in subsidiaries – capital transaction in the Parent Company	2,015	1,400	-	-
Financial liability for acquisition of subsidiary	-	-	130,594	168,335
Update of contingency against indemnity asset	-	-	4,650	15,676
Offset of tax installments	-	-	-	1,234
Acquired companies inventory adjustments of the property and equipment	-	-	-	6,613

(i) See note n° 28 (a) and note n° 29 (f).

37 Subsequent events

(a) Acquisition of subsidiary

Lyon

On January 15, 2024, the acquisition of 60% of the shares of Lyon Engenharia Comercial Ltda. (Lyon) was completed by the direct subsidiary Top Service Serviços e Sistemas S.A., with payment of the closing installment in the amount of R\$ 51,884, which added to the down payment on October 20, 2023, in the amount of R\$ 2,988, totals R\$ 54,872 as the price paid for the acquisition. Lyon provides human resources management services for administrative and technical support, including project engineering, implementation management and works supervision and inspection, with a strong presence in Minas Gerais, Maranhão and Pará. The takeover will take place on February 1, 2024. It should be noted that it is not yet possible to determine the fair value of the consideration transferred, as well as the net assets and goodwill because, due to the recent acquisition of control, management does not have all the elements necessary for their identification and measurement.

Control

On January 18, 2024, the acquisition of 60% of the shares issued by Control Construções S.A. (Control) was completed by the direct subsidiary Top Service Serviços e Sistemas S.A., with payment of the closing installment in the amount of R\$ 44,388, which added to the down payment on October 30, 2023, in the amount of R\$ 1,000, totals R\$ 45,388 as the price paid for the acquisition. Control provides services in the construction of electricity distribution networks, preventive and corrective maintenance of energized networks, replacement of transformers, energy meter reading, inspection of energy consumer units and tree pruning, with a presence in 7 states and strong operations in Alagoas, Goiás, Paraíba and Minas Gerais. The takeover will take place on February 1, 2024. It should be noted that it is not yet possible to determine the fair value of the consideration transferred, as well as the net assets and goodwill because, due to the recent acquisition of control, management does not have all the elements necessary for their identification and measurement.

Marfood

On February 1, 2024, the acquisition of 100% of the shares of Marfood Comércio e Serviços de Hotelaria Ltda. (Marfood) was completed by the direct subsidiary Top Service Serviços e Sistemas S.A., with payment of the closing installment in the amount of R\$ 85,633, which added to the down payment, on November 24, 2023, in the amount of R\$ 4,000, totals R\$ 89,633 as the price paid for the acquisition. Marfood provides maritime catering and hotel services, with a strong presence in Rio de Janeiro. The takeover will take place on February 1, 2024. It should be noted that it is not yet possible to determine the fair value of the consideration transferred, as well as the net assets and goodwill because, due to the recent acquisition of control, management does not have all the elements necessary for their identification and measurement.

Invictus

On February 9, 2024, the acquisition of 100% of the shares of Invictus Serviços de Terceirização de Mão de Obra Ltda. and Invictus Segurança Ltda. (jointly the "Invictus Group") was completed by the indirect subsidiary Graber Sistemas de Segurança Ltda., with payment of the closing installment in the amount of R\$ 2,946, which added to the down payment on October 27, 2023, in the amount of R\$ 275, totals R\$ 3,221 as the price paid for the acquisition. Invictus provides private security, surveillance, reception and concierge services, with a strong presence in Pará and Amapá. The takeover will take place on February 1, 2024. It should be noted that it is not yet possible to determine the fair value of the consideration transferred, as well as the net assets and goodwill because, due to the recent acquisition of control, management does not have all the elements necessary for their identification and measurement.

Director's statement

In compliance with the provisions contained in article 25 of Securities and Exchange Commission Instruction nº 480, of December 7, 2009, as amended, the Company's Executive Officers declare that (a) they have reviewed, discussed and agreed with the parent company and consolidated financial statements of GPS Participações e Empreendimentos S.A. for the fiscal year ended December 31, 2023, and (b) have reviewed, discussed and agreed with the opinion presented in the KPMG Auditores Independentes Ltda. auditor report, issued on March 5, 2024, on the parent company and consolidated financial statements for the fiscal year ended December 31, 2023.

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Luis Carlos Martinez Romero
Chief Executive Officer

Guilherme Nascimento Robortella
Chief Financial Officer

Anderson Nunes da Silva
Controller - CRC: 1SP232030/O-9