

TOTVS S.A.

Condensed individual and consolidated Interim Financial Statements
as of and for the three and nine-months periods ended September 30,
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

The Company, with the purpose of continuous improvement and to better reflect their operations, is correcting in the disclosure of its financial statements, the presentation of the costs from partners software, net of sales revenue, in the cases in which TOTVS represents as an intermediate (agent) in the transaction. This application is in accordance with CPC 47/ IFRS 15, which represents an immaterial error. To ensure comparability, similar treatment has been used for presenting the prior periods contained herein.

Consolidated Result (in R\$ thousand)	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Net Revenue	1,329,798	1,139,202	16.7%	1,278,842	4.0%	3,840,155	3,263,958	17.7%
Management Revenue	1,186,074	1,026,493	15.5%	1,143,003	3.8%	3,431,437	2,964,781	15.7%
Business Performance Revenue	143,724	112,709	27.5%	135,839	5.8%	408,718	299,177	36.6%
Mgmt. + Biz Perform. Adjusted EBITDA	330,451	282,781	16.9%	295,731	11.7%	932,942	819,089	13.9%
Management Adjusted EBITDA	313,015	275,918	13.4%	288,040	8.7%	898,339	804,850	11.6%
Biz Performance Adjusted EBITDA	17,436	6,863	154.1%	7,691	126.7%	34,603	14,239	143.0%
% Adjusted EBITDA Margin	24.8%	24.8%	0 bp	23.1%	170 bp	24.3%	25.1%	-80 bp
% Management Adjusted EBITDA	26.4%	26.9%	-50 bp	25.2%	120 bp	26.2%	27.1%	-90 bp
% Biz Performance Adjusted EBITDA	12.1%	6.1%	600 bp	5.7%	640 bp	8.5%	4.8%	370 bp

Net Revenue

Net Revenue reached R\$1,329,798, growth of 17% in relation to the same period of the previous year and an 18% increase when compared to the accumulated year-over-year. This performance is largely a result of the focus on expanding recurring revenue in both operations, with this item having increased 20% year-over-year in Management, driven by the growth in SaaS Revenue, and 28% in Business Performance in the same period.

SaaS revenues from Management and Business Performance revenue continue to be the major drivers of growth, having corresponded, jointly for half of Consolidated Revenue of the quarter.

Adjusted EBITDA

Adjusted EBITDA ended the quarter at R\$330,451, with a Margin of 24.8%, which is 170 basis points higher than 2Q24, driven by margin expansion in both business dimensions, namely: (i) 120 basis points in Management; and (ii) 640 basis points in Business Performance, which reached double digits at the end of the quarter with an EBITDA Margin of 12.1%.

Management dimension results

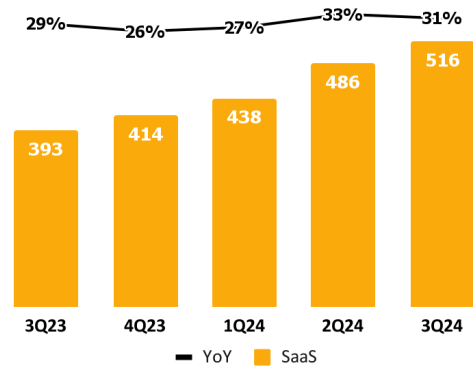
The Management dimension represents the portfolio of solutions focused on the efficiency of our clients' back and middle office operations through ERP/HR and Vertical solutions specialized in 12 industry sectors of the economy. The 2Q24 result of this dimension contains Ahgora's figures as of April.

Management Result (in R\$ thousand)	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Net Revenue	1,186,074	1,026,493	15.5%	1,143,003	3.8%	3,431,437	2,964,781	15.7%
Recurring	1,050,869	877,734	19.7%	1,006,021	4.5%	2,998,561	2,518,939	19.0%
Non Recurring	135,205	148,759	(9.1%)	136,982	(1.3%)	432,876	445,842	(2.9%)
Adjusted Costs	(340,539)	(284,727)	19.6%	(326,302)	4.4%	(970,510)	(794,734)	22.1%
Adjusted Gross Profit	845,535	741,766	14.0%	816,701	3.5%	2,460,927	2,170,047	13.4%
<i>Adjusted Gross Margin</i>	<i>71.3%</i>	<i>72.3%</i>	<i>-100 bp</i>	<i>71.5%</i>	<i>-20 bp</i>	<i>71.7%</i>	<i>73.2%</i>	<i>-150 bp</i>
Research and Development	(197,432)	(171,528)	15.1%	(189,792)	4.0%	(573,310)	(511,353)	12.1%
Provision for Expected Credit Losses	(9,368)	(7,853)	19.3%	(12,250)	(23.5%)	(31,787)	(22,188)	43.3%
Adjusted Sales and Marketing Expenses	(230,576)	(202,799)	13.7%	(228,335)	1.0%	(677,681)	(588,724)	15.1%
Adjusted G&A Expenses and Others	(95,144)	(83,668)	13.7%	(98,284)	(3.2%)	(279,810)	(242,932)	15.2%
Management Adjusted EBITDA	313,015	275,918	13.4%	288,040	8.7%	898,339	804,850	11.6%
% Management Adjusted EBITDA	26.4%	26.9%	-50 bp	25.2%	120 bp	26.2%	27.1%	-90 bp

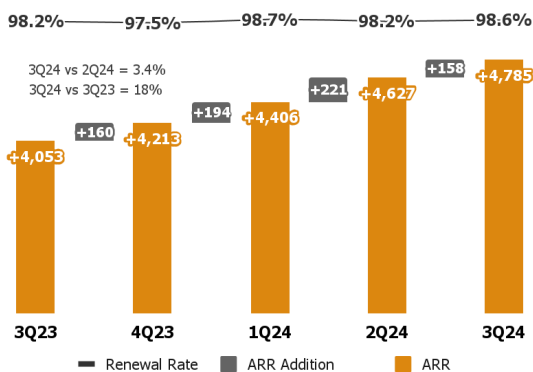
Recurring Revenue

The Company's constant focus on sources of recurring revenues is reflected in the representation of 89% of Net Revenue from Management in 3Q24, maintaining the pace of growth and showcasing a 20% advancement compared to the third quarter of 2023. Management SaaS performance was once again highlighted, achieving revenue of R\$516 million in the quarter, marking a 31% increase from 3Q23. The continuous demand for T-Cloud solutions (including the PaaS - Platform as a Service offer) is also another highlight, contributing to a 32% increase in Cloud revenue in the period.

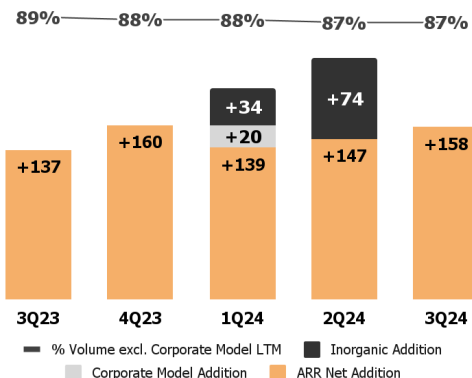
Management SaaS Revenue (R\$ million)



ARR (R\$ million) and Renewal Rate



ARR Addition (R\$ million)



In 3Q24, Management ARR reached R\$4.8 billion, with a Net Addition of R\$158 million. This solid organic performance reflects another quarter of consistent good sales momentum, maintaining a customer Renewal Rate of over 98%.

The shift to the subscription model over the years is a great success. One of the driving formats behind this growth is the so-called "Intera Ilimitado" ("Unlimited Intera"), which resembles the Corporate Model, but with the proof of the metrics and the potential increment in the fee charged being carried out based on the contract's anniversary date. These increments represent Volume additions because of higher software consumption by customers, misclassified within the Price component. The corresponding adjustment was made during this 3Q24. This reinforces the solid sales performance that, despite the return of the IGP-M rate contribution in the pricing component, kept the index at 87%, the same level of 2Q24.

Non-Recurring Revenues

In R\$ thousand	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Non Recurring Revenue	135,205	148,759	(9.1%)	136,982	(1.3%)	432,876	445,842	(2.9%)
License	48,932	52,652	(7.1%)	46,756	4.7%	172,593	181,688	(5.0%)
Services	86,273	96,107	(10.2%)	90,226	(4.4%)	260,283	264,154	(1.5%)

TOTVS has aimed to lower the TCO (Total Cost of Ownership) of its solutions to improve its competitive edge, especially among new customers. Non-Recurring Services are commonly linked with deployment and customization projects in new sales. Their customer price is by far the major component of TCO in the first year, which is the time horizon analyzed in the sales process. Therefore, reducing this price is positive and enhances the Company's competitiveness while also helps clients with limited initial investment capacity, and is difficult to be replicated by competitors, as it requires a robust financial capacity as it exchanges a piece of short-term Gross Margin for a significant increase in EBITDA margin in the medium and long term.

Moreover, in this quarter, we sold 2 territories (Sorocaba and Triângulo Mineiro, which were part of the TOTVS IP franchise acquired in 1Q24) to TOTVS franchises, which explains the 4.4% reduction in the Services line when compared to 2Q24. The impact of this factor, along with the decline in License Revenues, resulted in a 9.1% decrease in Non-Recurring Revenues in 3Q24 compared to 3Q23 and a 1.3% decrease compared to 2Q24.

Adjusted Gross Margin

In R\$ thousand	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Net Revenue	1,186,074	1,026,493	15.5%	1,143,003	3.8%	3,431,437	2,964,781	15.7%
Gross Profit	845,535	741,766	14.0%	816,701	3.5%	2,460,088	2,162,447	13.8%
Gross Margin	71.3%	72.3%	-100 bp	71.5%	-20 bp	71.7%	72.9%	-120 bp
Extraord. Adj. - Operatl. Restructuring	-	-	-	-	-	839	7,600	(89.0%)
Adjusted Gross Profit	845,535	741,766	14.0%	816,701	3.5%	2,460,927	2,170,047	13.4%
Adjusted Gross Margin	71.3%	72.3%	-100 bp	71.5%	-20 bp	71.7%	73.2%	-150 bp

The Adjusted Gross Margin for the quarter was 71.3%, marking a 100 basis points decrease from 3Q23 and a 20 basis points when compared to the previous quarter. This behavior is mainly related to: (i) restructuring costs arising from the sale of 2 territories that were part of the TOTVS IP franchise acquired in 1Q24, as previously outlined in the topic "[Non-Recurring Revenues](#)" of this section; and (ii) the strategy of reducing TCO, together with the reduction in demand for Licenses, also commented on in the topic "[Non-Recurring Revenues](#)".

Research & Development

The Research and Development (R&D) expenses amounted to 19% of Recurring Revenue for the quarter, 70 basis points lower than 3Q23 and 10 basis points lower than 2Q24. This reduction is mainly related to the growth of 20% year-over-year and 4.5% quarter-over-quarter in Recurring Revenue, which empowered TOTVS to continue to make the required Research and Development investments, thereby guaranteeing the sustained strong profitability of this dimension.

Provision for Expected Credit Losses

The Provision for Expected Credit Losses corresponded to 0.8% of the Management Net Revenue in the quarter and 0.9% in the nine-month period of 2024, highlighting the stability of a business model focused on Recurring Revenue. This result reflects a wide-ranging, diversified, pulverized, and resilient client base, as highlighted in previous quarters.

Sales and Marketing Expenses

In R\$ thousand	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Adjusted Sales and Marketing Expenses	(230,576)	(202,799)	13.7%	(228,335)	1.0%	(677,681)	(588,724)	15.1%
<i>% Net Revenue</i>	<i>19.4%</i>	<i>19.8%</i>	<i>-40 bp</i>	<i>20.0%</i>	<i>-60 bp</i>	<i>19.7%</i>	<i>19.9%</i>	<i>-20 bp</i>
Sales and Marketing Expenses	(230,576)	(202,799)	13.7%	(228,335)	1.0%	(678,858)	(591,041)	14.9%
Extraord. Adj. - Operatl. Restructuring	-	-	-	-	-	1,177	2,317	(49.2%)

Adjusted Sales and Marketing Expenses ended the quarter at 19.4% of Net Revenue, representing a 40 basis points reduction compared to 3Q23, mostly associated with the effect of stacking Recurring Revenue resulting from the new sales carried out throughout 2023 and early 2024, as well as the beginning of the increase in the representativeness of the transfer of inflation in revenues, since the IGP-M rate started to have a positive value in the accumulated of the last 12 months from June 2024.

Compared to 2Q24, the 60 basis point reduction in Adjusted Sales and Marketing Expenses over Net Revenue of this dimension is primarily connected to Marketing expenses, since the 2024 edition of Universo TOTVS was held in the previous quarter. It's worth mentioning that the Company continues with its recent advertising campaign, focused on brand building, which started in June and has been generating great results in raising awareness.

General, Administrative and Other Expenses

In R\$ thousand	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Adjusted G&A Expenses and Others	(95,144)	(83,668)	13.7%	(98,284)	(3.2%)	(279,810)	(242,932)	15.2%
<i>% Net Revenue</i>	<i>8.0%</i>	<i>8.2%</i>	<i>-20 bp</i>	<i>8.6%</i>	<i>-60 bp</i>	<i>8.2%</i>	<i>8.2%</i>	<i>0 bp</i>
G&A Expenses and Others	(89,195)	(93,236)	(4.3%)	(103,831)	(14.1%)	(292,561)	(262,786)	11.3%
General and Administrative Expenses	(96,280)	(83,026)	16.0%	(100,746)	(4.4%)	(290,720)	(240,534)	20.9%
Provision for Contingencies	(4,535)	(3,498)	29.6%	(5,799)	(21.8%)	(10,578)	(10,729)	(1.4%)
Other Net Expenses (Revenues)	11,620	(6,712)	(273.1%)	2,714	328.2%	8,737	(11,523)	(175.8%)
Extraordinary Items	(5,949)	9,568	(162.2%)	5,547	(207.2%)	12,751	19,854	(35.8%)
Extraord. Adj. - Operatl. Restructuring	(451)	53	(950.9%)	60	(851.7%)	1,650	577	186.0%
M&A Adjustment at Fair Value	-	8,256	(100.0%)	1,552	(100.0%)	15,587	14,521	7.3%
Expenses with M&A Transactions	3,101	1,492	107.8%	3,935	(21.2%)	10,005	4,126	142.5%
Tax Credit	-	(233)	(100.0%)	-	-	-	630	(100.0%)
Loss (Earns) in Disposed Assets	(8,599)	-	-	-	-	(14,491)	-	-

Adjusted General and Administrative and Other Expenses grew 14% compared to 3Q23, closing the quarter at 8% of Net Revenue, a level similar to that recorded in 3Q23, even with the acquisitions made in previous quarters. Compared to 2Q24, the reduction of 60 basis points in the ratio with Net Revenue for the period is mainly associated with the initial stages of integrating the newly acquired operations and the already mentioned sale of 2 territories (Sorocaba and Triângulo Mineiro) by the IP (Interior Paulista).

EBITDA and EBITDA Margin

Management Adjusted EBITDA crossed the R\$300 million milestone in the quarter, growth of 13.4% in relation to 3Q23, largely influenced by a 20% escalation in Recurring Revenue. This dimension has been showing increasing profitability over the past few quarters, with EBITDA growth of 8.7% compared to 2Q24 and a margin improvement of 120 basis points.

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.

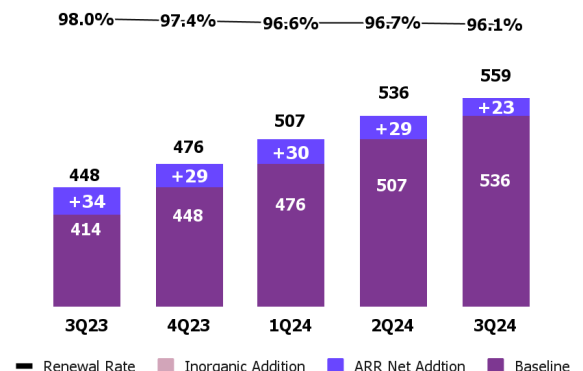
Biz Performance Result (in R\$ thousand)	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Net Revenue	143,724	112,709	27.5%	135,839	5.8%	408,718	299,177	36.6%
Recurring	140,100	109,974	27.4%	133,402	5.0%	400,148	292,514	36.8%
Non Recurring	3,624	2,735	32.5%	2,437	48.7%	8,570	6,663	28.6%
Costs	(36,280)	(25,911)	40.0%	(34,266)	5.9%	(101,576)	(68,445)	48.4%
Gross Profit	107,444	86,798	23.8%	101,573	5.8%	307,142	230,732	33.1%
<i>Gross Margin</i>	<i>74.8%</i>	<i>77.0%</i>	<i>-220 bp</i>	<i>74.8%</i>	<i>0 bp</i>	<i>75.1%</i>	<i>77.1%</i>	<i>-200 bp</i>
Research and Development	(27,883)	(26,741)	4.3%	(29,247)	(4.7%)	(85,441)	(73,841)	15.7%
Provision for Expected Credit Losses	(3,758)	(2,535)	48.2%	(4,102)	(8.4%)	(10,921)	(5,869)	86.1%
Sales and Marketing Expenses	(43,285)	(35,979)	20.3%	(44,136)	(1.9%)	(129,180)	(96,692)	33.6%
G&A Expenses and Others	(15,810)	(14,285)	10.7%	(26,787)	(41.0%)	(58,115)	(60,103)	(3.3%)
Biz Performance EBITDA	16,708	7,258	130.2%	(2,699)	(719.0%)	23,485	(5,773)	(506.8%)
<i>% Biz Performance EBITDA</i>	<i>11.6%</i>	<i>6.4%</i>	<i>520 bp</i>	<i>-2.0%</i>	<i>1360 bp</i>	<i>5.7%</i>	<i>-1.9%</i>	<i>760 bp</i>
Extraordinary Items	728	(395)	(284.3%)	10,390	(93.0%)	11,118	20,012	(44.4%)
M&A Adjustment at Fair Value	728	(395)	(284.3%)	9,825	(92.6%)	10,553	20,012	(47.3%)
G&A and Others from Oper. Restructuring	-	-	-	565	(100.0%)	565	-	-
Biz Performance Adjusted EBITDA	17,436	6,863	154.1%	7,691	126.7%	34,603	14,239	143.0%
<i>% Biz Performance Adjusted EBITDA</i>	<i>12.1%</i>	<i>6.1%</i>	<i>600 bp</i>	<i>5.7%</i>	<i>640 bp</i>	<i>8.5%</i>	<i>4.8%</i>	<i>370 bp</i>

Net Revenue

Net Revenue from Business Performance grew 28% in 3Q24 compared to 3Q23, driven by a 27% increase in Recurring Revenue. In the quarter-over-quarter comparison, the 5.8% growth in Net Revenue reflects mainly the ARR Net Addition recorded in recent quarters, together with the maintenance of the Renewal Rate at levels close to 97%.

The ARR net addition for this quarter totaled R\$23 million, displaying a slowdown in growth compared to the previous quarter, along with a decrease in the renewal rate, which stood just above 96%. It is worth remembering that, particularly in this Business Dimension, these indicators promptly reflect short-term market dynamics and may undergo quarterly fluctuations that do not represent structural changes. At this moment, it is our understanding that this is the current situation.

ARR (R\$ million) and Renewal Rate



Gross Margin

The Gross Margin of Business Performance closed the quarter at 74.8%, remaining stable compared to 2Q24, still reflecting the increase in the share of RD Station Conversas, Lexos, and Exact Sales in the Revenue composition, as mentioned in previous quarters. Since these solutions are fairly new, their scale and productivity levels are lower compared to more mature solutions like RD Station Marketing and RD Station CRM, which have more established and efficient structures.

Operating Expenses

Operating Expenses showed a 13% reduction compared to 2Q24, while, compared to 3Q23, expenses grew only 14%, against a 28% increase in Net Revenue, resulting in an important margin gain and showing great operational leverage capacity. The key explanations are the rapid expansion in scale, combined with the synergies currently being leveraged by the acquisitions conducted in 2023.

It is important to highlight that these gains allow maintaining the growing investment in the expansion and evolution of the solutions portfolio, as well as in the exploration of additional customer profiles and new distribution channels, which increase the addressable market and change the dynamics of customer retention and predictability of revenue growth.

EBITDA and EBITDA Margin

Business Performance Adjusted EBITDA ended the quarter at a record level of R\$17,436, more than doubling in the comparison year-over-year and quarter-over-quarter. The Adjusted EBITDA Margin reached the double-digit mark, closing the quarter at 12.1%, demonstrating the potential of unit economics of this dimension as mentioned in previous quarters.

During the nine-month period, the Adjusted EBITDA Margin reached 8.5%, reflecting an increase of 370 basis points from the same nine-month period in 2023, proving the commitment to the dual mandate of sustaining our high growth levels while enhancing profitability continuously.

Management and Business Performance Below EBITDA Result

Depreciation and Amortization Expenses

In R\$ thousand	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Depreciation	(40,021)	(35,187)	13.7%	(37,803)	5.9%	(114,110)	(98,488)	15.9%
Amortization	(46,847)	(36,353)	28.9%	(46,537)	0.7%	(130,558)	(110,979)	17.6%
Depreciation and Amortization	(86,868)	(71,540)	21.4%	(84,340)	3.0%	(244,668)	(209,467)	16.8%

Depreciation and Amortization expenses grew 21% compared to 3Q23, mainly associated with the beginning of depreciation and amortization of assets arising from acquisitions in the period. The 3% growth of this line, when compared to 2Q24, reflects the typical expansion of operations, particularly in Cloud and SaaS operations, which boosted Management and Business Performance revenues.

Financial Result

In R\$ thousand	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Financial Revenues	67,343	104,556	(35.6%)	67,913	(0.8%)	224,244	263,432	(14.9%)
Financial Expenses	(87,148)	(96,506)	(9.7%)	(77,538)	12.4%	(258,336)	(279,700)	(7.6%)
Financial Result	(19,805)	8,050	(346.0%)	(9,625)	105.8%	(34,092)	(16,268)	109.6%
Present value adjustment of Call Option - Dimensa	10,737	6,294	70.6%	3,396	216.2%	22,636	21,319	6.2%
Extraordinary Present value adjustment - Earn-outs	5,732	(1,449)	(495.6%)	(2,481)	(331.0%)	3,295	196	>999%
Adjusted Financial Expenses	(70,679)	(91,661)	(22.9%)	(76,623)	(7.8%)	(232,405)	(258,185)	(10.0%)
Adjusted Financial Result	(3,336)	12,895	(125.9%)	(8,710)	(61.7%)	(8,161)	5,247	(255.5%)

As previously mentioned above, the recent acquisitions, combined with earn-out adjustments made at the end of 2023 and beginning of 2024 and the fulfillment of the open repurchase program, caused the Company's net cash position to decrease in 3Q24 compared to 3Q23. These factors primarily caused a R\$16,231 decrease in Financial Results during the period.

When compared to 2Q24, the 7.8% reduction in Adjusted Financial Expenses is mainly related to the end of the calculation of Tallos' earn-out in July 2024.

Income Tax and Social Contribution

In R\$ thousand	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
EBT	228,999	210,118	9.0%	185,829	23.2%	628,298	543,571	15.6%
Taxes at combined rate (34%)	(77,860)	(71,440)	9.0%	(63,182)	23.2%	(213,622)	(184,814)	15.6%
Law 11,196/05 - R&D Incentive	8,267	7,353	12.4%	8,834	(6.4%)	24,051	20,708	16.1%
Interest on Equity	46,340	47,216	(1.9%)	-	-	46,340	47,216	(1.9%)
Effect of Different Taxation in Subsidiaries	(1,714)	(6,683)	(74.4%)	(2,905)	(41.0%)	(11,738)	(15,283)	(23.2%)
Management Bonus	(1,008)	(920)	9.6%	(1,047)	(3.7%)	(2,566)	(2,797)	(8.3%)
Government Subsidies	326	1,829	(82.2%)	792	(58.8%)	2,132	3,593	(40.7%)
Tax loss and Negative Base Constitution	90,908	-	-	-	-	90,908	-	-
Other	(472)	1,603	(129.4%)	(4,055)	(88.4%)	(11,034)	(6,144)	79.6%
Income Tax and Social Contribution	64,787	(21,042)	(407.9%)	(61,563)	(205.2%)	(75,529)	(137,521)	(45.1%)
Current Income Tax and Social Contribution	(28,912)	(22,839)	26.6%	(56,750)	(49.1%)	(152,107)	(139,377)	9.1%
Deferred Income Tax and Social Contribution	93,699	1,797	>999%	(4,813)	<(999%)	76,578	1,856	>999%
<i>% Current Effective Tax Rate</i>	<i>12.6%</i>	<i>10.9%</i>	<i>170 bp</i>	<i>30.5%</i>	<i>-1790 bp</i>	<i>24.2%</i>	<i>25.6%</i>	<i>-140 bp</i>
<i>% Total Effective Tax Rate</i>	<i>-28.3%</i>	<i>10.0%</i>	<i>-3830 bp</i>	<i>33.1%</i>	<i>-6140 bp</i>	<i>12.0%</i>	<i>25.3%</i>	<i>-1330 bp</i>
Income Tax and Social Contribution	(26,121)	(21,042)	24.1%	(61,563)	(57.6%)	(166,437)	(137,521)	21.0%
% Income Tax and Social Contribution Tax Rate excluding RD Station deferred Income Tax	-11.4%	-10.0%	13.9%	-33.1%	(65.6%)	-26.5%	-25.3%	4.7%

In this quarter, the operation of RD Station in Business Performance met the criteria required to make up Deferred Income Tax assets, allowing the registration of Tax Credits, which together totaled a deferred income tax credit of R\$90,908. When this effect is disregarded, the Total Effective Rate for the quarter is 11.4%, a level similar to that of 3Q23, both benefited mainly by the payment of Interest on Equity.

Techfin Dimension results

The Techfin dimension contemplates Supplier and Techfin operations, 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.

With the announcement of the closing of the transaction with Itaú, the Company started to hold a 50% of participation 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)	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Techfin Revenue - Net of funding	39,201	48,917	(19.9%)	34,921	12.3%	105,620	99,894	5.7%
Credit Products Revenue	55,455	66,712	(16.9%)	48,993	13.2%	152,497	158,473	(3.8%)
Funding Cost	(18,311)	(19,135)	(4.3%)	(16,189)	13.1%	(52,737)	(62,470)	(15.6%)
Fee Revenue	2,057	1,340	53.5%	2,117	(2.8%)	5,860	3,891	50.6%
Provision for Expected Credit Losses	(3,781)	(4,842)	(21.9%)	(4,290)	(11.9%)	(11,673)	(12,366)	(5.6%)
Adjusted OPEX	(31,138)	(31,972)	(2.6%)	(30,466)	2.2%	(89,771)	(74,993)	19.7%
Techfin Adjusted EBITDA	4,282	12,103	(64.6%)	165	>999%	4,176	12,535	(66.7%)
<i>% Techfin Adjusted EBITDA</i>	10.9%	24.7%	-1380 bp	0.5%	1040 bp	4.0%	12.5%	-850 bp
Adjusted Bellow EBITDA	(2,224)	(6,373)	(65.1%)	(3,725)	(40.3%)	(9,066)	(13,570)	(33.2%)
Intangibles from acquisitions amortization net of income tax and social contribution	2,614	2,614	0.0%	2,614	0.0%	7,841	7,841	0.0%
Adjusted Net Income (Loss) from Techfin Dimension	4,672	8,344	(44.0%)	(946)	(593.9%)	2,951	6,806	(56.6%)
<i>% Net Income (Loss) from Techfin Dimension</i>	11.9%	17.1%	-520 bp	-2.7%	1460 bp	2.8%	6.8%	-400 bp
Extraordinary Items, net of income tax and social contribution	-	-	-	-	-	(873)	-	-
Intangibles from acquisitions amortization net of income tax and social contribution	(2,614)	(2,614)	0.0%	(2,614)	0.0%	(7,841)	(7,841)	0.0%
Net Income (Loss) from Techfin Dimension	2,058	5,730	(64.1%)	(3,561)	(157.8%)	(5,764)	(1,035)	456.9%
Equity-accounted Investees Result - TOTVS	2,058	4,402	(53.2%)	(3,561)	(157.8%)	(5,764)	4,402	(230.9%)

Techfin Revenue - Net of Funding

Techfin Revenue Net Funding ended the quarter at R\$39,201, which is 12% higher than 2Q24 and 20% lower than 3Q23. The third quarter has a historical behavior of higher concentration of credit production from agribusiness, as it aligns with the start of the agricultural harvest in Brazil. This year, this industry sector has faced adverse conditions related mainly to drought and the delay of the rainy season in some important regions, which impacted the potential Credit Production associated with this sector. This effect is mainly observed in the average Credit Production Term for the quarter, which was 13% lower than the same period in 2023. The remaining operating segments of this Techfin maintained a good production volume, which contributed to the 5.6% year-over-year growth, despite the downturn in the agribusiness sector.

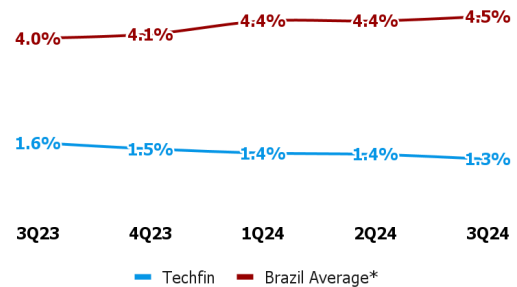
Operating Costs and Expenses

Techfin Operating Costs and Expenses remained at a level similar to that of 2Q24, still reflecting the integration of Supplier and Techfin operations, which, as commented in the previous quarter, has allowed TOTVS Techfin greater fluidity and gain in operational efficiency in investments to develop a new range of solutions.

Provision for Expected Credit Losses

The Provision for Expected Loss continues to improve and represented 0.35% of the Gross Credit Portfolio in the quarter, which remained 13 basis points lower than 3Q23 and 5 points lower than 2Q24. The low default level in the 1 to 90-day ranges of overdue Receivables resulted in an improvement in the low default level above 90 days, which ended 3Q24 at 320 basis points below the Brazilian Average, as depicted in the accompanying chart.

Delinquency above 90 days



*Source: Brazilian Central Bank. (www.bcb.gov.br/estatisticas/estatisticasmonetariascredito) > tabelas.xls > Tabela 23 > MPM

Adjusted EBITDA and EBITDA Margin

Techfin Adjusted EBITDA ended the quarter at R\$4,286, which is an increase of R\$4,121 over 2Q24, mainly because of the growth in Revenue Net of Funding in the period, concomitantly with the stability of quarter-over-quarter funding costs. The quarter-over-quarter Adjusted EBITDA Margin expanded strongly and seasonally, having increased from 0.5% in 2Q24 to 10.9% in 3Q24.

In the year-over-year comparison, as already mentioned, the reductions, both in Adjusted EBITDA and in the Adjusted EBITDA Margin, are mostly related to: (i) to the adverse performance that the Brazilian agribusiness sector has been experiencing in recent months, which impacted the Techfin Revenue Net of Funding; and (ii) the investments made to expand its portfolio and build competitive advantages for the Techfin, with the goal of maximizing value in market opportunities.

Net Income

Techfin ended the quarter with a Net Income of R\$2,063, mainly because of the increase in the Techfin EBITDA quarter-over-quarter.

EBITDA and Net Income Reconciliation

In R\$ thousand	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Consolidated Net Income	295,844	434,776	(32.0%)	120,705	145.1%	545,919	638,221	(14.5%)
<i>Net Margin</i>	22.2%	38.2%	-1600 bp	9.4%	1280 bp	14.2%	19.6%	-540 bp
(-) Net Income/Loss from Techfin Dimension	-	(241,298)	(100.0%)	-	-	1,085	(227,769)	(100.5%)
(+) Depreciation and Amortization	86,868	71,540	21.4%	84,340	3.0%	244,668	209,467	16.8%
(+) Financial Result	19,805	(8,050)	(346.0%)	9,625	105.8%	34,092	16,268	109.6%
(+) Income Tax and Social Contribution	(64,787)	21,042	(407.9%)	61,563	(205.2%)	75,529	137,521	(45.1%)
EBITDA ⁽¹⁾	337,730	278,010	21.5%	276,233	22.3%	901,293	773,708	16.5%
<i>% EBITDA Margin</i>	25.4%	24.4%	100 bp	21.6%	380 bp	23.5%	23.7%	-20 bp
(+) Techfin Dimension Adjusted EBITDA	4,282	12,103	(64.6%)	166	>999%	4,177	12,535	(66.7%)
(-) Equity Pickup	2,058	4,402	(53.2%)	(3,561)	(157.8%)	(5,764)	4,402	(230.9%)
(+) Extraordinary Items	(5,221)	9,173	(156.9%)	15,937	(132.8%)	25,885	49,783	(48.0%)
M&A Adjustment at Fair Value	728	7,861	(90.7%)	11,377	(93.6%)	26,140	34,533	(24.3%)
Adjustment from Oper. Restructuring	(451)	53	(950.9%)	625	(172.2%)	4,231	10,494	(59.7%)
Tax Credit	-	(233)	(100.0%)	-	-	-	630	(100.0%)
Expenses with M&A Transactions	3,101	1,492	107.8%	3,935	(21.2%)	10,005	4,126	142.5%
Loss (Earn) in Disposed Assets	(8,599)	-	-	-	-	(14,491)	-	-
Adjusted EBITDA ⁽¹⁾	334,733	294,884	13.5%	295,897	13.1%	937,119	831,624	12.7%
<i>% Adjusted EBITDA Margin ⁽²⁾</i>	24.5%	24.8%	-30 bp	22.5%	200 bp	23.7%	24.7%	-100 bp

⁽¹⁾ EBITDA and Adjusted EBITDA are non-accounting (not reviewed) measures prepared by the Company and consist of Net Income of the period, 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 September 30, 2024, comprising the balance sheet as of September 30, 2024 and related statements of income, comprehensive income for the three and nine-month periods then ended, of changes in shareholders' equity and cash flows for the nine-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 nine-month period ended September 30, 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, November 1st, 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	
		9/30/2024	12/31/2023	9/30/2024	12/31/2023			9/30/2024	12/31/2023	9/30/2024	12/31/2023
Current assets		1,697,652	1,998,329	3,058,506	3,906,298	Current liabilities		622,741	636,034	1,253,991	1,348,729
Cash and cash equivalents	5	1,107,423	1,466,321	2,154,825	3,129,162	Labor liabilities	14	255,623	224,268	473,272	375,960
Escrow account	18	7,414	6,915	13,675	13,175	Trade and other payable		119,382	113,276	170,444	155,266
Trade accounts and other receivable	6	385,874	367,725	581,925	538,528	Taxes and contributions liabilities	15	75,581	69,293	113,945	107,427
Recoverable taxes	7	40,263	44,305	80,289	87,838	Commissions payable		52,013	52,967	63,630	62,610
Other assets	10	156,678	113,063	227,792	137,595	Dividends payable	22	1,055	1,781	1,055	1,781
						Loans and lease liabilities	16	47,123	81,799	58,195	90,701
						Debentures	17	18,480	55,208	18,480	55,208
						Accounts payable from acquisition of subsidiaries	18	7,503	7,004	244,932	421,803
						Other liabilities		45,981	30,438	110,038	77,973
Non-current assets		5,820,273	5,492,876	5,721,846	4,922,562	Non-current liabilities		2,092,578	2,134,597	2,418,254	2,467,460
Achievable in the long term		276,979	242,406	732,986	514,482	Loans and lease liabilities	16	61,814	96,906	78,177	106,663
Escrow account	18	-	-	181,564	116,759	Debentures	17	1,470,990	1,491,495	1,470,990	1,491,495
Trade accounts and other receivable	6	11,445	10,959	16,519	16,496	Provision for contingencies	19	80,021	89,240	100,911	111,990
Receivables from related parties	9	8,067	8,563	5,231	3,787	Accounts payable from acquisition of subsidiaries	18	-	-	254,973	272,135
Investments at fair value	4.2	80,534	43,051	163,523	127,483	Call option of non-controlling interests	20	435,291	412,655	435,291	412,655
Deferred tax assets	8	66,997	87,710	231,218	147,426	Other liabilities		44,462	44,301	77,912	72,522
Judicial deposits	19	28,803	29,423	31,928	33,832						
Other assets	10	81,133	62,700	103,003	68,699						
Equity-accounted investees	11	4,640,548	4,352,257	317,603	323,367	Shareholders' equity	21	4,802,606	4,720,574	5,108,107	5,012,671
Property, plant and equipment	12	328,441	358,254	397,524	413,486	Share Capital		2,962,585	2,962,585	2,962,585	2,962,585
Intangible assets	13	574,305	539,959	4,273,733	3,671,227	Treasury shares		(606,638)	(283,445)	(606,638)	(283,445)
						Capital reserves		730,765	738,293	730,765	738,293
						Profit Reserves		1,262,719	1,262,719	1,262,719	1,262,719
						Retained earnings		396,616	-	396,616	-
						Carrying value adjustments		56,559	40,422	56,559	40,422
						Non-controlling interests		-	-	305,501	292,097
Total assets		7,517,925	7,491,205	8,780,352	8,828,860	Total shareholders' equity and liabilities		7,517,925	7,491,205	8,780,352	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 and nine-months ended September 30, 2024 and 2023
(In thousands of Reais, except for earnings per share)

	Note	Individual				Consolidated			
		07/01 to 09/30/2024	01/01 to 09/30/2024	07/01 to 09/30/2023 Adjusted	01/01 to 09/30/2023 Adjusted	07/01 to 09/30/2024	01/01 to 09/30/2024	07/01 to 09/30/2023 Adjusted	01/01 to 09/30/2023 Adjusted
Net revenue	26	802,979	2,332,787	702,055	2,046,301	1,329,798	3,840,155	1,139,202	3,263,958
Cost of software	27	(248,793)	(719,477)	(220,361)	(629,718)	(411,044)	(1,167,399)	(337,565)	(949,903)
Gross profit		554,186	1,613,310	481,694	1,416,583	918,754	2,672,756	801,637	2,314,055
Operating income (expenses)									
Research and development expenses	27	(145,010)	(423,417)	(127,677)	(378,389)	(239,877)	(697,557)	(210,101)	(620,885)
Selling and marketing expenses	27	(155,716)	(484,943)	(158,915)	(467,731)	(280,800)	(834,161)	(248,345)	(715,307)
Impairment loss on trade and other receivables	27	(7,049)	(18,940)	(5,816)	(15,258)	(13,126)	(42,708)	(10,388)	(28,057)
Administrative expenses	27	(83,933)	(240,535)	(72,619)	(209,563)	(147,124)	(433,661)	(124,515)	(357,491)
Other operating income/ (expenses)		2,266	12,736	1,046	(1,232)	10,977	(2,279)	(6,220)	(32,476)
Operating profit		164,744	458,211	117,713	344,410	248,804	662,390	202,068	559,839
Finance income	28	33,301	107,376	64,025	155,482	67,343	224,244	104,557	263,433
Finance expenses	28	(63,929)	(183,361)	(70,322)	(210,139)	(87,148)	(258,336)	(96,506)	(279,701)
Share of profit/ (loss) of equity-accounted investees	11	152,565	221,065	61,006	136,487	2,058	(5,764)	4,402	4,402
Profit before income and social contribution taxes		286,681	603,291	172,422	426,240	231,057	622,534	214,521	547,973
Income tax and social contribution - current		6,336	(48,977)	15,470	(37,556)	(28,912)	(152,107)	(22,839)	(139,376)
Income tax and social contribution - deferred		(2,022)	(20,713)	(1,456)	807	93,699	76,578	1,797	1,855
Total of income tax and social contribution taxes	8	4,314	(69,690)	14,014	(36,749)	64,787	(75,529)	(21,042)	(137,521)
Net profit from continuing operations		290,995	533,601	186,436	389,491	295,844	547,005	193,479	410,452
Net (loss)/ profit from Techfin Dimension (discontinued operation)		-	(1,085)	241,298	227,769	-	(1,085)	241,298	227,769
Net profit for the period		290,995	532,516	427,734	617,260	295,844	545,920	434,777	638,221
Net profit attributable to shareholders of the Company		290,995	532,516	427,734	617,260	290,995	532,516	427,734	617,260
Net profit attributable to non-controlling		-	-	-	-	4,849	13,404	7,043	20,961
Basic earnings per share (in Reais)	25					0.48936	0.89114	0.70841	1.02208
Diluted earnings per share (in Reais)	25					0.48110	0.87664	0.69729	1.00668

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 and nine-months ended September 30, 2024 and 2023

(In thousands of Reais)

	Individual				Consolidated			
	07/01 to 09/30/2024	01/01 to 09/30/2024	07/01 to 09/30/2023	01/01 to 09/30/2023	07/01 to 09/30/2024	01/01 to 09/30/2024	07/01 to 09/30/2023	01/01 to 09/30/2023
Net profit for the period	290,995	532,516	427,734	617,260	295,844	545,920	434,777	638,221
Items that are or may be reclassified subsequently to profit or loss								
Foreign operations - foreign currency translation adjustments	(81)	19,108	984	(1,461)	(81)	19,108	984	(1,461)
Other comprehensive income	(81)	19,108	984	(1,461)	(81)	19,108	984	(1,461)
Total comprehensive income for the period, net of tax	290,914	551,624	428,718	615,799	295,763	565,028	435,761	636,760
Total comprehensive income attributable to:								
Shareholders of the Company	290,914	551,624	428,718	615,799	290,914	551,624	428,718	615,799
Non-controlling interests	-	-	-	-	4,849	13,404	7,043	20,961

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 nine-months ended September 30, 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		-	(323,193)	-	(7,528)	-	-	(135,900)	-	(466,621)	-	(466,621)
Share-based compensation plan	23	-	-	-	43,629	-	-	-	-	43,629	-	43,629
Disposal of treasury shares	23	-	51,157	-	(51,157)	-	-	-	-	-	-	-
Purchase of treasury shares	23	-	(374,350)	-	-	-	-	-	-	(374,350)	-	(374,350)
Interest on shareholders' equity	22	-	-	-	-	-	-	(135,900)	-	(135,900)	-	(135,900)
Total comprehensive income		-	-	-	-	-	-	532,516	16,137	548,653	13,404	562,057
Profit for the period		-	-	-	-	-	-	532,516	-	532,516	13,404	545,920
Cumulative adjustment for currency exchange		-	-	-	-	-	-	-	16,137	16,137	-	16,137
Balance at September 30, 2024		2,962,585	(606,638)	(24,323)	755,088	192,313	1,070,406	396,616	56,559	4,802,606	305,501	5,108,107

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

	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, 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	-	(65,913)	-	(7,146)	-	-	(138,871)	-	(211,930)	1,884	(210,046)
Share-based compensation plan	-	-	-	39,217	-	-	-	-	39,217	-	39,217
Disposal of treasury shares	-	43,478	-	(43,478)	-	-	-	-	-	-	-
Purchase of treasury shares	-	(109,391)	-	-	-	-	-	-	(109,391)	-	(109,391)
Interest on shareholders' equity	-	-	-	-	-	-	(138,871)	-	(138,871)	-	(138,871)
Goodwill special reserve due to merger	-	-	-	(2,885)	-	-	-	-	(2,885)	-	(2,885)
Non-controlling interests	-	-	-	-	-	-	-	-	-	1,884	1,884
Total comprehensive income	-	-	-	-	-	-	617,260	(1,461)	615,799	20,961	636,760
Profit for the period	-	-	-	-	-	-	617,260	-	617,260	20,961	638,221
Cumulative adjustment for currency exchange	-	-	-	-	-	-	-	(1,461)	(1,461)	-	(1,461)
Balance at September 30, 2023	2,962,585	(283,584)	(24,323)	740,360	155,566	638,003	478,389	45,489	4,712,485	299,078	5,011,563

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 nine-months ended September 30, 2024 and 2023

(In thousands of Reais)

	Note	Individual		Consolidated	
		01/01 to 09/30/2024	01/01 to 09/30/2023	01/01 to 09/30/2024	01/01 to 09/30/2023
Cash flow from operating activities					
Profit before income and social taxes		603,291	426,240	622,534	547,973
Adjustments for:					
Depreciation and amortization	12/ 13	151,663	137,155	244,668	209,467
Share-based payments transactions	23	41,099	43,241	41,099	43,241
(Gain) Losses on write-off/ sale of property, plant and equipment and intangible assets		(8,067)	692	(18,287)	524
Impairment loss on trade and other receivables	6	18,940	15,258	42,708	28,057
Share of profit/ (losses) of equity-accounted investees	11	(221,065)	(136,487)	5,764	(4,402)
Provision for contingencies, net of reversals	19	11,503	11,402	11,005	10,729
Provisions on other obligations and others		(21,637)	-	(21,745)	35,206
Interest and monetary variations and exchange variations differences, net		165,182	189,751	208,099	222,157
		740,909	687,252	1,135,845	1,092,952
Changes in operating assets and liabilities					
Trade and other receivables		(37,575)	(34,842)	(76,485)	(83,274)
Recoverable taxes		(27,797)	4,602	(35,450)	4,038
Judicial deposits		(421)	(3,730)	(2)	(4,154)
Other assets		(75,360)	(30,907)	(110,349)	(89,887)
Labor liabilities		54,594	76,408	113,756	131,419
Trade and other payables		4,505	(3,951)	11,692	(628)
Commissions payable		(954)	(160)	(1,559)	(528)
Taxes and contributions payable		12,179	(24,575)	(4,156)	(40,252)
Other liabilities		(25,555)	(10,247)	(15,454)	11,547
Cash generated from operating activities		644,525	659,850	1,017,838	1,021,233
Interest paid		(174,815)	(221,292)	(176,399)	(222,546)
Tax paid		(39,118)	(62,852)	(129,238)	(143,388)
Net cash from operating activities		430,592	375,706	712,201	655,299
Cash flow generated by investing activities					
Capital increase in subsidiaries/ associates	11.2	(153,475)	(37,104)	-	-
Dividends received		105,196	56,636	-	9,073
Acquisition of property, plant and equipment	12	(67,897)	(85,935)	(81,131)	(97,941)
Acquisition of intangible assets	13	(87,239)	(130,117)	(98,216)	(133,625)
Franchises loan		9,725	9,229	(11,357)	9,229
Acquisitions of subsidiaries, net of cash acquired		-	-	(583,573)	(83,199)
Payments from acquisitions of subsidiaries		-	-	(314,990)	(42,789)
Proceeds from sale of subsidiaries, net of cash		21,144	54	43,174	54
Proceeds from sale of property, plant and equipment and intangibles		8,902	950	9,940	1,746
Fundo CVC investment		(41,409)	(4,147)	(41,409)	(4,147)
Cash used in Techfin Dimension		-	405,223	-	405,223
Net cash used in investing activities		(205,053)	214,789	(1,077,562)	63,624
Cash flow (used in the) /generated by financing activities					
Payment of principal of loans		(32,083)	-	(40,372)	(10,957)
Payment of principal of debentures		(1,500,000)	-	(1,505,000)	-
Payment of principal of lease liabilities		(37,546)	(36,872)	(46,875)	(43,942)
Proceeds from debentures and loans		1,474,982	32,083	1,474,982	32,083
Investment in non controlling		-	-	-	4,164
Receivables from related companies		1,921	(777)	-	(32)
Dividends and interest on shareholders' equity paid		(136,626)	(265,723)	(136,626)	(269,886)
Treasury shares, net		(355,085)	(109,392)	(355,085)	(109,392)
Net cash used in the financing activities		(584,437)	(380,681)	(608,976)	(397,962)
Net (Decrease) in cash and cash equivalents					
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		1,107,423	1,919,780	2,154,825	3,056,726

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 nine-months ended September 30, 2024 and 2023
(In thousands of Reais)

	Individual		Consolidated	
	01/01 to 09/30/2024	01/01 to 09/30/2023	01/01 to 09/30/2024	01/01 to 09/30/2023
1 – REVENUES	2,631,345	2,301,917	4,283,238	3,635,586
1.1 Revenues of contract with customer	2,638,469	2,312,367	4,318,579	3,666,218
1.2 Other revenue	11,816	4,808	7,367	(2,575)
1.3 Impairment loss on trade and other receivables (recording)	(18,940)	(15,258)	(42,708)	(28,057)
2 - RAW MATERIALS ACQUIRED FROM THIRD-PARTIES (includes ICMS and IPI taxes)	(706,043)	(421,821)	(1,029,444)	(684,507)
2.1 Cost of goods and services sold	(87,820)	(77,230)	(105,300)	(89,905)
2.2 Materials, energy, outsourced services and other	(617,138)	(572,360)	(912,047)	(822,371)
2.3 Other	(1,085)	227,769	(12,097)	227,769
3 - GROSS VALUE ADDED (1+2)	1,925,302	1,880,096	3,253,794	2,951,079
4 - DEPRECIATION AND AMORTIZATION	(151,663)	(137,155)	(244,668)	(209,467)
5 - NET VALUE ADDED PRODUCED BY THE COMPANY (3+4)	1,773,639	1,742,941	3,009,126	2,741,612
6 - VALUE ADDED RECEIVED THROUGH TRANSFERS	328,441	291,969	218,480	267,835
6.1 Share of profit/ (losses) of equity-accounted investees	221,065	136,487	(5,764)	4,402
6.2 Finance income	107,376	155,482	224,244	263,433
7 - TOTAL VALUE ADDED TO DISTRIBUTE (5+6)	2,102,080	2,034,910	3,227,606	3,009,447
8 - VALUE ADDED DISTRIBUTION	2,102,080	2,034,910	3,227,606	3,009,447
8.1 Personnel	968,003	865,644	1,769,674	1,468,597
8.1.1 Direct Compensation	795,043	719,147	1,465,963	1,229,955
8.1.2 Benefits	117,387	97,774	200,198	155,539
8.1.3 FGTS (Unemployment fund)	55,573	48,723	103,513	83,103
8.2 Taxes and contributions	417,706	340,457	647,539	618,658
8.2.1 Federal	346,827	278,166	533,744	520,779
8.2.2 State	105	166	2,752	2,363
8.2.3 Local	70,774	62,125	111,043	95,516
8.3 Interest and rent	183,855	211,549	264,473	283,971
8.3.1 Interest	183,361	210,138	258,337	279,701
8.3.2 Rents	494	1,411	6,136	4,270
8.4 Equity remuneration	532,516	617,260	545,920	638,221
8.4.1 Interest on shareholders' equity	135,900	138,871	135,900	138,871
8.4.3 Retained profit for the period	396,616	478,389	396,616	478,389
8.4.4 Non-controlling interest in retained profits	-	-	13,404	20,961

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.

1.3 Effects from climate event in Rio Grande do Sul

In compliance with Circular Letter No. 1/2024/CVM/SNC/GNC, TOTVS S.A. clarifies that it has branches and subsidiaries located in the state of Rio Grande do Sul. In light of the latest climate events that affected the region, TOTVS created a crisis committee for monitoring and establishing support measures for affected employees and their families. Material financial impacts were not observed that would compromise in some way the continuity of operations in that region.

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 November 1st, 2024, after a recommendation by the Audit Committee at a meeting held on October 29, 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, applicable to the preparation of interim financial information, and are present in accordance to the accounting practices adopted in Brazil, which comprises 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	
				9/30/2024	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) (x)	BRA	Indirect	Software operation	-	-
Neopenso Tecnologia Ltda. ("Neopenso") (v) (ix)	BRA	Indirect	Software operation	-	-
IPSP Sorocaba Sistemas Ltda. ("IPSP Sorocaba") (v) (ix)	BRA	Indirect	Software operation	-	-
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") (xii)	BRA	Indirect	Software operation	-	100.00%
Wizco Sistemas Ltda. ("Wizco") (xii)	BRA	Indirect	Software operation	-	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 em Sistemas de Informação 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") (xi)	PRT	Indirect	Software operation	-	100.00%
VT Comércio Digital S.A. ("VT Comércio") (iv)	BRA	Direct	Software operation	-	50.00%
RD Gestão e Sistemas S.A. ("RD Station") (vii)	BRA	Indirect	Software operation	100.00%	92.04%
Tallos Tecnologia Integrada E Assessoria em Negócios S.A ("Tallos") (viii)	BRA	Indirect	Software operation	-	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") (vii)	BRA	Indirect	Software operation	100.00%	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 1st, 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 1st, 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 April 30, 2024, VT Comércio was closed;
- (v) Companies acquired in 2024 in accordance with note 3;
- (vi) On February 29, 2024, direct subsidiary TOTVS Hospitality Argentina became an indirect subsidiary;
- (vii) Call option exercise 100% of registered common shares with no par value issued by RD Gestão de Sistemas S.A. on May 7, 2024. In this way, we also began to disclose 100% participation to its subsidiary Exact Sales;
- (viii) On August 31, 2024, the indirect subsidiary Tallos was merged by the, also indirect subsidiary RD Station for the negative net assets of R\$9,374 in which were evaluated by experts who issued the evaluation report of the Shareholders' equity in the base date on July 31, 2024. The variations in the accounts occurred after the base date until the data of effective merger were absorbed by the RD Station;
- (ix) Companies sold on July 1st, 2024;

- (x) On July 1st, 2024, the indirect subsidiary IP SP was merged by the direct subsidiary TTS for the net assets of R\$13,604 in which were evaluated by experts who issued the evaluation report of the Shareholders' equity in the base date on May 31, 2024. The variations in the accounts occurred after the base date until the data of effective merger were absorbed by the TTS;
- (xi) Company closed on July 25, 2024;
- (xii) On August 31, 2024, the indirect subsidiaries Gesplan and Wizco were merged by the direct subsidiary TOTVS Tecnologia, for the net assets of R\$5,359 and negative net assets of R\$7, respectively. These companies were evaluated by experts which issued the evaluation report of the Shareholders' equity in the base date on July 31, 2024. The variations in the accounts occurred after the base date until the data of effective merger were absorbed by the TOTVS Tecnologia.

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 September 30, 2023 do not include the profit or loss of the acquired subsidiaries IP, Ahgora and Quiver which began to be consolidated from the date of their respective acquisitions.

2.5. Reclassification of the Condensed individual and consolidated Interim Financial Statements from the periods ended March 31 and June 30, 2023 and 2024 and September 30, 2023

The Company, with the purpose of continuous improvement and to better reflect their operations, is correcting in the disclosure of its financial statements, the presentation of the costs from partners software, net of sales revenue, in the cases in which TOTVS represents as an intermediate (agent) in the transaction. This application is in accordance with CPC 47/ IFRS 15, which represents an immaterial error.

Therefore, in accordance with CPC 23/ IAS 8, the Company is presenting the impacts in the Statements of Profit or Loss and Statement of Value Added from individual and consolidated regarding the periods ended March 31 and June 30, 2023 and 2024 and September 30, 2023 and respectively note affected by the reclassification proceeded (note 26 - Gross sale revenue, note 27 - Costs and expenses by nature and note 24 – Operating segments). The reclassifications were realized as follows:

- Statements of Profit or Loss from the periods ended on March 31, June 30 and September 30, 2023:

	Individual			Consolidated		
	01/01 to 03/31/2023			01/01 to 03/31/2023		
	Published	Reclassification	Adjusted	Published	Reclassification	Adjusted
Net revenue	689,833	(12,115)	677,718	1,064,142	(13,548)	1,050,594
Cost of software	(209,491)	12,115	(197,376)	(309,122)	13,548	(295,574)
Gross profit	480,342	-	480,342	755,020	-	755,020

	Individual			Consolidated		
	01/01 to 06/30/2023			01/01 to 06/30/2023		
	Published	Reclassification	Adjusted	Published	Reclassification	Adjusted
Net revenue	1,368,500	(24,253)	1,344,247	2,152,057	(27,301)	2,124,756
Cost of software	(433,610)	24,253	(409,357)	(639,639)	27,301	(612,338)
Gross profit	934,890	-	934,890	1,512,418	-	1,512,418

	Individual			Consolidated		
	01/01 to 09/30/2023			01/01 to 09/30/2023		
	Published	Reclassification	Adjusted	Published	Reclassification	Adjusted
Net revenue	2,083,124	(36,823)	2,046,301	3,305,454	(41,496)	3,263,958
Cost of software	(666,541)	36,823	(629,718)	(991,399)	41,496	(949,903)
Gross profit	1,416,583	-	1,416,583	2,314,055	-	2,314,055

- Statements of Value Added from the periods ended on March 31, June 30 and September 30, 2023:

	Individual			Consolidated		
	01/01 to 03/31/2023			01/01 to 03/31/2023		
	Published	Reclassification	Adjusted	Published	Reclassification	Adjusted
1 – REVENUES	774,770	(12,115)	762,655	1,189,159	(13,548)	1,175,611
Revenues of contract with customer	777,622	(12,115)	765,507	1,194,182	(13,548)	1,180,634
Other revenue and Impairment loss on trade and other receivables (recording)	(2,852)	-	(2,852)	(5,023)	-	(5,023)
2 - RAW MATERIALS ACQUIRED FROM THIRD-PARTIES (includes ICMS and IPI taxes)	(225,715)	12,115	(213,600)	(325,430)	13,548	(311,882)
Cost of goods and services sold	(39,241)	12,115	(27,126)	(44,934)	13,548	(31,386)
Materials, energy, outsourced services and other	(186,474)	-	(186,474)	(280,496)	-	(280,496)
3 - GROSS VALUE ADDED (1+2)	549,055	-	549,055	863,729	-	863,729

	Individual			Consolidated		
	01/01 to 06/30/2023			01/01 to 06/30/2023		
	Published	Reclassification	Adjusted	Published	Reclassification	Adjusted
1 – REVENUES	1,536,802	(24,253)	1,512,549	2,825,867	(27,301)	2,798,566
Revenues of contract with customer	1,543,474	(24,253)	1,519,221	2,857,838	(27,301)	2,830,537
Other revenue and Impairment loss on trade and other receivables (recording)	(6,672)	-	(6,672)	(31,971)	-	(31,971)
2 - RAW MATERIALS ACQUIRED FROM THIRD-PARTIES (includes ICMS and IPI taxes)	(469,498)	24,253	(445,245)	(706,027)	27,301	(678,726)
Cost of goods and services sold	(75,251)	24,253	(50,998)	(99,266)	27,301	(71,965)
Materials, energy, outsourced services and other	(394,247)	-	(394,247)	(606,761)	-	(606,761)
3 - GROSS VALUE ADDED (1+2)	1,067,304	-	1,067,304	2,119,840	-	2,119,840

	Individual			Consolidated		
	01/01 to 09/30/2023			01/01 to 09/30/2023		
	Published	Reclassification	Adjusted	Published	Reclassification	Adjusted
1 – REVENUES	2,338,740	(36,823)	2,301,917	3,677,082	(41,496)	3,635,586
Revenues of contract with customer	2,349,190	(36,823)	2,312,367	3,707,714	(41,496)	3,666,218
Other revenue and Impairment loss on trade and other receivables (recording)	(10,450)	-	(10,450)	(30,632)	-	(30,632)
2 - RAW MATERIALS ACQUIRED FROM THIRD-PARTIES (includes ICMS and IPI taxes)	(458,644)	36,823	(421,821)	(726,003)	41,496	(684,507)
Cost of goods and services sold	(114,053)	36,823	(77,230)	(131,401)	41,496	(89,905)
Materials, energy, outsourced services and other	(344,591)	-	(344,591)	(594,602)	-	(594,602)
3 - GROSS VALUE ADDED (1+2)	1,880,096	-	1,880,096	2,951,079	-	2,951,079

The condensed individual and consolidated interim financial statements were approved in the following dates:

- Period ended on March 31, 2023: on May 5, 2023;
 - Period ended on June 30, 2023: on August 4, 2023;
 - Period ended on September 30, 2023: on November 1, 2023.
- Statements of Profit or Loss from the periods ended on March 31 and June 30, 2024:

	Individual			Consolidated		
	01/01 to 03/31/2024			01/01 to 03/31/2024		
	Published	Reclassification	Adjusted	Published	Reclassification	Adjusted
Net revenue	781,623	(14,230)	767,393	1,247,637	(16,122)	1,231,515
Cost of software	(244,989)	14,230	(230,759)	(380,493)	16,122	(364,371)
Gross profit	536,634	-	536,634	867,144	-	867,144

	Individual			Consolidated		
	01/01 to 06/30/2024			01/01 to 06/30/2024		
	Published	Reclassification	Adjusted	Published	Reclassification	Adjusted
Net revenue	1,558,368	(28,560)	1,529,808	2,542,772	(32,414)	2,510,358
Cost of software	(499,244)	28,560	(470,684)	(788,770)	32,414	(756,356)
Gross profit	1,059,124	-	1,059,124	1,754,002	-	1,754,002

- Statements of Value Added from the periods ended on March 31 and June 30, 2024:

	Individual			Consolidated		
	01/01 to 03/31/2024			01/01 to 03/31/2024		
	Published	Reclassification	Adjusted	Published	Reclassification	Adjusted
1 – REVENUES	884,356	(14,230)	870,126	1,395,851	(16,122)	1,379,729
Revenues of contract with customer	882,275	(14,230)	868,045	1,403,763	(16,122)	1,387,641
Other revenue and Impairment loss on trade and other receivables (recording)	2,081	-	2,081	(7,912)	-	(7,912)
2 - RAW MATERIALS ACQUIRED FROM THIRD-PARTIES (includes ICMS and IPI taxes)	(243,288)	14,230	(229,058)	(343,144)	16,122	(327,022)
Cost of goods and services sold	(41,614)	14,230	(27,384)	(48,415)	16,122	(32,293)
Materials, energy, outsourced services and other	(201,674)	-	(201,674)	(294,729)	-	(294,729)
3 - GROSS VALUE ADDED (1+2)	641,068	-	641,068	1,052,707	-	1,052,707

	Individual			Consolidated		
	01/01 to 06/30/2024			01/01 to 06/30/2024		
	Published	Reclassification	Adjusted	Published	Reclassification	Adjusted
1 – REVENUES	1,758,373	(28,560)	1,729,813	2,825,867	(32,414)	2,793,453
Revenues of contract with customer	1,759,936	(28,560)	1,731,376	2,857,838	(32,414)	2,825,424
Other revenue and Impairment loss on trade and other receivables (recording)	(1,563)	-	(1,563)	(31,971)	-	(31,971)
2 - RAW MATERIALS ACQUIRED FROM THIRD-PARTIES (includes ICMS and IPI taxes)	(495,952)	28,560	(467,392)	(706,027)	32,414	(673,613)
Cost of goods and services sold	(84,795)	28,560	(56,235)	(99,266)	32,414	(66,852)
Materials, energy, outsourced services and other	(411,157)	-	(411,157)	(606,761)	-	(606,761)
3 - GROSS VALUE ADDED (1+2)	1,262,421	-	1,262,421	2,119,840	-	2,119,840

The condensed individual and consolidated interim financial statements were approved in the following dates:

- Period ended on March 31, 2024: on May 3, 2024;
- Period ended on June 30, 2024: on August 1, 2024.

These reclassifications do not impact the Statement of Financial Position, Statements of Comprehensive Income, Statements of Change in Shareholders' Equity and Statement of Cash Flows.

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. The amount paid in cash, including price adjustment and withheld amount of R\$7,000 for eventual indemnities, was R\$139,613.

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.. The amount paid in cash was R\$113,083, which includes the withheld amount of R\$15,000 for eventual indemnities. 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”). The amount paid in cash was R\$372,000, which includes the withheld amount of R\$10,000 for eventual indemnities.

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, 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			
		IP	Quiver	Ahgora	Total
Cash payment		127,800	98,083	362,000	587,883
Contingent consideration	18	-	12,799	-	12,799
Amount withheld	18	7,000	15,000	10,000	32,000
Price adjustment		4,813	-	11,376	16,189
Total consideration		139,613	125,882	383,376	648,871

<i>Acquisition cash flow analysis</i>	Acquired companies in 2024			
	IP	Quiver	Ahgora	Total
Amount paid in cash	139,613	113,083	372,000	624,696
Net (cash) acquired from subsidiary	(9,636)	(2,846)	(28,641)	(41,123)
Acquisition net cash flow	129,977	110,237	343,359	583,573

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 September 30, 2024:

Preliminary fair value	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	22,736	6,369	39,064	68,169
Cash and cash equivalents	9,636	2,846	28,640	41,122
Trade accounts and other receivable	8,005	2,299	8,613	18,917
Other current assets	5,095	1,224	1,811	8,130
Non-current assets	61,494	61,445	81,569	204,508
Property, plant and equipment	-	983	3,285	4,268
Software	-	13,228	50,271	63,499
Client portfolio	48,717	41,220	23,001	112,938
Trademark	-	-	3,419	3,419
Non-compete	268	-	457	725
Goodwill	8,318	6,014	-	14,332
Other non-current assets	4,191	-	1,136	5,327
Current liabilities	30,160	10,474	27,574	68,208
Labor liabilities	8,882	3,963	10,345	23,190
Other liabilities	21,278	6,511	17,229	45,018
Non-current liabilities	408	1,337	3,547	5,292
Net assets and liabilities	53,662	56,003	89,512	199,177
Cash payment	127,800	98,083	362,000	587,883
Short-term portion	4,813	-	11,376	16,189
Long-term portion (i)	7,000	27,799	10,000	44,799
Goodwill	85,951	69,879	293,864	449,694

(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\$449,694 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.

In the condensed individual and consolidated interim financial statements position, in the ended period on September 30, 2024, the acquired company IP (merged on July 1st, 2024, in

accordance with note 2.4), Quiver and Ahgora, 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\$112,012 and consolidated net profit of R\$8,974, 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\$140,121 and consolidated net loss would be R\$4,244.

The transaction cost involving the acquisition of these companies as of September 30, 2024 was R\$2,887, 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	9/30/2024	12/31/2023
Cash and cash equivalents	5	Fair Value through profit or loss	2,125,890	3,099,642
Cash and cash equivalents	5	Amortized cost	28,935	29,520
Escrow account	18	Amortized cost	195,239	129,934
Trade accounts and other receivable	6	Amortized cost	598,444	555,024
Franchises loan	10	Amortized cost	29,350	13,855
Receivables for investments sold	10	Amortized cost	-	22,788
Investments at fair value	4.2	Fair Value through profit or loss	163,523	127,483
Financial Instruments assets			3,141,381	3,978,246
Loans (i)	16	Amortized cost	-	32,083
Debentures	17	Amortized cost	1,489,470	1,546,703
Trade accounts and other payable (ii)		Amortized cost	235,129	219,657
Accounts payable from acquisition of subsidiaries	18	Fair Value through profit or loss	272,781	543,358
Accounts payable from acquisition of subsidiaries	18	Amortized cost	227,124	150,580
Call option of non-controlling interests (iii)		Fair Value through profit or loss	435,291	412,655
Other liabilities		Amortized cost	43,325	32,344
Financial liabilities			2,703,120	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 September 30, 2024 and December 31, 2023:

	Individual		Consolidated	
	9/30/2024	12/31/2023	9/30/2024	12/31/2023
CV Idexo Fundo de Investimento	80,534	43,051	80,534	43,051
GoodData	-	-	82,965	84,408
Other	-	-	24	24
Total	80,534	43,051	163,523	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, 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. The fair value of this investment generated an expense of R\$11,012 in the consolidated profit or loss in 2024 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 September 30, 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 September 30, 2024, three different scenarios were defined. Based on projections disclosed by financial institutions, the average rate for CDI of 10.73% was defined as a probable scenario (scenario I) for the nine-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 September 30, 2024, with a one-year projection to check the sensitivity of CDI to each scenario.

Operation	Note	Balances at 9/30/2024	Risk	Probable Scenario I	Scenario II	Scenario III
Consolidated financial investments	5	2,137,479	Reduction CDI	10.73%	8.05%	5.37%
Estimated finance income				229,351	172,067	114,783

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 September 30, 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 September 30, 2024, projecting the rates for one year and checking their sensitivity in each scenario.

Operation	Note	Balances at 9/30/2024	Risk	Probable Scenario I	Scenario II	Scenario III
Debentures	17	1,489,470	Increase CDI	10.73%	13.41%	16.10%
Estimated finance expense				159,820	199,738	239,805

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 nine-months period ended on September 30, 2024:

Consolidated	Note	12/31/2023	Payments of principal and interests (i)	Proceeds (ii)	Non-cash items			9/30/2024
					Addition/ Remeasurement (Write off)	Interest incurred	Acquisition of subsidiary	
Loans	16	32,083	(40,372)	-	-	(31)	8,320	-
Leases	16	165,281	(53,201)	-	16,774	6,654	864	136,372
Debentures	17	1,546,703	(1,675,073)	1,474,982	-	137,457	5,401	1,489,470
Dividends and Interest on shareholders' equity payable	22	1,781	(136,626)	-	135,900	-	-	1,055
Total		1,745,848	(1,905,272)	1,474,982	152,674	144,080	14,585	1,626,897

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

(ii) The 5th issue debentures amount is present net of funding costs.

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, being the position on September 30, 2024 the balance of assets exceeds the negative balances from liabilities exposed, as follows:

9/30/2024						
Company	Trade and other payables	Cash and cash equivalents	Trade and other receivables	Other assets	Net exposure	Currency exposure
RJ Consultores México	(20)	1,537	808	71	2,396	Peso (MXN)
CMNet Participações	(16)	345	122	5	456	Peso CLP
TOTVS Hospitality Argentina	(106)	1,088	532	8	1,522	ARS
TOTVS S.A.	(101)	144	3,124	-	3,167	USD
TOTVS Large	(299)	-	27	-	(272)	USD
TOTVS México	(3,414)	1,175	7,335	768	5,864	Peso (MXN)
TOTVS Argentina	(4,419)	11,320	10,356	323	17,580	Peso (ARS)
TOTVS Colômbia	(1,611)	4,103	5,377	523	8,392	Peso (COP)
TOTVS Incorporation (Labs) (i)	(845)	306	603	82,974	83,038	USD
RD Station	(384)	-	-	-	(384)	USD
Feedz	-	-	8	-	8	USD
Total	(11,215)	20,018	28,292	84,672	121,767	

(i) Other assets in the amount of R\$82,965 on September 30, 2024 refer to financial investments 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	
		9/30/2024	12/31/2023	9/30/2024	12/31/2023
Loans and lease liabilities	16	108,937	178,705	136,372	197,364
Debentures	17	1,489,470	1,546,703	1,489,470	1,546,703
Accounts payable from acquisition of subsidiaries	18	7,503	7,004	499,905	693,938
(-) Cash and cash equivalents	5	(1,107,423)	(1,466,321)	(2,154,825)	(3,129,162)
(-) Escrow account	18	(7,414)	(6,915)	(195,239)	(129,934)
Net debt/ (cash)		491,073	259,176	(224,317)	(821,091)
Shareholders' equity		4,802,606	4,720,574	4,802,606	4,720,574
Non-controlling interests		-	-	305,501	292,097
Shareholders' equity and net debt		5,293,679	4,979,750	4,883,790	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	
	9/30/2024	12/31/2023	9/30/2024	12/31/2023
Cash and banks	1,358	487	17,346	13,421
Cash equivalents	1,106,065	1,465,834	2,137,479	3,115,741
Investment fund	1,095,465	1,465,834	2,125,890	3,099,642
CDB	10,600	-	11,587	4,077
Others	-	-	2	12,022
	1,107,423	1,466,321	2,154,825	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 100.59% of the CDI for the period ended on September 30, 2024 (93.99% as of December 31, 2023). Following is the breakdown of the exclusive investment fund portfolio:

	9/30/2024	12/31/2023
Post interest		
Cash and CPR (i)	57.27%	59.10%
Private credit	4.11%	4.11%
Public titles	38.32%	36.66%
Derivatives	0.29%	0.11%
Pre interest		
Private credit	0.30%	0.13%
Derivatives	-0.29%	-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	
	9/30/2024	12/31/2023	9/30/2024	12/31/2023
Domestic market	431,787	418,536	647,060	603,083
Foreign market	3,124	1,920	17,232	14,144
Trade of domestic and foreign market	434,911	420,456	664,292	617,227
(-) Impairment loss on trade and other receivables	(37,592)	(41,772)	(65,848)	(62,203)
Total trade accounts and other receivable	397,319	378,684	598,444	555,024
Current assets	385,874	367,725	581,925	538,528
Non-current assets (i)	11,445	10,959	16,519	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	
	9/30/2024	12/31/2023	9/30/2024	12/31/2023
Opening balance	41,772	42,321	62,203	62,551
Additional allowance	18,940	19,076	42,708	36,394
Write-off of impairment loss	(23,120)	(19,625)	(41,709)	(38,328)
Acquisition of subsidiaries	-	-	3,258	1,586
Write-off by alienation of company	-	-	(612)	-
Ending balance	37,592	41,772	65,848	62,203

6.1 Aging list of domestic and foreign market

Aging list of amounts trade and other receivables at September 30, 2024 and December 31, 2023, are as follow:

	Individual		Consolidated	
	9/30/2024	12/31/2023	9/30/2024	12/31/2023
Falling due	309,697	308,074	427,405	450,898
Unbilled	59,606	45,133	98,641	69,035
Overdue				
1 to 30 days	13,111	13,285	41,303	20,499
31 to 60 days	5,327	5,857	12,396	9,112
61 to 90 days	4,009	4,239	6,895	6,482
91 to 180 days	12,453	7,176	21,252	11,890
181 to 360 days	13,370	10,969	26,040	15,467
More than 361 days	17,338	25,723	30,360	33,844
Gross trade and other receivables	434,911	420,456	664,292	617,227
(-) Impairment loss on trade and other receivables (i)	(37,592)	(41,772)	(65,848)	(62,203)
Net trade and other receivables	397,319	378,684	598,444	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\$23,120 (R\$19,625 on December 31, 2023) for Individual and R\$41,709 (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 nine-month period ended on September 30, 2024 and year ended on December 31, 2023 are as follows:

	Individual		Consolidated	
	9/30/2024	12/31/2023	9/30/2024	12/31/2023
Income tax to offset (i)	21,914	27,006	47,864	50,722
Social contribution tax to offset (i)	9,213	8,562	16,938	14,935
Others (ii)	9,136	8,737	15,487	22,181
	40,263	44,305	80,289	87,838
Current assets	40,263	44,305	80,289	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 are being offset 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 09/30/2024	01/01 to 09/30/2023	01/01 to 09/30/2024	01/01 to 09/30/2023
Income before taxes	603,291	426,240	622,534	547,973
Income and social contribution taxes at combined nominal rate of 34%	(205,119)	(144,922)	(211,662)	(186,311)
Adjustments for the statement of effective rate				
Share of profit/ (losses) of equity-accounted investees	77,420	48,664	(1,960)	1,497
Law No. 11.196/05 (Incentive for research and development)	15,731	12,347	24,051	20,708
Interest on shareholders' equity	46,340	47,216	46,340	47,216
Effect of subsidiaries subject to special rates	-	-	(11,738)	(15,283)
Participation of administrators	(2,472)	(2,501)	(2,566)	(2,797)
Workers' Meal Program (PAT)	870	2,004	2,132	3,593
Constitution of tax loss and negative basis (i)	-	-	90,908	-
Others	(2,460)	443	(11,034)	(6,144)
Income and social contribution tax expense	(69,690)	(36,749)	(75,529)	(137,521)
Current income taxes	(48,977)	(37,556)	(152,107)	(139,376)
Deferred income taxes	(20,713)	807	76,578	1,855
Effective rate	11.6%	8.6%	12.1%	25.1%

(i) On September 30, 2024, after the merger of the subsidiary Tallos and update of deferred tax recoverability study over the next years from RD Station, the Company recorded the deferred income tax and social contribution balance on accumulated tax loss, social contribution negative base and temporary differences.

8.2 Breakdown of deferred income taxes

	Individual		Consolidated	
	9/30/2024	12/31/2023	9/30/2024	12/31/2023
Income tax losses	-	-	60,838	10,208
Deriving from temporary differences:				
Difference between tax and accounting bases of goodwill (i)	29,309	27,576	119,855	68,280
Tax benefit from goodwill amortization	(111,076)	(110,435)	(224,414)	(198,099)
Provision for commissions	11,246	18,290	14,954	21,163
Deferred income or revenues and/or to be invoice	1,687	4,166	7,429	12,497
Impairment loss on trade and other receivables	12,781	14,202	20,409	19,510
Provision for contingencies and other obligations	27,207	30,341	34,130	38,039
Provision for trade and other payables	29,979	26,417	41,311	34,189
Provision for share-based payments	39,279	46,033	48,730	53,173
Present value adjustment	303	376	58,578	42,984
Participation in profits and results	7,592	12,607	10,815	16,008
Others (ii)	18,690	18,137	22,967	20,827
Net deferred income and social contribution taxes	66,997	87,710	215,602	138,779
Deferred tax assets	66,997	87,710	231,218	147,426
Deferred tax liabilities (iii)	-	-	15,616	8,647

(i) Contemplates deferred income tax and social contribution by the fiscal base difference from the subsidiary Tallos, merged by the, also, subsidiary RD.

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

(iii) 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.

On September 30, 2024 there was a deferred tax asset of R\$3,541 regarding to tax loss and negative basis of social contribution, in addition to temporary differences from the subsidiaries Exact and Lexos, which are not reflected in the Statement of Financial Position, given that these

companies do not have a history of taxable profits.

Changes in deferred income taxes are as follows:

	Individual		Consolidated	
	9/30/2024	12/31/2023	9/30/2024	12/31/2023
Opening balance	87,710	68,455	138,779	118,425
Expense in statement of profit or loss	(20,713)	19,538	76,578	24,447
Other comprehensive income	-	(282)	-	(282)
Acquisitions of subsidiary	-	-	472	-
Companies sold/ closed (i)	-	-	(250)	-
Others (ii)	-	(1)	23	(3,811)
Ending balance	66,997	87,710	215,602	138,779

(i) The amount is regarding VT Comércio, closed on April 30, 2024, in accordance with note 2.4.

(ii) On December 31, 2023, refers to 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 September 30, 2024 and December 31, 2023 and revenues and costs on September 30, 2024 and 2023 are presented:

Company	9/30/2024				01/01 to 09/30/2024	
	Trade and other receivables	Other Assets (vi)	Trade and other payables	Other Liabilities	Revenues	Costs
Subsidiaries						
IP (v)	-	-	-	-	112	9,559
Dimensa (i)	391	2,114	226	-	16,398	1,381
Exact	-	-	-	-	1	749
RD Station	330	-	68	-	1,428	716
Wealth Systems (ii)	-	-	-	-	168	68
RJ Consultores	-	-	-	-	1,862	288
Ahgora	858	-	-	-	858	-
Others	157	726	9	4	1,190	1,705
Total transactions with subsidiaries	1,736	2,840	303	4	22,017	14,466
Joint arrangements						
Techfin S.A. (iii)	-	5,231	-	-	13,164	-
Supplier (iv)	-	-	-	-	326	-
Total transactions with joint arrangements	-	5,231	-	-	13,490	-
Total	1,736	8,071	303	4	35,507	14,466

Company	12/31/2023				01/01 to 09/30/2023	
	Trade and other receivables	Other Assets (vi)	Trade and other payables	Other Liabilities	Revenues	Costs
Subsidiaries						
TRS	17	-	2,170	-	19	5,926
Dimensa (i)	315	2,459	170	-	8,704	1,565
RD Station	35	2,190	54	-	651	825
Wealth Systems (ii)	-	-	-	-	1,581	769
TOTVS Large	23	-	42	-	202	399
RJ Consultores	-	-	-	-	1,147	123
Others	50	127	80	19	222	908
Total transactions with subsidiaries	440	4,776	2,516	19	12,526	10,515
Joint arrangements						
Techfin S.A. (iii)	-	3,787	-	-	2,605	97
Supplier (iv)	-	-	-	-	433	2,936
Total transactions with joint arrangements	-	3,787	-	-	3,038	3,033
Total	440	8,563	2,516	19	15,564	13,548

- (i) Refers to contract of sharing costs and expenses and of partnership for commercialization of solutions from Dimensa.
- (ii) Refer to partnership contract between Wealth Systems and TOTVS for the sale of CRM ("Customer Relationship Management") solutions.
- (iii) Refer to contract for the sale of Techfin solutions and of sharing costs and expenses.
- (iv) Refer to partnership contract between Supplier and TOTVS for the sale of Techfin solutions, software licenses and of sharing costs and expenses.
- (v) Refer to the remnants commission amounts from IP and Neopenso acquisitions.
- (vi) "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 09/30/2024	01/01 to 09/30/2023	01/01 to 09/30/2024	01/01 to 09/30/2023
VIP IV Empreendimentos e Participações (i)	Expense	1,217	1,174	1,217	1,174
GoodData Corporation (ii)	Expense	5,704	4,892	5,704	4,892
Instituto da Oportunidade Social (IOS) (iii)	Expense	4,163	3,397	6,387	6,132
Shipay Tecnologia S.A. (iv)	Expense	-	396	-	396
Other revenues (v)	Revenue	110	141	133	177

(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, each 12 months.

(ii) Through its subsidiary TOTVS Inc., the Company holds a minority interest in the capital, and representative on the board of GoodData, which represents a related party from TOTVS Group, being this investment classified as fair value through profit or loss as note 4.2. On September 30, 2024, the current contracts are: (i) commercial partnership for distribution of GoodData solutions in the amount of R\$5,349 (R\$4,728 on September 30, 2023); and (ii) software licenses contract in the amount of R\$355 (R\$164 on September 30, 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) Contracts regarding to the software and cloud services of no representative amounts with related parties.

Some of the Company’s shareholders and key management personnel directly or indirectly hold 8.82% of the Company’s shares as of September 30, 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 09/30/2024	01/01 to 09/30/2023
Management compensation		
Salaries, fees and payroll charges	12,449	10,751
Direct and Indirect benefits (i)	1,935	1,646
Variable bonus	12,922	8,141
Share-based payments	21,476	20,104
Total	48,782	40,642

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

10 Other assets

Breakdown of other assets at September 30, 2024 and December 31, 2023 is follows:

	Individual		Consolidated	
	9/30/2024	12/31/2023	9/30/2024	12/31/2023
Prepaid expenses (i)	179,088	112,965	188,292	121,002
Franchises loan (ii)	7,627	13,855	29,350	13,855
Advances to employees (iii)	42,999	19,205	65,211	31,939
Advances to suppliers	6,318	6,312	32,108	14,528
Receivables from investments disposed of (iv)	-	22,788	-	22,788
Other assets	1,779	638	15,834	2,182
Total	237,811	175,763	330,795	206,294
Current assets	156,678	113,063	227,792	137,595
Non-current assets	81,133	62,700	103,003	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) Represents advances from vacations, other advances and advances from 13^o salary paid until September 30, 2024.

- (iv) Contemplates mostly expenses with the event RD Summit which will occur in November 2024.
(v) On December 31, 2023, refers to the price adjustment in the TOTVS Techfin business combination, JV signed with Itaú, settled on March 5, 2024.

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 presented as follows:

11.1 Equity-accounted investees in subsidiaries and joint arrangements

	Individual		Consolidated	
	9/30/2024	12/31/2023	9/30/2024	12/31/2023
Equity-accounted investees in subsidiaries and joint arrangements	4,624,191	4,329,259	317,603	323,367
Appreciation of assets	16,357	22,998	-	-
	4,640,548	4,352,257	317,603	323,367

11.2 Equity-accounted investees changes

Changes in equity-accounted investees for the nine-months period ended September 30, 2024 were as follows:

	12/31/2023	Additions / (reductions)	Dividends	Equity pick-up			Foreign exchange/ Inflation (i)	Restructuring	9/30/2024
				Equity pick-up	Amortization of PPA (ii)	Total			
TOTVS Large	2,285,364	123,616	-	141,626	(6,642)	134,984	1,446	(54)	2,545,356
TOTVS Tecnologia	250,609	619	(76,232)	75,224	-	75,224	-	-	250,220
TOTVS Techfin	323,367	-	-	(5,764)	-	(5,764)	-	-	317,603
TTS	846,709	1,602	(7,194)	14,660	-	14,660	-	-	855,777
TOTVS Inc.	85,514	10,737	-	(22,440)	-	(22,440)	9,745	-	83,556
TOTVS Hospitality	49,415	-	(12,400)	9,084	-	9,084	496	660	47,255
VT Digital (iii)	5,424	-	(4,948)	(315)	-	(315)	-	(161)	-
TOTVS México	4,585	8,427	-	(4,085)	-	(4,085)	1,157	-	10,084
TOTVS Argentina	6,296	5,643	-	(5,309)	-	(5,309)	6,111	-	12,741
Dimensa	486,829	-	-	22,339	-	22,339	-	-	509,168
Eleve	7,747	2,429	(4,422)	3,034	-	3,034	-	-	8,788
TOTVS Hospitality Argentina	398	402	-	(347)	-	(347)	153	(606)	-
Total	4,352,257	153,475	(105,196)	227,707	(6,642)	221,065	19,108	(161)	4,640,548

- (i) Includes the inflation adjustments of Argentine subsidiaries, in addition to the write-off for Profit or Loss of cumulative translation adjustment from TOTVS Hospitality Argentina in the amount of R\$2,971, due to the change in shareholding control;
(ii) The goodwill and intangibles balances in the value of R\$16,357 (R\$22,998 on December 31, 2023) from TOTVS Large are presented in the investment composition of the individual. The amortization in the nine-month period ended on September 30, 2024 was R\$6,642 (R\$6,642 on September 30, 2023).
(iii) On April 30, 2024, VT Digital was closed.

11.3 Direct subsidiaries and joint arrangements information

	Summarized financial statements as at September 30, 2024				
	Assets	Liabilities	Shareholders' Equity	Net revenue	Profit or loss of the period
TOTVS Large	2,666,158	137,159	2,528,999	231,486	141,626
TOTVS Tecnologia	421,867	171,647	250,220	193,815	75,224
TOTVS Techfin	664,499	29,294	635,205	11,717	(11,528)
TTS	1,036,105	180,328	855,777	175,235	14,660
TOTVS Inc.	85,691	2,135	83,556	2,529	(22,440)
TOTVS Hospitality	79,349	15,914	63,435	57,207	12,208
VT Digital (ii)	-	-	-	266	(315)
TOTVS México	19,780	9,696	10,084	25,097	(4,085)
TOTVS Argentina	24,525	11,784	12,741	49,454	(5,309)
Dimensa	930,601	115,932	814,669	164,192	35,743
Eleve	10,478	1,690	8,788	8,945	3,034
TOTVS Hospitality Argentina (i)	-	-	-	431	(347)

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

(ii) On April 30, 2024, the Joint Operation VT Digital was closed.

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	58,190	9,084	114	242	253	3,010	14	70,907
Contract remeasurement	-	-	-	-	-	(835)	-	(835)
Transfers	149	-	(149)	164	(164)	-	-	-
Write-offs	(7,501)	(4,486)	(230)	(66)	(520)	(11,763)	(96)	(24,662)
Balances in 9/30/2024	448,561	24,099	27,380	28,889	104,320	306,377	11,954	951,580
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)	(43,923)	(4,941)	(1,297)	(1,260)	(8,067)	(35,771)	(1,638)	(96,897)
Transfers	(2)	-	2	-	-	-	-	-
Write-offs	7,312	3,608	209	66	520	9,905	54	21,674
Balances in 9/30/2024	(262,804)	(10,823)	(23,973)	(24,742)	(81,276)	(208,791)	(10,730)	(623,139)
Net amount								
Balances in 9/30/2024	185,757	13,276	3,407	4,147	23,044	97,586	1,224	328,441
Balances in 12/31/2023	171,532	10,011	4,758	5,001	31,022	133,040	2,890	358,254
Average annual depreciation rate	20% to 25%	33%	10% to 25%	6.7% to 25%	10% to 33%	10% to 33%	20%	
Average useful life (years)	4 to 5	3	4 to 10	4 to 12	3 to 10	3 to 10	5	

	Consolidated							
	Computers and electronic equipment	Vehicles	Furniture and fixtures	Facilities machinery and equipment	Leasehold improvements	Rights of use (i)	Others	Total
Cost								
Balances in 12/31/2023	444,931	25,132	36,062	34,349	134,195	353,065	14,185	1,041,919
Additions	67,904	11,852	145	370	505	17,959	355	99,090
Contract remeasurement	-	-	-	-	-	1,245	-	1,245
Additions due to business combination	2,030	40	942	401	2,709	4,862	275	11,259
Exchange variation (ii)	2,673	147	351	89	923	433	139	4,755
Transfers	650	-	(218)	(163)	(207)	-	(55)	7
Write-offs	(8,673)	(6,224)	(785)	(198)	(604)	(15,049)	(190)	(31,723)
Balances in 9/30/2024	509,515	30,947	36,497	34,848	137,521	362,515	14,709	1,126,552
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)	(50,522)	(6,352)	(1,730)	(1,605)	(11,314)	(43,830)	(2,170)	(117,523)
Additions due to business combination	(1,218)	(41)	(458)	(212)	(852)	(4,102)	(109)	(6,992)
Exchange variation (ii)	(1,886)	(37)	(320)	(49)	(923)	(304)	(140)	(3,659)
Transfers	(56)	-	(16)	(11)	(10)	-	87	(6)
Write-offs	8,342	4,774	540	171	568	13,060	130	27,585
Balances in 9/30/2024	(299,193)	(13,273)	(30,552)	(28,604)	(106,442)	(238,227)	(12,737)	(729,028)
Net amount								
Balances in 9/30/2024	210,322	17,674	5,945	6,244	31,079	124,288	1,972	397,524
Balances in 12/31/2023	191,078	13,515	7,494	7,451	40,284	150,014	3,650	413,486
Average annual depreciation rate	20% to 25%	33%	10% to 25%	6.7% to 25%	10% to 33%	10% to 33%	20%	
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 September 30, 2024, in the amount of R\$494 (R\$1,411 on September 30, 2023) in Individual and R\$6,136 (R\$4,270 on September 30, 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\$3,391 (R\$3,740 on September 30, 2023).

Breakdown of right of use and lease liabilities for the nine-month period ended September 30, 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
Additions/ Contract Remeasurement (i)	16,089	3,115	19,204
Write-offs	(1,953)	(36)	(1,989)
Additions due to business combination	472	288	760
Amortization	(39,002)	(4,828)	(43,830)
Interest incurred and exchange variation	135	(6)	129
Balances in 9/30/2024	113,224	11,064	124,288

(i) Represents the annual update of the leases applied to the right of use real estate's according to the indexes established in the 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	37,525	-	21,333	33,645	-	-	92,503
Balances in 9/30/2024	586,157	67,841	323,691	119,523	19,786	292,873	1,409,871
Amortization							
Balances in 12/31/2023	(423,778)	(63,150)	(249,531)	(21,164)	(19,786)	-	(777,409)
Amortization for the period	(32,574)	-	(16,641)	(8,942)	-	-	(58,157)
Balances in 9/30/2024	(456,352)	(63,150)	(266,172)	(30,106)	(19,786)	-	(835,566)
Net amount							
Balances in 9/30/2024	129,805	4,691	57,519	89,417	-	292,873	574,305
Balances in 12/31/2023	124,854	4,691	52,827	64,714	-	292,873	539,959
Average annual amortization rates	10% to 20%	6.7% to 8%	10% to 12.5%	20% to 50%	10% to 50%		
Average useful life (years)	5 to 10	12.5 to 15	8 to 10	2 to 5	2 to 10		

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	37,673	-	25,610	44,475	-	-	107,758
Additions due to business combination	66,046	3,419	114,916	-	726	464,027	649,134
Exchange variation (iii)	23	-	-	-	-	-	23
Write-offs	(369)	(344)	(6,382)	-	-	(12,930)	(20,025)
Balances in 9/30/2024	986,099	145,592	770,026	154,898	82,824	3,403,502	5,542,941
Amortization							
Balances in 12/31/2023	(543,022)	(95,641)	(402,649)	(35,968)	(57,544)	-	(1,134,824)
Amortization for the period	(62,579)	(4,470)	(49,275)	(10,820)	(3,392)	-	(130,536)
Additions due to business combination	(2,547)	-	(1,978)	-	-	-	(4,525)
Exchange variation (iii)	(138)	-	-	-	-	-	(138)
Write-offs	302	14	499	-	-	-	815
Balances in 9/30/2024	(607,984)	(100,097)	(453,403)	(46,788)	(60,936)	-	(1,269,208)
Net amount							
Balances in 9/30/2024	378,115	45,495	316,623	108,110	21,888	3,403,502	4,273,733
Balances in 12/31/2023	339,704	46,876	233,233	74,455	24,554	2,952,405	3,671,227
Average annual amortization rates	10% to 20%	6.7% to 8%	10% to 12.5%	20% to 50%	10% to 50%		
Average useful life (years)	5 to 10	12.5 to 15	8 to 10	2 to 5	2 to 10		

(i) The development capitalization totaled R\$44,475 in the nine-months period ended September 30, 2024 (R\$30,095 on September 30, 2023), that majority are related to the strategic plan of the Company and its subsidiaries. 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 September 30, 2024 and December 31, 2023 is as follows:

	12/31/2023	Business combination (ii)	(-) Write-off due to sale (i)	9/30/2024
Gesplan	28,325	-	-	28,325
Feedz	89,241	-	-	89,241
TRS	55,446	-	-	55,446
IP	-	94,270	(12,930)	81,340
Ahgora	-	293,864	-	293,864
Quiver	-	75,893	-	75,893
Other goodwill	813,204	-	-	813,204
CGU Management	986,216	464,027	(12,930)	1,437,313
CGU Dimensa	109,687	-	-	109,687
CGU Business Performance	1,856,502	-	-	1,856,502
Total	2,952,405	464,027	(12,930)	3,403,502

(i) IP Sorocaba and Neopenso sale, in accordance with note 2.4.

(ii) In IP and Quiver, contemplate the goodwill from their subsidiaries, in accordance with the open balance presented in note 3.

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 nine-months period ended September 30, 2024, the Management from the Company evaluated assumptions used on December 31, 2023 for the recoverability of its assets and did not identify material evidences that justify the necessity of 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	
	9/30/2024	12/31/2023	9/30/2024	12/31/2023
Labor liabilities:				
Salaries payable	35,790	34,538	70,628	66,537
Vacation payable	100,177	96,140	189,595	161,185
13th monthly salary payable	49,463	-	95,262	-
Profit sharing and bonus	22,952	40,717	34,061	59,231
Withholding Income Tax (IRRF) payable	22,891	24,910	40,786	44,341
Actuarial liabilities due to health care plan and retirement benefits (i)	2,534	2,309	2,534	2,309
Others (ii)	7,996	9,817	11,993	12,312
	241,803	208,431	444,859	345,915
Payroll liabilities				
FGTS (Unemployment Compensation Fund) payable	5,078	7,577	9,716	14,099
INSS (Social Security Tax) payable	8,742	8,260	18,697	15,946
	13,820	15,837	28,413	30,045
Total	255,623	224,268	473,272	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

Balances of taxes and contributions liabilities are broken down as follows:

	Individual		Consolidated	
	9/30/2024	12/31/2023	9/30/2024	12/31/2023
Federal Social Security Tax on Gross Revenue (CPRB)	23,088	21,617	31,247	28,543
Service Tax (ISS) payable	8,412	7,980	13,205	11,882
PIS and COFINS payable	42,086	36,720	56,941	49,080
IRPJ and CSLL payable	-	-	8,062	11,886
Withholding IR and CSLL	1,180	1,302	3,512	3,538
Other taxes	815	1,674	1,017	2,540
Total	75,581	69,293	113,984	107,469
Current liabilities	75,581	69,293	113,945	107,427
Non-current liabilities (i)	-	-	39	42

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

16 Loans and lease liabilities

Loans are initially recognized at fair value, net of costs incurred in the transactions 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 can be summarized as follows:

	Annual financial charges	Individual		Consolidated	
		9/30/2024	12/31/2023	9/30/2024	12/31/2023
Leases	(i)	108,937	146,622	136,372	165,281
Guaranteed accounts and other	-	-	32,083	-	32,083
		108,937	178,705	136,372	197,364
Current liabilities		47,123	81,799	58,195	90,701
Non-current liabilities		61,814	96,906	78,177	106,663

- (i) Weighted average nominal interest rate or the lease of real property right of use is 10.02% p.a. and 13.36% p.a. for the lease of the right to use electronic equipment.

Amounts recorded in non-current liabilities as at September 30, 2024 and December 31, 2023 have the following maturity schedule:

	Individual		Consolidated	
	9/30/2024	12/31/2023	9/30/2024	12/31/2023
2025	11,546	47,631	14,146	55,003
2026	40,832	41,198	44,605	43,360
2027	8,133	7,671	10,297	7,894
2028 onwards	1,303	406	9,129	406
Non-current liabilities	61,814	96,906	78,177	106,663

Below is the breakdown of loans and lease liabilities as of September 30, 2024:

	Individual		Consolidated	
	9/30/2024	12/31/2023	9/30/2024	12/31/2023
Opening balance	178,705	178,632	197,364	212,533
Additions from right of use leases	2,175	20,225	19,204	23,444
Additions from loans	-	32,083	-	32,083
Addition due to business combination	-	-	9,184	11,255
Interest incurred	5,142	8,896	6,623	9,719
Write-offs of right-of-use leases	(2,313)	(2,579)	(2,430)	(11,187)
Interest amortization	(5,143)	(8,896)	(6,326)	(10,472)
Principal amortization	(69,629)	(49,656)	(87,247)	(70,011)
Closing balance	108,937	178,705	136,372	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 September 30, 2024 and December 31, 2023:

	Individual		Consolidated	
	9/30/2024	12/31/2023	9/30/2024	12/31/2023
Gross lease liabilities – minimum lease payments				
Less than one year	51,724	56,303	64,287	66,260
More than one year and less than five years	63,137	102,275	72,780	112,567
More than five years	1,359	430	10,919	430
	116,220	159,008	147,986	179,257
Future financing charges on finance leases	(7,283)	(12,386)	(11,614)	(13,976)
Present value of lease liabilities	108,937	146,622	136,372	165,281
Current liabilities	47,123	49,716	58,195	58,618
Non-current liabilities	61,814	96,906	78,177	106,663

17 Debentures

On July 19, 2024, the Company approved the 5th issue of simple debentures, non-convertible, unsecured debentures, in a single series for public distribution, exclusively destined for professional investors, in the total amount of R\$1,500,000, at face value of R\$1. The Unit Face Value or the Unit Face Value balance, 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 0.95% per year on a 252 Business Day basis.

The 4th issue of debentures issued on September 12, 2022 had its early redemption beginning on August 13, 2024 by the total amount of R\$1,589,122. The cost of funding and the premium for early redemption from debentures in the amount of R\$25,018 were classified as part of necessary costs for 5th issue of debentures, in accordance with CPC 38/ IFRS 9.

17.1 Composition

On September 30, 2024 and December 31, 2023, the balances were broken down as follows:

Description	Debentures	Unit Price	Annual financial charges	Maturity	Individual		Consolidated	
					9/30/2024	12/31/2023	9/30/2024	12/31/2023
5th Issue of Debentures - Single Series	1,500,000	1	100% from CDI + Spread 0.95% p.a.	07/19/2031	1,489,470	-	1,489,470	-
4th Issue of Debentures - Single Series	1,500,000	1	100% from CDI + Spread 1.35% p.a.	09/12/2027	-	1,546,703	-	1,546,703
Total					1,489,470	1,546,703	1,489,470	1,546,703
Current liabilities					18,480	55,208	18,480	55,208
Non-current liabilities					1,470,990	1,491,495	1,470,990	1,491,495

17.2 Changes

	Individual	Consolidated
	9/30/2024	9/30/2024
Opening Balance	1,546,703	1,546,703
Business combination	-	5,401
Issuance of debentures	1,500,000	1,500,000
(-) Funding costs	(25,018)	(25,018)
Interest incurred	137,457	137,457
(-) Interest amortization	(169,672)	(170,073)
(-) Principal payment	(1,500,000)	(1,505,000)
Ending balance	1,489,470	1,489,470

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

Maturity	Individual and Consolidated	
	9/30/2024	12/31/2023
2026	-	743,690
2027	-	747,805
2028	358,751	-
2029	370,015	-
2030	369,955	-
2031	372,269	-
Non-current liabilities	1,470,990	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 for the debt and EBITDA, the effects arising from IFRS 16, as well as the liabilities, EBITDA and cash and cash equivalents from TOTVS Techfin and its subsidiaries are not being considered.

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					
	9/30/2024			12/31/2023		
	Contingent payments	Other amounts payable	Total	Contingent payments	Other amounts payable	Total
Datasul MG	-	6,636	6,636	-	6,190	6,190
Seventeen	-	324	324	-	308	308
Other	-	543	543	-	506	506
Total	-	7,503	7,503	-	7,004	7,004
Current liabilities	-	7,503	7,503	-	7,004	7,004

	Consolidated					
	9/30/2024			12/31/2023		
	Contingent payments	Other amounts payable	Total	Contingent payments	Other amounts payable	Total
RD Station (i) (ii)	-	30,088	30,088	252,375	32,366	284,741
Tallos (ii)	131,847	1,497	133,344	101,227	1,413	102,640
Feedz	68,868	8,277	77,145	65,000	7,668	72,668
Quiver	20,656	15,894	36,550	-	-	-
Supplier	31,472	20,091	51,563	23,816	19,156	42,972
IP	-	37,678	37,678	-	-	-
Exact (ii)	-	5,080	5,080	37,758	4,756	42,514
Vadu	-	18,675	18,675	15,186	17,567	32,753
TRS	-	23,406	23,406	-	22,124	22,124
Ahgora	-	19,859	19,859	-	-	-
Mobile2you	-	9,718	9,718	7,975	10,190	18,165
Lexos	10,814	2,331	13,145	9,923	2,160	12,083
Gesplan	-	5,515	5,515	21,439	5,332	26,771
Other	9,124	29,015	38,139	8,659	27,848	36,507
Total	272,781	227,124	499,905	543,358	150,580	693,938
Current liabilities	218,573	26,359	244,932	398,201	23,602	421,803
Non-current liabilities	54,208	200,765	254,973	145,157	126,978	272,135

(i) On May 7, 2024 the subsidiary exercised the call option from remaining participation of RD Station by the amount of R\$258,880;

(ii) Earn-out update in accordance with performance calculated until September 30, 2024, with effect of reversal in the amount of R\$15,566 recorded in the rubric "Other operating income/ (expenses)".

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

Year	Consolidated	
	9/30/2024	12/31/2023
2025	-	74,151
2026	72,960	86,430
2027	38,533	35,337
2028 onwards	143,480	76,217
Non-current liabilities	254,973	272,135

Below we present the retained amounts of accounts payable from acquisition of subsidiaries on September 30, 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	
	9/30/2024	12/31/2023	9/30/2024	12/31/2023
Escrow account - current	7,414	6,915	13,675	13,175
Escrow account - non-current	-	-	181,564	116,759
Total	7,414	6,915	195,239	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 September 30, 2024 and December 31, 2023 are as follows:

	Individual		Consolidated	
	9/30/2024	12/31/2023	9/30/2024	12/31/2023
Tax	7,654	8,025	10,337	10,206
Labor	42,656	48,819	57,518	64,673
Civil	29,711	32,396	33,056	37,111
	80,021	89,240	100,911	111,990

a) Changes in provisions

Changes in provisions for the nine-months period ended September 30, 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	41	13,429	9,334	22,804	484	13,467	10,119	24,070
(+) Monetary adjustment	275	2,559	130	2,964	357	3,253	461	4,071
(-) Reversal of provision	(646)	(5,275)	(5,380)	(11,301)	(609)	(6,823)	(5,633)	(13,065)
(-) Write-off due to payment	(41)	(16,876)	(6,769)	(23,686)	(101)	(17,332)	(9,002)	(26,435)
(+) Acquisition of subsidiaries	-	-	-	-	-	280	-	280
Balances in 9/30/2024	7,654	42,656	29,711	80,021	10,337	57,518	33,056	100,911

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	-	1,012	2,910	3,922	-	1,091	2,934	4,025
(+) Monetary adjustment	663	18	(49)	632	730	(47)	(36)	647
(-) Write-off for loss	-	(1,094)	(579)	(1,673)	-	(2,122)	(604)	(2,726)
(-) Reversion by devolution	-	(731)	(2,770)	(3,501)	-	(1,254)	(2,769)	(4,023)
(+) Acquisition of subsidiaries	-	-	-	-	173	-	-	173
Balances in 9/30/2024	14,663	5,241	8,899	28,803	15,958	6,220	9,750	31,928

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	
	9/30/2024	12/31/2023	9/30/2024	12/31/2023
Tax	155,347	166,014	205,311	216,101
Labor	32,134	44,998	48,771	60,904
Civil	140,864	165,581	168,066	192,113
	328,345	376,593	422,148	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 Call option of non-controlling interests

It is regarding the call option by the Company and put option from B3 - Brasil, Bolsa, Balcão referent to minority interest of 37,5% from the subsidiary Dimensa S.A. on September 30, 2024 in the amount of R\$435,291 (R\$412,655 on December 31, 2023). The term for exercising this option will be between the 3rd and 6th year after the closing of the transaction, which includes the periods from October 2024 to September 2027.

	<u>Individual and Consolidated</u>
Balance on December 31, 2023	412,655
Present value adjustment	22,636
Balance on September 30, 2024	435,291

21 Shareholders' equity

a) *Share Capital*

As at September 30, 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	9/30/2024		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	35,595,482	5.77%	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	1,050,306	0.17%	1,545,336	0.25%
CSHG Senta Pua Fia	144,800	0.02%	144,800	0.02%
Other	440,828,203	71.77%	449,464,231	72.82%
Outstanding shares	592,687,967	96.38%	603,806,282	97.83%
Treasury shares	24,495,214	3.62%	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 September 30, 2024 and December 31, 2023 was broken down as follows:

	9/30/2024	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	123,027	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)
	730,765	738,293

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

c) *Treasury shares*

As at September 30, 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)	13,221,600	R\$ 374,350	R\$ 28.31
Used	(2,103,285)	R\$ (51,157)	R\$ 24.32
Balance on 9/30/2024	24,495,214	R\$ 606,638	R\$ 24.77

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 nine-month period ended on September 30, 2024, 13,221,600 shares had been repurchased.

During the nine-month period ended September 30, 2024, 2,103,285 (2,052,292 on September 30, 2023) treasury shares were used by the restricted share plans, which consumed R\$51,157 (R\$43,478 on September 30, 2023) from the capital reserve.

22 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.

	<u>Individual</u>	<u>Consolidated</u>
Balances of dividends payable on December 31, 2023	1,781	1,781
(+) Deliberation interest on shareholders' equity - August 2024	136,811	136,811
(-) Prescription dividends and interest on shareholders' equity - Article 287 Law 6.404/76	(911)	(911)
(-) Payments	(136,626)	(136,626)
Balances of dividends payable on September 30, 2024	1,055	1,055

Interest on shareholders' equity is a part of dividends, which is deductible for purposes of Brazilian tax law. Therefore, reported in different lines in order to show the income tax effect.

Mandatory minimum dividends are shown in the statement of financial positions as legal obligations in the rubric dividends payable.

23 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 nine-months ending September 30, 2024, occurred five new grants of the current share-based compensation plan, which had the following assumptions:

Fair Value Assumptions					
Plans	Date	Market Value	Expectation of dividends	Vesting period	Fair value
Conselho	05/3/2024	R\$ 29.61	1.10%	3 years	R\$ 28.64
Conselho	05/3/2024	R\$ 29.61	1.22%	4 years	R\$ 28.19
Master	05/3/2024	R\$ 29.61	1.27%	5 years	R\$ 27.78
Destaques	05/3/2024	R\$ 29.61	1.10%	3 years	R\$ 28.64
Performance	05/3/2024	R\$ 29.61	1.10%	3 years	R\$ 29.34

Changes in restricted shares for the period as follows:

Restricted shares	
	Amount (units)
Opening balance	9,536,381
Transactions:	
Exercised	(2,872,459)
Granted	3,970,530
Cancelled	(520,493)
Closing balance	10,113,959

The cumulative effect on Shareholders' Equity in the nine-month period ended September 30, 2024 was R\$43,629 (R\$39,217 as of September 30, 2023), recorded as share-based payment expenses.

24 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 nine-month period ended September 30, 2024 and 2023 for these three reportable segments is as follows:

Statement of profit or loss	Management		Business Performance		Techfin (i)		Consolidated	
	01/01 to 09/30/2024	01/01 to 09/30/2023	01/01 to 09/30/2024	01/01 to 09/30/2023	01/01 to 09/30/2024	01/01 to 09/30/2023	01/01 to 09/30/2024	01/01 to 09/30/2023
Net revenue (ii)	3,431,437	2,964,781	408,718	299,177	158,357	162,364	3,998,512	3,426,322
(-) Costs (ii)	(971,348)	(802,334)	(101,576)	(68,445)	(68,377)	(74,698)	(1,141,301)	(945,477)
Gross profit	2,460,089	2,162,447	307,142	230,732	89,980	87,666	2,857,211	2,480,845
(-) Research and development expenses	(573,310)	(511,353)	(85,441)	(73,841)	(15,199)	(15,809)	(673,950)	(601,003)
(-) Selling and marketing expenses	(678,858)	(591,041)	(129,180)	(96,692)	(16,720)	(17,462)	(824,758)	(705,195)
(-) Impairment loss on trade and other receivables	(31,787)	(22,188)	(10,921)	(5,869)	(11,673)	(12,366)	(54,381)	(40,423)
(-) Administrative expenses	(301,298)	(251,115)	(47,099)	(39,298)	(43,115)	(31,011)	(391,512)	(321,424)
(-) Other operating income (expenses)	8,737	(11,523)	(11,016)	(20,953)	(420)	1,517	(2,699)	(30,959)
Result before depreciation, amortization and financial results and income tax and social contribution	883,573	775,227	23,485	(5,921)	2,853	12,535	909,911	781,841
(-) Depreciation and amortization	-	-	-	-	-	-	(258,620)	(224,910)
(-) Finance income (expenses)	-	-	-	-	-	-	(28,481)	(13,970)
(-) Income tax expenses	-	-	-	-	-	-	(75,805)	(137,946)
Net profit for the period	-	-	-	-	-	-	547,005	405,015

(i) The amount from Techfin Dimension regarding to the period from January to July 2023 are presented considering 50% from operation for better comparability.

(ii) Net revenue and costs information from the period of nine-months ended on September 30, 2023 were adjusted for better comparability as mentioned in the note 2.5.

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 nine-month period ended on September 30, 2024 and 2023:

Statement of profit or loss	01/01 to 09/30/2024			
	Consolidated Statement of Profit or Loss	Reclassification (i)	Techfin Profit or loss (ii)	Consolidated segments
Net revenue	3,840,155	-	158,357	3,998,512
(-) Costs	(1,167,399)	94,475	(68,377)	(1,141,301)
Gross profit	2,672,756	94,475	89,980	2,857,211
(-) Research and development expenses	(697,557)	38,806	(15,199)	(673,950)
(-) Selling and marketing expenses	(834,161)	26,123	(16,720)	(824,758)
(-) Impairment loss on trade and other receivables	(42,708)	-	(11,673)	(54,381)
(-) Administrative expenses	(433,661)	85,264	(43,115)	(391,512)
(-) Other operating income (expenses)	(2,279)	-	(420)	(2,699)
Result before depreciation, amortization and financial results and income tax and social contribution	662,390	244,668	2,853	909,911
(-) Depreciation and amortization	-	(244,668)	(13,952)	(258,620)
(-) Share of profit / (loss) of equity-accounted investees	(5,764)	5,764	-	-
(-) Finance income (expenses)	(34,092)	-	5,611	(28,481)
(-) Income tax expenses	(75,529)	-	(276)	(75,805)
Net profit (loss) for the period	547,005	5,764	(5,764)	547,005

	01/01 to 09/30/2023			
Statement of profit or loss	Consolidated Statement of Profit or Loss	Reclassification (i)	Discontinued operation (iii)	Consolidated segments
Net revenue (iv)	3,263,958	-	162,364	3,426,322
(-) Costs (iv)	(949,903)	79,124	(74,698)	(945,477)
Gross profit	2,314,055	79,124	87,666	2,480,845
(-) Research and development expenses	(620,885)	35,691	(15,809)	(601,003)
(-) Selling and marketing expenses	(715,307)	27,574	(17,462)	(705,195)
(-) Impairment loss on trade and other receivables	(28,057)	-	(12,366)	(40,423)
(-) Administrative expenses	(357,491)	67,078	(31,011)	(321,424)
(-) Other operating income (expenses)	(32,476)	-	1,517	(30,959)
Result before depreciation, amortization and financial results and income tax and social contribution	559,839	209,467	12,535	781,841
(-) Depreciation and amortization	-	(209,467)	(15,443)	(224,910)
(-) Share of profit / (loss) of equity-accounted investees	4,402	(4,402)	-	-
(-) Finance income (expenses)	(16,268)	-	2,298	(13,970)
(-) Income tax expenses	(137,521)	-	(425)	(137,946)
Net profit (loss) for the period	410,452	(4,402)	(1,035)	405,015

(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 September 30, 2024;

(iii) Discontinued operation represents the profit or loss from January 1st to July 31, 2023 proportional to 50% of operation for better comparability.

(iv) Net revenue and costs informations from the period of nine-months ended on September 30, 2023 were adjusted for better comparability as mentioned in the note 2.5.

25 Earnings per share

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

Basic earnings per share	07/01 to 09/30/2024	01/01 to 09/30/2024	07/01 to 09/30/2023	01/01 to 09/30/2023
Profit or loss for the period				
Continuing operations	290,995	533,601	186,436	389,491
Techfin Dimension	-	(1,085)	241,298	227,769
Profit attributable to the owners of the Company	290,995	532,516	427,734	617,260
Denominator (in thousands of shares)				
Weighted average number of common shares outstanding	594,638	597,564	603,797	603,927
Basic earnings per share (in Reais)	0.48936	0.89114	0.70841	1.02208
Basic earnings per share - continuing operations (in Reais)	0.48936	0.89296	0.30877	0.64493

Diluted earnings per share	07/01 to 09/30/2024	01/01 to 09/30/2024	07/01 to 09/30/2023	01/01 to 09/30/2023
Profit or loss for the period				
Continuing operations	290,995	533,601	186,436	389,491
Techfin Dimension	-	(1,085)	241,298	227,769
Profit attributable to the owners of the Company	290,995	532,516	427,734	617,260
Denominator (in thousands of shares)				
Weighted average number of common shares outstanding	594,638	597,564	603,797	603,927
Weighted average number of stock options/restricted shares	10,210	9,888	9,625	9,236
Weighted average number of common shares adjusted according to dilution effect	604,848	607,452	613,422	613,163
Diluted earnings per share (in Reais)	0.48110	0.87664	0.69729	1.00668
Diluted earnings per share - continuing operations (in Reais)	0.48110	0.87842	0.30393	0.63522

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.

26 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 and nine-months periods ended June 30, 2024 and 2023 were as follows:

	Individual				Consolidated			
	07/01 to 09/30/2024	01/01 to 09/30/2024	07/01 to 09/30/2023	01/01 to 09/30/2023	07/01 to 09/30/2024	01/01 to 09/30/2024	07/01 to 09/30/2023	01/01 to 09/30/2023
Recurring software (i)	818,423	2,358,773	696,318	1,997,418	1,342,352	3,838,985	1,115,395	3,176,591
Nonrecurring software	92,355	294,123	102,976	335,572	156,858	503,200	172,563	519,311
License fees (i)	40,002	138,126	38,891	152,267	55,320	197,086	59,469	207,939
Nonrecurring services	52,353	155,997	64,085	183,305	101,538	306,114	113,094	311,372
Operating revenue	910,778	2,652,896	799,294	2,332,990	1,499,210	4,342,185	1,287,958	3,695,902
Sales canceled	(2,390)	(13,538)	(4,994)	(18,239)	(5,083)	(23,339)	(7,628)	(26,973)
Sales taxes	(105,409)	(306,571)	(92,245)	(268,450)	(164,329)	(478,691)	(141,128)	(404,971)
Deductions	(107,799)	(320,109)	(97,239)	(286,689)	(169,412)	(502,030)	(148,756)	(431,944)
Total net revenue	802,979	2,332,787	702,055	2,046,301	1,329,798	3,840,155	1,139,202	3,263,958

(i) Recurring software revenues and license fees from the three and nine-months periods ended on September 30, 2023, were adjusted for better comparability as mentioned in the note 2.5.

27 Costs and expenses by nature

The Company and its subsidiaries present below the information on operating expenses and costs by nature for the three and nine-months periods ended September 30, 2024 and 2023.

Nature	Individual				Consolidated			
	07/01 to 09/30/2024	01/01 to 09/30/2024	07/01 to 09/30/2023	01/01 to 09/30/2023	07/01 to 09/30/2024	01/01 to 09/30/2024	07/01 to 09/30/2023	01/01 to 09/30/2023
Salaries, benefits and payroll charges	327,195	968,003	302,804	865,644	602,151	1,769,674	524,195	1,468,597
Outsourced services and other inputs (ii)	185,298	521,731	141,302	416,333	287,365	799,560	226,338	637,395
Commissions	48,038	171,723	65,562	209,767	63,931	206,781	74,404	244,568
Depreciation and amortization	52,768	151,663	46,346	137,155	86,868	244,668	71,539	209,467
Provision for contingencies	5,313	11,503	4,114	11,402	4,535	11,005	3,500	10,729
Impairment loss on trade and other receivables	7,049	18,940	5,816	15,258	13,126	42,708	10,388	28,057
Others (i)	12,574	31,013	18,398	46,332	23,018	103,369	26,770	105,306
Total	638,235	1,874,576	584,342	1,701,891	1,080,994	3,177,765	937,134	2,704,119

Occupation	Individual				Consolidated			
	07/01 to 09/30/2024	01/01 to 09/30/2024	07/01 to 09/30/2023	01/01 to 09/30/2023	07/01 to 09/30/2024	01/01 to 09/30/2024	07/01 to 09/30/2023	01/01 to 09/30/2023
Cost of softwares (ii)	248,793	719,477	220,361	629,718	411,044	1,167,399	337,565	949,903
Research and development expenses	145,010	423,417	127,677	378,389	239,877	697,557	210,101	620,885
Selling and marketing expenses	155,716	484,943	158,915	467,731	280,800	834,161	248,345	715,307
Impairment loss on trade and other receivables	7,049	18,940	5,816	15,258	13,126	42,708	10,388	28,057
Administrative expenses	83,933	240,535	72,619	209,563	147,124	433,661	124,515	357,491
Other operating revenues/ (expenses) (i)	(2,266)	(12,736)	(1,046)	1,232	(10,977)	2,279	6,220	32,476
Total	638,235	1,874,576	584,342	1,701,891	1,080,994	3,177,765	937,134	2,704,119

(i) In the nine-month period ended on September 30, 2024 the consolidated includes the earn-out adjustment from subsidiaries RD Station, Tallos and Exact due to the performance in the amount of R\$15,566 in accordance with CPC 15/ IFRS 3. In this same line in 2023, including the adjustment in the amount of R\$20,407 refers to the earn-out complement from the subsidiary Tallos.

(ii) Cost of software informations from the three and nine-months period ended on September 30, 2023 were adjusted for better comparability as mentioned in the note 2.5.

28 Finance income and expenses

Finance income and costs incurred for the three and nine-months periods ended September 30, 2024 and 2023 were as follows:

	Individual				Consolidated			
	07/01 to 09/30/2024	01/01 to 09/30/2024	07/01 to 09/30/2023	01/01 to 09/30/2023	07/01 to 09/30/2024	01/01 to 09/30/2024	07/01 to 09/30/2023	01/01 to 09/30/2023
Finance income								
Short-term investment yield	30,150	94,523	57,446	139,185	59,669	196,692	93,303	236,246
Interest received	1,192	4,015	1,480	4,943	3,017	8,368	2,325	6,739
Monetary gains	1,361	4,069	4,401	9,109	2,013	8,647	5,439	11,815
Adjustment to present value	480	1,592	625	2,073	979	2,883	1,103	3,340
Foreign exchange gains	71	3,114	23	120	1,607	7,395	2,332	5,011
Other finance income	47	63	50	52	58	259	55	282
	33,301	107,376	64,025	155,482	67,343	224,244	104,557	263,433
Finance expenses								
Interest expense	(48,530)	(143,203)	(58,537)	(173,526)	(52,828)	(155,322)	(61,535)	(183,122)
Monetary losses	(2,205)	(10,086)	(3,209)	(10,269)	(2,613)	(14,141)	(4,049)	(13,886)
Bank expenses	(351)	(1,156)	(1,174)	(3,134)	(703)	(2,135)	(1,495)	(3,918)
Adjustment to present value of liabilities	(10,838)	(22,970)	(6,426)	(21,860)	(23,388)	(61,837)	(22,890)	(61,947)
Foreign exchange losses	(32)	(86)	(132)	(363)	(1,677)	(3,927)	(1,429)	(6,198)
Other finance expenses (i)	(1,973)	(5,860)	(844)	(987)	(5,939)	(20,974)	(5,108)	(10,630)
	(63,929)	(183,361)	(70,322)	(210,139)	(87,148)	(258,336)	(96,506)	(279,701)
Net finance results	(30,628)	(75,985)	(6,297)	(54,657)	(19,805)	(34,092)	8,051	(16,268)

(i) Includes inflation adjustments of Argentine subsidiaries

29 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 nine-months period ended September 30, 2024 was R\$8,923 (R\$7,085 as of September 30, 2023).

Guidance's Tracking

The financial projection disclosed in the Material Fact dated August 8th, 2023 and revised in the Material Fact dated August 7th, 2024 ("Projections") was an estimate and involved market factors and others, 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. ("Supplier"). 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 Techfin	3Q24 Actual ⁽¹⁾	4Q24 Projected
Operating Costs and Expenses (OPEX) ⁽²⁾	R\$22.4 million	R\$20 to 30 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).