

TOTVS S.A.

Condensed individual and consolidated Interim Financial Statements
as of and for the three months periods ended March 31, 2024

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities Commission (CVM), prepared in accordance with the Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting and the international standard IAS 34 - Interim Financial Reporting, as issued by international Accounting Standards Board – IASB)

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Consolidated Operating and Financial Performance

Consolidated Result (in R\$ thousand)	1Q24	1Q23	Δ	4Q23	Δ
Net Revenue	1,247,637	1,064,142	17.2%	1,191,573	4.7%
Management Revenue	1,117,957	975,923	14.6%	1,068,411	4.6%
Business Performance Revenue	129,680	88,219	47.0%	123,162	5.3%
Mgmt. + Biz Perform. Adjusted EBITDA	306,761	277,021	10.7%	257,148	19.3%
Management Adjusted EBITDA	297,285	273,347	8.8%	254,925	16.6%
Biz Performance Adjusted EBITDA	9,476	3,674	157.9%	2,223	326.3%
% Adjusted EBITDA Margin	24.6%	26.0%	-140 bp	21.6%	300 bp
% Management Adjusted EBITDA	26.6%	28.0%	-140 bp	23.9%	270 bp
% Biz Performance Adjusted EBITDA	7.3%	4.2%	310 bp	1.8%	550 bp

Net Revenue

The consolidated Net Revenue reached R\$1.3 billion, closing the quarter with a growth of over 17% compared to 1Q23. That performance was possible due to advances across all revenue lines, with particular emphasis on: (i) the 17% increase in Management Recurring Revenue, mainly driven by the growth in SaaS Revenue; and (ii) the 47% growth in Net Revenue from Business Performance.

This performance primarily reflects the focus on expanding Recurring Revenue, intensified with the 3D strategy that significantly enlarged the Company's addressable markets. Today, revenues from the SaaS Management and Business Performance fronts maintain their position as growth drivers, representing an increase in Consolidated Net Revenue year-over-year.

Adjusted EBITDA

Adjusted EBITDA showed a strong recovery when compared to 4Q23 and closed the quarter at R\$307 million, the highest historical level, and an Adjusted EBITDA Margin of 24.6%, which means 300 basis points above 4Q23, these results are connected to the positive seasonal effect of 1Q's Corporate Model License Revenue and, mainly, to the gains of profitability from Business Performance and Management, demonstrating that, as described in the previous quarter, many of the factors that impacted 4Q23 were isolated and specific to that period. This outcome serves as evidence of the Company's competence in delivering solid results, particularly when evaluating performance over a longer period rather than just on a quarter over quarter.

When compared to 1Q23, the 140 basis points reduction in the Adjusted EBITDA Margin is mostly due to the expected reduction in the Management Licenses Revenue of the Corporate Model and the 70 basis points increase in the line of Sales and Marketing Expenses as a percentage of Net Revenue from Management dimension.

Management dimension results

The Management dimension represents the portfolio of solutions focused on the efficiency of our clients' back and middle office operations through ERP/HR and Vertical solutions specialized in 12 industry sectors of the economy. The 1Q24 result of this dimension contains the financial figures for the recently acquired Quiver and TOTVS IP companies from February. Concerning the closing of the Ahgora acquisition, which took place after market on the last business day of the quarter, it will solely be accounted for in the balance sheet of the quarter.

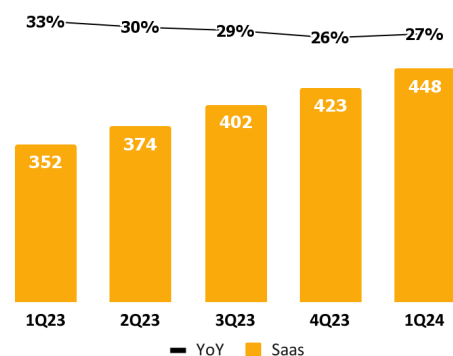
Management Result (in R\$ thousand)	1Q24	1Q23	Δ	4Q23	Δ
Net Revenue	1,117,957	975,923	14.6%	1,068,411	4.6%
Recurring	956,381	817,665	17.0%	919,970	4.0%
Non Recurring	161,576	158,258	2.1%	148,441	8.8%
License	77,792	81,187	(4.2%)	58,574	32.8%
Services	83,784	77,071	8.7%	89,867	(6.8%)
Adjusted Costs	(319,265)	(267,017)	19.6%	(311,836)	2.4%
Adjusted Gross Profit	798,692	708,906	12.7%	756,575	5.6%
<i>Adjusted Gross Margin</i>	71.4%	72.6%	-120 bp	70.8%	60 bp
Research and Development	(186,086)	(169,554)	9.8%	(184,478)	0.9%
Provision for Expected Credit Losses	(10,169)	(5,824)	74.6%	(6,213)	63.7%
Adjusted Sales and Marketing Expenses	(218,770)	(184,431)	18.6%	(218,015)	0.3%
Adjusted G&A Expenses and Others	(86,382)	(75,750)	14.0%	(92,944)	(7.1%)
Management Adjusted EBITDA	297,285	273,347	8.8%	254,925	16.6%
<i>% Management Adjusted EBITDA</i>	26.6%	28.0%	-140 bp	23.9%	270 bp

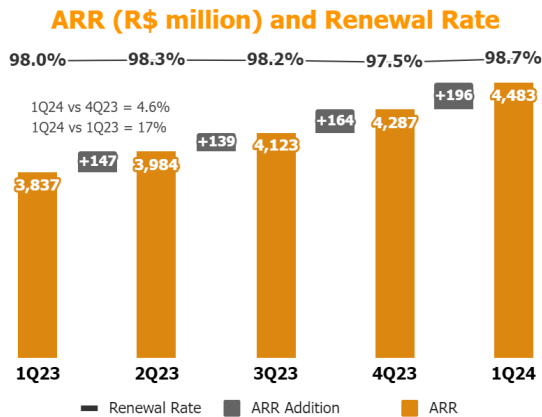
Recurring Revenue

Recurring Revenue moved forward 17% compared to 1Q23, primarily because of the sales performance, especially in new SaaS sales (new signings) and in Cloud Revenue, which grew 32% and 30%, respectively, year-over-year, and boosted SaaS Revenue to the level of R\$448 million, accelerating the year-over-year growth from 26% in 4Q23 to 27% in 1Q24, as stated in the chart on the side.

The new signings showed strong growth rates throughout 2023 and maintained this trend also in the first quarter of 2024, as a result of the sale of Management solutions to new customers, with increase in the take rate through cross and up-selling strategies. This performance, associated to the maintenance of the high level customer retention rate of 98.7%, reaching the highest level of the last 5 quarters, sustained one of the highest historical levels of real growth in the Company's Recurring Revenue in the last years, proving TOTVS proficiency in generating high lifetime value (LTV) in the customer base.

Management SaaS Revenue (R\$ million)





Compared with 4Q23, the 14% reduction in the Organic Net Addition is essentially connected to the punctual adjustment made in the SaaS and Cloud contracts in the previous quarter.

The Addition of the Corporate Model had a 41% drop compared to 1Q23, given the lowest average nominal growth of the companies under this model, due to the declining behavior of inflation over 2023.

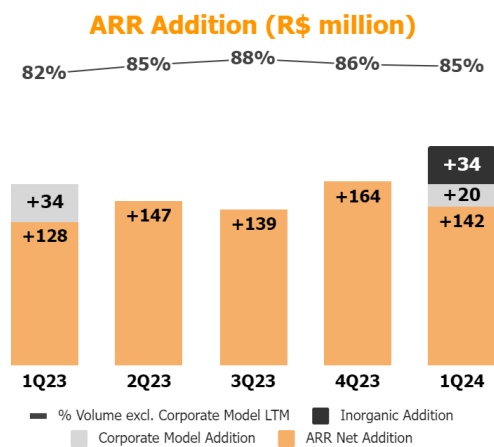
Finally, the maintenance of the sales pace combined with the reduced and/or negative inflation rates made the LTM Volume component reach 85% in the quarter.

Non-Recurring Revenues

Non-Recurring Revenues ended the quarter at R\$162 million, growth of 8.8% on 4Q23, mostly related to the growth of 33% in Licenses Revenue, seasonally impacted by the Increment of the Corporate Model Revenue, which reached the amount of R\$27.8 million in this quarter. The decrease in Services revenue by 6.8% is mainly due to the: (i) decrease of the revenue from the Argentina Unit, due to hyperinflation and exchange rate devaluation; and (ii) the decrease in non-recurring services in the Rio Grande do Sul unit (formerly TRS franchise) as part of the ongoing integration process. These reductions were partially offset by the inorganic increase of R\$8.7 million, arising from the consolidation of TOTVS IP (formerly TOTVS Interior Paulista franchise) from February and by the increase of R\$4.4 million in this rubric in Dimensa.

When compared with the same period of the previous year, the growth of 2.1% in this line is due to the growth of 8.7% in Services Revenue, which was impacted by the inorganic addition of TRS and TOTVS IP operations. The decrease of 4.2% in Licenses Revenue is connected to the 23% reduction in the Incremental Corporate Model Revenue when compared to 2023.

As a result, Management ARR (Recurring Revenue Addition) closed the quarter at approximately R\$4.5 billion, with a Net Addition of R\$196 million, being R\$142 million organic, growth of 10% compared to 1Q23, which once again highlighted the strong and growing sales pace, which has more than offset low inflation rates. In addition, Quiver's Inorganic Addition represented R\$34 million, while the Addition of the Corporate Model represented R\$20 million, as shown in the following chart.



Gross Margin

In R\$ thousand	1Q24	1Q23	Δ	4Q23	Δ
Net Revenue	1,117,957	975,923	14.6%	1,068,411	4.6%
Gross Profit	797,853	707,585	12.8%	756,575	5.5%
Gross Margin	71.4%	72.5%	-110 bp	70.8%	60 bp
Extraord. Adj. - Operatl. Restructuring	839	1,321	(36.5%)	-	-
Adjusted Gross Profit	798,692	708,906	12.7%	756,575	5.6%
Adjusted Gross Margin	71.4%	72.6%	-120 bp	70.8%	60 bp

The Management Adjusted Gross Margin reached 71.4% in the quarter, representing a 60 basis points higher than compared to 4Q23, primarily due to the partial recovery of Dimensa's operation, as well as, the greatest contribution of Licenses Revenue in the quarter, due to the Corporate Model. When compared to 1Q23 the 120 basis points decrease primarily reflects the decline in the representativeness of the Corporate Model Licenses Revenue in the period and the performance of certain Services operations, as commented in the "Non-Recurring Revenues" topic of this section.

Research & Development

The Research and Development (R&D) expenses amounted to 19.5% of Recurring Revenue of the quarter, 120 basis points lower than compared to 1Q23 and 60 basis points lower than compared to 4Q23. This reduction is primarily due to the rapid growth pace of Recurring Revenue, sustained by the growth in new sales, enabling the Company to make the necessary investments in R&D without compromising margins.

Provision for Expected Credit Losses

The Provision for Expected Credit Losses corresponded to 0.9% of Management Revenue, remaining within a historical range of this line, which reiterates the consistency of a business model based on Recurring Revenue, combined with a dispersed and diversified customer base.

Sales and Marketing Expenses

In R\$ thousand	1Q24	1Q23	Δ	4Q23	Δ
Adjusted Sales and Marketing Expenses	(218,770)	(184,431)	18.6%	(218,015)	0.3%
% Net Revenue	19.6%	18.9%	70 bp	20.4%	-80 bp
Sales and Marketing Expenses	(219,947)	(185,705)	18.4%	(218,493)	0.7%
Extraord. Adj. - Operatl. Restructuring	1,177	1,274	(7.6%)	478	146.2%

Adjusted Sales and Marketing Expenses ended the quarter at 19.6% of Net Revenue, reduction of 80 basis points compared to 4Q23 and an increase of 70 basis points compared to 1Q23. As mentioned in previous periods, the recent fluctuation of this line as a percentage of revenue is related to: (i) the sales performance, which has set new historical records for the Company over the past few years; (ii) the low impact of inflation rates on the readjustments of contracts with customers over 2023, mainly due to the accumulated IGP-M of the past 12 months having been below zero for most of the year, thus creating an asymmetric growth between the expense with its own sales team and the Company's Revenue; (iii) the resumption of regional face-to-face events; and (iv) adjustments of incentives and the structure of acquired franchise operations (TRS and IP), which should be diluted and normalized over the months.

General, Administrative and Other Expenses

In R\$ thousand	1Q24	1Q23	Δ	4Q23	Δ
Adjusted G&A Expenses and Others	(86,382)	(75,750)	14.0%	(92,944)	(7.1%)
<i>% Net Revenue</i>	<i>7.7%</i>	<i>7.8%</i>	<i>-10 bp</i>	<i>8.7%</i>	<i>-100 bp</i>
G&A Expenses and Others	(99,535)	(78,720)	26.4%	(98,642)	0.9%
General and Administrative Expenses	(93,694)	(78,615)	19.2%	(94,029)	(0.4%)
Provision for Contingencies	(244)	(105)	132.4%	(12,350)	(98.0%)
Other Net Expenses (Revenues)	(5,597)	-	-	7,737	(172.3%)
Extraordinary Items	13,153	2,970	342.9%	5,698	130.8%
Extraord. Adj. - Operatl. Restructuring	2,041	499	309.0%	1,568	30.2%
M&A Adjustment at Fair Value	14,035	1,201	>999%	(1,581)	(987.7%)
Expenses with M&A Transactions	2,969	1,270	133.8%	5,711	(48.0%)
Loss (Earnings) in Disposed Assets	(5,892)	-	-	-	-

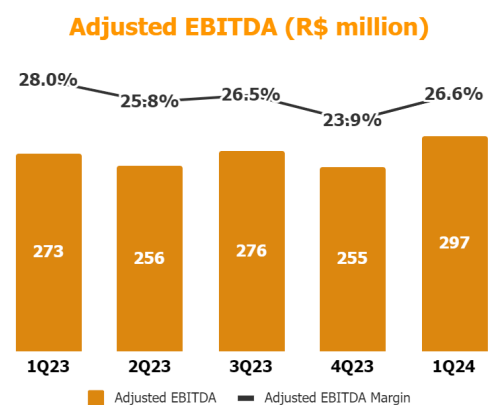
The Adjusted General, Administrative, and Other Expenses ended the quarter at 7.7% on Net Revenue, which is 100 basis points lower than the level presented in 4Q23, due to the natural fluctuation of the Provision for Contingencies line, which reflects both new lawsuits and the progress of existing ones, as well as their respective assessments made by the Company's legal advisors.

It is worth highlighting that the Extraordinary Items for the quarter are related to: (i) the restructuring adjustment to optimize the operation focused on the Oil and Gas segment, which had an extraordinary impact on the Cost, Sales Expenses, and General and Administrative Expenses lines; (ii) the fair value adjustment of the investment in GoodData; (iii) expenses with M&A transactions; and (iv) the gain on the sale of the client portfolio to franchises, which is part of the consolidation initiatives of the Company's distribution system.

EBITDA and EBITDA Margin

Management Adjusted EBITDA ended the quarter in R\$297.3 million, growth of 8.8% year-over-year, with Adjusted EBITDA Margin of 26.6%, 140 basis points lower than in 1Q23. This margin decrease is mostly associated with: (i) the 4.2% decrease in Licenses Revenue; (ii) the 70 basis points increase in the Sales and Marketing Expenses on Net Revenue; and (iii) the effects commented in the topic "Non-Recurring Revenues", of this section, related to non-recurring service operations.

Compared to 4Q23, the EBITDA Margin showed a strong recovery and reached 270 basis points due to the seasonal impact of the Corporate Model and, mainly, to the Management profitability gain, showing that, as described in the previous quarter, many of the factors that impacted 4Q23 were isolated and specific of these period. This result serves as evidence of the Company's competence in delivering solid results, specially, for a longer period.



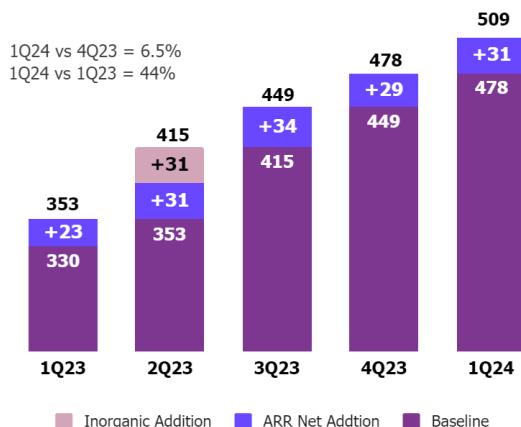
Business Performance dimension results

The Business Performance dimension represents the portfolio of solutions focused on increasing sales, competitiveness, and client performance through Digital Marketing, Sales/Digital Commerce, and CX - Customer Experience solutions.

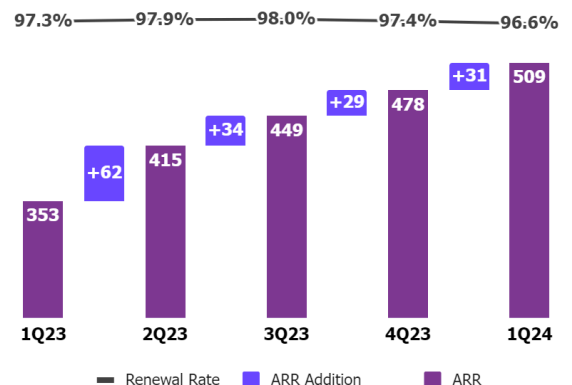
Biz Performance Result (in R\$ thousand)	1Q24	1Q23	Δ	4Q23	Δ
Net Revenue	129,680	88,219	47.0%	123,162	5.3%
Recurring	127,171	86,940	46.3%	120,371	5.6%
Non Recurring	2,509	1,279	96.2%	2,791	(10.1%)
Costs	(31,555)	(20,189)	56.3%	(29,382)	7.4%
Gross Profit	98,125	68,030	44.2%	93,780	4.6%
<i>Gross Margin</i>	<i>75.7%</i>	<i>77.1%</i>	<i>-140 bp</i>	<i>76.1%</i>	<i>-40 bp</i>
Research and Development	(28,311)	(22,708)	24.7%	(27,620)	2.5%
Provision for Expected Credit Losses	(3,061)	(1,637)	87.0%	(2,124)	44.1%
Sales and Marketing Expenses	(41,759)	(28,065)	48.8%	(45,523)	(8.3%)
G&A Expenses and Others	(15,518)	(32,353)	(52.0%)	(56,266)	(72.4%)
Biz Performance EBITDA	9,476	(16,733)	(156.6%)	(37,753)	(125.1%)
<i>% Biz Performance EBITDA</i>	<i>7.3%</i>	<i>-19.0%</i>	<i>2630 bp</i>	<i>-30.7%</i>	<i>3800 bp</i>
Extraordinary Items	-	20,407	(100.0%)	39,976	(100.0%)
M&A Adjustment at Fair Value	-	20,407	(100.0%)	39,976	(100.0%)
Biz Performance Adjusted EBITDA	9,476	3,674	157.9%	2,223	326.3%
<i>% Biz Performance Adjusted EBITDA</i>	<i>7.3%</i>	<i>4.2%</i>	<i>310 bp</i>	<i>1.8%</i>	<i>550 bp</i>

Net Revenue

The Net Revenue from Business Performance grew 47% when compared to 1Q23, and grew 5.3% versus 4Q23, reflecting, primarily, the Organic Net Addition of R\$31 million of ARR, driven by the acceleration of sales of Conversational (RD Conversas), CRM, and Digital Marketing solutions, both for new and the



ARR (R\$ MM) e Taxa de Renovação



existing customer base of this dimension, as a result of the multi-product strategy. This addition raised the Business Performance ARR to R\$509 million, which means an increase of 44% compared to 1Q23 and 6.5% compared to 4Q23.

It is worth emphasizing that the multi-product strategy, that is, clients having more than one product in the same dimension already accounts for, approximately, 40% of the Revenue in the dimension, with a renewal rate of these clients is nearing the Management dimension level.

Gross Margin

The Gross Margin of Business Performance ended the quarter at 75.7%, 40 basis points below 4Q23, mostly connected to a higher concentration of vacations in the previous quarter. The drop of 140 basis points compared to 1Q23 is, mainly, related to the incorporation of Lexos and Exact Sales operations, as well as to the increase in the representativeness of Revenues from RD Conversas, which have Gross Margins still below the margin of RD Marketing and RD CRM, which are the core products of the dimension.

It is worth remembering that the SaaS model of Business Performance focuses on solutions with a low level of services, providing an accelerated potential for profitability and scalability of operations.

Research & Development

Research and Development (R&D) expenses, as a percentage of this dimension's Recurring Revenue, ended the quarter at 22.3%, 380 basis points lower than 1Q23 and 60 basis points lower than 4Q23, mainly, due to the dilution resulting from the strong performance of Recurring Revenue.

Provision for Expected Credit Losses

The Provision for Expected Credit Losses of Business Performance in the first quarter of 2024 was 2.4% of Net Revenue, which is an increase, both compared to 1Q23 and 4Q23, but we do not see this behavior as a trend, especially with the progress made in integrating new operations into this dimension, as well as the execution of multi-product strategy.

Sales and Marketing Expenses

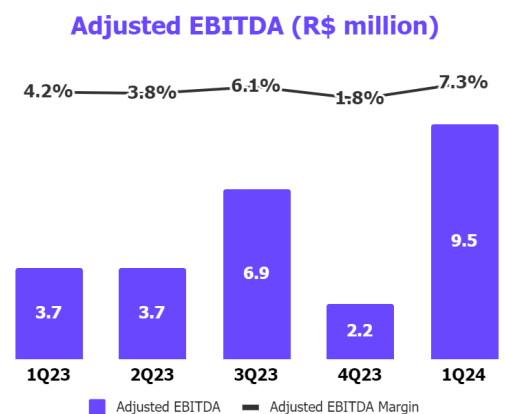
Sales and Marketing Expenses on Net Revenue ended 1Q24 in 32.2%, which represents 480 basis points lower than 4Q23 and 40 basis points higher than 1Q23. The reduction quarter-over-quarter is directly related to the RD Summit event, held in 4Q23, which took place for the first time in Sao Paulo, as commented in the previous quarter.

General, Administrative and Other Expenses

The General, Administrative and Other Expenses, adjusted for extraordinary items, reached 12% of Net Revenue in the quarter, representing a reduction of 120 basis points compared to 4Q23. In comparison with 1Q23, there was a decrease of 150 basis points because of the administrative integration process of the acquired operations and the dilution effect of these expenses due to the growth in Net Revenue.

EBITDA and EBITDA Margin

The Adjusted EBITDA of Business Performance reached R\$9.5 million by the end of the quarter, experiencing an increase of over 150% compared to the same period last year, with Adjusted EBITDA Margin of 7.3%. The 310 basis



points expansion in the Adjusted EBITDA Margin compared to 1Q23 was, mainly, attributed to the leveraged gains arising from the acceleration of Revenue in the same period.

It is worth mentioning that TOTVS consolidated its position as the largest player in the SMB of Business Performance market, offering the most comprehensive portfolio.

Management and Business Performance Below EBITDA Result

Depreciation and Amortization Expenses

In R\$ thousand	1Q24	1Q23	Δ	4Q23	Δ
Depreciation	(36,286)	(30,268)	19.9%	(36,003)	0.8%
Amortization	(37,174)	(31,868)	16.6%	(37,330)	(0.4%)
Depreciation and Amortization	(73,460)	(62,136)	18.2%	(73,333)	0.2%

The increase of 18,2% in the Depreciation and Amortization in comparison with 1Q23 is, mainly, associated with the beginning of amortizations arising from operations acquired in the period (Lexos, Exact Sales, and TRS). When compared to 4Q23, the maintenance of the depreciation and amortization level is due to the fact that the most recent acquisitions (Quiver, TOTVS IP, and Ahgora) have not yet impacted these expense lines.

Financial Result

In R\$ thousand	1Q24	1Q23	Δ	4Q23	Δ
Financial Revenues	88,988	71,475	24.5%	92,329	(3.6%)
Financial Expenses	(93,650)	(92,113)	1.7%	(93,473)	0.2%
Financial Result	(4,662)	(20,638)	(77.4%)	(1,144)	307.5%

The reduction of 3.6% in Financial Revenues compared to 4Q23 is, mainly, connected to the reduction in the average Selic rate and the average cash balance of the period. The increase of 24.5% year-over-year, even with the decrease in the Selic rate in the period, reflects the increase in the average cash balance.

The maintenance of the level of Financial Expenses in the quarter, even with the drop in the Selic rate, is mostly associated with: (i) the increase in the passive monetary variation line related to the fair value adjustment of R\$4.1 million in the CVC iDEXO fund portfolio; and (ii) the maintenance of a similar level in the passive present value adjustment.

Income Tax and Social Contribution

In R\$ thousand	1Q24	1Q23	Δ	4Q23	Δ
EBT	213,470	168,275	26.9%	136,519	56.4%
Taxes at combined rate (34%)	(72,580)	(57,214)	26.9%	(46,417)	56.4%
Law 11,196/05 - R&D Incentive	6,950	6,159	12.8%	9,214	(24.6%)
Interest on Equity	-	-	-	48,427	(100.0%)
Effect of Different Taxation in Subsidiaries	(7,119)	(3,872)	83.9%	(6,358)	12.0%
Management Bonus	(511)	(1,184)	(56.8%)	(1,401)	(63.5%)
Government Subsidies	1,014	979	3.6%	(15)	<(999%)
Other	(6,507)	(8,002)	(18.7%)	(12,550)	(48.2%)
Income Tax and Social Contribution	(78,753)	(63,134)	24.7%	(9,098)	765.6%
Current Income Tax and Social Contribution	(66,445)	(62,868)	5.7%	(31,690)	109.7%
Deferred Income Tax and Social Contribution	(12,308)	(266)	>999%	22,592	(154.5%)
<i>% Current Effective Tax Rate</i>	<i>31.1%</i>	<i>37.4%</i>	<i>-630 bp</i>	<i>23.2%</i>	<i>790 bp</i>
<i>% Total Effective Tax Rate</i>	<i>36.9%</i>	<i>37.5%</i>	<i>-60 bp</i>	<i>6.7%</i>	<i>3020 bp</i>

The Total Effective Tax Rate ended the quarter at 36.9%, 60 basis points below 1Q23. On the other hand, the growth of 30.2 percentage points quarter-over-quarter is mainly associated with the Interest on Equity stated in 4Q23 and also with the 25% reduction in the R&D Incentive Law due to the seasonal nature of Q1 of the projects under said law.

Techfin Dimension results

The Techfin dimension aims to simplify, expand, and democratize TOTVS' SMB clients' access to B2B financial services, comprising Supplier and Techfin, consolidated under TOTVS Techfin. Supplier is a company with more than 20 years in the market, profitable and consolidated in its niche. Techfin was created just over 3 years ago and has been building its portfolio of solutions based on strong competitive advantages, such as the creation of ERP banking, which is the availability of financial services via integration with management softwares and intensive use of data available in these software for contextualized offers, in addition to being what we call it TOTVS-centric, that is, focused on SMB companies that are TOTVS' clients.

With the announcement of the closing of the transaction with Itaú, the Company started to hold a 50% stake in this operation from August 2023 and its results are not be consolidated in the Cash Flows and Balance Sheets, being the result of the TOTVS Techfin operation added to the proportion of 50% in the Equity Pickup line.

In order to preserve the analysis of this business dimension, we will maintain the disclosure of the results considering **50% of the Income Statement**.

Techfin Results (in R\$ thousand)	1Q24	1Q23	Δ	4Q23	Δ
Techfin Net Revenue	49,735	49,876	(0.3%)	59,409	(16.3%)
Funding Cost	(18,237)	(22,642)	(19.5%)	(22,876)	(20.3%)
Techfin Revenue - Net of funding	31,498	27,234	15.7%	36,533	(13.8%)
Operational Costs	(4,605)	(3,221)	43.0%	(5,275)	(12.7%)
Gross Profit	26,893	24,013	12.0%	31,258	(14.0%)
Research and Development	(6,763)	(4,692)	44.1%	(8,855)	(23.6%)
Provision for Expected Credit Losses	(3,602)	(4,145)	(13.1%)	(4,271)	(15.7%)
Other Operating Expenses	(18,122)	(13,205)	37.2%	(16,988)	6.7%
Techfin EBITDA	(1,594)	1,971	(180.9%)	1,144	(239.3%)
% Techfin EBITDA	-5.1%	7.2%	-1230 bp	3.1%	-820 bp
Depreciation and Amortization	(4,727)	(5,297)	(10.8%)	(5,033)	(6.1%)
Financial Result	2,113	67	>999%	2,381	(11.3%)
Income Tax and Social Contribution	(54)	462	(111.7%)	301	(117.9%)
Net Income (Loss) from Techfin Dimension	(4,262)	(2,797)	52.4%	(1,207)	253.1%
% Net Income (Loss) from Techfin Dimension	-13.5%	-10.3%	-320 bp	-3.3%	-1020 bp
Extraordinary Items	1,323	-	-	-	-
Techfin Adjusted EBITDA	(271)	1,971	(113.7%)	1,144	(123.7%)
% Techfin Adjusted EBITDA	-0.9%	7.2%	-810 bp	3.1%	-400 bp

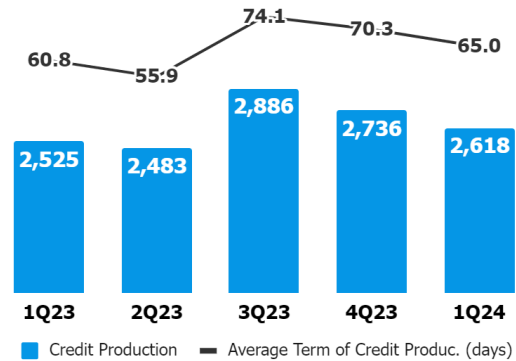
Techfin Revenue

Techfin revenue ended the quarter at R\$50 million, a level similar to that reported in 1Q23. The main reason for maintaining this level was the growth of 3.7% in credit production and a 6.9% increase in the average term of credit production of Supplier, which off-set the Selic rate reduction in the period. When compared with 4Q23, the 16% reduction in Techfin Revenue Net of Funding is due to: (i) the 5.3-day reduction in the average term production; (ii) the decrease in the Selic Rate for the period; and (iii) the decrease of 4.3% in credit production. The reduction, in both credit production and average term, is predictable seasonal in 1Q

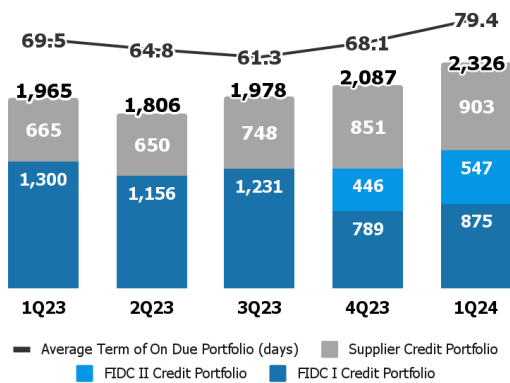
and is linked to the decrease in concentration of agribusiness credit agreements in production in the period.

Supplier's Credit Portfolio, net of the Provision for Expected Credit Losses, grew 18% year-over-year, with an calculated average term of 79.4 days, mainly due to the greater share of agribusiness in the credit portfolio mix at the end of the quarter, originated in previous quarters, with more concentrated maturities

Supplier Credit Production (R\$ million)



Supplier Net Credit Portfolio (R\$ million)

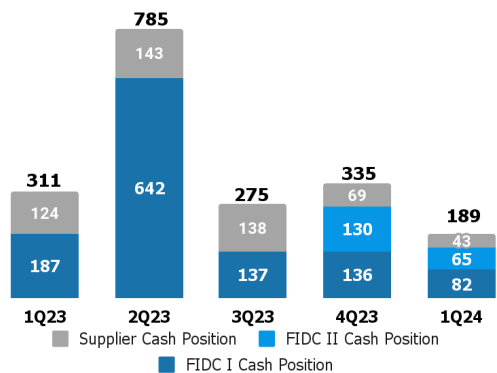


starting in May. Should we disregard this concentration of agribusiness, the average portfolio term would be 67.8 days. The proportion of the portfolio loaded by Supplier at the end of the quarter was 39%, a level similar to that of 4Q23, reflecting the production mix of the last quarters, which had a higher concentration of Agribusiness.

Techfin Revenue - Net of Funding

The Cost of Funding ended the quarter at R\$18.2 million, which means a 20.3% decrease over 4Q23 and a 19.5% decrease over 1Q23, reflecting: (i) the change in the funding mix made in the last quarter; (ii) the reduction in the Selic rate for the period; and (iii) the optimization of Cash, as shown in the chart on the side. This optimization in the funding cost, especially in the year-over-year view, resulted in an increase of 15.7% in Techfin Revenue Net of Funding compared to 1Q23. This optimization of the funding cost led Revenue Net of Funding to grow more than Credit Production in the period, demonstrating that this process can be an important lever for gaining efficiency in this operation throughout the year.

Supplier Cash Position (R\$ million)



Operating Costs

Operating Costs ended the quarter 12.7% lower than in 4Q23, mainly due to the reduction in credit insurance premiums, which reflect the reduction in Credit Production.

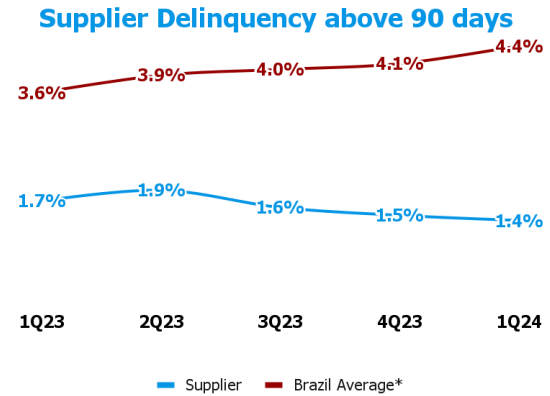
Research & Development

Research and Development (R&D) expenses decreased by 23.6% compared to 4Q23, due to: (i) the higher concentration of vacations in January; (ii) the reduction in the book value of a development asset that

occurred in 4Q23 at Techfin; and (iii) the fact that some of the projects under development at Techfin, with clear prospects of return in the medium/long term, met the capitalization criteria.

Provision for Expected Credit Losses

The Provision for Expected Credit Losses represented 0.3% of the Gross Credit Portfolio, which is 10 basis points lower than in 4Q23 and 11 basis points lower than in 1Q23. This decrease reflects Supplier's low default level in the 1 to 90-day ranges of overdue Receivables, resulting in the third consecutive drop in the default level above 90 days in Supplier's Portfolio, ending 1Q24, 300 basis points lower than Brazil average, as presented in the side chart.



*Fonte: Banco Central do Brasil (www.bcb.gov.br/estatisticas/estatisticasmonetariascredito) > tabelas.xls > Tabela 23 > MPMe

Other Operating Expenses

Other Operating Expenses incurred an impact from the retroactive extraordinary expense associated with payroll reinstatement, as the operation's revenue exceeded the exemption threshold after the closure of the JV. This expense, as it is out of the accrual basis, was disregarded both in Techfin Adjusted EBITDA.

Techfin Adjusted EBITDA and EBITDA Margin

Techfin Adjusted EBITDA ended the quarter at negative R\$271 thousands, which means a decrease of R\$1.4 million versus 4Q23, mainly due to the lower Revenue Net of Funding in the quarter.

Techfin's Net Income

The Techfin dimension ended the quarter with loss of 4.3 million, mainly attributed to the seasonal nature of Supplier's revenue in the quarter and to the continued investment in Techfin's organic operation, whose Working Capital and Payroll Loan products verticalized are already available in pilot selected clients of Management.

EBITDA and Net Income Reconciliation

In R\$ thousand	1Q24	1Q23	Δ	4Q23	Δ
Consolidated Net Income	129,371	99,547	30.0%	126,214	2.5%
<i>Net Margin</i>	10.4%	9.4%	100 bp	10.6%	-20 bp
(-) Net Loss from Techfin Dimension	1,085	5,594	(80.6%)	-	-
(+) Depreciation and Amortization	73,460	62,136	18.2%	73,333	0.2%
(+) Financial Result	4,662	20,638	(77.4%)	1,144	307.5%
(+) Income Tax and Social Contribution	78,753	63,134	24.7%	9,098	765.6%
EBITDA ⁽¹⁾	287,331	251,049	14.5%	209,789	37.0%
<i>% EBITDA Margin</i>	23.0%	23.6%	-60 bp	17.6%	540 bp
(+) Techfin Dimension Adjusted EBITDA	(271)	1,971	(113.7%)	1,144	(123.6%)
(-) Equity Pickup	(4,261)	-	-	(1,207)	253.0%
(+) Extraordinary Items	15,169	25,972	(41.6%)	46,152	(67.1%)
M&A Adjustment at Fair Value	14,035	21,608	(35.0%)	38,395	(63.4%)
Adjustment from Oper. Restructuring	4,057	3,094	31.1%	2,046	98.3%
Expenses with M&A Transactions	2,969	1,270	133.8%	5,711	(48.0%)
Lost (Earn) in Disposed Assets	(5,892)	-	-	-	-
Adjusted EBITDA ⁽¹⁾	306,491	278,992	9.9%	258,292	18.7%
<i>% Adjusted EBITDA Margin ⁽²⁾</i>	24.0%	25.6%	-160 bp	21.0%	300 bp

⁽¹⁾ EBITDA and Adjusted EBITDA are non-accounting (not reviewed) measures prepared by the Company and consist of Net Income, plus income taxes, financial expenses net of financial income, discontinued operations and depreciation and amortization.

⁽²⁾ The Adjusted EBITDA Margin is made up of Adjusted EBITDA on Revenue Net of Funding (Non-GAAP), considering Techfin results at 50% in all periods.

The non-financial data included in this report, such as ARR, churn, renewal rate, among others, are non-accounting measures and have not been examined by our independent auditors.



Report on review of the interim financial information

To the Board Members and Shareholders of
TOTVS S.A.
São Paulo – SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of TOTVS S.A. ("Company"), contained in the Quarterly Information – ITR Form for the quarter ended March 31, 2024, comprising the balance sheet as of March 31, 2024 and related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, including the explanatory notes.

The Company's management is responsible for the preparation and fair presentation of the individual and consolidated interim financial information in accordance with Technical Pronouncement CPC 21 (R1) - Interim Statement and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of this information in a manner consistent with the standards issued by the Securities Commission, applicable to the preparation of the Quarterly Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of the review

We conducted our review in accordance with the Brazilian and international review standards for interim information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists in asking questions, chiefly to the persons in charge of financial and accounting affairs, and in applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the auditing standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of the Quarterly Information - ITR, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Statements of value added

The interim financial information referred to above includes the individual and consolidated statements of value added (DVA) for the three-month period ended March 31, 2024, prepared under responsibility of Company's management, and presented as supplementary information for IAS 34 purposes. These statements were submitted to review procedures carried out jointly with the audit of Company's quarterly information to form a conclusion whether these statements are reconciled with interim financial information and book records, as applicable, and whether their forms and contents are in accordance with criteria defined in Technical Pronouncement CPC 09 – Statement of Value Added. Based on our review, we are not aware of any other event that make us believe that these statements of added value were not prepared, in all material respects, in accordance with individual and consolidated interim financial information taken as a whole.

São Paulo, May 3rd, 2024

KPMG Auditores Independentes Ltda.

CRC 2SP014428/O-6

Original report in Portuguese signed by

Wagner Bottino

Accountant CRC 1SP196907/O-7

TOTVS S.A.
Condensed Individual and Consolidated Statement of Financial Position

(In thousands of Reais)

Assets	Note	Individual		Consolidated		Liabilities and equity	Note	Individual		Consolidated	
		3/31/2024	12/31/2023	3/31/2024	12/31/2023			3/31/2024	12/31/2023	3/31/2024	12/31/2023
Current assets		1,923,337	1,998,329	3,375,449	3,906,298	Current liabilities		575,276	636,034	1,427,272	1,348,729
Cash and cash equivalents	5	1,373,665	1,466,321	2,548,116	3,129,162	Labor liabilities	14	217,102	224,268	407,683	375,960
Escrow account	18	7,098	6,915	13,754	13,175	Trade and other payable		120,900	113,276	171,433	155,266
Trade accounts and other receivable	6	393,139	367,725	580,657	538,528	Taxes and contributions liabilities	15	72,281	69,293	116,237	107,427
Recoverable taxes	7	45,768	44,305	91,170	87,838	Commissions payable		49,825	52,967	61,228	62,610
Other assets	10	103,667	113,063	141,752	137,595	Dividends payable	21	1,781	1,781	1,781	1,781
						Loans and lease liabilities	16	49,395	81,799	61,546	90,701
						Debentures	17	5,211	55,208	10,279	55,208
						Accounts payable from acquisition of subsidiaries	18	7,187	7,004	496,198	421,803
						Other liabilities		51,594	30,438	100,887	77,973
Non-current assets		5,568,174	5,492,876	5,648,382	4,922,562	Non-current liabilities		2,129,394	2,134,597	2,514,899	2,467,460
Achievable in the long term		259,966	242,406	584,273	514,482	Loans and lease liabilities	16	84,677	96,906	96,115	106,663
Escrow account	18	-	-	178,231	116,759	Debentures	17	1,492,260	1,491,495	1,492,260	1,491,495
Trade accounts and other receivable	6	11,456	10,959	16,664	16,496	Provision for contingencies	19	86,978	89,240	108,709	111,990
Receivables from related parties	9	10,748	8,563	4,997	3,787	Accounts payable from acquisition of subsidiaries	18	-	-	318,700	272,135
Investments at fair value	4.2	64,550	43,051	140,657	127,483	Call option of non-controlling interests		421,157	412,655	421,157	412,655
Deferred tax assets	8	79,754	87,710	138,580	147,426	Other liabilities		44,322	44,301	77,958	72,522
Judicial deposits	19	27,580	29,423	32,244	33,832						
Other assets	10	65,878	62,700	72,900	68,699						
Equity-accounted investees	11	4,404,582	4,352,257	319,106	323,367	Shareholders' equity	20	4,786,841	4,720,574	5,081,660	5,012,671
Property, plant and equipment	12	346,102	358,254	405,689	413,486	Share Capital		2,962,585	2,962,585	2,962,585	2,962,585
Intangible assets	13	557,524	539,959	4,339,314	3,671,227	Treasury shares		(367,918)	(283,445)	(367,918)	(283,445)
						Capital reserves		758,764	738,293	758,764	738,293
						Profit Reserves		1,262,719	1,262,719	1,262,719	1,262,719
						Retained earnings		126,649	-	126,649	-
						Carrying value adjustments		44,042	40,422	44,042	40,422
						Non-controlling interests		-	-	294,819	292,097
Total assets		7,491,511	7,491,205	9,023,831	8,828,860	Total shareholders' equity and liabilities		7,491,511	7,491,205	9,023,831	8,828,860

The accompanying notes are an integral part of the condensed individual and consolidated interim financial statements.

(A free translation of the original in Portuguese)

TOTVS S.A.
Condensed Individual and Consolidated Statements of Profit or Loss
For the three months ended March 31, 2024 and 2023

(In thousands of Reais, except for earnings per share)

	Note	Individual		Consolidated	
		01/01 to 03/31/2024	01/01 to 03/31/2023	01/01 to 03/31/2024	01/01 to 03/31/2023
Net revenue	25	781,623	689,833	1,247,637	1,064,142
Cost of software	26	(244,989)	(209,491)	(380,493)	(309,122)
Gross profit		536,634	480,342	867,144	755,020
Operating income (expenses)					
Research and development expenses	26	(139,132)	(125,931)	(226,487)	(204,257)
Selling and marketing expenses	26	(172,612)	(154,166)	(284,516)	(229,941)
Administrative expenses	26	(73,549)	(65,489)	(132,480)	(110,440)
Other operating income/ (expenses)	26	7,988	(1,365)	(5,529)	(21,469)
Operating profit		159,329	133,391	218,132	188,913
Finance income	27	41,748	41,747	88,988	71,475
Finance expenses	27	(66,500)	(70,923)	(93,650)	(92,113)
Share of profit/ (loss) of equity-accounted investees	11	34,369	27,342	(4,261)	-
Profit before income and social contribution taxes		168,946	131,557	209,209	168,275
Income tax and social contribution - current		(33,256)	(33,553)	(66,445)	(62,868)
Income tax and social contribution - deferred		(7,956)	1,711	(12,308)	(266)
Total of income tax and social contribution taxes	8	(41,212)	(31,842)	(78,753)	(63,134)
Net profit from continuing operations		127,734	99,715	130,456	105,141
Net loss from Techfin Dimension (discontinued operation)		(1,085)	(5,594)	(1,085)	(5,594)
Net profit for the period		126,649	94,121	129,371	99,547
Net profit attributable to shareholders of the Company					
Net profit attributable to non-controlling		-	-	2,722	5,426
Basic earnings per share (in Reais)	24			0.21003	0.15559
Diluted earnings per share (in Reais)	24			0.20679	0.15340

The accompanying notes are an integral part of the condensed individual and consolidated interim financial statements.

(A free translation of the original in Portuguese)

TOTVS S.A.
Condensed Individual and Consolidated Statements of Comprehensive Income
For the three months ended March 31, 2024 and 2023

(In thousands of Reais)

	Individual		Consolidated	
	01/01 to 03/31/2024	01/01 to 03/31/2023	01/01 to 03/31/2024	01/01 to 03/31/2023
Net profit for the period	126,649	94,121	129,371	99,547
Items that are or may be reclassified subsequently to profit or loss				
Foreign operations - foreign currency translation adjustments	6,591	(2,444)	6,591	(2,444)
Other comprehensive income	6,591	(2,444)	6,591	(2,444)
Total comprehensive income for the period, net of tax	133,240	91,677	135,962	97,103
Total comprehensive income attributable to:				
Shareholders of the Company	133,240	91,677	133,240	91,677
Non-controlling interests	-	-	2,722	5,426

The accompanying notes are an integral part of the condensed individual and consolidated interim financial statements.

TOTVS S.A.

Condensed Individual and Consolidated Statements of Changes in Shareholders' Equity

For the months ended March 31, 2024 and 2023

(In thousands of Reais)

	Note	Capital Reserves			Profit reserves			Carrying value adjustments		Total Equity	Non-controlling interests	Total shareholders' equity
		Capital	Treasury shares	Transaction between shareholders	Capital Reserve	Legal Reserve	Retaining earnings	Accumulated earnings	Other comprehensive income			
Balances at January 1, 2024		2,962,585	(283,445)	(24,323)	762,616	192,313	1,070,406	-	40,422	4,720,574	292,097	5,012,671
Capital transactions with shareholders		-	(84,473)	-	20,471	-	-	-	-	(64,002)	-	(64,002)
Share-based compensation plan	22	-	-	-	20,632	-	-	-	-	20,632	-	20,632
Disposal of treasury shares	22	-	161	-	(161)	-	-	-	-	-	-	-
Purchase of treasury shares	22	-	(84,634)	-	-	-	-	-	-	(84,634)	-	(84,634)
Total comprehensive income		-	-	-	-	-	126,649	3,620	130,269	2,722	132,991	
Profit for the period		-	-	-	-	-	126,649	-	126,649	2,722	129,371	
Cumulative adjustment for currency exchange		-	-	-	-	-	-	3,620	3,620	-	3,620	
Balance at March 31, 2024		2,962,585	(367,918)	(24,323)	783,087	192,313	1,070,406	126,649	44,042	4,786,841	294,819	5,081,660

The accompanying notes are an integral part of the condensed individual and consolidated interim financial statements.

	Capital	Treasury shares	Capital Reserves		Profit reserves			Carrying value adjustments	Total Equity	Non-controlling interests	Total shareholders' equity
			Transaction between shareholders	Capital Reserve	Legal Reserve	Retaining earnings	Accumulated earnings	Other comprehensive income			
Balances at January 1, 2023	2,962,585	(217,671)	(24,323)	747,506	155,566	638,003	-	46,950	4,308,616	276,233	4,584,849
Capital transactions with shareholders	-	(109,308)	-	15,072	-	-	-	-	(94,236)	-	(94,236)
Share-based compensation plan	-	-	-	18,041	-	-	-	-	18,041	-	18,041
Disposal of treasury shares	-	84	-	(84)	-	-	-	-	-	-	-
Purchase of treasury shares	-	(109,392)	-	-	-	-	-	-	(109,392)	-	(109,392)
Goodwill special reserve due to merger	-	-	-	(2,885)	-	-	-	-	(2,885)	-	(2,885)
Total comprehensive income	-	-	-	-	-	-	94,121	(2,444)	91,677	5,426	97,103
Profit for the period	-	-	-	-	-	-	94,121	-	94,121	5,426	99,547
Cumulative adjustment for currency exchange	-	-	-	-	-	-	-	(2,444)	(2,444)	-	(2,444)
Balance at March 31, 2023	2,962,585	(326,979)	(24,323)	762,578	155,566	638,003	94,121	44,506	4,306,057	281,659	4,587,716

The accompanying notes are an integral part of the condensed individual and consolidated interim financial statements.

(A free translation of the original in Portuguese)

TOTVS S.A.

Condensed Individual and Consolidated Statement of Cash Flows

For the three months ended March 31, 2024 and 2023

(In thousands of Reais)

	Note	Individual		Consolidated	
		01/01 to 03/31/2024	01/01 to 03/31/2023	01/01 to 03/31/2024	01/01 to 03/31/2023
Cash flow from operating activities					
Profit before income and social taxes		168,946	131,557	209,209	168,275
Adjustments for:					
Depreciation and amortization	12/ 13	47,893	38,871	73,460	62,136
Share-based payments transactions	22	19,422	17,346	26,045	17,346
(Gain) Losses on write-off/ sale of property, plant and equipment and intangible assets		(402)	890	(564)	955
Impairment loss on trade and other receivables	6	5,816	4,184	13,230	7,461
Share of profit/ (losses) of equity-accounted investees	11	(34,369)	(27,342)	4,261	-
Provision for contingencies, net of reversals	19	(121)	402	429	105
Provisions on other obligations and others		-	-	14,035	21,607
Interest and monetary variations and exchange variations differences, net		<u>58,200</u>	<u>65,042</u>	<u>76,866</u>	<u>79,053</u>
		265,385	230,950	416,971	356,938
Changes in operating assets and liabilities					
Trade and other receivables		(31,727)	(19,305)	(46,128)	(31,283)
Recoverable taxes		730	(696)	(2,832)	4,883
Judicial deposits		1,458	(1,743)	1,384	(2,716)
Other assets		(25,635)	(14,217)	(34,194)	(34,452)
Labor liabilities		(7,166)	3,198	7,356	3,425
Trade and other payables		6,023	(22,610)	12,629	(16,706)
Commissions payable		(3,142)	8,494	(3,961)	8,331
Taxes and contributions payable		(7,550)	(7,674)	(8,263)	(12,907)
Other liabilities		<u>(2,734)</u>	<u>(1,251)</u>	<u>(6,981)</u>	<u>12,853</u>
Cash generated from operating activities		195,642	175,146	335,981	288,366
Interest paid		(97,456)	(107,668)	(97,812)	(108,686)
Tax paid		<u>(22,159)</u>	<u>(25,013)</u>	<u>(53,916)</u>	<u>(51,550)</u>
Net cash from operating activities		76,027	42,465	184,253	128,130
Cash flow generated by investing activities					
Capital increase in subsidiaries/ associates	13.2	(11,365)	(11,979)	-	-
Acquisition of property, plant and equipment	12	(19,354)	(34,106)	(23,469)	(37,927)
Acquisition of intangible assets	13	(33,774)	(28,123)	(36,152)	(28,830)
Franchises loan		3,585	6,195	3,585	6,195
Acquisitions of subsidiaries, net of cash acquired		-	-	(570,907)	-
Payments from acquisitions of subsidiaries		-	-	(25,641)	(11,732)
Proceeds from sale of subsidiaries, net of cash		21,144	-	21,144	-
Proceeds from sale of property, plant and equipment and intangibles		6,796	169	7,021	496
Fundo CVC investment		(26,010)	-	(26,010)	-
Cash generated by/ (used in) from Techfin Dimension		-	(5,012)	-	(5,012)
Net cash used in investing activities		(58,978)	(72,856)	(650,429)	(76,810)
Cash flow (used in the) /generated by financing activities					
Payment of principal of loans		(32,083)	-	(35,708)	(440)
Payment of principal of lease liabilities		(12,554)	(11,665)	(15,071)	(13,912)
Receivables from related companies		(977)	(29)	-	(230)
Dividends and interest on shareholders' equity paid		-	(127,047)	-	(127,047)
Treasury shares, net		<u>(64,091)</u>	<u>(109,392)</u>	<u>(64,091)</u>	<u>(109,392)</u>
Net cash used in the financing activities		(109,705)	(248,133)	(114,870)	(251,021)
Net (Decrease) in cash and cash equivalents		(92,656)	(278,524)	(581,046)	(199,701)
Cash and cash equivalents at beginning of the period		1,466,321	1,709,966	3,129,162	2,735,765
Cash and cash equivalents at the end of the period		1,373,665	1,431,442	2,548,116	2,536,064

The accompanying notes are an integral part of the condensed individual and consolidated interim financial statements.

TOTVS S.A.
Condensed Individual and Consolidated Statements of Value Added
For the three months ended March 31, 2024 and 2023
(In thousands of Reais)

	Individual		Consolidated	
	01/01 to 03/31/2024	01/01 to 03/31/2023	01/01 to 03/31/2024	01/01 to 03/31/2023
1 – REVENUES	884,356	774,770	1,395,851	1,189,159
1.1 Revenues of contract with customer	882,275	777,622	1,403,763	1,194,182
1.2 Other revenue	7,897	1,332	5,318	2,438
1.3 Impairment loss on trade and other receivables (recording)	(5,816)	(4,184)	(13,230)	(7,461)
2 - RAW MATERIALS ACQUIRED FROM THIRD-PARTIES (includes ICMS and IPI taxes)	(243,288)	(225,715)	(343,144)	(325,430)
2.1 Cost of goods and services sold	(41,614)	(39,241)	(48,415)	(44,934)
2.2 Materials, energy, outsourced services and other	(200,589)	(180,880)	(282,632)	(274,902)
2.3 Other	(1,085)	(5,594)	(12,097)	(5,594)
3 - GROSS VALUE ADDED (1+2)	641,068	549,055	1,052,707	863,729
4 - DEPRECIATION AND AMORTIZATION	(47,893)	(38,871)	(73,460)	(62,136)
5 - NET VALUE ADDED PRODUCED BY THE COMPANY (3+4)	593,175	510,184	979,247	801,593
6 - VALUE ADDED RECEIVED THROUGH TRANSFERS	76,117	69,089	84,727	71,475
6.1 Share of profit/ (losses) of equity-accounted investees	34,369	27,342	(4,261)	-
6.2 Finance income	41,748	41,747	88,988	71,475
7 - TOTAL VALUE ADDED TO DISTRIBUTE (5+6)	669,292	579,273	1,063,974	873,068
8 - VALUE ADDED DISTRIBUTION	669,292	579,273	1,063,974	873,068
8.1 Personnel	319,610	281,886	573,652	462,357
8.1.1 Direct Compensation	263,044	235,094	476,746	387,613
8.1.2 Benefits	37,658	30,711	62,437	48,044
8.1.3 FGTS (Unemployment fund)	18,908	16,081	34,469	26,700
8.2 Taxes and contributions	156,265	131,965	264,997	217,364
8.2.1 Federal	132,843	111,428	227,695	185,769
8.2.2 State	8	27	711	566
8.2.3 Local	23,414	20,510	36,591	31,029
8.3 Interest and rent	66,768	71,301	95,954	93,800
8.3.1 Interest	66,500	70,923	93,650	92,113
8.3.2 Rents	268	378	2,304	1,687
8.4 Equity remuneration	126,649	94,121	129,371	99,547
8.4.3 Retained profit for the period	126,649	94,121	126,649	94,121
8.4.4 Non-controlling interest in retained profits	-	-	2,722	5,426

The accompanying notes are an integral part of the condensed individual and consolidated interim financial statements.

TOTVS S.A.

Notes to the Condensed Individual and Consolidated Interim Financial Statements

(In thousands of Reais, unless otherwise stated)

1. Operational context

1.1 Reporting entity

TOTVS S.A. (“TOTVS”, “Company” or “Individual”) is a publicly held corporation headquartered at Av. Braz Leme, 1000, in the city and state of São Paulo, whose shares are traded on the Novo Mercado of B3 S.A. – Brasil, Bolsa, Balcão (“B3”), under the code TOTS3.

1.2 Operations

The Company’s business purpose is to provide business solutions for companies of all sizes, through the development and sale of management software, productivity platforms, collaboration, and data intelligence, digital marketing as well as the provision of implementation, consulting, advisory, maintenance services, e-commerce and mobility. The solutions developed by the Company and its subsidiaries are segmented by the diverse economy industry, resulting in greater importance of these solutions for our clients’ business.

The Company, through its Joint Venture TOTVS Techfin, provides financial services, issuance and credit card management business, including credit analysis and intermediation of financing requests in its businesses, with a light and smart business model, that unites data science, integration with ERPs and wide distribution, in addition to access to efficient funding to support the expansion of the operation .

2. Basis of preparation and presentation of the interim financial information

2.1. Statement of compliance

The condensed individual and consolidated interim financial statements were prepared and are presented in accordance with the accounting practices adopted in Brazil, which comprise the rules issued by the Brazilian Securities and Exchange Commission (CVM), and Brazil’s Financial Accounting Standards Board (CPC) pronouncements guidance and interpretations and by the arrangements contained in the statutory law (Lei das Sociedades por Ações), which are in conformity with standards of the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

All significant information in the condensed individual and consolidated interim financial statements, and solely such information, is disclosed and corresponds to that used by the Management of the Company and its subsidiaries.

2.2. Basis of presentation

All amounts presented in this condensed individual and consolidated interim financial statements are expressed in thousands of Reais, unless otherwise indicated.

TOTVS's condensed individual and consolidated Interim Financial Statements were approved at the Board of Directors' Meeting held on May 03, 2024, after a recommendation by the Audit Committee at a meeting held on April 30, 2024.

Significant accounting policies adopted in preparing this condensed individual and consolidated interim financial statements have been consistently applied to the previous periods presented.

Accounting judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events, considered reasonable under the circumstances, and are consistent with the information disclosed in note 3 of the financial statements of December 31, 2023.

This condensed individual and consolidated interim financial statements does not include all the requirements for annual or complete financial statements, and therefore should be read together with the complete financial statements of the Company and its subsidiaries for the year ended December 31, 2023.

2.3. Basis of preparation

The condensed individual and consolidated Interim financial statements were prepared using historical cost as base value, except for the valuation of certain assets and liabilities, such as business combinations and financial instruments, which were measured at fair value.

- I. **Condensed individual and consolidated interim financial statements:** The condensed individual and consolidated interim financial statements were prepared in accordance with CPC 21 (R1) and IAS 34, which are applicable to the preparation of interim financial information, and in a manner consistent with accounting practices adopted in Brazil, including the standards issued by the CVM and pronouncements, guidance and interpretations of the Accounting Pronouncements Committee (CPC) and by the arrangements contained in the statutory law (Lei das Sociedades por Ações), which are in conformity with the standards and procedures of the International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB").
- II. **Changes in accounting policies and disclosures:** new standards, amendments and interpretations of standards were issued by the IASB and CPC, effective from January 1st, 2024, however, in Management's opinion, there are not significant impact on condensed individual and consolidated interim financial statements disclosed by the Company and its subsidiaries.

2.4. Consolidation basis

The condensed individual and consolidated interim financial statements include the operations of the Company and the following subsidiaries, whose percentages of the interests held by the Company at the reporting date are summarized below:

Corporate Names	Head office	Interest	Main activity	% Interest	
				3/31/2024	12/31/2023
Soluções em Software e Serviços TTS Ltda. ("TTS")	BRA	Direct	Software operation	100.00%	100.00%
TRS Gestão e Tecnologia S.A. ("TRS") (i)	BRA	Indirect	Software operation	-	100.00%
IP São Paulo Sistemas de Gestão Empresarial Ltda. ("IP SP") (v)	BRA	Indirect	Software operation	100.00%	-
Neopenso Tecnologia Ltda. ("Neopenso") (v)	BRA	Indirect	Software operation	100.00%	-
Ahgora HCM Ltda. ("Ahgora HCM") (v)	BRA	Indirect	Software operation	100.00%	-
Webtraining Ltda. ("Webtraining") (v)	BRA	Indirect	Software operation	100.00%	-
TOTVS Tecnologia em Software de Gestão Ltda. ("TOTVS Tecnologia")	BRA	Direct	Software operation	100.00%	100.00%
Gesplan S.A. ("Gesplan")	BRA	Indirect	Software operation	100.00%	100.00%
Wizco Sistemas Ltda. ("Wizco")	BRA	Indirect	Software operation	100.00%	100.00%
Feedz Tecnologia S.A. ("Feedz")	BRA	Indirect	Software operation	60.00%	60.00%
TOTVS Argentina S.A. ("TOTVS Argentina")	ARG	Direct	Software operation	100.00%	100.00%
TOTVS México S.A. ("TOTVS México")	MEX	Direct	Software operation	100.00%	100.00%
TOTVS Colômbia SAS ("TOTVS Colômbia")	COL	Indirect	Software operation	100.00%	100.00%
TOTVS Incorporation ("TOTVS Inc.")	EUA	Direct	Software operation	100.00%	100.00%
Dimensa S.A. ("Dimensa")	BRA	Direct	Software operation	62.50%	62.50%
Credit Core Tecnologia de Crédito Ltda. ("Vadu") (ii)	BRA	Indirect	Software operation	-	62.50%
Cobu Consulting & Business Ltda. ("Cobu") (ii)	BRA	Indirect	Software operation	-	62.50%
RBM Web - Sistemas Inteligentes Ltda. ("RBM Web")	BRA	Indirect	Software operation	62.50%	62.50%
Quiver Desenvolvimento e Tecnologia Ltda. ("Quiver Desenvolvimento") (v)	BRA	Indirect	Software operation	62.50%	-
Quiver Soluções de Tecnologia Ltda. ("Quiver Soluções") (v)	BRA	Indirect	Software operation	62.50%	-
TOTVS Hospitality Technology Argentina S.A. (former CM Soluciones Informatica S.A.) ("TOTVS Hospitality Argentina") (vi)	ARG	Indirect	Software operation	100.00%	100.00%
TOTVS Serviços de Desenvolvimento e Consultoria em Tecnologia da Informação Ltda. ("Eleve")	BRA	Direct	Software operation	100.00%	100.00%
TOTVS Reservas Ltda. ("TOTVS Reservas")	BRA	Indirect	Software operation	100.00%	100.00%
TOTVS Large Enterprise Tecnologia S.A. ("TOTVS Large")	BRA	Direct	Software operation	100.00%	100.00%
TOTVS Hospitality Ltda. ("TOTVS Hospitality")	BRA	Direct	Software operation	74.50%	74.20%
RJ Participações S.A. ("RJ Participações")	BRA	Indirect	Holding - participation in other companies	80.00%	80.00%

R.J. Consultores en Sistemas de Información S.C. ("RJ México")	MEX	Indirect	Software operation	80.00%	80.00%
R.J. Consultores e Informática Ltda. ("RJ Consultores")	BRA	Indirect	Software operation	80.00%	80.00%
Wealth Systems Informática Ltda. ("WS")	BRA	Indirect	Software operation	100.00%	100.00%
CMNet Participações S.A. ("CMNet Participações")	BRA	Indirect	Holding - participation in other companies	100.00%	100.00%
TOTVS Hospitality Chile ("TOTVS Chile")	CHL	Indirect	Software operation	100.00%	100.00%
TOTVS Hospitality Ltda. ("TOTVS Hospitality")	BRA	Indirect	Software operation	25.50%	25.80%
Datasul S.A. de CV. ("Datasul México") (iii)	MEX	Direct	Software operation	100.00%	100.00%
DTS Consulting Partner, SA de CV ("Partner") (iii)	MEX	Indirect	Software operation	100.00%	100.00%
Bematech Argentina S.A. ("Bematech Argentina") (iii)	ARG	Indirect	Software operation	100.00%	100.00%
TOTVS Hospitality Technology Portugal Lda. - Sociedade em Liquidação (former TOTVS Hospitality Technology Portugal Lda.) ("TOTVS Portugal") (iii)	PRT	Indirect	Software operation	100.00%	100.00%
VT Comércio Digital S.A. ("VT Comércio") (iv)	BRA	Direct	Software operation	50.00%	50.00%
RD Gestão e Sistemas S.A. ("RD Station")	BRA	Indirect	Software operation	92.04%	92.04%
Tallos Tecnologia Integrada E Assessoria em Negocios S.A ("Tallos")	BRA	Indirect	Software operation	92.04%	92.04%
Lexos Solução em Tecnologia Ltda. ("Lexos")	BRA	Indirect	Software operation	100.00%	100.00%
Exact Desenvolvimento e Programação de Software Ltda. ("Exact Sales")	BRA	Indirect	Software operation	92.04%	92.04%
TOTVS Renda Fixa Crédito Privado Fundo de Investimento em Cotas de Fundos de Investimento ("Fundo Restrito")	BRA	Direct	Restricted Investment Fund	100.00%	100.00%
CV Idexo Fundo de Investimento em Participações Multiestratégia Investimento no Exterior ("Fundo CV Idexo")	BRA	Direct	Equity investment fund	100.00%	100.00%

- (i) On February 1, 2024, the indirect subsidiary TRS was merged by the, also direct subsidiary TTS for the net assets of R\$6,445 in which were evaluated by experts who issued the evaluation report of the Shareholders' equity in the base date on December 31, 2023. The variations in the accounts occurred after the base date until the data of effective merger were absorbed by the TTS;
- (ii) On February 1, 2024, the indirect subsidiaries Vadu and Cobu were merged by the, also direct subsidiary Dimensa for the net assets of R\$18,446 and R\$2, respectively. These companies were evaluated by experts which issued the evaluation report of the Shareholders' equity in the base date on December 31, 2023. The variations in the accounts occurred after the base date until the data of effective merger were absorbed by the Dimensa;
- (iii) Dormant companies that will be closed;
- (iv) On August 30, 2023 occurred the dissolution from VT Comércio, joint operation between TOTVS and VTEX, in which the closing process is in progress;
- (v) Companies acquired in 2024 in accordance with note 3;
- (vi) On February 29, 2024, direct subsidiary TOTVS Hospitality Argentina became an indirect subsidiary.

All balances and transactions between subsidiaries were eliminated in the consolidation. Comparing the consolidated profit or loss between 2024 and 2023, must be considered the acquisition date of each subsidiary. Thus, the condensed individual and consolidated interim financial information as of March 31, 2023 do not include the profit or loss of the acquired subsidiaries Lexos, Exact Sales, TRS, IP, Ahgora and Quiver which began to be consolidated from the date of their respective acquisitions.

3 Business Combination

The Company's acquisitions reinforce the software strategy to develop an ecosystem represented by three dimensions: (i) Management - ERP, HR and vertical solutions; (ii) Techfin - integrated credit solutions and payments based in Big Data for PME customers; and (iii) Business Performance - solutions with focus to increase the sales, competitiveness and customer performance, through digital marketing platform, sales/ digital commerce and customer experience.

IP acquisition

On October 30, 2023 the subsidiary Soluções em Software e Serviços TTS Ltda., entered into an Agreement for the Sale and Purchase to acquire the entire social capital of IP São Paulo Sistemas de Gestão Empresarial Ltda. franchise, in the amount of R\$137,600, subject to adjustments, in the Agreement for the Sale and Purchase terms signed between the parties. The closing of the acquisition depended on the approval of the Administrative Council for Economic Defense (CADE), as well as the checking of other usual conditions for this type of operation, which was concluded on January 31, 2024.

Quiver acquisition

On February 1, 2024 the subsidiary Dimensa S.A., entered into an Agreement for the Sale and Purchase to acquire the entire social capital of Quiver Desenvolvimento e Tecnologia Ltda., by the amount of R\$115,000. In addition, the agreement provides the payment of complementary purchase price, subject to the fulfillment of some conditions.

In the market since 1992, Quiver serves insurance companies, brokers and banks for policy sales and management. Its portfolio is divided into software for insurance and benefits brokers, calculation solutions and data sales.

Ahgora acquisition

On November 30, 2023 the subsidiary Soluções em Software e Serviços TTS Ltda., entered into an Agreement for the Sale and Purchase to acquire entire shares of Ahgora HCM S.A and quotas of Webtraining Ltda. ("Webtraining" and jointly with HCM, "Ahgora") by the amount of R\$380,000, subject to adjustment, paid on the closing date.

The closing of this transaction depended on the approval from competition authorities, the conclusion of the corporate reorganization and the verification of other usual conditions for this type of transaction and were concluded on March 28, 2024.

With Ahgora's software operation, which has more than 18,000 customers of the most diverse sizes and segments of the economy, TOTVS reinforces its position as a platform for HR in the Management dimension.

Following a summary of the fair value at the acquisition date of the transferred consideration presented above:

<i>In thousands of Reais</i>	Note	Acquired companies in 2024			Total
		IP	Quiver	Ahgora	
Cash payment		127,800	100,000	362,000	589,800
Contingent consideration	18	-	40,000	-	40,000
Amount withheld	18	7,000	15,000	10,000	32,000
Price adjustment		4,813	-	8,000	12,813
Total consideration		139,613	155,000	380,000	674,613

<i>Acquisition cash flow analysis</i>	Acquired companies in 2024			Total
	IP	Quiver	Ahgora	
Amount paid in cash	127,800	112,230	372,000	612,030
Net (cash) acquired from subsidiary	(9,636)	(2,846)	(28,641)	(41,123)
Acquisition net cash flow	118,164	109,384	343,359	570,907

Identifiable intangible assets acquired and Goodwill

The following is the information related to identified assets acquired and preliminary liabilities assumed at fair value, goodwill and cost of the interest held that affected the condensed individual and consolidated interim financial statements position as at March 31, 2024:

<i>Preliminary fair value</i>	Companies acquired in 2024			Total
	IP	Quiver	Ahgora	
<i>At acquisitions date</i>	<i>01/31/2024</i>	<i>02/1/2024</i>	<i>03/28/2024</i>	
Current assets	14,117	6,369	37,589	58,075
Cash and cash equivalents	9,636	2,846	28,640	41,122
Trade accounts and other receivable	143	2,299	6,958	9,400
Other current assets	4,338	1,224	1,991	7,553
Non-current assets	44,711	9,030	9,678	63,419
Property, plant and equipment	-	983	3,285	4,268
Software	-	1,160	3,135	4,295
Client portfolio	32,607	873	1,035	34,515
Trademark	-	-	320	320
R&D	-	-	767	767
Intangible	8,318	6,014	-	14,332
Other non-current assets	3,786	-	1,136	4,922
Current liabilities	21,546	10,424	23,361	55,331
Labor liabilities	8,882	3,963	10,160	23,005
Other liabilities	12,664	6,461	13,201	32,326
Non-current liabilities	-	1,337	3,547	4,884
Net assets and liabilities	37,282	3,638	20,359	61,279
Cash payment	127,800	100,000	362,000	589,800
Short-term portion	4,813	-	8,000	12,813
Long-term portion (i)	7,000	55,000	10,000	72,000
Goodwill	102,331	151,362	359,641	613,334

(i) Long-term installments were recorded at present value at acquisition date.

The assets and liabilities presented at fair value from the acquired above are preliminaries and if new information obtained within a period of one year from the acquisition date about facts and circumstances that existed on the acquisition date and indicate adjustments in the amounts mentioned like: intangible assets, respective goodwill and assumed liabilities, or any provision that existed at the acquisition date, the acquisition accounting will be revised, as provided in CPC 15/ IFRS 3.

The goodwill of R\$613,334 regarding Management Dimension, comprises the value of future economic benefits of synergies arising from the acquisition and align with the strategy of the Company and its subsidiaries.

Contingent considerations were recorded at fair value on the acquisition date and are presented in note 18.

The condensed individual and consolidated interim financial statements position, in the ended period on March 31, 2024, the acquired company IP and Quiver, were included in the Management segment in line with the TOTVS group's strategy and contributed with a net consolidated revenue from services and sales of R\$28,100 and consolidated net profit of R\$2,868, considering the period after each acquisition date mentioned above.

If the acquisition had taken place on January 01, 2024, the consolidated net revenue from services and sales would have been R\$56,209 and consolidated net loss of R\$10,350.

The transaction cost involving the acquisition of these companies as of March 31, 2024 was R\$2,551, recognized in consolidated profit or loss as administrative expenses.

4 Financial instruments and sensitivity analysis of financial assets and liabilities

The Company and its subsidiaries evaluated their financial assets and liabilities based on market values using the information available and the appropriate valuation methodologies.

4.1 Financial instruments by category

The follow table compares the financial instruments of the Company and its subsidiaries by class, as presented in the condensed individual and consolidated interim financial statements:

Consolidated	Note	Classification by category	3/31/2024	12/31/2023
Cash and cash equivalents	5	Fair Value through profit or loss	2,497,371	3,099,642
Cash and cash equivalents	5	Amortized cost	50,745	29,520
Escrow account	18	Amortized cost	191,985	129,934
Trade accounts and other receivable	6	Amortized cost	597,321	555,024
Franchises loan	10	Amortized cost	16,794	13,855
Receivables for investments sold	10	Amortized cost	864	22,788
Investments at fair value	4.2	Fair Value through profit or loss	140,657	127,483
Financial Instruments assets			3,495,737	3,978,246
Loans (i)	16	Amortized cost	4,623	32,083
Debentures	17	Amortized cost	1,502,539	1,546,703
Trade accounts and other payable (ii)		Amortized cost	234,442	219,657
Accounts payable from acquisition of subsidiaries	18	Fair Value through profit or loss	577,991	543,358
Accounts payable from acquisition of subsidiaries	18	Amortized cost	236,907	150,580
Call option of non-controlling interests (iii)		Fair Value through profit or loss	421,157	412,655
Other liabilities		Amortized cost	51,216	32,344
Financial liabilities			3,028,875	2,937,380

(i) Leases are not included in accordance with CPC 06 (R2).

(ii) Includes "Trade and other payables", "Commissions payable" and "Dividends payable".

(iii) Represents the call option as a result of the transaction involving B3.

The fair value of financial assets and liabilities is included in the amount for which the instrument could be exchanged in a transaction between willing parties, rather than in a forced sale or settlement. The methods and assumptions below were used to estimate fair value:

- Escrow accounts, trade and other receivables, trade and other payables and other short-term liabilities approximate their respective carrying amounts mainly, due to the short-term maturities of these instruments.
- Financial assets at fair value not traded in an active market are estimated using a valuation technique, such as discounted cash flow or multiple revenues, considering the reasonableness of the range of values indicated thereby (note 4.2).
- Loans and debentures are initially recognized at fair value, net of incurred costs in the transaction and are, subsequently, stated at amortized cost. The Company and its subsidiaries use the risk-free discounted cash flow methodology to calculate the fair value of loans and debentures. The values recognized of loans and debentures in the condensed individual and consolidated interim financial statements do not differ significantly from its fair value.
- Accounts payable from acquisition of subsidiaries, includes contingent payments relating to business combinations and their fair value is estimated based on the performance of operations applied to the multiples defined in the contract (note 18).

4.2 Investments at fair value

We present, the composition of investments at fair value and respective balances on March 31, 2024 and December 31, 2023:

	Individual		Consolidated	
	3/31/2024	12/31/2023	3/31/2024	12/31/2023
CV Idexo Fundo de Investimento	64,550	43,051	64,550	43,051
GoodData	-	-	76,083	84,408
Other	-	-	24	24
Total	64,550	43,051	140,657	127,483

These investments are private companies which do not have a quoted market price in an active market. The fair value of these investments is measured by commonly used market valuation techniques, such as discounted cash flows or multiples, considering the reasonableness of the estimated range of values. The fair value measurement is the mid-point within the range that best represents the respective fair value. Additionally, these investments include an investment in GoodData in preferred shares, subject to preemptive right of subscription.

Follow the detail of each group:

a) CV Idexo Fundo de Investimento em Participações

On March 08, 2022 was constituted the CV Idexo Fundo de Investimento em Participações Multiestratégia Investimento no Exterior, a Corporate Venture Capital (CVC), whose purpose is to invest in startups with high potential of growth and innovation. The Company majority shareholder from the Fund, in which is managed by an independent manager.

b) GoodData

TOTVS' investments in startups are made within a medium-term strategy, with output planned for when the expected financial returns are achieved, and are recognized as financial instruments. On March 31, 2024, the fair value adjustment for the investment generated an impairment of R\$11,012 in the consolidated profit or loss recorded in the rubric "Other operating income/ expenses".

4.3 Sensitivity analysis of financial assets and liabilities

The financial instruments of the Company and its subsidiaries are represented by accounts and other receivables, trade and other payables, loans and debentures, which are recorded at cost plus income or charges incurred, or at fair value, when applicable, as at March 31, 2024 and December 31, 2023.

The main risks related to the Company's operations are linked to the variation of Brazilian Interbank Deposit Floating Rate (CDI).

a) Financial assets

In order to check the sensitivity of the index in the short-term investments to which the Company and its subsidiaries were exposed to risk in interest rate movement as of March 31, 2024, three different scenarios were defined. Based on projections disclosed by financial institutions, the average rate for CDI of 11,30% was defined as a probable scenario (scenario I) for the three-months period. Based thereon, variations of 25% (scenario II) and 50% (scenario III) were calculated.

For each of these scenarios the "gross finance income" was estimated, with taxes on

investment returns not included. The reference date for the portfolio was March 31, 2024, with a one-year projection to check the sensitivity of CDI to each scenario.

Operation	Note	Balances at 3/31/2024	Risk	Probable Scenario I	Scenario II	Scenario III
Consolidated financial investments	5	2,528,907	Reduction CDI	11.30%	8.48%	5.65%
Estimated finance income				285,766	214,451	142,883

b) Financial liabilities

To evaluate the sensitivity of the indexes to which the Company and its subsidiaries are exposed when estimating the debts as at March 31, 2024, three different scenarios were created. Based on CDI rates in force at this date, the most probable scenario (scenario I) was determined for 2024 and, from this, variations of 25% (scenario II) and 50% (scenario III) were calculated.

For each scenario, the gross financial expense was calculated, without the related tax impacts and the maturity flow of each contract scheduled for 2024. The reference date used for the debentures was March 31, 2024, projecting the rates for one year and checking their sensitivity in each scenario.

Operation	Note	Balances at 3/31/2024	Risk	Probable Scenario I	Scenario II	Scenario III
			Increase CDI	11.30%	14.13%	16.95%
Loans	16	4,623		522	653	784
Debentures	17	1,502,539		169,787	212,309	254,680
Estimated finance expense				170,309	212,962	255,464

4.4 Changes in liabilities from financing activities

Liabilities arising from financing activities are liabilities for which cash flows were or will be classified in the statements of cash flows as cash flows from financing activities.

The following is a breakdown of liabilities arising from financing activities for the three-months period ended on March 31, 2024:

Consolidated	Note	12/31/2023	Payments of principal and interests (i)	Non-cash items			3/31/2024
				Addition/ (Write off)	Interest incurred	Acquisition of subsidiary	
Loans	16	32,083	(35,708)	-	(31)	8,279	4,623
Leases	16	165,281	(17,318)	1,525	2,686	864	153,038
Debentures	17	1,546,703	(95,565)	-	46,333	5,068	1,502,539
Dividends and Interest on shareholders' equity payable	21	1,781	-	-	-	-	1,781
Total		1,745,848	(148,591)	1,525	48,988	14,211	1,661,981

(i) Includes interest paid allocated in the cash flow from operating activities.

4.5 Financial risk management

The main financial risks to which the Company and its subsidiaries are exposed when conducting their activities are:

a. Liquidity Risk

The Company's and its subsidiaries' liquidity and cash flow are monitored daily by Company Management areas to ensure the generation of cash from operating activities and early fundraising, whenever necessary. The Company and its subsidiaries reinforce its commitment to resource management in order to maintain its schedule of commitments, not giving rise to liquidity risks for the Company and its subsidiaries.

Typically, the Company and its subsidiaries ensure that it have sufficient cash at sight to cover expected operating expenses, including the compliance with financial obligations; which excludes the potential impact of extreme situations that cannot be reasonably foreseen, such as natural disasters. The Company and its subsidiaries have access to a sufficient variety of funding sources, if necessary.

b. Credit risk

Credit risk is the risk that the counterparty in a deal will not fulfill an obligation set forth in a finance instrument or contract with a customer, which would cause a financial loss.

Regarding the credit risk associated with financial institutions, the Company and its subsidiaries distribute this exposure among financial institutions. Financial investments must be made in institutions whose risk rating is equal to or greater than the Sovereign Risk (Brazil Risk) assigned by the rating agencies Standard & Poor's, Moody's or Fitch and in the case of investment in investment funds, the referred classification will be replaced by the classification "Investment Grade", attributed by ANBIMA, whose allocation of resources should be, exclusively, in public titles and/ or private credit bank, in this last case, limited to 15% of Shareholder's equity from the Fund. The amount allocated to each issuer, except Union/ Federal Government Bonds, cannot exceed 30% of the total balances in current accounts plus financial investments, and also not correspond to more than 5% of the equity from the issuer or investment fund.

The exposure of the Company and its subsidiaries to credit risk is also influenced also by the individual characteristics of each customer. The Company and its subsidiaries establish a credit policy whereby every new customer has its credit capacity individually analyzed prior to the standard payment terms and conditions.

For the trade and other receivables from software operation of the Company and its subsidiaries, have a very diversified customer portfolio with low concentration level and establish an estimate of the provision for losses that represents its estimate of losses incurred in relation to trade and other receivables. The main component of this allowance is specific and related to significant individual risks.

c. Market risk

Interest rate and inflation risk: interest rate risk arises from the portion of the debt and financial investments related to CDI, which can adversely affect the finance income or expenses in the event of unfavorable changes in the interest rate and inflation.

Exchange rate risk: this risk arises from the possibility of losses due to currency rate fluctuations that could increase the liabilities resulting from foreign currency purchase commitments or that could reduce the assets resulting from trade and other receivables in foreign currency.

Certain subsidiaries have international operations and are exposed to exchange risk arising from exposures in some currencies, such as the U.S. Dollar (USD), Argentine Peso (ARS), Mexican Peso (MXN), Chilean Peso (CLP) and Colombian Peso (COP).

The Company and its subsidiaries ensure that its net exposure is maintained at an acceptable level in accordance with the policies and limits defined by Management and the economics and political factors in each of these companies. In the period ended in March 31, 2024, the balance of assets exceeds the negative balances from liabilities exposed, as follows:

3/31/2024						
Company	Trade and other payables	Cash and cash equivalents	Trade and other receivables	Other assets	Net exposure	Currency exposure
RJ Consultores México	(9)	943	1,102	158	2,194	Peso (MXN)
CMNet Participações	(94)	1,298	1,102	158	2,464	Peso CLP
CMNet Argentina	(254)	1,635	377	2	1,760	ARS
TOTVS S.A.	(101)	78	2,155	-	2,132	USD
TOTVS Large	(299)	-	9	-	(290)	USD
TOTVS México	(3,342)	977	4,800	1,284	3,719	Peso (MXN)
TOTVS Argentina	(1,317)	7,261	8,105	247	14,296	Peso (ARS)
TOTVS Colômbia	(2,779)	4,078	3,822	441	5,562	Peso (COP)
TOTVS Incorporation (Labs) (i)	(1,587)	326	1,260	76,161	76,160	USD
RD Station	(1,186)	-	-	2	(1,184)	USD
Feedz	-	-	3	-	3	USD
Total	(10,968)	16,596	22,735	78,453	106,816	

(i) Other assets in the amount of R\$76,083 on March 31, 2024 refer to financial investments of the Company as described in note 4.2.

d. Derivatives

The Company and its subsidiaries did not maintain financial derivative transactions in the reported periods, except by the investment fund described in note 5.

4.6 Capital management

The Company's capital management is intended to ensure a strong credit rating with institutions and an optimal capital ratio in order to drive the Company's businesses and maximize value for shareholders.

The Company and its subsidiaries control its capital structure by adjusting and adapting to current economic conditions. To maintain this structure, the Company and its subsidiaries may pay dividends, repurchase shares, take out new loans and issue debentures.

The Company and its subsidiaries compose the net debt structure including loans, debentures and account payable from acquisition of subsidiaries, less the balance of cash and cash equivalents and escrow account.

	Note	Individual		Consolidated	
		3/31/2024	12/31/2023	3/31/2024	12/31/2023
Loans and lease liabilities	16	134,072	178,705	157,661	197,364
Debentures	17	1,497,471	1,546,703	1,502,539	1,546,703
Accounts payable from acquisition of subsidiaries	18	7,187	7,004	814,898	693,938
(-) Cash and cash equivalents	5	(1,373,665)	(1,466,321)	(2,548,116)	(3,129,162)
(-) Escrow account	18	(7,098)	(6,915)	(191,985)	(129,934)
Net debt/ (cash)		257,967	259,176	(265,003)	(821,091)
Shareholders' equity		4,786,841	4,720,574	4,786,841	4,720,574
Non-controlling interests		-	-	294,819	292,097
Shareholders' equity and net debt		5,044,808	4,979,750	4,816,657	4,191,580

5 Cash and cash equivalents

Cash and cash equivalents are maintained for meeting short-term cash requirements and for strategic investment or other purposes of the Company and its subsidiaries, and are redeemable within 90 days from the date of the respective transaction and subject to a minimal risk of change of its value.

	Individual		Consolidated	
	3/31/2024	12/31/2023	3/31/2024	12/31/2023
Cash and banks	968	487	19,209	13,421
Cash equivalents	1,372,697	1,465,834	2,528,907	3,115,741
Investment fund	1,361,057	1,465,834	2,497,371	3,099,642
CDB	10,000	-	19,155	4,077
Others	1,640	-	12,381	12,022
	1,373,665	1,466,321	2,548,116	3,129,162

The Company and its subsidiaries have financial investment policies, which establish that the investments focus on low risk securities and investments in top-tier financial institutions.

The Company and its subsidiaries concentrate its investments in an exclusive investment fund. The fund is composed of investment fund shares whose portfolio is made up of highly-liquid fixed-income assets. The eligible assets in the portfolio structure are mainly government debt securities, which present low credit risk and volatility. The investments of the Company and its subsidiaries are substantially remunerated by reference to the CDI variation, which averaged 100,71% of the CDI for the period ended on March 31, 2024 (93.99% as of December 31, 2023). Following is the breakdown of the exclusive investment fund portfolio:

	3/31/2024	12/31/2023
Post interest		
Cash and CPR (i)	57.74%	59.10%
Private credit	5.45%	4.11%
Public titles	36.45%	36.66%
Derivatives	0.34%	0.11%
Pre interest		
Private credit	0.36%	0.13%
Derivatives	-0.34%	-0.11%
Total	100.00%	100.00%

(i) CPR: committed operation backed by public securities.

6 Trade and other receivables

Amounts of trade and other receivables in the domestic and foreign market are as follows:

	Individual		Consolidated	
	3/31/2024	12/31/2023	3/31/2024	12/31/2023
Domestic market	437,739	418,536	644,400	603,083
Foreign market	2,155	1,920	14,662	14,144
Trade of domestic and foreign market	439,894	420,456	659,062	617,227
(-) Impairment loss on trade and other receivables	(35,299)	(41,772)	(61,741)	(62,203)
Total trade accounts and other receivable	404,595	378,684	597,321	555,024
Current assets	393,139	367,725	580,657	538,528
Non-current assets (i)	11,456	10,959	16,664	16,496

- (i) Long-term trade and other receivables refer, basically, to the sale of software license, software implementation and customization services, and are presented net of adjustment to present value.

Changes in the impairment loss on trade and other receivables are as follows:

	Individual		Consolidated	
	3/31/2024	12/31/2023	3/31/2024	12/31/2023
Opening balance	41,772	42,321	62,203	62,551
Additional allowance	5,816	19,076	13,230	36,394
Write-off of impairment loss	(12,289)	(19,625)	(18,591)	(38,328)
Acquisition of subsidiaries	-	-	4,899	1,586
Ending balance	35,299	41,772	61,741	62,203

6.1 Aging list of domestic and foreign market

Aging list of amounts trade and other receivables at March 31, 2024 and December 31, 2023, are as follow:

	Individual		Consolidated	
	3/31/2024	12/31/2023	3/31/2024	12/31/2023
Falling due	321,067	308,074	465,716	450,898
Unbilled	47,088	45,133	85,140	69,035
Overdue				
1 to 30 days	23,367	13,285	31,204	20,499
31 to 60 days	5,605	5,857	9,248	9,112
61 to 90 days	3,662	4,239	10,200	6,482
91 to 180 days	9,016	7,176	15,992	11,890
181 to 360 days	8,196	10,969	11,612	15,467
More than 361 days	21,893	25,723	29,950	33,844
Gross trade and other receivables	439,894	420,456	659,062	617,227
(-) Impairment loss on trade and other receivables (i)	(35,299)	(41,772)	(61,741)	(62,203)
Net trade and other receivables	404,595	378,684	597,321	555,024

- (i) The impairment loss on trade and other receivables is net of the write-off due to loss recorded against trade and other receivables for R\$12,289 (R\$19,625 on December 31, 2023) for Individual and R\$18,591 (R\$38,328 on December 31, 2023) for consolidated.

Management believes that the risk related to software trade and other receivables in general is mitigated by the fact that the customer portfolio of the Company and its subsidiaries are diluted

and also throughout various operating segments. In general, the Company and its subsidiaries do not require any guarantee on installment sales.

7 Recoverable taxes

The amounts of recoverable taxes for the period ended on March 31, 2024 and year ended on December 31, 2023 are as follows:

	Individual		Consolidated	
	3/31/2024	12/31/2023	3/31/2024	12/31/2023
Income tax to offset (i)	27,754	27,006	58,119	50,722
Social contribution tax to offset (i)	9,103	8,562	17,409	14,935
Others (ii)	8,911	8,737	15,642	22,181
	45,768	44,305	91,170	87,838

- (i) Refers to withholding income and social contribution tax credits in the current year and income and social contribution tax credits to offset from previous years, as well as payments of estimated taxes in the current year.
(ii) Contemplates extemporaneous credit of PIS and COFINS which was offset in 2023 and over the year of 2024.

8 Income taxes

Current and deferred income and social contribution taxes were recorded pursuant to the current rates in force. Deferred income and social contribution taxes are calculated on accumulated tax losses and social contribution negative basis, respectively, as well as temporary differences.

8.1 Reconciliation of income tax expenses

The reconciliation of expenses calculated by applying the Income and Social Contribution Tax rates is as follows:

	Individual		Consolidated	
	01/01 to 03/31/2024	01/01 to 03/31/2023	01/01 to 03/31/2024	01/01 to 03/31/2023
Income before taxes	168,946	131,557	209,209	168,275
Income and social contribution taxes at combined nominal rate of 34%	(57,442)	(44,729)	(71,131)	(57,214)
Adjustments for the statement of effective rate				
Share of profit/ (losses) of equity-accounted investees	12,438	10,049	(1,449)	-
Law No. 11196/05 (Incentive for research and development)	4,388	3,571	6,950	6,159
Effect of subsidiaries subject to special rates	-	-	(7,119)	(3,872)
Participation of administrators	(495)	(1,105)	(511)	(1,184)
Workers' Meal Program (PAT)	587	603	1,014	979
Others (i)	(688)	(231)	(6,507)	(8,002)
Income and social contribution tax expense	(41,212)	(31,842)	(78,753)	(63,134)
Current income taxes	(33,256)	(33,553)	(66,445)	(62,868)
Deferred income taxes	(7,956)	1,711	(12,308)	(266)
Effective rate	24.4%	24.2%	37.6%	37.5%

- (i) The line "Other" consolidated on December 31, 2023 was impacted by the account payable from acquisition complement of the subsidiary Tallos, company acquired by RD in 2022, in which RD does not recognize the deferred taxes in its financial statements due to it is unlikely the future taxable income.

8.2 Breakdown of deferred income taxes

	Individual		Consolidated	
	3/31/2024	12/31/2023	3/31/2024	12/31/2023
Income tax losses	-	-	6,640	10,208
Deriving from temporary differences:				
Difference between tax and accounting bases of goodwill	28,154	27,576	72,042	68,280
Tax benefit from goodwill amortization	(110,648)	(110,435)	(203,740)	(198,099)
Provision for commissions	17,213	18,290	19,933	21,163
Deferred income or revenues and/or to be invoice	3,503	4,166	10,875	12,497
Impairment loss on trade and other receivables	12,002	14,202	17,346	19,510
Provision for contingencies and other obligations	29,573	30,341	36,877	38,039
Provision for trade and other payables	22,652	26,417	31,214	34,189
Provision for share-based payments	52,019	46,033	60,186	53,173
Present value adjustment	370	376	46,882	42,984
Participation in profits and results	7,910	12,607	10,065	16,008
Others (i)	17,006	18,137	18,623	20,827
Net deferred income and social contribution taxes	79,754	87,710	126,943	138,779
Deferred tax assets	79,754	87,710	138,580	147,426
Deferred tax liabilities (ii)	-	-	11,637	8,647

(i) Contemplates deferred income and social taxes of temporary differences from leases, and others.

(ii) Included in "other liabilities" in the non-current liability.

Net deferred income taxes of the Company and its subsidiaries are presented net under non-current assets or non-current liabilities by legal entities.

Changes in deferred income taxes are as follows:

	Individual		Consolidated	
	3/31/2024	12/31/2023	3/31/2024	12/31/2023
Opening balance	87,710	68,455	138,779	118,425
Expense in statement of profit or loss	(7,956)	19,538	(12,308)	24,447
Other comprehensive income	-	(282)	-	(282)
Acquisitions of subsidiary	-	-	472	-
Others (i)	-	(1)	-	(3,811)
Ending balance	79,754	87,710	126,943	138,779

(i) Regarding the changes from the subsidiary in Argentina and utilization of tax credits for contingencies payments of the same nature.

9 Related party balances and transactions

Related-parties transactions are carried out under conditions and prices established by the parties, and balances between the Individual and its subsidiaries are eliminated for purposes of consolidation.

9.1 Trade and other receivables and payables with subsidiaries and joint arrangements

The main balances of assets and liabilities on March 31, 2024 and December 31, 2023 and revenues and costs on March 31, 2024 and 2023 are presented:

Company	3/31/2024				01/01 to 03/31/2024	
	Trade and other receivables	Other Assets (v)	Trade and other payables	Other Liabilities	Revenues	Costs
Subsidiaries						
IP	25	-	-	-	70	9,376
Neopenso	2	-	-	-	4	925
Dimensa (i)	1,250	2,729	75	-	4,402	21
RD Station	184	2,869	169	-	425	248
Wealth Systems (ii)	-	-	-	-	168	68
TOTVS Large	11	30	-	-	35	-
Gesplan	-	-	4	-	323	62
RJ Consultores	-	-	20	-	576	61
Others	6	123	-	17	91	180
Total transactions with subsidiaries	1,478	5,751	268	17	6,094	10,941
Joint arrangements						
Techfin S.A. (iii)	-	4,997	-	-	4,561	-
Supplier (iv)	-	-	-	-	183	-
Total transactions with joint arrangements	-	4,997	-	-	4,744	-
Total	1,478	10,748	268	17	10,838	10,941

Company	12/31/2023				01/01 to 03/31/2023	
	Trade and other receivables	Other Assets (v)	Trade and other payables	Other Liabilities	Revenues	Costs
Subsidiaries						
TRS	17	-	2,170	-	-	-
Dimensa (i)	315	2,459	170	-	2,752	796
RD Station	35	2,190	54	-	202	210
Wealth Systems (ii)	-	-	-	-	553	276
TOTVS Large	23	-	42	-	38	126
Gesplan	-	-	4	-	-	70
Vadu	-	-	38	-	-	32
RJ Consultores	-	-	-	-	105	-
Others	50	127	38	19	25	97
Total transactions with subsidiaries	440	4,776	2,516	19	3,675	1,607
Joint arrangements						
Techfin S.A. (iii)	-	3,787	-	-	873	-
Supplier (iv)	-	-	-	-	181	1,737
Total transactions with joint arrangements	-	3,787	-	-	1,054	1,737
Total	440	8,563	2,516	19	4,729	3,344

- (i) Refers to contract of sharing costs and expenses and contract of partnership for commercialization of solutions from Dimensa.
- (ii) Refers to partnership contract between Wealth Systems and TOTVS for the sale of CRM ("Customer Relationship Management") solutions.
- (iii) Refers to contract for the sale of Techfin solutions and contract of sharing costs and expenses.
- (iv) Refers to partnership contract between Supplier and TOTVS for the sale of Techfin solutions, software licenses and contract of sharing costs and expenses.
- (v) "Other assets" refers to share-based compensation plans.

9.2 Transactions or relationships with shareholders and key Management personnel

Relationship company	Classification	Individual		Consolidated	
		01/01 to 03/31/2024	01/01 to 03/31/2023	01/01 to 03/31/2024	01/01 to 03/31/2023
VIP IV Empreendimentos e Participações (i)	Expense	398	386	398	386
GoodData Corporation (ii)	Expense	1,837	1,797	1,837	1,797
Instituto da Oportunidade Social (IOS) (iii)	Expense	1,953	1,904	1,962	1,904
Shipay Tecnologia S.A. (iv)	Expense	-	151	-	151
Other revenues (v)	Revenue	37	56	44	74

(i) Property lease agreements with companies, in which some of the shareholders are key management members and also hold TOTVS shares, directly or indirectly. All lease agreements with related parties are subject to adjustments by reference to the IGP-M inflation rate, every 12 months.

(ii) Through its subsidiary TOTVS Inc., the Company holds a minority interest in the GoodData capital, as well as a representative on the board, which represents a related party from TOTVS Group, being this investment classified as fair value through profit or loss as note 4.2. On March 31, 2024, the current contracts are: (i) commercial partnership for distribution of GoodData solutions in the amount of R\$1,676 (R\$1,633 on March 31, 2023); and (ii) software licenses contract in the amount of R\$161 (R\$164 on March 31, 2023).

(iii) The Company focuses its strategic social investment on the Instituto da Oportunidade Social (IOS), being the main sponsor of the Institute, which also has the support of other partner companies and government partnerships.

(iv) Partnership contract between TOTVS S.A. and Shipay Tecnologia S.A. for commercialization of "TOTVS Pagamento Digital" solution.

(v) Contract of small amount regarding to the software and cloud services.

Some of the Company's shareholders and key management personnel directly or indirectly hold 8.67% of the Company's shares as of March 31, 2024 (8.84% as of December 31, 2023), being the indirect interest held through LC-EH Empreendimentos e Participações S.A..

9.3 Key management personal compensation

Expenses related to the Company's managing and statutory officers compensation are summarized as follows:

	Individual and Consolidated	
	01/01 to 03/31/2024	01/01 to 03/31/2023
Management compensation		
Salaries, fees and payroll charges	4,114	3,466
Direct and Indirect benefits (i)	628	577
Variable bonus	3,006	3,003
Share-based payments	7,483	7,871
Total	15,231	14,917

(i) Includes depreciation expense for vehicles on loan by some Management members.

10 Other assets

Breakdown of other assets at March 31, 2024 and December 31, 2023 is follows:

	Individual		Consolidated	
	3/31/2024	12/31/2023	3/31/2024	12/31/2023
Prepaid expenses (i)	123,691	112,965	133,729	121,002
Franchises loan (ii)	16,794	13,855	16,794	13,855
Advances to employees	22,060	19,205	38,774	31,939
Advances to suppliers	6,635	6,312	22,279	14,528
Receivables from investments disposed of (iii)	-	22,788	864	22,788
Other assets	365	638	2,212	2,182
Total	169,545	175,763	214,652	206,294
Current assets	103,667	113,063	141,752	137,595
Non-current assets	65,878	62,700	72,900	68,699

(i) Includes the amounts of taxes paid and renewals of contracts with suppliers referring to expenses that will be incurred during next years;

(ii) Franchise loans are adjusted monthly, most by Interbank Deposit Certificate (CDI);

(iii) On December 31, 2023, regarding to the price adjustment in the TOTVS Techfin business combination, JV signed with Itaú in July 2023.

11 Equity-accounted investees

The investments of the Company and its subsidiaries are assessed under the equity method. Breakdown of equity-accounted investees in subsidiaries and joint arrangements is shown below:

11.1 Equity-accounted investees in subsidiaries and joint arrangements

	Individual		Consolidated	
	3/31/2024	12/31/2023	3/31/2024	12/31/2023
Equity-accounted investees in subsidiaries and joint arrangements	4,383,798	4,329,259	319,106	323,367
Appreciation of assets	20,784	22,998	-	-
	4,404,582	4,352,257	319,106	323,367

11.2 Equity-accounted investees changes

Changes in equity-accounted investees for the three-months period ended March 31, 2024 were as follows:

	12/31/2023	Additions / (reductions)	Equity pick-up			Total	Foreign exchange/ Inflation (i)	Restructuring	3/31/2024
			Equity pick-up	Amortization of PPA					
TOTVS Large (ii)	2,285,364	920	19,071	(2,214)	16,857	327	(54)	2,303,414	
TOTVS Tecnologia	250,609	241	24,375	-	24,375	-	-	275,225	
TOTVS Techfin	323,367	-	(4,261)	-	(4,261)	-	-	319,106	
TTS	846,709	390	8,043	-	8,043	-	-	855,142	
TOTVS Inc.	85,514	4,702	(15,481)	-	(15,481)	2,639	-	77,374	
TOTVS Hospitality	49,415	-	4,125	-	4,125	53	660	54,253	
VT Digital	5,424	-	89	-	89	-	-	5,513	
TOTVS México	4,585	4,096	(3,059)	-	(3,059)	129	-	5,751	
TOTVS Argentina	6,296	502	(1,647)	-	(1,647)	3,290	-	8,441	
Dimensa	486,829	-	4,536	-	4,536	-	-	491,365	
Eleve	7,747	112	1,139	-	1,139	-	-	8,998	
TOTVS Hospitality Argentina	398	402	(347)	-	(347)	153	(606)	-	
Total	4,352,257	11,365	36,583	(2,214)	34,369	6,591	-	4,404,582	

(i) Includes the inflation adjustments of Argentine subsidiaries;

(ii) The goodwill and intangibles in the value of R\$20,784 (R\$22,998 on December 31, 2023) from TOTVS Large are presented in the investment composition of the individual. The amortization in the period ended on March 31, 2024 was R\$2,214 (R\$2,214 on March 31, 2023).

11.3 Direct subsidiaries and joint arrangements information

	Summarized financial statements as at March 31, 2024				
	Assets	Liabilities	Shareholders' Equity	Net revenue	Profit or loss of the period
TOTVS Large	2,729,263	446,633	2,282,630	80,767	19,071
TOTVS Tecnologia	427,801	152,576	275,225	61,634	24,375
TOTVS Techfin	663,332	25,120	638,212	3,370	(8,522)
TTS	1,005,284	150,142	855,142	46,467	8,043
TOTVS Inc.	79,934	2,560	77,374	759	(15,481)
TOTVS Hospitality	86,465	13,636	72,829	19,443	5,551
VT Digital	5,879	366	5,513	133	89
TOTVS México	15,723	9,972	5,751	7,184	(3,059)
TOTVS Argentina	17,607	9,166	8,441	13,068	(1,647)
Dimensa	948,514	162,330	786,184	52,118	7,258
Eleve	10,759	1,761	8,998	3,101	1,139
TOTVS Hospitality Argentina (i)	-	-	-	431	(347)

(i) On February 29, 2024, direct subsidiary TOTVS Hospitality Argentina became an indirect subsidiary.

12 Property, plant and equipment

Property, plant and equipment of the Company and its subsidiaries are booked at the acquisition cost and depreciation of assets is calculated according to the straight-line method, and takes into consideration the estimated useful economic life of assets. The Company's property, plant and equipment is broken down as follow:

	Individual							Total
	Computers and electronic equipment	Vehicles	Furniture and fixtures	Facilities machinery and equipment	Leasehold improvements	Rights of use (i)	Others	
Cost								
Balances in 12/31/2023	397,723	19,501	27,645	28,549	104,751	315,965	12,036	906,170
Additions	16,986	2,229	8	17	112	4	2	19,358
Transfers	149	-	(149)	164	(164)	-	-	-
Write-offs	(215)	(767)	(144)	-	(520)	(1,929)	(13)	(3,588)
Balances in 3/31/2024	414,643	20,963	27,360	28,730	104,179	314,040	12,025	921,940
Depreciation								
Balances in 12/31/2023	(226,191)	(9,490)	(22,887)	(23,548)	(73,729)	(182,925)	(9,146)	(547,916)
Depreciation for the period (iii)	(13,295)	(1,516)	(467)	(419)	(2,665)	(12,206)	(551)	(31,119)
Transfers	(2)	-	2	-	-	-	-	-
Write-offs	62	568	123	-	520	1,917	7	3,197
Balances in 3/31/2024	(239,426)	(10,438)	(23,229)	(23,967)	(75,874)	(193,214)	(9,690)	(575,838)
Net amount								
Balances in 3/31/2024	175,217	10,525	4,131	4,763	28,305	120,826	2,335	346,102
Balances in 12/31/2023	171,532	10,011	4,758	5,001	31,022	133,040	2,890	358,254
Average useful life (years)	4 to 5	3	4 to 10	4 to 12	3 to 10	3 to 10	5	

	Consolidated							Total
	Computers and electronic equipment	Vehicles	Furniture and fixtures	Facilities machinery and equipment	Leasehold improvements	Rights of use (i)	Others	
Cost								
Balances in 12/31/2023	444,931	25,132	36,062	34,349	134,195	353,065	14,185	1,041,919
Additions	20,148	3,021	30	34	143	1,525	93	24,994
Additions due to business combination	2,030	40	942	401	2,709	4,862	275	11,259
Exchange variation (ii)	1,586	104	192	53	515	272	86	2,808
Transfers	149	-	(155)	170	(164)	-	-	-
Write-offs	(880)	(1,123)	(170)	-	(28)	(1,929)	(17)	(4,147)
Balances in 3/31/2024	467,964	27,174	36,901	35,007	137,370	357,795	14,622	1,076,833
Depreciation								
Balances in 12/31/2023	(253,853)	(11,617)	(28,568)	(26,898)	(93,911)	(203,051)	(10,535)	(628,433)
Depreciation for the period (iii)	(15,237)	(1,939)	(661)	(539)	(3,722)	(14,544)	(681)	(37,323)
Additions due to business combination	(1,218)	(41)	(458)	(212)	(852)	(4,102)	(109)	(6,992)
Exchange variation (ii)	(1,154)	(25)	(171)	(43)	(515)	(110)	(71)	(2,089)
Transfers	(1)	-	3	(2)	-	-	-	-
Write-offs	714	876	149	-	28	1,917	9	3,693
Balances in 3/31/2024	(270,749)	(12,746)	(29,706)	(27,694)	(98,972)	(219,890)	(11,387)	(671,144)
Net amount								
Balances in 3/31/2024	197,215	14,428	7,195	7,313	38,398	137,905	3,235	405,689
Balances in 12/31/2023	191,078	13,515	7,494	7,451	40,284	150,014	3,650	413,486
Average useful life (years)	4 to 5	3	4 to 10	4 to 12	3 to 10	3 to 10	5	

- (i) The Company and its subsidiaries applied exceptions to the standard for short-term and low value contracts, recorded in lease expenses, on March 31, 2024, in the amount of R\$268 (R\$378 on March 31, 2023) in Individual and R\$2,304 (R\$1,687 on March 31, 2023) in Consolidated.
- (ii) Includes the inflation adjustments of Argentine subsidiaries.
- (iii) Depreciation and amortization lines in the Statements of Cash Flows and Statements of Value Added are presented net of PIS/ COFINS credits on depreciation of property, plant and equipment, in the value of R\$1,036 (R\$2,151 on March 31, 2023).

Breakdown of right of use and lease liabilities for the period ended March 31, 2024 is as follows:

	Consolidated		
	Right to use real estate	Right of use computers and equipment	Total assets
Balances in 12/31/2023	137,483	12,531	150,014
Contract Remeasurement (i)	1,524	1	1,525
Write-offs	-	(12)	(12)
Additions due to business combination	472	288	760
Amortization	(12,973)	(1,571)	(14,544)
Interest incurred and exchange variation	119	43	162
Balances in 3/31/2024	126,625	11,280	137,905

- (i) Represents the annual update of the leases applied to the right of use real estate's according to the indexes established in contracts.

13 Intangible assets

Intangible assets and changes in balances are as follows:

	Individual						Total
	Software	Trademarks & patents	Customer portfolio	R&D (i)	Others (ii)	Goodwill	
Cost							
Balances in 12/31/2023	548,632	67,841	302,358	85,878	19,786	292,873	1,317,368
Additions	5,765	-	19,747	9,863	-	-	35,375
Balances in 3/31/2024	554,397	67,841	322,105	95,741	19,786	292,873	1,352,743
Amortization							
Balances in 12/31/2023	(423,778)	(63,150)	(249,531)	(21,164)	(19,786)	-	(777,409)
Amortization for the period	(10,229)	-	(4,514)	(3,067)	-	-	(17,810)
Balances in 3/31/2024	(434,007)	(63,150)	(254,045)	(24,231)	(19,786)	-	(795,219)
Net amount							
Balances in 3/31/2024	120,390	4,691	68,060	71,510	-	292,873	557,524
Balances in 12/31/2023	124,854	4,691	52,827	64,714	-	292,873	539,959
Average useful life (years)	5 to 10	12.5 to 15	8 to 10	2 to 5	2 to 5		

	Consolidated						
	Software	Trademarks & patents	Customer portfolio	R&D (i)	Others (ii)	Goodwill	Total
Cost							
Balances in 12/31/2023	882,726	142,517	635,882	110,423	82,098	2,952,405	4,806,051
Additions	5,841	-	19,746	12,166	-	-	37,753
Additions due to business combination	8,451	320	36,493	1,049	-	627,665	673,978
Exchange variation (iii)	12	-	-	-	-	-	12
Balances in 3/31/2024	897,030	142,837	692,121	123,638	82,098	3,580,070	5,517,794
Amortization							
Balances in 12/31/2023	(543,022)	(95,641)	(402,649)	(35,968)	(57,544)	-	(1,134,824)
Amortization for the period	(19,415)	(1,385)	(12,323)	(3,328)	(722)	-	(37,173)
Additions due to business combination	(4,158)	-	(1,978)	(282)	-	-	(6,418)
Exchange variation (iii)	(65)	-	-	-	-	-	(65)
Balances in 3/31/2024	(566,660)	(97,026)	(416,950)	(39,578)	(58,266)	-	(1,178,480)
Net amount							
Balances in 3/31/2024	330,370	45,811	275,171	84,060	23,832	3,580,070	4,339,314
Balances in 12/31/2023	339,704	46,876	233,233	74,455	24,554	2,952,405	3,671,227
Average useful life (years)	5 to 10	12.5 to 15	8 to 10	2 to 5	2 to 5		

(i) The development capitalization totaled R\$12,1666 in the three-months period ended March 31, 2024 (R\$6,168 on March 31, 2023), that majority are related to the Company's strategic plan. The assets development amortization starts when development is completed and the asset is available for use or sale.

(ii) Includes primarily non-compete rights arising from the purchase price allocation from business combinations.

(iii) Includes the inflation adjustments of Argentine subsidiaries.

Amortization of intangible assets is based on their estimated useful lives. Intangible assets identified, the amounts recognized, and useful lives of assets resulting from a business combination are premised on a technical study by an independent specialist firm.

13.1 Changes in goodwill

The breakdown of goodwill as of March 31, 2024 and December 31, 2023 is as follows:

	12/31/2023	Business combination	3/31/2024
Gesplan	28,325	-	28,325
Feedz	89,241	-	89,241
TRS	55,446	-	55,446
Other goodwill	813,204	-	813,204
CGU Management	986,216	-	986,216
CGU Dimensa	109,687	-	109,687
CGU Business Performance	1,856,502	-	1,856,502
IP	-	110,648	110,648
Ahgora	-	359,642	359,642
Quiver	-	157,375	157,375
Total	2,952,405	627,665	3,580,070

13.2 Impairment of assets

The Company annually tests goodwill for impairment using the “value in use” methodology, through the discounted cash flow model of cash generating units, which represent the tangible and intangible assets used in the development and sale of different solutions for its clients.

In the three-months period ended March 31, 2024, the Management from the Company evaluated assumptions used on December 31, 2023 for the recoverability of its assets and did not identify the need for a provision for loss in the condensed individual and consolidated interim financial statements.

14 Labor liabilities

Balances of salaries and charges payable are broken down as follows:

	Individual		Consolidated	
	3/31/2024	12/31/2023	3/31/2024	12/31/2023
Labor liabilities:				
Salaries payable	37,749	34,538	84,828	66,537
Vacation payable	97,262	96,140	173,068	161,185
13th monthly salary payable	17,379	-	37,388	-
Profit sharing and bonus	24,754	40,717	37,553	59,231
Withholding Income Tax (IRRF) payable	19,613	24,910	36,581	44,341
Actuarial liabilities due to health care plan and retirement benefits (i)	2,384	2,309	2,384	2,309
Others (ii)	4,405	9,817	7,502	12,312
	203,546	208,431	379,304	345,915
Payroll liabilities				
FGTS (Unemployment Compensation Fund) payable	5,016	7,577	10,329	14,099
INSS (Social Security Tax) payable	8,540	8,260	18,050	15,946
	13,556	15,837	28,379	30,045
Total	217,102	224,268	407,683	375,960

- (i) Refers to the actuarial provision for the health care plan of the participants who contributed or still contribute with fixed installments to the plan costing and salary allowance provided for in union agreements, who will be entitled to remain in the plan after retirement;
- (ii) Including union contribution and unapproved dispute provision.

15 Taxes and contributions liabilities

Taxes and contributions liabilities are broken down as follows:

	Individual		Consolidated	
	3/31/2024	12/31/2023	3/31/2024	12/31/2023
Federal Social Security Tax on Gross Revenue (CPRB)	21,939	21,617	30,030	28,543
Service Tax (ISS) payable	7,926	7,980	13,365	11,882
PIS and COFINS payable	38,385	36,720	52,617	49,080
IRPJ and CSLL payable	883	-	14,988	11,886
Withholding IR and CSLL	1,144	1,302	3,480	3,538
Other taxes	2,004	1,674	2,780	2,540
Total	72,281	69,293	117,260	107,469
Current liabilities	72,281	69,293	116,237	107,427
Non-current liabilities (i)	-	-	1,023	42

(i) Correspond to the installment payment of federal taxes of the acquired and are inserted in the line other liabilities.

16 Loans and lease liabilities

Loans are initially recognized at fair value, net of transaction costs incurred, and are shown at amortized cost. Any difference between the borrowed amounts (net of transaction costs) and the total amount payable is recognized in the statement of profit or loss during the period when the loans are due, using the effective interest rate method.

The loans and lease liabilities transactions are as follows:

	Annual financial charges	Individual		Consolidated	
		3/31/2024	12/31/2023	3/31/2024	12/31/2023
Leases	(i)	134,072	146,622	153,038	165,281
Loans - acquired companies (ii)	-	-	-	4,623	-
Guaranteed accounts and other	-	-	32,083	-	32,083
		134,072	178,705	157,661	197,364
Current liabilities		49,395	81,799	61,546	90,701
Non-current liabilities		84,677	96,906	96,115	106,663

(i) Weighted average nominal interest rate or the lease of real property right of use is 10.22% p.a. and 13.61% p.a. for the lease of the right to use electronic equipment.

(ii) Working capital from acquired Ahgora and Webtraining.

Amounts recorded in non-current liabilities as at March 31, 2024 and December 31, 2023 have the following maturity schedule:

	Individual		Consolidated	
	3/31/2024	12/31/2023	3/31/2024	12/31/2023
2025	35,122	47,631	44,196	55,003
2026	41,432	41,198	43,571	43,360
2027	7,715	7,671	7,940	7,894
2028	408	406	408	406
Non-current liabilities	84,677	96,906	96,115	106,663

Below is the breakdown of loans and lease liabilities as of March 31, 2024:

	Individual		Consolidated	
	3/31/2024	12/31/2023	3/31/2024	12/31/2023
Opening balance	178,705	178,632	197,364	212,533
Additions from right of use leases	4	20,225	1,525	23,444
Additions from loans	-	32,083	-	32,083
Addition due to business combination	-	-	9,143	11,255
Interest incurred	1,891	8,896	2,655	9,719
Write-offs of right-of-use leases	-	(2,579)	-	(11,187)
Interest amortization	(1,891)	(8,896)	(2,247)	(10,472)
Principal amortization	(44,637)	(49,656)	(50,779)	(70,011)
Closing balance	134,072	178,705	157,661	197,364

a) Lease liabilities

Lease obligations are guaranteed by chattel mortgage of leased assets. The table below shows gross liabilities of finance leases as of March 31, 2024 and December 31, 2023:

	Individual		Consolidated	
	3/31/2024	12/31/2023	3/31/2024	12/31/2023
Gross lease liabilities – minimum lease payments				
Less than one year	55,332	56,303	66,906	66,260
More than one year and less than five years	88,805	102,275	97,720	112,567
More than five years	430	430	430	430
	144,567	159,008	165,056	179,257
Future financing charges on finance leases	(10,495)	(12,386)	(12,018)	(13,976)
Present value of lease liabilities	134,072	146,622	153,038	165,281
Current liabilities	49,395	49,716	59,838	58,618
Non-current liabilities	84,677	96,906	93,200	106,663

17 Debentures

On September 12, 2022, the Company approved the 4th issue of simple debentures, non-convertible, unsecured debentures, in a single series for public distribution with restricted placement efforts in the total amount of R\$1,500,000, at face value of R\$1. The Unit Face Value or the Unit Face Value leftover, as the case may be, remuneratory interest incurred corresponding to 100.00% of the accumulated variation of the average daily rates of the DI Interbank Deposits – DI, “over extra-group” plus an exponential spread equivalent to 1.35% per year on a 252 Business Day basis.

The acquired Ahgora has debentures issued on November 24, 2023 non-convertible, unsecured debentures, in a single series, without guarantee, in the total amount of funding of R\$5,000. The early settlement of the debentures occurred on April 02, 2024.

17.1 Composition

On March 31, 2024, the balance was broken down as follows:

Description	Debentures	Unit Price	Annual financial charges	Maturity	Individual		Consolidated	
					3/31/2024	12/31/2023	3/31/2024	12/31/2023
4th Issue of Debentures - Single Series	1,500,000	1	100% from CDI + Spread 1.35% p.a.	09/12/2027	1,497,471	1,546,703	1,497,471	1,546,703
1st Issue of Debentures - Business combination	5,000	1	1,57% p.m.	01/2/2025	-	-	5,068	-
Total					1,497,471	1,546,703	1,502,539	1,546,703
Current liabilities					5,211	55,208	10,279	55,208
Non-current liabilities					1,492,260	1,491,495	1,492,260	1,491,495

17.2 Changes

	Individual	Consolidated
	3/31/2024	3/31/2024
Opening Balance	1,546,703	1,546,703
Business combination	-	5,068
Interest incurred	46,333	46,333
(-) Interest amortization	(95,565)	(95,565)
Ending balance	1,497,471	1,502,539

The maturities of redemption in non-current liabilities are presented as follows:

	Individual and Consolidated	
	3/31/2024	12/31/2023
Maturity		
2026	744,455	743,690
2027	747,805	747,805
Non-current liabilities	1,492,260	1,491,495

17.3 Covenants

The debentures have redeemed in advance clauses ("covenants") normally applicable to these types of operations related to compliance with economic-financial ratios. The financial index applied to this deed derives from the coefficient of dividing the net debt by the Adjusted EBITDA, which must be equal to or less than 4 times. This indicator does not consider the debt and EBITDA of TOTVS Techfin S.A. and its subsidiaries.

These restrictive clauses (not reviewed by the independent auditors), have been complied with and do not limit the ability to conduct the normal course of operations.

18 Accounts payable from acquisition of subsidiaries

Accounts payable from the acquisitions of subsidiaries refer to amounts due to the previous shareholders of the acquired companies, with payment in installments or guarantees given. These amounts are recorded in current and non-current liabilities, as follows:

	Individual					
	3/31/2024			12/31/2023		
	Contingent payments	Other amounts payable	Total	Contingent payments	Other amounts payable	Total
Datasul MG	-	6,353	6,353	-	6,190	6,190
Seventeen	-	314	314	-	308	308
Other	-	520	520	-	506	506
Total	-	7,187	7,187	-	7,004	7,004
Current liabilities		7,187	7,187	-	7,004	7,004

	Consolidated					
	3/31/2024			12/31/2023		
	Contingent payments	Other amounts payable	Total	Contingent payments	Other amounts payable	Total
RD Station	258,607	33,215	291,822	252,375	32,366	284,741
Tallos	103,490	1,441	104,931	101,227	1,413	102,640
Feedz	66,416	7,877	74,293	65,000	7,668	72,668
Quiver	42,802	15,198	58,000	-	-	-
Supplier	25,370	19,100	44,470	23,816	19,156	42,972
IP	-	45,408	45,408	-	-	-
Exact	38,536	4,858	43,394	37,758	4,756	42,514
Vadu	15,649	17,929	33,578	15,186	17,567	32,753
TRS	-	22,704	22,704	-	22,124	22,124
Ahgora	-	22,557	22,557	-	-	-
Mobile2you	8,055	10,410	18,465	7,975	10,190	18,165
Lexos	10,223	2,216	12,439	9,923	2,160	12,083
Gesplan	-	5,460	5,460	21,439	5,332	26,771
Other	8,843	28,534	37,377	8,659	27,848	36,507
Total	577,991	236,907	814,898	543,358	150,580	693,938
Current liabilities	454,987	41,211	496,198	398,201	23,602	421,803
Non-current liabilities	123,004	195,696	318,700	145,157	126,978	272,135

The installments recorded in the non-current liabilities have maturity as shown below:

Year	Consolidated	
	3/31/2024	12/31/2023
2025	22,690	74,151
2026	102,763	86,430
2027	49,359	35,337
2028 onwards	143,888	76,217
Non-current liabilities	318,700	272,135

Below we present the retained amounts of accounts payable from acquisition of subsidiaries on

March 31, 2024 and December 31, 2023, which are updated by the CDI (see note 5) until the release schedule or its offset as defined in the contract:

	Individual		Consolidated	
	3/31/2024	12/31/2023	3/31/2024	12/31/2023
Escrow account - current	7,098	6,915	13,754	13,175
Escrow account - non-current	-	-	178,231	116,759
Total	7,098	6,915	191,985	129,934

19 Provision for contingencies

In the ordinary course of their operations, the Company and its subsidiaries are parties to various legal proceedings relating to tax, social security, labor and civil matters. Provision for contingencies is set up by Management, supported by its legal counsel and an analysis of judicial proceedings pending judgment, has constituted at an amount considered sufficient to cover probable losses on the outcome of ongoing actions. The provisioned amounts reflect the best current estimate from the Management of the Company and its subsidiaries.

The amount of provisions set up as at March 31, 2024 and December 31, 2023 are as follows:

	Individual		Consolidated	
	3/31/2024	12/31/2023	3/31/2024	12/31/2023
Tax	8,089	8,025	10,716	10,206
Labor	50,548	48,819	66,827	64,673
Civil	28,341	32,396	31,166	37,111
	86,978	89,240	108,709	111,990

a) Changes in provisions

Changes in provisions for the three-months period ended March 31, 2024 are as follows:

	Individual				Consolidated			
	Tax	Labor	Civil	Total	Tax	Labor	Civil	Total
Balances in 12/31/2023	8,025	48,819	32,396	89,240	10,206	64,673	37,111	111,990
(+) Additional provision	-	3,224	1,585	4,809	441	3,471	1,929	5,841
(+) Monetary adjustment	97	1,296	496	1,889	137	1,685	672	2,494
(+) Acquisition of subsidiaries	-	-	-	-	-	280	-	280
(-) Reversal of provision	(33)	(1,819)	(3,078)	(4,930)	(33)	(2,200)	(3,179)	(5,412)
(-) Write-off due to payment	-	(972)	(3,058)	(4,030)	(35)	(1,082)	(5,367)	(6,484)
Balances in 3/31/2024	8,089	50,548	28,341	86,978	10,716	66,827	31,166	108,709

The provisions reflect Management's best current estimate, which is based on information, external counsel has updated analyses and outcomes of previous legal proceedings in which the Company and its subsidiaries was defendant. TOTVS's risk monitoring and control constantly review this estimate.

Further information regarding other significant ongoing lawsuits is provided in Note 21 to the financial statements as of December 31, 2023.

b) Judicial deposits

Judicial deposits linked or not to the provision for contingencies, are stated below and are recorded under non-current assets:

	Individual				Consolidated			
	Tax	Labor	Civil	Total	Tax	Labor	Civil	Total
Balances in 12/31/2023	14,000	6,036	9,387	29,423	15,055	8,552	10,225	33,832
(+) Addition in guarantees	-	13	38	51	-	91	47	138
(+) Monetary adjustment	219	(47)	103	275	239	(31)	100	308
(-) Write-off for loss	-	(566)	(94)	(660)	-	(566)	(119)	(685)
(-) Reversion by devolution	-	(14)	(1,495)	(1,509)	-	(27)	(1,495)	(1,522)
(+) Acquisition of subsidiaries	-	-	-	-	173	-	-	173
Balances in 3/31/2024	14,219	5,422	7,939	27,580	15,467	8,019	8,758	32,244

19.1 Contingent Liabilities

The Company and its subsidiaries are parties to other lawsuits whose risk of loss, according to evaluation of legal advisors, validated by internal legal and Company Management, are classified as possible losses and no provision was recognized, as follows:

Nature	Individual		Consolidated	
	3/31/2024	12/31/2023	3/31/2024	12/31/2023
Tax	169,135	166,014	217,634	216,101
Labor	41,692	44,998	57,818	60,904
Civil	142,278	165,581	169,020	192,113
	353,105	376,593	444,472	469,118

The breakdown of significant ongoing lawsuits are detailed in Note 21.2 to the financial statements for the year ended December 31, 2023.

20 Shareholders' equity**a) Share Capital**

As at March 31, 2024 and December 31, 2023, the Company's share capital was composed of 617,183,181 registered common shares issued and fully paid, with no par value, as follows:

Shareholder	3/31/2024		12/31/2023	
	Shares	%	Shares	%
LC EH Participações e Empreendimentos S.A.	50,682,639	8.21%	50,682,639	8.21%
GIC Private Limited	37,582,739	6.09%	37,582,739	6.09%
Canada Pension Plan	32,754,201	5.31%	32,754,201	5.31%
BlackRock Inc.	31,632,336	5.13%	31,632,336	5.13%
Laércio José de Lucena Cosentino	845,336	0.14%	1,545,336	0.25%
CSHG Senta Pua Fia	144,800	0.02%	144,800	0.02%
Other	447,302,697	72.47%	449,464,231	72.82%
Outstanding shares	600,944,748	97.37%	603,806,282	97.83%
Treasury shares	16,238,433	2.63%	13,376,899	2.17%
Total in units	617,183,181	100.00%	617,183,181	100.00%

b) Capital reserves

The balance of capital reserves at March 31, 2024 and December 31, 2023 was broken down as follows:

	3/31/2024	12/31/2023
Goodwill reserve (i)	665,676	665,676
Premium on acquisition of non-controlling interests	(24,323)	(24,323)
Debentures converted into shares	44,629	44,629
Share-based compensation plan	151,026	130,555
Share issue expenses	(69,396)	(69,396)
Dilution of interest	352,540	352,540
Call option of non-controlling interests	(361,388)	(361,388)
	758,764	738,293

(i) Goodwill reserve is composed of R\$31,557 regarding integralization occurred in 2005 and R\$67,703 regarding societary reorganization with Bematech. In 2019 had an increase of goodwill reserve of R\$725,220 regarding the amount of capital contribution destined to the capital reserve. In 2022, in accordance with the guidance CVM 78/2022 was constituted a provision for Supplier goodwill due to societary reorganization of Techfin Business in the amount of R\$170,249.

c) Treasury shares

As at March 31, 2024, changes in "Treasury Shares" were as follows:

	Number of shares (Units)	Value (in Thousand)	Average price per share (in Reais)
Balance on 12/31/2023	13,376,899	R\$ 283,445	R\$ 21.19
Repurchase (i)	2,869,000	R\$ 84,634	R\$ 29.50
Used	(7,466)	R\$ (161)	R\$ 21.51
Balance on 3/31/2024	16,238,433	R\$ 367,918	R\$ 22.66

(i) It contemplates the amount of R\$20,543 related to repurchase of shares with settlement after the closing of these interim financial statements and, therefore, differs from the amount of the statements of cash flows on March 31, 2024.

On November 7, 2023 the Board of Directors approved the share buyback program for the shares issued by the Company up to the limit of 18.000.000 common shares, to maximize the

generation of shareholder value, promote the efficient allocation of capital; may be held in treasury, canceled or sold in accordance with the law. The share buyback program will be finished until November 8, 2024. In the period ended on March 31, 2024, 2,869,000 shares had been repurchased.

During the three-months period ended March 31, 2024, 7,466 (4,323 on March 31, 2023) treasury shares were used by the stock options and restricted share plans, which consumed R\$161 (R\$84 on March 31, 2023) from the capital reserve.

21 Dividends and Interest on shareholders' equity

The Company's bylaws provide for mandatory minimum dividend equivalent to 25% of net income for the year, adjusted by the amount of the legal reserve set up, pursuant to Brazilian Corporation Law.

The balance of dividends and interest on equity payable in the Statement of Financial Position amounted to R\$1,781 in the individual and in the consolidated on March 31, 2024 (R\$1,781 in the individual and in the consolidated on December 31, 2023).

22 Share-based compensation plan

The main events associated with the stock option plan from the Company are described in Note 24 to the Financial Statements for the year ended December 31, 2023.

In the period of three-months ending March 31, 2024, non occurred new grants of the current share-based compensation plan.

Changes in restricted shares for the period as follows:

Restricted shares	
	Amount (units)
Opening balance	9,536,381
Transactions:	
Exercised	(10,223)
Cancelled	(173,149)
Closing balance	9,353,009

The cumulative effect on Shareholders' Equity in the three-month period ended March 31, 2024 was R\$20,632 (R\$18,041 as of March 31, 2023), recorded as share-based payment expenses.

23 Operating Segments

The presentation of information by operating segment is consistent with the internal report provided to the main operational decision-makers of the Company and its subsidiaries in three reportable segments:

Management segment: represents TOTVS software operation. This segment comprises the dimensions of management software, with ERP, HR and Vertical.

Business Performance segment: includes solutions focused on generating opportunities and converting customer sales, such as sales, digital marketing and customer experience.

Techfin segment: includes the business of providing financial services, such as technology products aimed at financial services, partnerships, products with assumption of some degree of credit risk and/or the definition and/or application of credit policies through the joint venture TOTVS Techfin. In this segment are also consolidated the results of the subordinated shares of Supplier FIDC I and FIDC II, to which Supplier, subsidiary of TOTVS Techfin, currently assigns the originated credits. The creation of the JV with Itaú has resulted in a classification in only one line in the Statements of Profit or Loss in the rubric “Net Profit from Techfin Dimension” as CPC 31/ IFRS 5 determine until July 31, 2023 and from August 1, 2023, began to reflect the results of this operation in share of profit/ (loss) of equity-accounted investees line, proportional to its participation in the Share Capital from the Company.

The statement of profit or loss for the period ended March 31, 2024 and 2023 for these three reportable segments is as follows:

	Management		Business Performance		Techfin (i)		Consolidated	
	01/01 to 03/31/2024	01/01 to 03/31/2023	01/01 to 03/31/2024	01/01 to 03/31/2023	01/01 to 03/31/2024	01/01 to 03/31/2023	01/01 to 03/31/2024	01/01 to 03/31/2023
Statement of profit or loss								
Net revenue	1,117,957	975,923	129,680	88,219	49,735	49,876	1,297,372	1,114,018
(-) Costs	(320,104)	(268,338)	(31,555)	(20,189)	(22,842)	(25,863)	(374,501)	(314,390)
Gross profit	797,853	707,585	98,125	68,030	26,893	24,013	922,871	799,628
(-) Research and development expenses	(186,086)	(169,554)	(28,311)	(22,708)	(6,763)	(4,692)	(221,160)	(196,954)
(-) Selling and marketing expenses	(219,946)	(185,705)	(41,759)	(28,065)	(4,454)	(4,923)	(266,159)	(218,693)
(-) Impairment loss on trade and other receivables	(10,169)	(5,824)	(3,061)	(1,637)	(3,602)	(4,145)	(16,832)	(11,606)
(-) Administrative expenses	(93,938)	(78,720)	(15,586)	(10,884)	(13,946)	(8,910)	(123,470)	(98,514)
(-) Other operating income (expenses)	(5,598)	-	68	(21,469)	278	628	(5,252)	(20,841)
Result before depreciation, amortization and financial results and income tax and social contribution	282,116	267,782	9,476	(16,733)	(1,594)	1,971	289,998	253,020
(-) Depreciation and amortization	-	-	-	-	-	-	(78,187)	(67,433)
(-) Finance income (expenses)	-	-	-	-	-	-	(2,549)	(20,571)
(-) Income tax expenses	-	-	-	-	-	-	(78,807)	(62,672)
Profit for the period	-	-	-	-	-	-	130,455	102,344

(i) The amount from Techfin Dimension regarding the 1^o quarter of 2023 are presented pro forma considering just 50% from operation.

The Company and its subsidiaries have disclosed information above for each reportable segment, as this information is regularly reviewed by the chief operating decision maker.

The following table conciliate the segments model presented above with the Statement of Profit or Loss for the periods ended on March 31, 2024 and 2023:

	01/01 to 03/31/2024			
Statement of profit or loss	Consolidated Statement of Profit or Loss	Reclassification (i)	Techfin Profit or loss (ii)	Consolidated segments
Net revenue	1,247,637	-	49,735	1,297,372
(-) Costs	(380,493)	28,834	(22,842)	(374,501)
Gross profit	867,144	28,834	26,893	922,871
(-) Research and development expenses	(226,487)	12,090	(6,763)	(221,160)
(-) Selling and marketing expenses	(284,516)	22,810	(4,453)	(266,159)
(-) Impairment loss on trade and other receivables	-	(13,230)	(3,602)	(16,832)
(-) Administrative expenses	(132,480)	22,956	(13,946)	(123,470)
(-) Other operating income (expenses)	(5,529)	-	277	(5,252)
Result before depreciation, amortization and financial results and income tax and social contribution	218,132	73,460	(1,594)	289,998
(-) Depreciation and amortization	-	(73,460)	(4,727)	(78,187)
(-) Share of profit / (loss) of equity-accounted investees	(4,261)	4,261	-	-
(-) Finance income (expenses)	(4,662)	-	2,113	(2,549)
(-) Income tax expenses	(78,753)	-	(54)	(78,807)
Profit (loss) for the period	130,456	4,261	(4,262)	130,455

	01/01 to 03/31/2023			
Statement of profit or loss	Consolidated Statement of Profit or Loss	Reclassification (i)	Discontinued operation (iii)	Consolidated segments
Net revenue	1,064,142	-	49,876	1,114,018
(-) Costs	(309,122)	20,595	(25,863)	(314,390)
Gross profit	755,020	20,595	24,013	799,628
(-) Research and development expenses	(204,257)	11,995	(4,692)	(196,954)
(-) Selling and marketing expenses	(229,941)	16,171	(4,923)	(218,693)
(-) Impairment loss on trade and other receivables	-	(7,461)	(4,145)	(11,606)
(-) Administrative expenses	(110,440)	20,836	(8,910)	(98,514)
(-) Other operating income (expenses)	(21,469)	-	628	(20,841)
Result before depreciation, amortization and financial results and income tax and social contribution	188,913	62,136	1,971	253,020
(-) Depreciation and amortization	-	(62,136)	(5,297)	(67,433)
(-) Finance income (expenses)	(20,638)	-	67	(20,571)
(-) Income tax expenses	(63,134)	-	462	(62,672)
Profit (loss) for the period	105,141	-	(2,797)	102,344

(i) Reclassification of depreciation, amortization and Impairment loss on trade and other receivables in highlighted lines;

(ii) Share of profit / (loss) of equity-accounted investees, from January 1st to March 31, 2024;

(iii) Discontinued operation represents the profit or loss from January 1st to March 31, 2023, pro forma of 50%;

24 Earnings per share

The tables below show earnings and share data used to calculate basic and diluted earnings per share:

Basic earnings per share	01/01 to 03/31/2024	01/01 to 03/31/2023
Profit or loss for the period		
Continuing operations	127,734	99,715
Techfin Dimension	(1,085)	(5,594)
Profit attributable to the owners of the Company	126,649	94,121
Denominator (in thousands of shares)		
Weighted average number of common shares outstanding	603,011	604,916
Basic earnings per share (in Reais)	0.21003	0.15559
Basic earnings per share - continuing operations (in Reais)	0.21183	0.16484
Diluted earnings per share	01/01 to 03/31/2024	01/01 to 03/31/2023
Profit or loss for the period		
Continuing operations	127,734	99,715
Techfin Dimension	(1,085)	(5,594)
Profit attributable to the owners of the Company	126,649	94,121
Denominator (in thousands of shares)		
Weighted average number of common shares outstanding	603,011	604,916
Weighted average number of stock options/restricted shares	9,432	8,638
Weighted average number of common shares adjusted according to dilution effect	612,443	613,554
Diluted earnings per share (in Reais)	0.20679	0.15340
Diluted earnings per share - continuing operations (in Reais)	0.20856	0.16252

There were no other transactions involving common shares or potential common shares between the reporting date and the date when these condensed individual and consolidated interim financial statements were concluded.

25 Gross sales revenue

Gross revenue and deductions used for the calculation of net revenue presented in the Company's statement of profit and loss for the three-months periods ended March 31, 2024 and 2023 were as follows:

	Individual		Consolidated	
	01/01 to 03/31/2024	01/01 to 03/31/2023	01/01 to 03/31/2024	01/01 to 03/31/2023
Recurring software	769,217	651,158	1,224,449	1,019,984
Nonrecurring software	118,965	132,461	188,151	182,708
License fees	66,095	75,525	88,623	92,861
Nonrecurring services	52,870	56,936	99,528	89,847
Operating revenue	888,182	783,619	1,412,600	1,202,692
Sales canceled	(5,692)	(5,135)	(8,896)	(7,677)
Sales taxes	(100,867)	(88,651)	(156,067)	(130,873)
Deductions	(106,559)	(93,786)	(164,963)	(138,550)
Total net revenue	781,623	689,833	1,247,637	1,064,142

26 Costs and expenses by nature

The Company and its subsidiaries present below the information on operating expenses and costs by nature for the three-months periods ended March 31, 2024 and 2023.

Nature	Individual		Consolidated	
	01/01 to 03/31/2024	01/01 to 03/31/2023	01/01 to 03/31/2024	01/01 to 03/31/2023
Salaries, benefits and payroll charges	319,610	281,886	573,652	462,357
Outsourced services and other inputs	167,288	141,810	262,097	207,290
Commissions	75,311	75,135	79,478	88,108
Depreciation and amortization	47,893	38,871	73,460	62,136
Provision for contingencies	(121)	402	429	105
Impairment loss on trade and other receivables	5,816	4,184	13,230	7,461
Others (i)	6,497	14,154	27,159	47,772
Total	622,294	556,442	1,029,505	875,229

Occupation	Individual		Consolidated	
	01/01 to 03/31/2024	01/01 to 03/31/2023	01/01 to 03/31/2024	01/01 to 03/31/2023
Cost of softwares	244,989	209,491	380,493	309,122
Research and development expenses	139,132	125,931	226,487	204,257
Selling and marketing expenses	172,612	154,166	284,516	229,941
Administrative expenses	73,549	65,489	132,480	110,440
Other operating revenues/ (expenses) (i)	(7,988)	1,365	5,529	21,469
Total	622,294	556,442	1,029,505	875,229

(i) On March 31, 2023 in the consolidated includes the earn-out complement from the subsidiary Tallos due to performance above than expected in the amount of R\$20,407 in accordance with CPC 15 / IFRS 3.

27 Finance income and expenses

Finance income and costs incurred for the three-months periods ended March 31, 2024 and 2023 were as follows:

	Individual		Consolidated	
	01/01 to 03/31/2024	01/01 to 03/31/2023	01/01 to 03/31/2024	01/01 to 03/31/2023
<u>Finance income</u>				
Short-term investment yield	35,377	36,695	78,470	63,023
Interest received	1,427	1,894	2,575	2,354
Monetary gains	1,433	2,361	3,449	3,214
Adjustment to present value	519	751	894	1,096
Foreign exchange gains	2,992	44	3,459	1,775
Other finance income	-	2	141	13
	41,748	41,747	88,988	71,475
<u>Finance expenses</u>				
Interest expense	(48,570)	(58,809)	(52,034)	(62,107)
Monetary losses	(7,091)	(3,233)	(8,236)	(4,518)
Bank expenses	(272)	(929)	(515)	(1,149)
Adjustment to present value of liabilities	(8,611)	(7,703)	(23,379)	(19,444)
Foreign exchange losses	(37)	(178)	(1,659)	(2,882)
Other finance expenses (i)	(1,919)	(71)	(7,827)	(2,013)
	(66,500)	(70,923)	(93,650)	(92,113)
Net finance results	(24,752)	(29,176)	(4,662)	(20,638)

(i) Includes inflation adjustments of Argentine subsidiaries

28 Private pension plan – defined contribution

The Company and its subsidiaries offer the TOTVS Private Pension Plan, currently managed by Bradesco Seguros, which receives contributions from the employees and the Company and its subsidiaries, as described in the Program Membership Agreement. The contributions are segregated in:

- Basic Contribution – contribution made by employee, corresponds to 2% of his salary; in the case of executive officers, the contribution ranges from 2% to 5%.
- Voluntary Contribution – made exclusively by employees, with no matching contribution by the Company.
- Company Contribution – corresponds to 100% of the basic contribution. The Company is allowed to make extraordinary contributions, at the amounts and frequency it chooses.

In the individual and consolidated, the private pension expenses for the three-months period ended March 31, 2024 was R\$2,918 (R\$2,262 as of March 31, 2023).

Guidances Tracking

The financial projection disclosed in the Material Fact dated August 8th, 2023 and reflected below (“Projections”) were an estimate and involved market and other factors beyond Company’s control and did not constitute a promise of performance or by its management, and may be subject to change.

OPEX TOTVS TECHFIN

The following results consider the operating costs and expenses (OPEX) of TOTVS TECHFIN only, not including any information or data (present or estimated) relating to its subsidiary Supplier Administradora de Cartão de Crédito S.A. The same methodology was used for the Projections.

TOTVS TECHFIN's OPEX consists of the lines of Operating Costs, Research and Development, Sales and Marketing Expenses and Administrative and Other Expenses.

TOTVS <u>Techfin</u>	1Q24 Actual ⁽¹⁾	4Q24 Projected
Operating Costs and Expenses (OPEX) ⁽²⁾	R\$25.1 million	R\$32 to 40 million

⁽¹⁾ Realized value (not a projection) reflected in the published results.

⁽³⁾ OPEX consists of the lines of Operating Costs, Research and Development, Sales and Marketing Expenses and Administrative and Other Expenses.

As of today, the Company has not identified any reasons to modify the projection for the fourth quarter of 2024 (4Q24).