*São Paulo, August 6th, 2025 – **TOTVS S.A.** (B3: TOTS3) announces its*
results for the Second Quarter of 2025 (2Q25).

EARNINGS RELEASE 2Q25

VIDEO CONFERENCE - August 7th, 2025 at 11:00 AM (BRT)

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2Q25 EARNINGS

Consolidated Financial and Operational Highlights

R$1.5 billion +17% y/y
Net Revenue [(1)]

R$363 million +23% y/y
Adjusted EBITDA [(1)]

24.4% +120 bp y/y
EBITDA Margin [(1)]

R$218 million +51% y/y
Adjusted Net Income

R$196 million +25% y/y
Free Cash Flow

R$6.0 billion +17% y/y
ARR

R$221 million +25% y/y
Net Addition of ARR

R$1.54 +35% y/y
EPS LTM

20.1% +350 bp y/y
ROIC LTM

Consolidated**: **51% y/y growth in Adjusted Net Income,** with **17% y/y increase in Total Net Revenue

Management:** **20% y/y growth in Recurring Revenue** and **Adjusted EBITDA,** resulting in a **70 basis points margin expansion y/y

RD Station:** **19% y/y growth in Recurring Revenue,** with a **560 basis points y/y increase in Adjusted EBITDA Margin

***Techfin:** **Revenue Net of Funding grew 3.8% y/y,** and **Adjusted Net Income** was **2.8 times higher** than 2Q24*

1) Net Revenue and Adjusted EBITDA do not incorporate the results of Techfin.

Message from the CEO

"Simplicity is the ultimate sophistication." Though lacking substantiation, the quote is frequently credited to Leonardo da Vinci; in this era of Gen AI and artificial superintelligence, looking back in time is an intriguing exercise. Da Vinci, who lived in the 15th and 16th centuries, may be considered the quintessential polymath, an individual of wide-ranging expertise and skills in multiple domains, beyond a single specialty.

Similarly, at TOTVS simplicity is recognized as an enormous asset. Therefore, we seek to articulate our strategy in a single, easy-to-understand phrasing: we aim to increase our relevance in our customers. Everything we do is geared towards that goal. And if companies could be seen as polymaths, TOTVS would surely qualify, having expanded its ecosystem each year to serve SMBs, moving well past just ERP.

Simplicity can be deceptively difficult. We live with this challenge every day. That said, demonstrating this ability is more important at certain times, and the upcoming tax reform is one of those opportunities. For companies, this will add more complexity to the business landscape for years to come. Additional investment in digitalization will be required. And it shall yield advantages to those with a more efficient management and stronger technological readiness. For TOTVS, this means enhanced customer proximity, increased competitive edge, and solidifying our position as the trusted advisor for SMBs through simplification of complexities. It's a new growth cycle.

A few days ago, we announced the acquisition of Linx. The Valor newspaper's article title on the transaction highlights a glamorous perspective of the situation: "this acquisition marks the end of one of the most spectacular corporate soap operas in Brazil this decade". From TOTVS' viewpoint, we see a much more pragmatic outlook: a parallel history, a similar and well-known *modus operandi*, and complementarities of different kinds. Thus, we have consistently maintained the belief that such a company's destination would be our organization.

After a few years, with a stopover in the middle of the journey, and a negotiation conducted with great discipline, Linx eventually reached its rightful destination. With great affection and respect for customers, employees, and partners, we will welcome Linx with open arms, while always remembering that our name, TOTVS, means everything and everyone.

In closing, I extend my gratitude to our customers, partners, and especially our employees. TOTVS is still having a successful year in 2025. Even in a complex and challenging scenario. We will keep working to make H2 as strong as H1 and ensure 2025 sets the stage for a successful 2026.

Dennis Herszkowicz - CEO

CONSOLIDATED RESULTS

Financial and Operating Highlights

The tables below show values already adjusted for extraordinary items, which will help in analyzing the behavior of Cost and Expense lines. A reconciliation of adjusted and GAAP results can be found in **EXHIBITS II and III**.

Additionally, to preserve the analysis of the 3 business units, Techfin's Income Statement continues to be presented in the "**Techfin Business Unit**" section and its Balance Sheet and Cash Flow are available in **EXHIBIT VII**.

	2Q25	2Q24	Δ y/y	1Q25	Δ q/q	**1H25**	1H24	Δ y/y
Result (in R$ million, except %)								
Net Revenue	**1,488.1**	**1,272.3**	**17.0%**	**1,461.9**	**1.8%**	**2,950.0**	**2,497.7**	**18.1%**
Recurring Revenue	1,357.2	1,134.6	19.6%	1,310.6	3.6%	2,667.8	2,198.3	21.4%
Non-Recurring Revenue	130.8	137.7	(5.0%)	151.3	(13.5%)	282.2	299.4	(5.8%)
Adjusted Gross Profit	**1,067.4**	**914.3**	**16.7%**	**1,061.3**	**0.6%**	**2,128.7**	**1,807.5**	**17.8%**
Adjusted Gross Margin	*71.7%*	*71.9%*	*-20 bp*	*72.6%*	*-90 bp*	*72.2%*	*72.4%*	*-20 bp*
Adjusted EBITDA	**362.8**	**294.9**	**23.0%**	**378.7**	**(4.2%)**	**741.5**	**600.8**	**23.4%**
Adjusted EBITDA Margin	*24.4%*	*23.2%*	*120 bp*	*25.9%*	*-150 bp*	*25.1%*	*24.1%*	*100 bp*
Adjusted Net Income	**218.3**	**144.6**	**50.9%**	**227.7**	**(4.1%)**	**446.0**	**303.1**	**47.2%**
Adjusted Net Margin	*14.7%*	*11.4%*	*330 bp*	*15.6%*	*-90 bp*	*15.1%*	*12.1%*	*300 bp*

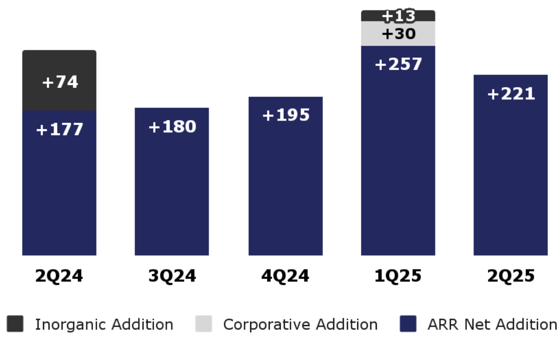
Financial and Operational Indicators (in R$ million, except %)								
% Recurring Revenue	91.2%	89.2%	200 bp	89.6%	160 bp	90.4%	88.0%	240 bp
SaaS Revenue from Management + RD Station	765.9	612.6	25.0%	733.2	4.5%	1,499.1	1,170.4	28.1%
ARR	6,039.8	5,143.0	17.4%	5,818.7	3.8%	n/a	n/a	n/a
ARR Net Addition	221.0	176.8	25.0%	287.2	-23.0%	508.3	366.6	38.6%
Recurring Revenue vs. ARR	91.6%	90.4%	120 bp	92.5%	-90 bp	n/a	n/a	n/a

Net Revenue

The growth in 2Q25 Consolidated Net Revenue (+17% y/y) resulted from the maintenance of the accelerated growth in Recurring Revenue (+20% y/y), making this line reach more than 91% of Consolidated Revenue. This behavior generated approximately R$3 billion in Net Revenue YTD (+18% y/y).

This Recurring Revenue performance was mainly supported by the continued expansion of Management SaaS Revenue (+27% y/y), driven mainly by the sustained high sales levels in both business units (Management and RD Station). Consequently, the ARR Net Addition, as depicted in the adjacent chart, was again strong, reaching R$221 million in 2Q25 (+25% y/y).

ARR Net Addition (R$ million)



In comparison with the prior year, Non-Recurring Revenue experienced a 5.0% decrease. This reflects the company's strategic prioritization of Recurring Revenues, a trend that has been in effect for a few past fiscal quarters. The 14% quarter over quarter drop is primarily because of a decrease in the License line, which benefited from a positive seasonal impact of R$26 million due to the Corporate Model increase in 1Q25.

Gross Margin

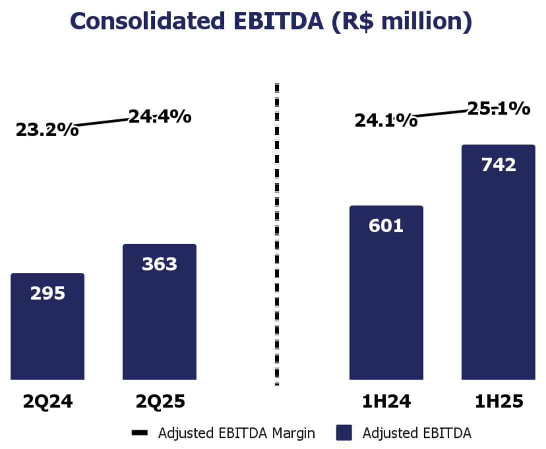
The 20 bp reduction in Gross Margin, compared to 2Q24, reflects the decreased proportion of Non-Recurring License Revenue and the expansion of RD Station's solutions that still operate at lower margins than Management.

Compared to 1Q25, the reduction in Gross Margin is associated with the positive seasonality of Corporate Model License Revenue in the first quarter, as already mentioned above.

EBITDA

The year over year expansion in Adjusted EBITDA (+23% vs. 2Q24) and Adjusted EBITDA Margin (+120 bp vs. 2Q24) mainly reflect the sustained accelerated growth in Recurring Revenue and the consistent gains in operational efficiency, both in the Management BU (+70 bp vs. 2Q24) and in the RD Station BU (+560 bp vs. 2Q24).

These effects, added to those of 1Q25, resulted in the growth of Adjusted EBITDA in the semester (+23% y/y) and the expansion of 100 basis points of the year-to-date Adjusted EBITDA Margin.



Net Income

Adjusted Net Income	2Q25	2Q24	Δ y/y	1Q25	Δ q/q	1H25	1H24	Δ y/y
Result (in R$ million, except %)								
Adjusted EBITDA	**362.8**	**294.9**	**23.0%**	**378.7**	**(4.2%)**	**741.5**	**600.8**	**23.4%**
Depreciation and Amortization	(68.0)	(58.7)	15.7%	(63.7)	6.7%	(131.6)	(113.7)	15.7%
Financial Result	(7.8)	(8.7)	(10.1%)	(10.1)	(22.2%)	(17.9)	(4.9)	267.8%
Income Tax and Social Contribution	(63.1)	(76.1)	(17.0%)	(74.9)	(15.7%)	(138.0)	(168.9)	(18.3%)
Non-Controlling Net Income - Dimensa	(6.4)	(5.8)	9.2%	(5.9)	7.1%	(12.3)	(8.6)	44.0%
Adjusted Equity Pick-up - Techfin 50%	0.8	(0.9)	(182.1%)	3.6	(78.4%)	4.4	(1.7)	(354.1%)
Adjusted Net Income	**218.3**	**144.6**	**50.9%**	**227.7**	**(4.1%)**	**446.0**	**303.1**	**47.2%**
Adjusted Net Margin	*14.7%*	*11.4%*	*330 bp*	*15.6%*	*-90 bp*	*15.1%*	*12.1%*	*300 bp*
Financial and Operational Indicators (in R$ million, except %)								
NOPLAT [1]	223.5	150.4	48.6%	234.4	(4.7%)	457.8	306.3	49.5%
ROIC (LTM) [2]	20.1%	16.6%	350 bp	18.3%	180 bp	n/a	n/a	n/a
EPS (LTM)	1.54	1.15	34.8%	1.42	8.5%	n/a	n/a	n/a

[1] NOPLAT = Adjusted Net Income - (Adjusted Financial Result) x 66 %

[2] ROIC = (NOPLAT LTM) / [(Shareholders' Equity) - (Net Debt or Cash) at the beginning of the period]

[3] EPS (LTM) = Adjusted Net Income (LTM) / (Total Shares Outstanding – Treasury Shares)

The growth of over 50% in Adjusted Net Income in 2Q25 versus 2Q24 is related to the 23% increase in Adjusted EBITDA and the R$13 million reduction in expenses with Income Tax and Social Contribution (-17% y/y), as a result of the distribution of more than R$88 million in Interest on Equity (IoE).

Compared to the previous quarter, the fluctuation in Adjusted Net Income was slightly negative (-4.1%), mainly because of the performance of Adjusted EBITDA in the same period.

It is worth highlighting that the increase in Adjusted Net Income in recent quarters has been contributing to the improvement in Earnings per Share (EPS) in the last 12 months and ROIC (Return on Invested Capital). This quarter, these metrics showed substantial year over year growth (EPS +35% and ROIC +350 bp), demonstrating a high capacity to generate operating income and, consequently, the Company's Net Income.

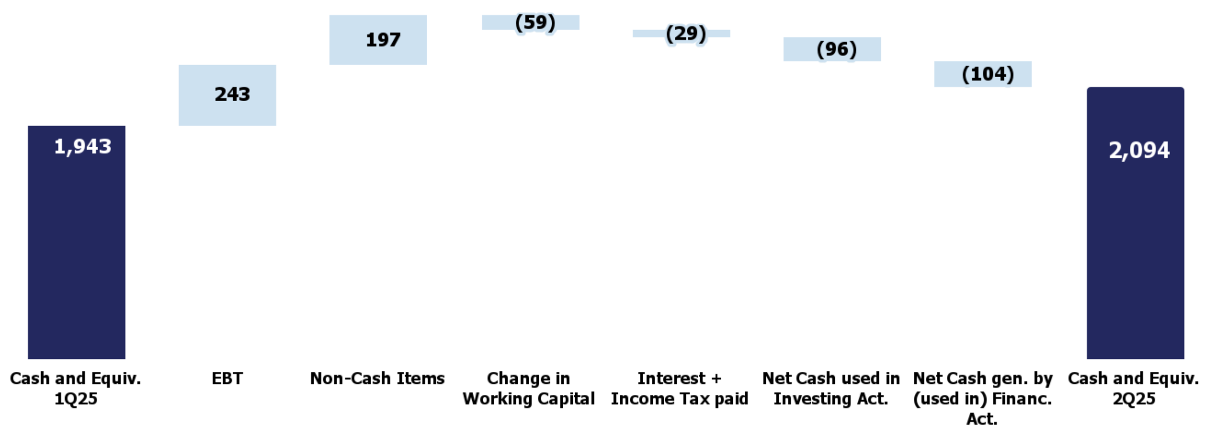
Free Cash Flow

Free Cash Flow	**2Q25**	2Q24	Δ y/y	1Q25	Δ q/q	**1H25**	1H24	Δ y/y
Result (in R$ million, except %)								
EBT	**242.9**	**181.5**	**33.8%**	**258.6**	**(6.1%)**	**501.4**	**389.9**	**28.6%**
Non-Cash Items	197.4	140.5	40.5%	205.7	(4.0%)	403.1	348.1	15.8%
Change in Working Capital	(59.1)	27.9	(311.8%)	(113.7)	(48.0%)	(172.8)	(53.5)	223.3%
Operating Cash Generation	**381.1**	**349.9**	**8.9%**	**350.6**	**8.7%**	**731.7**	**684.5**	**6.9%**
(–) Income Tax and Social Contribution paid	(27.2)	(41.9)	(35.1%)	(73.8)	(63.2%)	(101.0)	(95.8)	5.5%
(–) Invest. in Fixed and Intang. Assets	(70.5)	(78.0)	(9.6%)	(72.7)	(3.1%)	(143.2)	(130.6)	9.7%
(–) Payment of Principal of Lease Liabilities	(22.2)	(15.0)	47.6%	(15.4)	44.1%	(37.5)	(30.1)	24.9%
(–) Rev. from financial invest., net of Taxes	(65.4)	(58.6)	11.8%	(59.2)	10.5%	(124.7)	(137.0)	(9.0%)
Free Cash Flow to Firm	**195.9**	**156.5**	**25.1%**	**129.5**	**51.3%**	**325.3**	**291.2**	**11.7%**
Financial and Operational Indicators								
Op. Cash Generation / Adjusted EBITDA	105.0%	118.7%	-1370 bp	92.6%	1240 bp	98.7%	113.9%	-1520 bp
Free Cash Flow / Adjusted Net Income	89.7%	108.2%	-1850 bp	56.9%	3280 bp	72.9%	96.1%	-2320 bp

Free Cash Flow closed the quarter at R$196 million (+25% y/y and +51% q/q). The growth in relation to the previous quarter is mostly related to: (i) the 48% q/q reduction in the Working Capital Variation, mainly due to the collection of receivables with maturities concentrated on the last business day of 1Q25 and had bank credit in 2Q25; and (ii) the 63% q/q reduction in Income Tax and Social Contribution.

The 25% year over year growth in Free Cash Flow is mainly associated with the 34% growth in EBIT. It is worth mentioning that the reduction in the Working Capital Variation, both in the quarter and in the half-year, is mostly linked to payments to Cloud providers, a portion of which encompass multi-year agreements.

Cash Flow 2Q25 (R$ million)



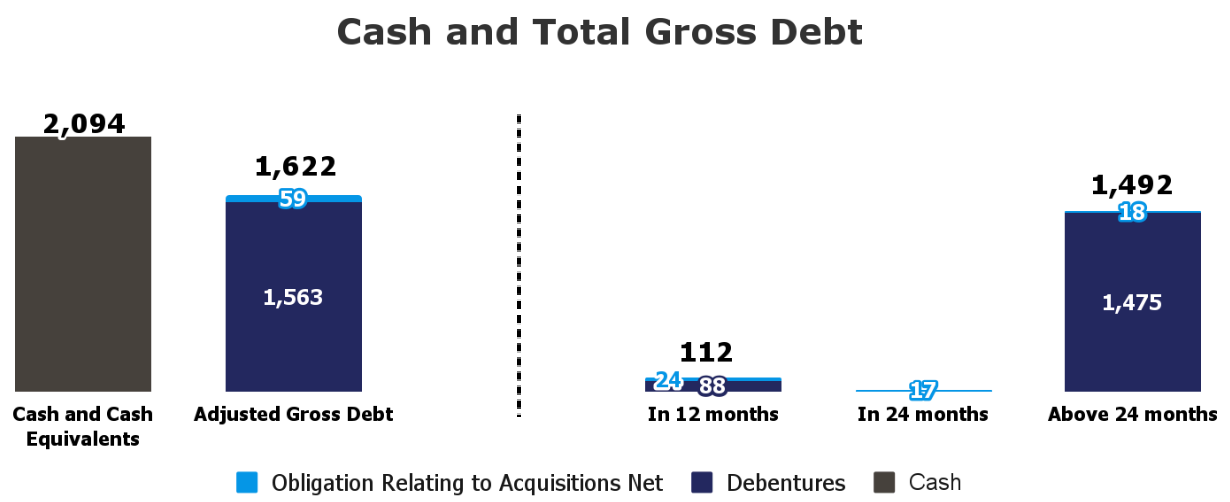
The detailed view of the Cash Flow is presented in the **APPENDIX IV** of this document.

Gross and Net Debt

In R$ million	2Q25	2Q24	Δ y/y	1Q25	Δ q/q
Debentures	1,562.9	1,541.6	1.4%	1,506.9	3.7%
Obligations Related to Acquisitions, Net	59.0	291.9	(79.8%)	75.7	(22.0%)
Total Gross Debt	**1,621.9**	**1,833.5**	**(11.5%)**	**1,582.5**	**2.5%**
(-) Cash and Cash Equivalents	(2,094.2)	(2,205.2)	(5.0%)	(1,943.0)	7.8%
Net Debt (Cash)	**(472.3)**	**(371.7)**	**27.1%**	**(360.5)**	**31.0%**
Cash and Equivalent from Dimensa	(612.7)	(531.4)	15.3%	(608.2)	0.7%
Gross Debt from Dimensa	36.7	35.1	4.8%	48.3	(23.9%)
Net Debt (Cash) - excl. Dimensa	**103.6**	**124.6**	**(16.8%)**	**199.4**	**(48.0%)**
Cash and Equiv. excl. Dimensa	(1,481.5)	(1,673.8)	(11.5%)	(1,334.8)	11.0%
Gross Debt excl. Dimensa	1,585.1	1,798.4	(11.9%)	1,534.2	3.3%

Gross Debt totaled R$1.6 billion in 2Q25, with 92% of maturities concentrated in the long term (over 24 months), reflecting the solidity and adequate extension of the Company's debt profile.

Net Debt (excluding Dimensa) for 2Q25 decreased by 78% q/q, despite the payment of Interest on Equity during the period, demonstrating the Company's robust operating cash generation. This consistent cash generation profile enables the Company to maintain a comfortable and resilient balance sheet position, thus supporting organic growth and facilitating the acquisition of strategic opportunities, even in a high-interest rate scenario.



RESULTS BY BUSINESS UNIT

Management business unit

Our Management BU offers business management solutions to clients across 12 industry sectors. The portfolio includes ERP systems, productivity tools, analytics and platforms that support everything from financial to tax, people management and specialized vertical solutions.

In order to facilitate the analysis of Cost and Expense behavior, the data presented in the table below is already adjusted for extraordinary items, as stated in **APPENDIX III**.

	2Q25	2Q24	Δ y/y	1Q25	Δ q/q	**1H25**	1H24	Δ y/y
Result (in R$ million, except %)								
Net Revenue	**1,326.6**	**1,136.5**	**16.7%**	**1,308.2**	**1.4%**	**2,634.8**	**2,232.7**	**18.0%**
Recurring	1,198.1	1,001.2	19.7%	1,160.4	3.3%	2,358.5	1,938.2	21.7%
Non-Recurring	128.4	135.2	(5.0%)	147.8	(13.1%)	276.3	294.5	(6.2%)
Licenses	42.4	46.8	(9.3%)	67.7	(37.3%)	110.1	123.6	(11.0%)
Services	86.0	88.5	(2.8%)	80.2	7.3%	166.2	170.9	(2.7%)
Costs	(375.9)	(323.7)	16.1%	(358.1)	5.0%	(734.0)	(624.9)	17.5%
Adjusted Gross Profit	**950.6**	**812.8**	**17.0%**	**950.1**	**0.1%**	**1,900.8**	**1,607.8**	**18.2%**
Adjusted Gross Margin	*71.7%*	*71.5%*	*20 bp*	*72.6%*	*-90 bp*	*72.1%*	*72.0%*	*10 bp*
Adjusted Operating Expenses	**(606.0)**	**(525.6)**	**15.3%**	**(589.2)**	**2.9%**	**(1,195.2)**	**(1,024.1)**	**16.7%**
% Net Revenue	*45.7%*	*46.2%*	*-50 bp*	*45.0%*	*70 bp*	*45.4%*	*45.9%*	*-50 bp*
Research and Development	(222.3)	(187.6)	18.5%	(207.5)	7.1%	(429.7)	(371.4)	15.7%
% Recurring Revenue	*18.6%*	*18.7%*	*-10 bp*	*17.9%*	*70 bp*	*18.2%*	*19.2%*	*-100 bp*
Provision for Expected Credit Losses	(11.3)	(12.2)	(7.1%)	(13.6)	(17.2%)	(24.9)	(22.3)	11.7%
% Net Revenue	*0.9%*	*1.1%*	*-20 bp*	*1.0%*	*-10 bp*	*0.9%*	*1.0%*	*-10 bp*
Sales and Marketing Expenses	(273.6)	(228.2)	19.9%	(258.5)	5.8%	(532.2)	(446.9)	19.1%
% Net Revenue	*20.6%*	*20.1%*	*50 bp*	*19.8%*	*80 bp*	*20.2%*	*20.0%*	*20 bp*
G&A Expenses and Others	(98.8)	(97.6)	1.2%	(109.5)	(9.8%)	(208.3)	(183.5)	13.5%
% Net Revenue	*7.4%*	*8.6%*	*-120 bp*	*8.4%*	*-100 bp*	*7.9%*	*8.2%*	*-30 bp*
Adjusted EBITDA	**344.6**	**287.2**	**20.0%**	**360.9**	**(4.5%)**	**705.5**	**583.6**	**20.9%**
% Adjusted EBITDA	*26.0%*	*25.3%*	*70 bp*	*27.6%*	*-160 bp*	*26.8%*	*26.1%*	*70 bp*
Financial and Operational Indicators (in R$ million, except %)								
% Recurring Revenue	90.3%	88.1%	220 bp	88.7%	160 bp	89.5%	86.8%	270 bp
SaaS Revenue	610.7	482.0	26.7%	584.1	4.5%	1,194.8	916.2	30.4%
ARR	5,397.8	4,606.9	17.2%	5,206.4	3.7%	n/a	n/a	n/a
Retention Rate	98.3%	98.2%	10 bp	98.3%	0 bp	n/a	n/a	n/a
Recurring Revenue vs. ARR	90.4%	89.1%	130 bp	91.5%	-110 bp	n/a	n/a	n/a

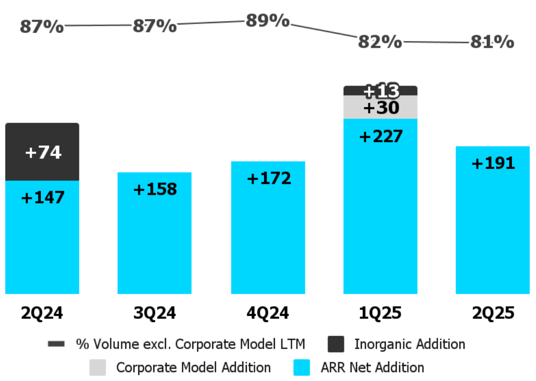
Net Revenue

The growth in Net Management Revenue in the period (+17% y/y) was driven by the Recurring Revenue line (+20% y/y), with emphasis once again on the combined performance of SaaS and Cloud.

In SaaS, revenue growth in the quarter (+27% y/y) continues to be based on increased new sales. Regarding Cloud, the demand for T-Cloud solutions (including PaaS – Platform as a Service) continues to contribute significantly, which maintained its accelerated revenue growth trajectory (+34% y/y).

The Management unit's ARR reached R$5.4 billion (+17% y/y) in 2Q25, with a Net Addition of R$191 million (+30% y/y). This performance stems from robust sales volumes to both existing and new customers (growth of over 20% y/y and over 15% q/q). In addition to the high levels of NPS (Net Promoter Score) and the continued decrease of TCO (Total Cost of Ownership), the expansion of the portfolio continues to be one of the major catalysts for this sales growth. This quarter, in anticipation of the benefits that the tax reform will bring to the market, we had another example of this expansion: the new TOTVS "Inteligência Tributária" (Tax Intelligence) offer, a cloud solution that facilitates the fiscal and tax management of companies, crossing ERP data with information provided to Tax Authorities to identify inconsistencies, reduce risks related to tax penalties, and ensure greater compliance. This new solution contributed approximately R$20 million to the ARR Net addition for the quarter.

ARR Net Addition (R$ million)



This performance of new sales kept the percentage indicator of the Volume of the last 12 months above 80%, even considering a simple mathematical effect, caused by the increase in inflation rates, most notably the IGP-M index.

The performance of Non-Recurring Revenues for the period (-5% y/y and -13% q/q) is primarily because of the decline in License Revenue (-9.3% y/y and -37% q/q). In the annual comparison, this performance follows the trend showed in other quarters, reflecting the sales focus on Recurring Revenues, while in the quarterly comparison, the result is more related to the positive impact of the seasonal increase in the Corporate Model of R$26 million in 1Q25.

It is worth mentioning that the aforementioned factors also explain the growth in Net Revenue of the YTD Management business unit, which totaled more than R$2.6 billion in the period (+18% y/y).

Gross Margin

The Management unit's Adjusted Gross Margin reached 71.7% in 2Q25 (+20 bp y/y), a performance achieved despite the lower share of License Revenue. Prioritizing the sustainable growth of Recurring Revenue and Cloud solutions enables a neutral or even positive balance in Gross Margin, as efficiency gains in the cost of support and implementation of software products offset the increase in cloud cost. Consequently, with increased scale in Cloud operations, the trend is that this operation can generate a gradual positive impact on the business unit's gross margin.

Compared to 1Q25, the reduction in Gross Margin (-90 bp) is mostly related to the seasonal effect of the Corporate Model, as mentioned in the previous section.

Operating Expenses

The growth in Adjusted Operating Expenses (+15% y/y) below the growth in Net Revenue (+17% y/y) resulted in a 50 bps gain in operating leverage year over year.

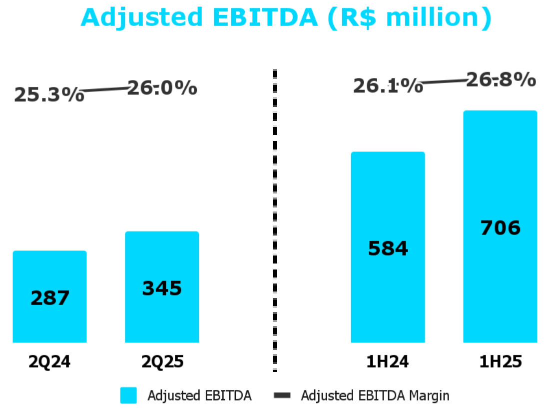
Compared to the previous quarter, the 70 bp increase in its share in relation to Net Revenue is associated with: (i) the 2025 Universo TOTVS event, which had a cost of approximately R$14 million; (ii) the seasonal increase in marketing campaigns investments; (iii) the increase in R&D expenses, mainly related to the lower concentration of vacations, because of the seasonality of Q1; and (iv) because we do not have the Corporate Model License Revenue this quarter. These effects were partially offset by an 84% reduction in Contingency Provisions during the period.

The 2025 Universo TOTVS was an enormous success, bringing together over 20,000 participants including customers, partners, experts, and leaders from various industry sectors, thereby solidifying its position as a premier technology and business event in Brazil. Artificial intelligence was the highlight of this year's edition, which also showed the major advances of TOTVS solutions in ERP, SaaS, Cloud, tax intelligence, analytics, as well as promoting panels and lectures on innovation, operational efficiency, and digital transformation. The event consolidated TOTVS' role as a trusted advisor to Brazilian companies, especially in the context of AI and its related opportunities.

In the YTD, the operational leverage gain (+50 bp y/y) becomes even more relevant in view of the impacts of the payroll tax surcharge, which affected all OPEX lines, as already mentioned in the previous quarter.

EBITDA

The significant growth in Adjusted EBITDA in 2Q25 and YTD (respectively +20% y/y and +21% y/y), higher than the Net Revenue increase (respectively +17% y/y and +18% y/y), made the Margin reach 26.0% in 2Q25 (+70 bp y/y) and 26.8% in 1H25 (+70 bp y/y), reinforcing the Company's discipline in expense management, and mainly in its ability to grow revenue, scaling the business efficiently, maintaining a focus on sales and innovation, without compromising strategic investments in Marketing, in promoting Universo TOTVS, and in Research and Development.



RD Station business unit

The RD Station business unit is focused on business performance solutions, that is, Digital Marketing, Sales, Digital Commerce, and Customer Experience (CX) solutions, with the aim of supporting companies in acquiring and converting customers.

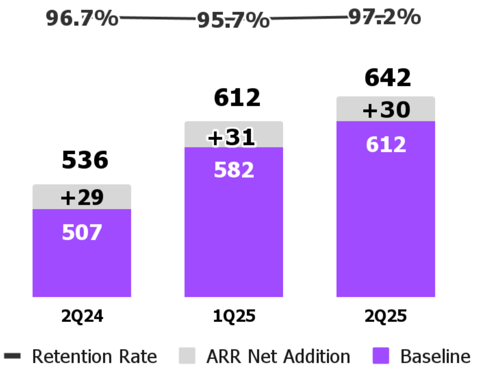
In order to facilitate the analysis of Cost and Expense behavior, the data presented in the table below is already adjusted for extraordinary items, as stated in **APPENDIX III**.

	2Q25	2Q24	Δ y/y	1Q25	Δ q/q	**1H25**	1H24	Δ y/y
Result (in R$ million, except %)								
Net Revenue	**161.5**	**135.8**	**18.9%**	**153.7**	**5.1%**	**315.2**	**265.0**	**19.0%**
Recurring	159.1	133.4	19.3%	150.2	5.9%	309.3	260.0	18.9%
Non-Recurring	2.4	2.4	(0.9%)	3.5	(30.5%)	5.9	4.9	19.2%
Costs	(44.7)	(34.3)	30.5%	(42.5)	5.3%	(87.2)	(65.3)	33.6%
Adjusted Gross Profit	**116.8**	**101.6**	**15.0%**	**111.2**	**5.0%**	**228.0**	**199.7**	**14.2%**
Adjusted Gross Margin	*72.3%*	*74.8%*	*-250 bp*	*72.4%*	*-10 bp*	*72.3%*	*75.4%*	*-310 bp*
Adjusted Operating Expenses	**(98.6)**	**(93.9)**	**5.0%**	**(93.4)**	**5.5%**	**(192.0)**	**(182.5)**	**5.2%**
% Net Revenue	*61.0%*	*69.1%*	*-810 bp*	*60.8%*	*20 bp*	*60.9%*	*68.9%*	*-800 bp*
Research and Development	(30.5)	(29.2)	4.3%	(29.6)	3.2%	(60.1)	(57.6)	4.4%
% Recurring Revenue	*19.2%*	*21.9%*	*-270 bp*	*19.7%*	*-50 bp*	*19.4%*	*22.1%*	*-270 bp*
Provision for Expected Credit Losses	(2.7)	(4.1)	(33.2%)	(0.9)	195.5%	(3.7)	(7.2)	(48.8%)
% Net Revenue	*1.7%*	*3.0%*	*-130 bp*	*0.6%*	*110 bp*	*1.2%*	*2.7%*	*-150 bp*
Sales and Marketing Expenses	(49.5)	(44.1)	12.2%	(47.8)	3.6%	(97.3)	(85.9)	13.3%
% Net Revenue	*30.7%*	*32.5%*	*-180 bp*	*31.1%*	*-40 bp*	*30.9%*	*32.4%*	*-150 bp*
G&A Expenses and Others	(15.8)	(16.4)	(3.8%)	(15.1)	4.3%	(30.9)	(31.9)	(3.2%)
% Net Revenue	*9.8%*	*12.1%*	*-230 bp*	*9.8%*	*0 bp*	*9.8%*	*12.0%*	*-220 bp*
Adjusted EBITDA	**18.2**	**7.7**	**136.9%**	**17.8**	**2.4%**	**36.0**	**17.2**	**109.8%**
% Adjusted EBITDA	*11.3%*	*5.7%*	*560 bp*	*11.6%*	*-30 bp*	*11.4%*	*6.5%*	*490 bp*

Net Revenue

The growth in Net Revenue (+19% y/y) largely reflects the performance of the Organic Net Addition of ARR in recent quarters, which continues to be driven mainly by the performance of sales volume. In 2Q25, net addition maintained the favorable rate of the last quarter, leading the business unit to reach R$642 million in ARR (+20% y/y).

ARR (R$ million) e Retention Rate



The progress of the migration strategy from a focus on mono offerings to a more robust multi-product model has proven promising and has been reflected in the Retention Rate recovery this quarter. This is an initial positive result of this new approach, which, although it presents some volatility in the short term, tends to consolidate itself into a positive and structural change in the indicator.

Gross Margin

The year over year reduction in the unit's Gross Margin in 2Q25 (-250 bp y/y) still reflects the impact of the payroll reinstatement, which is being transferred in accordance with the automatic renewal of the contracts. In addition, the greater representation of newly acquired solutions, with less critical mass, also impacted the gross margin.

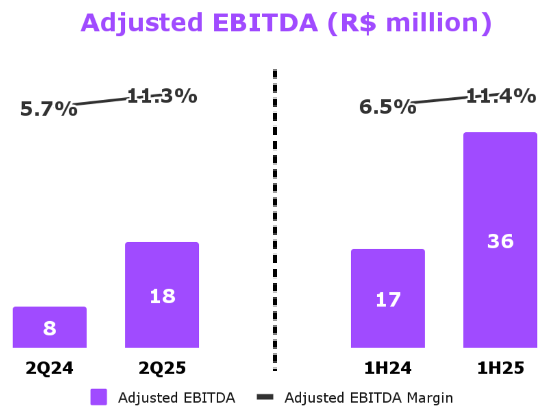
As these products gain traction in sales and grow in scale and maturity, their margins tend to approach the levels observed in the most consolidated portfolio solutions.

Operating Expenses

The 5.0% y/y growth in Operating Expenses, compared to the 19% y/y expansion in Net Revenue, reflects the progressive capture of gains in scale and the continued advances in the integration process of Lexos, Exact Sales, and Tallos operations, started in the second half of 2024.

EBITDA

The R$18 million Adjusted EBITDA in 2Q25 (+137% y/y) marks a significant improvement in operational efficiency, more than doubling 2Q24's figure and yielding an 11.3% EBITDA margin (+560 bp y/y). The performance mainly reflects the scale gains provided by the unit's revenue growth, as well as the progress made in the integration process of the acquired companies. The most recent operations continue to develop consistently, supported by sound unit economics and avenues for increased value capture, as the multi-product strategy and cross-selling initiatives with the Management field sales team yield positive results.



Compared to 1Q25, Adjusted EBITDA grew 2.4% and the EBITDA Margin decreased slightly (-30 bp). More recently, we have observed a seasonal pattern in profitability between the first and second quarters, in line with this business unit's model. In 2024, there was a 160 bps decline, whereas in 2025, we saw an improvement, with a decrease of only 30 bps.

Techfin business unit

Techfin business unit aims to be the leading ERP Banking provider for small and medium businesses, offering digital financial solutions leveraging data intelligence and automation integrated with management systems to mitigate risks, enhance decision-making, and improve customer experience.

This business unit is a joint venture (TOTVS Techfin), in which TOTVS and Itaú BBA hold a shared control with a 50% interest each in the capital stock of TOTVS Techfin. Thus, the results of this operation are not consolidated in the Company's Cash Flow and Balance Sheet, and 50% of the result of TOTVS Techfin operation is contained in the Equity Pickup line.

The results below represent **100% of this Techfin business unit financial result**, while the reconciliation of Adjusted Net Income, Balance Sheet, Cash Flow, and Credit Rights by maturity can be found in **APPENDIX VII**.

	2Q25	2Q24	Δ y/y	1Q25	Δ q/q	**1H25**	1H24	Δ y/y
Result (in R$ million, except %)								
Revenue - Net of funding	**72.5**	**69.8**	**3.8%**	**79.5**	**(8.8%)**	**151.9**	**132.8**	**14.4%**
Credit products	116.3	99.6	16.8%	117.4	(0.9%)	233.7	197.1	18.6%
Adjusted Funding Cost	(46.7)	(32.4)	44.2%	(41.6)	12.3%	(88.2)	(68.9)	28.2%
Fee Revenue [1]	2.8	2.6	8.3%	3.7	(23.4%)	6.5	4.6	41.6%
Provision for Expected Credit Losses	(8.5)	(8.6)	(0.8%)	(7.1)	19.8%	(15.6)	(15.8)	(1.1%)
OPEX	(61.6)	(60.9)	1.1%	(59.8)	3.0%	(121.4)	(117.3)	3.5%
Techfin Adjusted EBITDA	**2.4**	**0.3**	**623.8%**	**12.6**	**(81.1%)**	**14.9**	**(0.2)**	**<(999%)**
% Techfin Adjusted EBITDA	*3.3%*	*0.5%*	*280 bp*	*15.8%*	*-1250 bp*	*9.8%*	*-0.2%*	*1000 bp*
Below EBITDA	(0.8)	(2.2)	(63.1%)	(5.4)	(84.7%)	(6.2)	(3.2)	91.1%
Adjusted Net Income (Loss) from Techfin	**1.6**	**(1.9)**	**(182.1%)**	**7.2**	**(78.4%)**	**8.7**	**(3.4)**	**(354.1%)**
% Net Income (Loss) from Techfin	*2.1%*	*-2.7%*	*480 bp*	*9.1%*	*-700 bp*	*5.8%*	*-2.6%*	*840 bp*
Financial and Operational Indicators (in R$ million, except%)								
Credit products								
Credit Production	3,237.9	2,791.1	16.0%	3,208.9	0.9%	6,446.8	5,409.6	19.2%
Average Term of Credit Production (days)	60.3	59.5	1.4%	64.7	(6.7%)	n/a	n/a	-
Credit Portfolio, Net	2,472.7	2,112.9	17.0%	2,471.8	0.0%	n/a	n/a	-
Average Term of On Due Portfolio (days)	67.5	67.4	0.2%	68.6	(1.7%)	n/a	n/a	-
Credit Operation Cash Position	195.9	433.1	(54.8%)	206.1	(4.9%)	n/a	n/a	n/a
Fee Products								
TPV - Techfin Pix	2,165.5	1,555.2	39.2%	2,053.6	5.4%	4,219.1	2,908.2	45.1%

[1] Revenue fee from payment products such as credit cards and PIX.

Revenue - Net of Funding

The growth in Techfin's Net Funding Revenue in the quarter (+3.8% y/y) is primarily driven by the performance of Credit Production (+16% y/y). Compared to 1Q25, the 8.8% q/q decrease in Net Funding Revenue is directly related to the negative seasonality of the agribusiness sector, which led to a 4.4-day q/q reduction in the average credit origination term. Historically, this makes the second quarter the one with the lowest Credit Product Revenue of the year.

The increase in funding costs for the quarter (+44% y/y and +12% q/q) was primarily driven by the higher average CDI rate and the greater share of third-party in the operation's capital structure during the period, as part of the ongoing optimization of the funding structure. In 3Q25, Techfin will take another step in this direction with the settlement of Supplier's original FIDC and its replacement by a new closed-end FIDC. This new FIDC, combined with the exclusive FIDC with Itaú and other instruments (e.g., receivables floating), will provide Techfin a more efficient and flexible funding structure to support the growth of its operations.

In addition, it is worth noting that Techfin has been granting additional credit limits to a portion of its clients in partnership with Itaú. The portion exceeding the limit approved under Techfin's credit model is fully transferred to Itaú through a credit assignment product (internally referred to as "intracadeia de cessão", intrachain assignment in a free translation). In these transactions, the Net Revenue attributable to the additional limit utilized carries a lower net spread, as 100% of the portfolio and associated risk for that limit are borne by Itaú. Consequently, the revenue from these transactions is presented net of the funding cost associated with the portfolio assignment. To preserve comparability, we have adjusted the Credit Products Revenue and Funding Cost lines for these transactions in 4Q24 and 1Q25.

Operating Expenses (OPEX)

Techfin's OPEX closed 2Q25 at R$62 million (+1.1% y/y), reflecting the progress of the integration of Techfin's operations, which has promoted significant gains in operational efficiency and greater synergy in resource distribution, especially aimed at building the new solutions portfolio that supports the ERP Banking strategic thesis.

Net Income

The unit's Adjusted Net Income totaled R$1.6 million in 2Q25 (+2.8x y/y) and R$8.7 million YTD (+4.5x y/y). These performances were mainly driven by Revenue growth and reinforce the consistent trajectory of the unit's profitability evolution, reflecting the operational progress and continuous efficiency gains achieved over the last few quarters.

APPENDIX I

Consolidated Income Statement

Below, we are considering the result of the Techfin Dimension at 100% in the "Net Income (Loss) from Discontinued Operation" line until July 2023, according to IFRS-5, and at 50% in the "Equity Pickup" from August 2023. Additionally, with the announcement of the sale of TOTVS' entire stake in RJ PARTICIPAÇÕES S.A. on March 13th, 2025, the result of this operation began to be disclosed in the "Net Income/(Loss) of the discontinued operation" line.

In R$ million	2Q25	2Q24	Δ y/y	1Q25	Δ q/q	1H25	1H24	Δ y/y
Net Revenue	**1,488.1**	**1,272.3**	**17.0%**	**1,461.9**	**1.8%**	**2,950.0**	**2,497.7**	**18.1%**
Management Revenue	1,326.6	1,136.5	16.7%	1,308.2	1.4%	2,634.8	2,232.7	18.0%
RD Station Revenue	161.5	135.8	18.9%	153.7	5.1%	315.2	265.0	19.0%
Operating Costs	**(422.9)**	**(358.0)**	**18.1%**	**(401.0)**	**5.4%**	**(823.9)**	**(691.1)**	**19.2%**
Management Operating Costs	(377.6)	(323.7)	16.7%	(358.6)	5.3%	(736.2)	(625.8)	17.6%
RD Station Operating Costs	(45.2)	(34.3)	32.0%	(42.5)	6.5%	(87.7)	(65.3)	34.3%
Gross Profit	**1,065.2**	**914.3**	**16.5%**	**1,060.9**	**0.4%**	**2,126.1**	**1,806.6**	**17.7%**
Operating Expenses	**(803.4)**	**(719.6)**	**11.6%**	**(785.9)**	**2.2%**	**(1,589.3)**	**(1,394.5)**	**14.0%**
Research and Development	(254.0)	(216.8)	17.1%	(237.0)	7.1%	(491.0)	(429.0)	14.5%
Sales and Marketing Expenses	(324.0)	(272.4)	18.9%	(306.5)	5.7%	(630.4)	(533.9)	18.1%
Provision for Expected Credit Losses	(14.0)	(16.3)	(13.7%)	(14.6)	(3.7%)	(28.6)	(29.5)	(3.0%)
General and Administrative Expenses	(117.1)	(116.2)	0.8%	(114.8)	2.0%	(231.9)	(224.8)	3.1%
Provision for Contingencies	(2.1)	(6.0)	(64.8%)	(13.5)	(84.2%)	(15.6)	(6.4)	144.5%
Depreciation and Amortization	(89.0)	(84.3)	5.6%	(85.4)	4.1%	(174.4)	(157.6)	10.6%
Other Net Revenues (Expenses)	(3.2)	(7.7)	(58.2%)	(14.1)	(77.1%)	(17.4)	(13.3)	30.8%
EBIT	**261.8**	**194.7**	**34.5%**	**274.9**	**(4.8%)**	**536.8**	**412.1**	**30.3%**
Financial Result	(19.1)	(9.6)	98.4%	(19.4)	(1.1%)	(38.5)	(14.3)	168.4%
Equity Pickup	0.2	(3.6)	(104.3%)	3.0	(94.8%)	3.1	(7.8)	(140.0%)
Earnings Before Taxes (EBT)	**242.9**	**181.5**	**33.8%**	**258.6**	**(6.1%)**	**501.4**	**389.9**	**28.6%**
Income Tax and Social Contribution	(48.1)	(61.7)	(22.0%)	(58.1)	(17.3%)	(106.2)	(140.1)	(24.2%)
Net Income (Loss) from Discontinued Operation	0.3	0.8	(64.6%)	0.2	98.7%	0.5	0.3	49.8%
Consolidated Net Income	**195.1**	**120.7**	**61.6%**	**200.6**	**(2.7%)**	**395.7**	**250.1**	**58.2%**
Non-Controlling Net Income	(6.4)	(5.8)	9.2%	(5.9)	7.1%	(12.3)	(8.6)	44.0%
GAAP Net Income	**188.7**	**114.9**	**64.3%**	**194.6**	**(3.0%)**	**383.4**	**241.5**	**58.7%**
Net Margin	*12.7%*	*9.0%*	*370 bp*	*13.3%*	*-60 bp*	*13.0%*	*9.7%*	*330 bp*

APPENDIX II

Reconciliation of the Consolidated Income Statement

	2Q25		
	GAAP Income Statement [1]	Deprec. and Amort. Reclass. [2]	Consolidated Income Statement
In R$ million	**(a)**	**(b)**	**(a+b)**
Net Revenue	**1,488.1**	**-**	**1,488.1**
Management Revenue	1,326.6	-	1,326.6
RD Station Revenue	161.5	-	161.5
Costs	**(458.6)**	**35.8**	**(422.9)**
Gross Profit	**1,029.5**	**35.8**	**1,065.2**
Gross Margin	69.2%		*71.6%*
Operating Expenses (Revenues)	**(767.6)**	**(35.8)**	**(803.4)**
Research and Development	(267.1)	13.1	(254.0)
Sales and Marketing Expenses	(336.6)	12.7	(324.0)
General and Administrative Expenses	(146.6)	27.4	(119.2)
Depreciation and Amortization	-	(89.0)	(89.0)
Provision for Expected Credit Losses	(14.0)	-	(14.0)
Other Net Revenues (Expenses)	(3.2)	-	(3.2)
EBIT	**261.8**	**0.0**	**261.8**
Financial Revenues	73.8	-	73.8
Financial Expenses	(92.9)	-	(92.9)
Equity Pickup	0.2	-	0.2
Earnings Before Taxes (EBT)	**242.9**	**0.0**	**242.9**
Income Tax and Social Contribution	(48.1)	-	(48.1)
Techfin Dim. Net Income (Loss)	0.3	-	0.3
Consolidated Net Income	**195.1**	**0.0**	**195.1**
Non-Controlling Net Income	(6.4)	-	(6.4)
GAAP Net Income	**188.7**	**0.0**	**188.7**
Net Margin	*12.7%*		*12.7%*

(1) The quarterly financial information of the Techfin operation is presented at 50% in the line "Equity Pickup"

(2) As established in IAS-1, expenses with depreciation and amortization were reclassified to cost and expense lines associated with the respective assets that originated them

APPENDIX III

EBITDA and Net Income Reconciliation (CVM Resolution 156/22)

In R$ million	2Q25	2Q24	Δ y/y	1Q25	Δ q/q	1H25	1H24	Δ y/y
Consolidated Net Income	**195.1**	**120.7**	**61.6%**	**200.6**	**(2.7%)**	**395.7**	**250.1**	**58.2%**
(–) Net Income (Loss) Techfin	-	-	-	-	-	-	(1.1)	(100.0%)
(–) Net Income (Loss) RJ	0.3	0.8	(64.6%)	0.2	98.7%	0.5	1.4	(67.5%)
(+) Depreciation and Amortization	89.0	84.3	5.6%	85.4	4.1%	174.4	157.6	10.6%
(–) Financial Results	(19.1)	(9.6)	98.4%	(19.4)	(1.1%)	(38.5)	(14.3)	168.4%
(+) Income Tax and Social Contribution	48.1	61.7	(22.0%)	58.1	(17.3%)	106.2	140.1	(24.2%)
EBITDA GAAP	**351.0**	**275.4**	**27.4%**	**363.3**	**(3.4%)**	**714.3**	**561.9**	**27.1%**
(–) Equity Pickup	0.2	(3.6)	(104.3%)	3.0	(94.8%)	3.1	(7.8)	(140.0%)
(+) Extraordinary Items	12.0	15.9	(24.6%)	18.4	(34.6%)	30.4	31.1	(2.4%)
M&A Adjustment at Fair Value	3.8	11.4	(66.9%)	13.5	(72.1%)	17.2	25.4	(32.1%)
Adjustment from Oper. Restructuring	5.3	0.6	742.9%	0.6	816.2%	5.8	4.7	24.8%
Expenses with M&A Transactions	1.2	3.9	(68.9%)	1.9	(35.0%)	3.1	6.9	(55.1%)
Loss (Gain) with Disposed Assets	1.8	-	-	2.4	(27.0%)	4.2	(5.9)	(170.8%)
Adjusted EBITDA	**362.8**	**294.9**	**23.0%**	**378.7**	**(4.2%)**	**741.5**	**600.8**	**23.4%**

Adjusted Net Income Reconciliation

In R$ million	2Q25	2Q24	Δ y/y	1Q25	Δ q/q	1H25	1H24	Δ y/y
EBITDA GAAP	**351.0**	**275.4**	**27.4%**	**363.3**	**(3.4%)**	**714.3**	**561.9**	**27.1%**
Depreciation and Amortization	(89.0)	(84.3)	5.6%	(85.4)	4.1%	(174.4)	(157.6)	10.6%
Financial Result	(19.1)	(9.6)	98.4%	(19.4)	(1.1%)	(38.5)	(14.3)	168.4%
Income Tax and Social Contribution	(48.1)	(61.7)	(22.0%)	(58.1)	(17.3%)	(106.2)	(140.1)	(24.2%)
Net Income (Loss) from Discont. Operation - Techfin	-	-	-	-	-	-	(1.1)	(100.0%)
Net Income (Loss) from Discont. Operation - RJ	0.3	0.8	(64.6%)	0.2	98.7%	0.5	1.4	(67.5%)
Non-Controlling Net Income - Dimensa	(6.4)	(5.8)	9.2%	(5.9)	7.1%	(12.3)	(8.6)	44.0%
GAAP Net Income	**188.7**	**114.9**	**64.3%**	**194.6**	**(3.0%)**	**383.4**	**241.5**	**58.7%**
Net Result from Discontinued Operation [1]	-	0.0	(100.0%)	-	-	-	1.1	(100.0%)
Discontinued Operation Adjustment - RJ	(0.3)	(0.8)	(64.6%)	(0.2)	98.7%	(0.5)	(1.4)	(67.5%)
Net Extraordinary Items [2]	7.9	8.9	(10.7%)	12.0	(33.7%)	19.9	19.8	0.4%
PVA of Call Option, Net [3]	7.4	2.2	232.2%	6.3	18.7%	13.7	7.9	74.7%
Net Effect of Amort. of Acquisitions' Intangibles [4]	14.5	19.5	(25.6%)	15.0	(3.3%)	29.5	34.2	(13.8%)
Adjusted Net Income	**218.3**	**144.6**	**50.9%**	**227.7**	**(4.1%)**	**446.0**	**303.1**	**47.2%**
Adjusted Net Margin [5]	*14.7%*	*11.4%*	*330 bp*	*15.6%*	*-90 bp*	*15.1%*	*12.1%*	*300 bp*

[1] Until July/2023, subtract 50% of the Net Income/Loss from Discontinued Operation (Techfin business unit). From August/2023, subtract the Profit and price adjustment of the sale of 50% of Techfin to Itaú.

[2] Extraordinary items Net of Income Tax from: (i) EBITDA GAAP; (ii) Tax Credit arising from the constitution of Deferred Income Tax of RD Station; (iii) the PV adjustments arising from earn-out adjustments; and (iv) Techfin Result (50%)

[3] Present Value Adjustment Finance Expense arising from the Call Option to purchase non-controlling interests, as per the partnership agreement with B3 for the Dimensa operation

[4] Amortization of intangibles arising from acquisitions, except goodwill, Net of Income taxes

[5] Adjusted Net Income as % of the Revenue net of Funding Cost, considering the Techfin's Results revenue at 50% in all periods

Depreciation and Amortization Reconciliation

In R$ million	2Q25	2Q24	Δ y/y	1Q25	Δ q/q	1H25	1H24	Δ y/y
Depreciation	(44.0)	(37.7)	16.5%	(40.6)	8.2%	(84.6)	(73.9)	14.4%
Amortization	(24.0)	(21.0)	14.2%	(23.1)	4.1%	(47.1)	(39.8)	18.2%
Adjusted Depreciation and Amortization	**(68.0)**	**(58.7)**	**15.7%**	**(63.7)**	**6.7%**	**(131.6)**	**(113.7)**	**15.7%**
Intangibles Amortization from Acquisitions	(21.0)	(25.5)	(17.7%)	(21.8)	(3.4%)	(42.8)	(43.9)	(2.6%)
Depreciation and Amortization	**(89.0)**	**(84.3)**	**5.6%**	**(85.4)**	**4.1%**	**(174.4)**	**(157.6)**	**10.6%**

Financial Result Reconciliation

In R$ million	2Q25	2Q24	Δ y/y	1Q25	Δ q/q	1H25	1H24	Δ y/y
Financial Revenues	73.8	67.9	8.7%	65.7	12.3%	139.5	156.8	(11.1%)
Financial Expenses	(81.6)	(76.6)	6.5%	(75.8)	7.7%	(157.4)	(161.7)	(2.6%)
Adjusted Financial Result	**(7.8)**	**(8.7)**	**(10.1%)**	**(10.1)**	**(22.2%)**	**(17.9)**	**(4.9)**	**267.8%**
PVA of Call Option - Dimensa	(11.3)	(3.4)	232.2%	(9.5)	18.7%	(20.8)	(11.9)	74.7%
Extraordinary PVA - Earn-outs	-	2.5	(100.0%)	0.2	(100.0%)	0.2	2.4	(90.2%)
Financial Result	**(19.1)**	**(9.6)**	**98.4%**	**(19.4)**	**(1.1%)**	**(38.5)**	**(14.3)**	**168.4%**

Adjusted Income Tax Reconciliation

In R$ million	2Q25	2Q24	Δ y/y	1Q25	Δ q/q	1H25	1H24	Δ y/y
EBT (Management + RD Station)	**242.7**	**185.1**	**31.1%**	**255.6**	**(5.0%)**	**498.3**	**397.7**	**25.3%**
Taxes at nominal rate (34%)	(82.5)	(62.9)	31.1%	(86.9)	(5.0%)	(169.4)	(135.2)	25.3%
Law 11,196/05 - R&D Incentive	8.8	8.8	(0.4%)	7.5	17.3%	16.3	15.8	3.3%
Interest on Equity	29.9	-	-	27.9	7.3%	57.8	-	-
Effect of Different Taxation in Subsidiaries	(2.7)	(2.9)	(5.7%)	(2.8)	(2.1%)	(5.5)	(10.0)	(44.7%)
Management Bonus	(1.2)	(1.0)	10.4%	(1.2)	(6.0%)	(2.4)	(1.6)	53.1%
Workers' Meal Program	0.5	0.8	(40.9%)	1.0	(52.4%)	1.5	1.8	(19.7%)
Other	(0.9)	(4.4)	(80.7%)	(3.6)	(76.1%)	(4.4)	(10.9)	(59.6%)
Income Tax and Social Contribution	**(48.1)**	**(61.7)**	**(22.0%)**	**(58.1)**	**(17.3%)**	**(106.2)**	**(140.1)**	**(24.2%)**
Current Income Tax and Social Contribution	(32.9)	(56.8)	(42.1%)	(64.2)	(48.8%)	(97.1)	(123.2)	(21.2%)
Deferred Income Tax and Social Contribution	(15.2)	(4.9)	210.6%	6.1	(349.7%)	(9.1)	(16.9)	(46.1%)
% Total Effective Tax Rate	*19.8%*	*33.3%*	*-1350 bp*	*22.7%*	*-290 bp*	*21.3%*	*35.2%*	*-1390 bp*
Extraordinary Items Income Tax Adjustment (34%)	**(15.1)**	**(14.4)**	**4.5%**	**(16.8)**	**(10.3%)**	**(31.8)**	**(28.7)**	**10.9%**
Extraordinary Items - EBITDA	(4.1)	(5.4)	(24.6%)	(6.2)	(34.6%)	(10.3)	(10.6)	(2.4%)
Extraordinary Items - Depreciation and Amortization	(7.1)	(8.7)	(17.7%)	(7.4)	(3.4%)	(14.5)	(14.9)	(2.6%)
Extraordinary Items - Financial Result	(3.8)	(0.3)	>999%	(3.2)	21.8%	(7.0)	(3.2)	117.2%
Adjusted Income Tax and Social Contribution	**(63.1)**	**(76.1)**	**(17.0%)**	**(74.9)**	**(15.7%)**	**(138.0)**	**(168.9)**	**(18.3%)**

APPENDIX IV

Cash Flow

In R$ million	2Q25	2Q24	Δ y/y	1Q25	Δ q/q	1H25	1H24	Δ y/y
EBT	**242.9**	**181.5**	**33.8%**	**258.6**	**(6.1%)**	**501.4**	**389.9**	**28.6%**
Adjustments:	**197.4**	**140.5**	**40.5%**	**205.7**	**(4.0%)**	**403.1**	**348.1**	**15.8%**
Depreciation and Amortization	89.0	84.3	5.6%	85.4	4.1%	174.4	157.6	10.6%
Share-based Compensation	14.3	(6.5)	(319.3%)	12.4	15.2%	26.8	19.5	37.1%
Loss (Gain) with Disposed Assets	1.7	(6.5)	(125.8%)	2.3	(26.9%)	4.0	(7.1)	(156.3%)
Provision for Expected Credit Losses	14.0	16.3	(13.7%)	14.6	(3.7%)	28.6	29.5	(3.0%)
Equity Pickup	(0.2)	3.6	(104.3%)	(3.0)	(94.8%)	(3.1)	7.8	(140.0%)
Prov. for Contingencies, Net of Reversals	2.1	6.0	(64.8%)	13.5	(84.2%)	15.6	6.5	141.1%
Provision (Reversal) for Other Obligations	5.3	(15.6)	(133.8%)	11.2	(52.6%)	16.5	(1.6)	<(999%)
Interest and Monet./FX variations, net	71.1	59.0	20.4%	69.3	2.6%	140.4	135.8	3.4%
Changes in Op. Assets and Liabilities:	**(59.1)**	**27.9**	**(311.8%)**	**(113.7)**	**(48.0%)**	**(172.8)**	**(53.5)**	**223.3%**
Trade Receivables	(39.9)	(21.0)	90.6%	(98.0)	(59.2%)	(137.9)	(69.2)	99.3%
Recoverable Taxes	(25.8)	(16.0)	61.5%	(23.3)	10.9%	(49.1)	(18.7)	162.8%
Judicial Deposits	(0.9)	(0.3)	178.1%	(3.6)	(76.3%)	(4.5)	1.1	(518.9%)
Other Assets	(108.6)	(52.8)	105.6%	(24.3)	347.8%	(132.9)	(86.9)	52.9%
Labor Liabilities	117.3	102.3	14.7%	14.9	687.0%	132.2	109.7	20.6%
Trade and Other Payables	(7.9)	23.4	(133.9%)	20.8	(138.2%)	12.8	37.1	(65.4%)
Commissions Payable	3.5	(8.8)	(140.2%)	(8.3)	(142.7%)	(4.8)	(12.8)	(62.8%)
Taxes and Contributions Payable	16.4	0.9	>999%	9.0	82.4%	25.4	(7.0)	(465.2%)
Other Accounts Payable	(13.2)	0.3	<(999%)	(0.9)	>999%	(14.1)	(6.8)	108.2%
Operating Cash Generation	**381.1**	**349.9**	**8.9%**	**350.6**	**8.7%**	**731.7**	**684.5**	**6.9%**
Interest paid	(2.2)	(2.4)	(7.8%)	(80.2)	(97.2%)	(82.5)	(100.2)	(17.7%)
Tax Paid	(27.2)	(41.9)	(35.1%)	(73.8)	(63.2%)	(101.0)	(95.8)	5.5%
Net Cash from Operating Activities	**351.7**	**305.6**	**15.1%**	**196.5**	**78.9%**	**548.2**	**488.6**	**12.2%**
Acquisitions of Prop. Plant and Equip.	(41.9)	(37.3)	12.2%	(51.8)	(19.2%)	(93.7)	(60.8)	54.2%
Acquisition of Intangible Assets	(29.7)	(41.9)	(29.2%)	(22.3)	33.0%	(52.0)	(78.1)	(33.4%)
Franchises Loan	3.3	3.8	(13.7%)	2.9	13.1%	6.2	7.4	(16.1%)
Acquisition of Subsidiaries, Net of Cash	-	(12.7)	(100.0%)	-	-	-	(583.6)	(100.0%)
Payments from Acquisitions of Subsidiaries	(26.7)	(289.3)	(90.8%)	(87.5)	(69.5%)	(114.2)	(315.0)	(63.8%)
Proceeds from Sale of Subsid., Net of Cash	-	-	-	-	-	-	21.1	(100.0%)
Proceeds from Sale of Prop. Plant and Equip.	1.1	1.3	(13.8%)	1.4	(23.2%)	2.5	8.3	(69.3%)
CVC Fund Investments	(2.4)	-	-	(21.4)	(88.6%)	(23.8)	(26.0)	(8.4%)
Cash generated from (used in) RJ Participações	(0.1)	0.6	(119.4%)	(1.6)	(92.3%)			
Net Cash used in Investing Act.	**(96.4)**	**(375.5)**	**(74.3%)**	**(180.3)**	**(46.5%)**	**(276.7)**	**(1,024.6)**	**(73.0%)**
Payment of Princ. of Loans and Financing	-	(4.7)	(100.0%)	-	-	-	(40.4)	(100.0%)
Payment of Principal of Lease Liabilities	(22.2)	(15.0)	47.6%	(15.4)	44.1%	(37.5)	(30.1)	24.9%
Dividends and Interest on Equity Paid	(81.9)	-	-	-	-	(81.9)	-	-
Net Treasury Shares	-	(248.3)	(100.0%)	-	-	-	(312.4)	(100.0%)
Net Cash gen. by (used in) Financ. Act.	**(104.1)**	**(273.0)**	**(61.9%)**	**(15.4)**	**576.9%**	**(119.5)**	**(387.9)**	**(69.2%)**
Incr. (Dec.) in Cash and Cash Eq.	**151.2**	**(342.9)**	**(144.1%)**	**0.9**	**>999%**	**152.1**	**(923.9)**	**(116.5%)**
Cash and Equiv. Beginning of the Period	1,943.0	2,548.1	(23.7%)	1,942.2	0.0%	1,942.2	3,129.2	(37.9%)
Cash and Equiv. End of the Period	2,094.2	2,205.2	(5.0%)	1,943.0	7.8%	2,094.2	2,205.2	(5.0%)

APPENDIX V

Balance Sheet (GAAP)

In R$ million	2Q25	2Q24	Δ y/y	1Q25	Δ q/q
ASSETS					
Current Assets	**3,169.4**	**3,070.9**	**3.2%**	**2,921.7**	**8.5%**
Cash and Cash Equivalents	2,094.2	2,205.2	(5.0%)	1,943.0	7.8%
Trade Receivables	734.7	643.5	14.2%	714.2	2.9%
Provision for Expected Credit Losses	(68.3)	(59.3)	15.1%	(73.1)	(6.6%)
Recoverable Taxes	93.9	73.8	27.3%	100.9	(7.0%)
Escrow Account	19.2	19.6	(2.0%)	14.3	33.8%
Other Assets	238.2	188.1	26.7%	165.5	44.0%
RJ Participações Assets	57.4	-	-	56.8	1.0%
Non-current Assets	**5,793.2**	**5,632.0**	**2.9%**	**5,763.9**	**0.5%**
Long-term assets	**841.5**	**600.6**	**40.1%**	**820.4**	**2.6%**
Trade Receivables	15.1	19.7	(23.3%)	14.5	4.5%
Receivables from Related Parties	4.7	4.9	(2.7%)	5.8	(18.4%)
Deferred Tax Assets	245.1	136.1	80.1%	256.1	(4.3%)
Judicial Deposits	29.2	32.8	(10.8%)	32.4	(9.9%)
Investments at Fair Value	196.7	149.0	32.1%	193.7	1.6%
Escrow Account	184.0	179.1	2.7%	182.5	0.8%
Other Assets	166.6	79.1	110.7%	135.4	23.1%
Investments	324.9	315.5	3.0%	324.8	0.0%
Property, Plant and Equipment	423.1	400.4	5.7%	418.9	1.0%
Intangible	4,203.7	4,315.4	(2.6%)	4,199.8	0.1%
TOTAL ASSETS	**8,962.6**	**8,702.9**	**3.0%**	**8,685.6**	**3.2%**
LIABILITIES					
Current Liabilities	**1,343.3**	**1,280.1**	**4.9%**	**1,158.4**	**16.0%**
Labor Liabilities	547.0	479.0	14.2%	442.8	23.5%
Trade and Other Payables	224.3	194.6	15.3%	232.2	(3.4%)
Taxes and Contributions Liabilities	131.8	119.8	10.0%	121.4	8.6%
Debentures	88.2	48.6	81.5%	33.4	164.2%
Lease Liabilities	67.3	57.5	17.0%	60.1	12.0%
Dividends Payable	89.3	1.8	>999%	83.2	7.3%
Accounts Payable from Acq. of Subsid.	43.5	238.1	(81.7%)	46.3	(6.2%)
Commissions Payable	64.5	52.4	23.0%	60.9	5.8%
Other Liabilities	77.6	88.3	(12.2%)	68.3	13.6%
RJ Participações Liabilities	9.8	-	-	9.6	2.1%
Non-current Liabilities	**2,404.0**	**2,434.5**	**(1.3%)**	**2,415.7**	**(0.5%)**
Lease Liabilities	62.5	77.3	(19.1%)	62.3	0.2%
Debentures	1,474.7	1,493.0	(1.2%)	1,473.5	0.1%
Loans and Financing	-	-	-	-	-
Accounts Payable from Acq. of Subsid.	218.7	252.4	(13.4%)	226.2	(3.3%)
Tax Obligations	-	0.6	(100.0%)	-	-
Deferred Income Taxes	20.2	14.2	41.6%	15.9	27.0%
Provision for Contingencies	100.8	112.6	(10.5%)	111.3	(9.4%)
Call Option of Non-controlling Interests	465.6	424.6	9.7%	454.3	2.5%
Other Liabilities	61.6	59.8	2.9%	72.3	(14.8%)
Shareholders' Equity	**5,215.3**	**4,988.2**	**4.6%**	**5,111.5**	**2.0%**
Share Capital	2,962.6	2,962.6	0.0%	2,962.6	0.0%
Treasury Shares	(305.2)	(545.1)	(44.0%)	(349.7)	(12.7%)
Capital Reserves	252.1	709.2	(64.5%)	294.5	(14.4%)
Profit Reserve	1,928.8	1,504.2	28.2%	1,828.1	5.5%
Carrying Value Adjustments	59.0	56.6	4.1%	64.3	(8.3%)
Non-controlling Interest	318.1	300.7	5.8%	311.7	2.0%
TOTAL LIABILITIES AND EQUITY	**8,962.6**	**8,702.9**	**3.0%**	**8,685.6**	**3.2%**

APPENDIX VI

Amortization Aging of Acquisition Intangibles (Management + RD Station)

In R$ million	2Q25
Up to 12 months	78.6
from 13 to 24 months	80.3
from 25 to 36 months	76.6
from 37 to 48 months	65.2
over 48 months	246.0
Total	**546.7**

Amortization Aging of Acquisition Intangibles (Techfin 100%)

In R$ million	2Q25
Up to 12 months	7.6
from 13 to 24 months	7.4
from 25 to 36 months	6.6
from 37 to 48 months	6.6
over 48 months	23.5
Total	**51.6**

Amortization of Acquisition Goodwill

The acquisition goodwill represents the difference between the amount paid for acquiring a company and the fair value of its net assets. In Brazil, the amortization of this goodwill can generate a significant tax benefit, allowing the amortized amount to be deducted from the Corporate Income Tax (IR) and Social Contribution (CSLL) on Net Income tax bases, thereby reducing the acquiring Company's tax burden.

The goodwill related to acquisitions is not amortized for accounting purposes. As shown in the table below, total goodwill amounted to **R$3.3** billion in 2Q25, of which R$754 million has already been amortized for IR/CSLL tax purposes.

Acquisition Goodwill (R$ million)	
Total	**3,346.6**
Used as a benefit until 06/30	(753.6)
Balance to be used:	**2,592.9**
Balance of non-merged companies	2,076.9
Incorporated balance to be used:	**516.0**
Up to 12 months	(198.6)
From 13 to 24 months	(142.4)
From 25 to 36 months	(114.7)
Over 36 months	(103.6)

APPENDIX VII

Adjusted Net Income Reconciliation Techfin (100%)

In R$ million	2Q25	2Q24	Δ y/y	1Q25	Δ q/q	1H25	1H24	Δ y/y
Adjusted Net Income (Loss) from Techfin	**1.6**	**(1.9)**	**(182.1%)**	**7.2**	**(78.4%)**	**8.7**	**(3.4)**	**(354.1%)**
Extraordinary Items, Net	-	-	-	-	-	-	(1.7)	(100.0%)
Net Effect of Amortization	(1.2)	(5.2)	(76.1%)	(1.2)	0.0%	(2.5)	(10.5)	(76.1%)
Net Income (Loss) from Techfin	**0.3**	**(7.1)**	**(104.3%)**	**5.9**	**(94.8%)**	**6.3**	**(15.6)**	**(140.0%)**
Other Results [1]	0.2	(3.6)	(104.3%)	3.0	(94.9%)	3.1	(7.8)	(140.0%)
Equity Pickup - TOTVS	0.2	(3.6)	(104.3%)	3.0	(94.8%)	3.1	(7.8)	(140.0%)

[1] Result allocated to partner shareholders + Net Result from Techfin before the JV with Itaú

Cash Flow Techfin (100%)

In R$ million	2Q25	2Q24	Δ y/y	1Q25	Δ q/q	1H25	1H24	Δ y/y
EBT	**2.1**	**(5.3)**	**(140.2%)**	**11.2**	**(81.0%)**	**13.4**	**(13.7)**	**(197.4%)**
Non-Cash Items	**52.9**	**59.0**	**(10.3%)**	**45.9**	**15.3%**	**98.8**	**109.4**	**(9.7%)**
Change in Working Capital	**(163.5)**	**447.2**	**(136.6%)**	**(100.9)**	**62.0%**	**(264.5)**	**193.8**	**(236.5%)**
Operating Cash Generation	**(108.5)**	**500.9**	**(121.7%)**	**(43.8)**	**147.5%**	**(152.3)**	**289.4**	**(152.6%)**
Interest paid	(0.0)	(0.4)	(86.9%)	(0.1)	(14.4%)	(0.1)	(0.4)	(75.1%)
Income Tax and Social Cont. paid	(0.0)	0.0	(124.7%)	(1.2)	(99.2%)	(1.3)	(0.3)	277.3%
Net Cash from Operating Activities	**(108.6)**	**500.6**	**(121.7%)**	**(45.1)**	**140.5%**	**(153.7)**	**288.7**	**(153.2%)**
Fixed Assets	(0.1)	(0.1)	(20.9%)	(0.2)	(24.0%)	(0.3)	(0.4)	(35.4%)
Intangibles	(0.2)	(2.0)	(87.9%)	(0.2)	26.5%	(0.4)	(3.1)	(86.2%)
Financial Rescues (Invest.)	52.3	(235.2)	(122.2%)	(19.6)	(367.1%)	32.7	(84.3)	(138.8%)
Net Cash used in Investing Act.	**51.9**	**(237.3)**	**(121.9%)**	**(19.9)**	**(360.7%)**	**32.0**	**(87.8)**	**(136.5%)**
Increase (Decrease) Gross Debt	69.6	(92.6)	(175.2%)	(138.4)	(150.3%)	(68.8)	7.4	<(999%)
Payment of Principal of Lease Liabilities	(0.6)	(0.5)	12.4%	(0.6)	(0.1%)	(1.2)	(1.0)	24.8%
Red. (Inv.) of Senior Quotas	46.6	(178.4)	(126.1%)	54.2	(14.1%)	100.8	(220.5)	(145.7%)
Net Cash gen. by (used in) Financ. Act.	**115.6**	**(271.6)**	**(142.6%)**	**(84.8)**	**(236.4%)**	**30.8**	**(214.0)**	**(114.4%)**
Incr. (Dec.) in Cash and Cash Equivalent	59.0	(8.3)	(810.6%)	(149.8)	(139.4%)	(90.8)	(13.2)	589.2%
Cash and Equiv. Beginning of the Period	109.2	194.3	(43.8%)	259.0	(57.8%)	259.0	199.2	30.0%
Cash and Equiv. End of the Period	**168.1**	**186.0**	**(9.6%)**	**109.2**	**54.0%**	**168.1**	**186.0**	**(9.6%)**
Revenue from financial investment, net of Taxes	3.9	3.8	3.0%	3.5	10.4%	7.4	8.8	(16.5%)
Free Cash Flow to Firm [1]	**(113.3)**	**494.5**	**(122.9%)**	**(49.5)**	**128.8%**	**(162.9)**	**275.8**	**(159.1%)**

[1] Operating Cash Generation (–) Income Tax and Social Cont. paid (–) Investing in Fixed Assets and Intangibles (–) Payment of Principal of Lease Liabilities (–) Short-term investment yield

Balance Sheet Techfin (100%)

In R$ million	2Q25	2Q24	Δ y/y	1Q25	Δ q/q
ASSETS					
Current Assets	**2,827.7**	**2,721.2**	**3.9%**	**2,821.5**	**0.2%**
Cash and Cash Equivalents	168.1	186.0	(9.6%)	109.2	54.0%
Financial Investments	127.2	376.3	(66.2%)	177.7	(28.5%)
Trade Receivables	2,472.7	2,108.4	17.3%	2,471.4	0.1%
Other Assets	59.6	50.6	17.9%	63.2	(5.6%)
Non-current Assets	**210.8**	**248.6**	**(15.2%)**	**215.5**	**(2.2%)**
Long-term assets	34.5	50.6	(31.9%)	36.3	(5.0%)
Property, Plant and Equipment	5.6	5.9	(5.7%)	6.3	(11.3%)
Intangible	170.7	192.1	(11.1%)	172.9	(1.2%)
TOTAL ASSETS	**3,038.5**	**2,969.9**	**2.3%**	**3,036.9**	**0.1%**
LIABILITIES					
Current Liabilities	**2,377.6**	**2,329.4**	**2.1%**	**2,374.9**	**0.1%**
Loans and Financing	302.6	9.1	>999%	233.3	29.7%
Business Partners Payable	698.9	988.1	(29.3%)	876.8	(20.3%)
Senior and Mezzanine Quotas	1,293.9	1,275.3	1.5%	1,203.7	7.5%
Other Liabilities	82.2	56.8	44.7%	61.0	34.7%
Non-current Liabilities	**11.3**	**9.4**	**20.4%**	**12.8**	**(11.7%)**
Loans and Financing	1.3	1.1	13.1%	1.7	(26.8%)
Other Liabilities	10.1	8.3	21.4%	11.1	(9.3%)
Shareholders' Equity	**649.5**	**631.1**	**2.9%**	**649.2**	**0.0%**
TOTAL LIABILITIES AND EQUITY	**3,038.5**	**2,969.9**	**2.3%**	**3,036.9**	**0.1%**

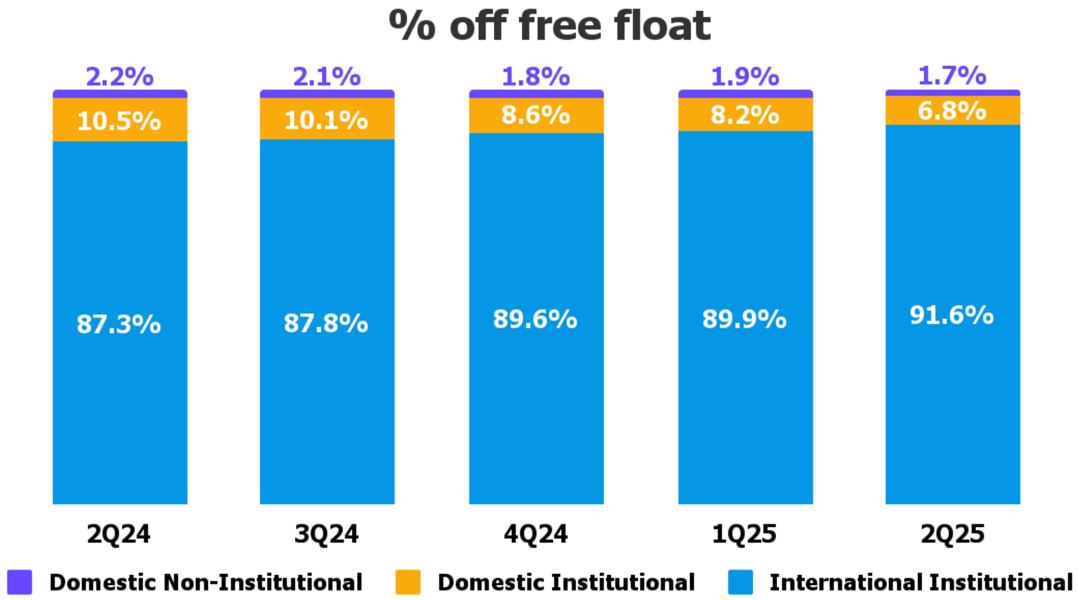
Techfin's Credit Rights by Maturity (100%)

In R$ million	2Q25	2Q24	Δ y/y	1Q25	Δ q/q
On Due	2,427.8	2,088.8	16.2%	2,446.4	(0.8%)
Notes overdue					
Up to 30 days	43.9	18.6	136.2%	22.3	96.6%
from 31 to 60 days	5.5	6.4	(13.8%)	7.7	(27.8%)
from 61 to 90 days	4.1	4.2	(4.5%)	3.5	14.6%
from 91 to 180 days	10.7	11.1	(3.5%)	7.5	42.9%
from 181 to 360 days	13.0	18.3	(29.2%)	15.8	(18.1%)
over 360 days	149.1	122.4	21.8%	144.6	3.1%
Gross Trade Receivables	**2,654.1**	**2,269.9**	**16.9%**	**2,647.9**	**0.2%**
Provision for Expected Credit Losses	(181.4)	(157.0)	15.5%	(176.1)	3.0%
Total	**2,472.7**	**2,112.9**	**17.0%**	**2,471.8**	**0.0%**

APPENDIX VIII

SHAREHOLDING COMPOSITION

TOTVS closed 2Q25 with a share capital of approximately R$3 billion, composed of 599,401,581 common shares, of which approximately 89% are in free float, with the following composition:



GLOSSARY

A

Adjusted Net Income: is a non-accounting measure that represents Net Income without the net effects of the respective impacts of income tax and social contribution from: (i) extraordinary expenses; (ii) financial expenses for adjustment to present value arising from the option to purchase a non-controlling interest, as provided for in the partnership agreement of Dimensa's operation with B3; (iii) extraordinary impacts on financial expenses for adjustment to present value arising from earn-outs adjustments; and (iv) the portion of Income attributed to Dimensa's non-controlling shareholders.

ADTV Average Daily Trading Volume of shares.

ARR (Annual Recurring Revenue): It denotes the yearly income generated from recurring agreements. It is an important indicator of the company's revenue predictability.

C

CAC (Customer Acquisition Cost): it is an indicator that reveals the average expenditure a company incurs in acquiring a new customer. It is calculated by dividing the total marketing and sales investment by the number of customers acquired within a specific timeframe.

Corporate Model: under this payment model for management software, customers receive unlimited access to contracted systems. Annual agreement fees are adjusted in the first quarter based on customer performance in the previous year, as determined by updated contractual metrics like gross revenue. The updated fees have an impact on both License Revenue and Recurring Revenues. With Licenses, the increase reflects only customers who expanded their business year after year, increasing to a higher range in the price list, while with Recurring Revenue the impact is the net balance between customers who "went up" and those who "went down" in the price list.

E

Earn-out: it is a portion corresponding to the payment of the part of the acquisition price of a company, usually tied to performance and to certain targets of the acquired company.

EBITDA: acronym of Earnings Before Interest, Income Tax (IRPJ) and Social Contribution on Earnings, Depreciation and Amortization. It is a non-accounting measurement prepared by the Company that comprises net income for the year or period, excluding the effects of revenues and financial expenses, of income Tax and of social contribution and of costs and expenses from depreciation and amortization.

eNPS (Employee Net Promoter Score): it comprises an employee engagement index. It measures how likely employees are to recommend the company as a good place to work.

F

FIDC (Credit Rights Investment Fund): it is a type of investment fund that pools funds from multiple investors to purchase credit rights, that is, the FIDC buys debts from companies or individuals and divides them into smaller portions that are sold to investors.

G

GDP is the Law 13.709/2018, called the General Data Protection Law.

Global Report Initiative (GRI): is a multi-stakeholder organization that sets global sustainability reporting standards developed with input from different stakeholders and focused on the public interest.

GMV (Gross Merchandise Volume): It represents the overall number of goods and services sold on its marketplace during a specific timeframe. It is a metric adopted to estimate the size of one's platform, but not its health.

I

IBOV (Bovespa Index): it is the most important indicator of the average performance of stock prices traded on B3 - Brasil, Bolsa, Balcão.

IBrX-50 (Brazil 50 Index): an indicator of the average price performance of the 50 most tradable and representative assets of the Brazilian stock market.

IGP-M (General Market Price Index): a comprehensive Brazilian inflation index that measures the variation of prices at different stages of production, from raw materials to finished goods. This can be compared to the American indicators PPI (Producer Price Index) and PCE (Personal Consumption Expenditures), which monitor not just retail prices but also intermediate product prices and company production costs. It is widely used to update contracts fees, such as rentals, and to index investments.

Inflation in costs and expenses: operating costs and expenses can be influenced by inflation. As a Technology company, the main line is Personnel. Employees' salary bases are readjusted through the negotiation process between workers' unions and companies. This adjustment is generally annual and aims to compensate for the loss of purchasing power caused by inflation. Therefore, the variation of the IPCA and/or INPC over the last 12 months is used as the basis for this negotiation. Each region in which the Company operates is associated with a specific union in the sector and has adjustment anniversaries on different dates, the most relevant being listed below according to the concentration of number of employees: (i) São Paulo readjusted in January; (ii) Belo Horizonte and Rio de Janeiro readjusted in September; (iii) Joinville readjusted in October; and (iv) Santa Catarina in August.

Inflation in revenue: the Company periodically adjusts the prices of its products and services, aiming at business sustainability and monitoring market variations. The price list is regularly reviewed and the vast majority of Recurring Revenue contracts provide for automatic annual adjustments, taking into account several factors, the main one being inflation.
In the case of the Management Dimension, approximately 80% of the Recurring Revenue base is automatically renewed each year and its values are readjusted according to the accumulated inflation of the last 12 months, calculated on the contract anniversary. If inflation is negative, the value of the contract is not reduced. The inflation indices most used for these adjustments are the IGP-M and the IPCA, and the new contracts, by default, are linked to the IPCA, causing this index to increase its representation over time. The other approximately 20% of the company's recurring revenue contracts are adjusted annually by a performance mechanism, with the corporate model being the most common and also the Intera Unlimited model which has been gaining representation. Finally, there is less than 5% of contracts that do not have automatic renewal and depend on commercial negotiation at each renewal.
In the case of the Business Performance Dimension, most annual adjustments to current contracts also occur on the anniversary of the contracts and take into account the last update of the price table. This table can be updated more than once a year and normally takes into account the inflation of the period (generally IPCA), added to other market effects, such as the price charged by competitors.

INPC (National Consumer Price Index): a Brazilian inflation index that, like the IPCA, measures the price variation of a selection of goods and services consumed by Brazilian families. However, the major difference between the two is the target audience. The INPC monitors the price variation for families with an income of up to 5 minimum wages. The IPCA monitors the price variation for families with an income of up to 40 minimum wages.

Interest on Equity: is a form of remuneration paid to the partners or shareholders of a company, calculated on the value of the equity. This remuneration is considered an expense for the company, which means it can be deducted from the net income before calculating the Corporate Income Tax (IRPJ) and the Social Contribution on Net Income (CSLL), thus reducing the company's tax burden while distributing dividends to shareholders. It is worth noting that the payment of Interest on Equity is limited to the lower value among: (i) 50% of the net income for the fiscal year; (ii) 50% of retained earnings and profit reserves; and (iii) the variation of the Long-Term Interest Rate (TJLP) on the equity.

IPCA (Broad National Consumer Price Index): a Brazilian inflation index that measures the average variation of prices paid by urban consumers for goods and services that Brazilians consume on a daily basis, such as food, rent, transportation, etc. Comparable to the American CPI (Consumer Price Index), this indicator holds significant influence over key decisions in Brazil, particularly in determining the interest rate by the Central Bank.

L

Lei do Bem: Law 11.196/05, popularly known as Lei do Bem, was created to stimulate and encourage Brazilian companies to invest in Research, Development and Innovation (R&D). This law offers several tax benefits to companies that carry out R&D activities, aiming to boost innovation and competitiveness in the private sector in Brazil. In the case of TOTVS, the main benefit is the reduction of Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) obtained through the deduction of a portion of R&D expenses from the calculation basis of these taxes, thus reducing its tax burden.

LTV (Life Time Value): it is a metric that defines the average value of the customer's life cycle. It represents the financial resources acquired by the company through customer purchases and services over the duration of their relationship with the company.

LTM (Last Twelve Months): sum of the last twelve months.

M

Management business unit: a segment of TOTVS's business focused on business management solutions, which includes the offer of ERPs and other software for business management.

N

NPS (Net Promoter Score): is a measure obtained from customer surveys to evaluate the likelihood of recommending the company, product, or service.

P

Payroll Exemption: It is a measure that aims to reduce companies' labor costs, replacing the social security contribution on the payroll with a contribution on gross revenue. In other words, instead of paying a percentage of each employee's salary, the company pays a percentage of the total value of its sales. Currently, TOTVS uses, in most of its operations, the benefit of payroll exemption, replacing the 20% rate on INSS on payroll for a rate of 4.5% of Social Security Contribution on Gross Revenue (CPRB).

PLG (Product-Led Growth): is described as a scenario where the product's usage is the major factor driving users' acquisition, retention, and expansion. Thus, PLG can be considered both a growth strategy and an innovative business model. It is a growth model focused on the end user, based entirely on the product.

R

RD Station business unit: a division of TOTVS that offers solutions for enhancing business performance, such as digital marketing, customer management, and automation tools.

Renewal Rate: represents the percentage of clients that remained in the recurring base at the end of the period, compared with the base at the beginning of the period, using the Recurring Revenue as a reference.

Revenue Net of funding cost: a structure usually adopted by the financial market, which makes up the revenue net of the cost formed by the remuneration of the FIDC's senior and mezzanine shares.

S

Selic (Special Settlement and Custody System): it is the basic interest rate of the Brazilian economy. It is the major monetary policy metric used by the Brazilian Central Bank (BC) to control inflation.

Signings: the Company's sales and growth indicator that shows how much TOTVS is managing to expand its customer base, whether by up-selling or cross-selling, and to increase its recurring revenues, especially in increasingly competitive markets.

T

Take rate: it is a metric that represents the percentage of a transaction's value retained by a platform or intermediary as revenue. This concept is commonly used in marketplaces, fintechs, e-commerce, and online service platforms business models, where the company acts as an intermediary between sellers and buyers.

TCO (Total Cost of Ownership): it denotes the sum of all possible costs related to the purchase and possession of a product or service.

TPV (Total Payment Volume): is the total value of transactions processed by a particular company, payment platform, or financial institution.

Techfin business unit: TOTVS's financial services division, responsible for providing credit and financing solutions to customers, which is seamlessly incorporated into the company's management systems.

U

Unlimited Intera Model: This model is similar to the corporate model, differing only in the anniversary of the adjustment, which is made on the anniversary of the contract and not in the first quarter and the fact that it only affects Recurring Revenue.

Y

YTD (Year to Date): Refers to the accumulated value of a given indicator from the year up to the reporting date.