EARNINGS RELEASE 2Q24

VIDEO CONFERENCE - August 8th , 2024 at 11am (BRT)

- **PORTUGUESE:**
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TOTVS

2Q24 EARNINGS RELEASE

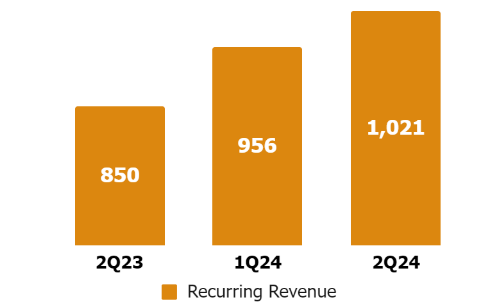
São Paulo, August, 7th, 2024 - TOTVS S.A. (B3: TOTS3), the leader in the development of business solutions in Brazil, announces its results for the **Second Quarter of 2024 (2Q24).**

CONSOLIDATED NET REVENUE ACCELERATES YEAR-OVER-YEAR GROWTH TO 20%

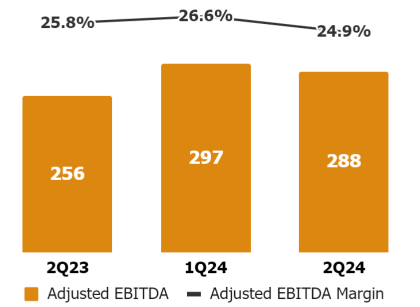
- Management Recurring Revenue exceed R$1 billion level, accelerating growth to 20% over 2Q23 and 6.8% over 1Q24, mainly because of the ARR addition of Volume in the last quarters, which reached its record in 2Q24
- Business Performance Recurring Revenue grew 40% over 2Q23 and 5.4% over 1Q24
- Techfin Revenue Net of Funding grew 47% over 2Q23 and 11% over 1Q24, with a Techfin EBITDA Margin growing 7 p.p. year-over-year
- Management and Business Performance Adjusted EBITDA boosted Cash Earnings to R$151 million in 2Q24, growth of 14% versus 2Q23

2Q24 NET REVENUE[1]	2Q24 ADJUSTED EBITDA	2Q24 OPERATING CASH GENER. / ADJUSTED EBITDA (Mgmt + Biz Perf.)	CASH EARNINGS 2Q24
R$1.3billion	**R$296million**	**119%**	**R$151million**
+20% vs 2Q23	**+15% vs 2Q23**	**-1750 bp vs 2Q23**	**+14% vs 2Q23**

Management Recurring Revenue (R$ million)



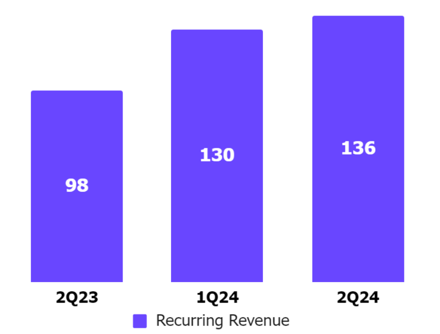
Management Adj. EBITDA (R$ million)



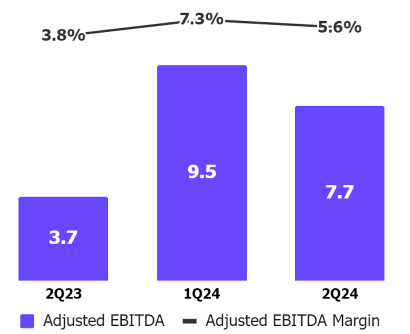
Management ARR
R$4.7bi
+18% vs 2Q23
+5.0% vs 1Q24

Management ARR Net Addition
R$149million
+1.7% vs 2Q23

Biz Performance Revenue (R$ million)



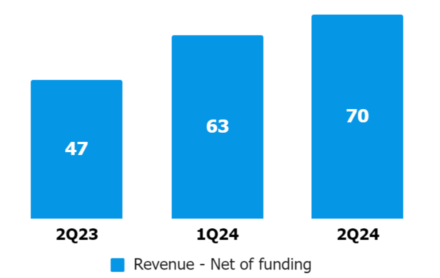
Biz Perform. Adj. EBITDA (R$ million)



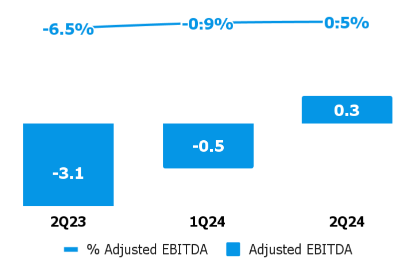
Biz Performance ARR
R$539million
+30% vs 2Q23
+5.9% vs 1Q24

Biz Performance ARR Adition
R$30million
-4.1% vs 2Q23

Techfin Revenue Net of Funding (R$ million)



Techfin Adjusted EBITDA (R$ million)



Delinquency over 90 days
1.4%
300 basis points lower than Brazil Average[2]

Credit Portfolio
+R$2.1billion
+17% vs 2Q23

(1) The Revenue Net of Funding (Non-GAAP) incorporates the notion of Techfin Revenue at 50%, net of funding cost, in the consolidation of the Company's revenues, in all periods.
(2) Source: Brazilian Central Bank (www.bcb.gov.br/estatisticas/estatisticasmonetariascredito) > tabelas.xls > Tabela 23 > MPMe

RECENT EVENTS

Universo TOTVS 2024 + Investor Day

One of the largest technology and business events in Brazil

Attended by more than 16,000 people (an increase of 30% compared to 2023), including clients, partners and developers, the two-day event presented a range of content on product launches, innovations and trends in the Company's three business dimensions.

For the third consecutive year, Investor Day was held within the Universo TOTVS, offering presentations and interactions by the Executive Board on the Company's strategy and vision for the future with market analysts and investors, enabling those who attended in person to have full access to the two days of the Universo TOTVS.

To check the Investor Day's contents, please click here

Institutional Investor

TOTVS stands out again in the 2024 ranking

TOTVS was elected "Most Honored Company" in the MidCap ranking of the Technology, Media and Telecommunications (TMT) sector in "The Latam Executive Team 2023" survey, recognized in 8 categories of the General and MidCap rankings, standing out in the MidCap TMT categories in the Combined, Sell Side and Buy Side rankings.

For more information, please click here

Integrated Report

The 8th Edition of this report showcases TOTVS' progress in Sustainability and ESG.

One of the major highlights this year was the biannual renewal of the Company's material topics. In the Environmental pillar, we improved our CDP score to C and expanded the inclusion of scope 3 emissions in our carbon inventory, showcasing our dedication to managing emissions. In the Social pillar, we advanced the diversity and inclusion agenda, promoting a more equitable work environment. And, in the Governance pillar, we renewed the business materiality matrix with our stakeholders, an important process that will support the Company in defining priority initiatives in the sustainability and ESG agenda for the coming years.

To access the full report, please click here

Interest on Equity

Distribution of JCP for the first half of 2024

On August 1st, the Board of Directors approved the Interest on Equity distribution of R$136.8 million, which amounts to R$0.23 per share. The payment to shareholders will be made on August 26th, 2024, considering the shareholding position on August 6th, 2024.

For further information, please click here

Issue of Debentures

5th issue of nonconvertible debentures

With a total amount of R$1.5 billion, the issue mainly aimed to extend the duration of the Company's profile of gross indebtedness, considering that the net resources raised were allocated to the early redemption of the Company's 4th issue of debentures.

For further information, please click here

FINANCIAL AND OPERATING RESULTS

Management Message

We ended the first half of 2024 with the largest and most successful Universo TOTVS in our history, accompanied by the Investor Day, events that allow us to strengthen ties with various stakeholders, while creating a dynamic environment that promotes our extensive portfolio and innovative solutions, highlighting the significant advances the Company has been making in Artificial Intelligence, which is already a reality at TOTVS!

We can summarize our business strategy in just one simple sentence: to increase TOTVS' relevance to customers. We have been doing this for decades, with a value proposition of improving the results of companies, assuming a value position of trusted advisor and building a 3D ecosystem that is one of the greatest innovations in the management software market in recent years. As a result, we have delivered financial and operational results for 21 consecutive quarters at the highest levels, when compared to any global publicly traded peer.

We are confident that our performance will be outstanding in the second half. This is based on an analysis of the behavior of IGP-M and IPCA inflation indexes applied to revenues and costs. The IGP-M recently experienced negative performance during 2H23 and 1H24. Consequently, a relevant portion of Management recurring revenue did not undergo any price adjustments during this lengthy time frame. On the other hand, the IPCA remained positive. And it is the main proxy for 100% of personnel cost adjustments, representing about 65% of TOTVS' total cost. Therefore, in this period we had an unusual situation, with a headwind for profitability in Management. However, the IGP-M index has already turned positive and is expected to accelerate in the coming months, reflecting the strong currency devaluation. The second half of 2024 should therefore see a different (and better) scenario. Clear signs of this can be seen in the various year-over-year and quarter-over-quarter accelerations in management growth.

We should also talk about Techfin. The year 2024 is moving towards a more normalized scenario than previous years, marked by the pandemic, post-pandemic, high SELIC rates, credit crunch, among other atypical factors. Without these elements, we are heading for a year with much more positive market dynamics, even though there is still a strong historical seasonality between 1H and 2H, due to the agricultural harvest, which has a high impact on Credit Production, average term, Revenue and, consequently, profitability.

At this year's Investor Day, we highlighted the chart below, in which we showed that the Management market has grown approximately twice the nominal GDP in the last 5 and 10 years, while the Business Performance market has grown around four times nominal GDP in the same periods. And TOTVS grew consistently more in both markets, in both periods.

CAGR	2013-23		2019-23	
Brazilian GDP (Nominal)[1]	6.4%		8.0%	
		2X		2X
Management Market[2]	13.2%		16.2%	
		1.7 p.p.		2.9 p.p.
TOTVS Management[3]	14.9%		19.1%	

CAGR	2013-23		2019-23	
Brazilian GDP (Nominal)[1]	6.4%		8.0%	
		4X		3X
Performance Market[2]	26.0%		25.9%	
		64 p.p.		7 p.p.
TOTVS Biz Performance[4]	89.8%		32.9%	

[1] BACEN; [2]Gartner; [3] TOTVS - Management Recurring Revenue; and [4] TOTVS - RD Station Revenue in 2013.

This spectacular market performance, with TOTVS being particularly noteworthy, confirms two theses: that the Management market is far from maturity and TOTVS has powerful and difficult-to-replicate competitive advantages. In addition, we can state that we have entered a thriving market (Business Performance), with a consolidated leadership position, and a giant market (Techfin), with a disruptive approach, along with the strongest possible ally.

To conclude, I want to recall that we recently started a new brand building campaign, which involved a significant investment, a strategy we had not pursued in a few years. Its motto is “Brazil that makes it happen, makes with TOTVS” ("O Brasil, que faz, faz com TOTVS"), which summarizes our vision of believing that everyone can grow and that investing in technology is essential to turn challenges into opportunities!

Dennis Herszkowicz - CEO

Financial and Operating Highlights

The Company maintained the analysis of the 3 business dimensions with the **100% disclosure of the Income Statement, Balance Sheets, and Cash Flow of TOTVS Techfin in the "Techfin dimension results" section** and the **consolidated "Non-GAAP" standard, adding Revenue and EBITDA related to 50% of the Techfin dimension**. Finally, depreciation and amortization expenses, as well as the provision for expected credit losses, were maintained in specific lines of the Income Statement, in addition to maintaining the concept of Revenue Net of Funding in the Techfin dimension, including in the consolidation of the Company's Net Revenue (Non-GAAP), the basis for calculating gross, EBITDA and net margins.

	2Q24	2Q23	Δ	1Q24	Δ	**1H24**	1H23	Δ
Growth (in R$ million)								
Non-GAAP Net Revenue [1]	**1,330.1**	**1,111.7**	**19.6%**	**1,279.1**	**4.0%**	**2,609.2**	**2,203.0**	**18.4%**
Management + Biz Perform. Recurring Revenue	1,155.4	945.3	22.2%	1,083.6	6.6%	2,238.9	1,850.0	21.0%
% Management + Biz Perform. Recurring Revenue	86.9%	85.0%	190 bp	84.7%	220 bp	85.8%	84.0%	180 bp
Techfin Revenue - Net of funding [2]	**34.9**	**23.7**	**47.1%**	**31.5**	**10.9%**	**66.4**	**51.0**	**30.3%**
Consolidated ARR	5,245.8	4,399.1	19.2%	4,992.7	5.1%	n/a	n/a	-
Consolidated ARR Net Addition [3]	179.4	178.2	0.7%	192.9	(7.0%)	372.3	363.6	2.4%
Management + Biz Perform. SaaS Revenue	627.6	469.1	33.8%	572.0	9.7%	1,199.6	907.0	32.3%
Management Recurring Revenue vs. ARR [4]	88.9%	86.9%	200 bp	87.2%	170 bp	n/a	n/a	-
Biz Performance Recurring Revenue	134.0	95.8	40.0%	127.2	5.4%	261.2	182.7	43.0%
Credit Production	2,791.1	2,483.3	12.4%	2,618.5	6.6%	5,409.6	5,008.1	8.0%
Profitability (in R$ million)								
Adjusted EBITDA Margin [5]	**22.2%**	**23.2%**	**-100 bp**	**24.0%**	**-180 bp**	**23.1%**	**24.4%**	**-130 bp**
Adjusted EBITDA [6]	295.9	257.7	14.8%	306.5	(3.5%)	602.4	536.7	12.2%
Cash Earnings [7]	150.7	132.4	13.8%	156.1	(3.5%)	306.8	266.2	15.2%
Cash Earnings Margin	11.3%	11.9%	-60 bp	12.2%	-90 bp	11.8%	12.1%	-30 bp
Oper. Cash Generation (Mgmt + Biz Perform.)	350.6	353.0	(0.7%)	336.0	4.4%	686.6	641.3	7.1%
Op. Cash Generation / Adjusted EBITDA	118.6%	136.1%	-1750 bp	109.5%	910 bp	114.0%	119.6%	-560 bp
Stock Market								
TOTS3 (in R$)	**30.43**	**29.98**	**1.5%**	**28.38**	**7.2%**	**n/a**	**n/a**	**-**
ADTV 30 (in R$ million)	125.4	130.8	(4.1%)	118.7	5.6%	n/a	n/a	-
IBOV (thousands pts)	123.9	118.1	4.9%	128.1	(3.3%)	n/a	n/a	-
IBrX 50 (thousands pts)	20.9	19.4	7.4%	21.3	(2.2%)	n/a	n/a	-

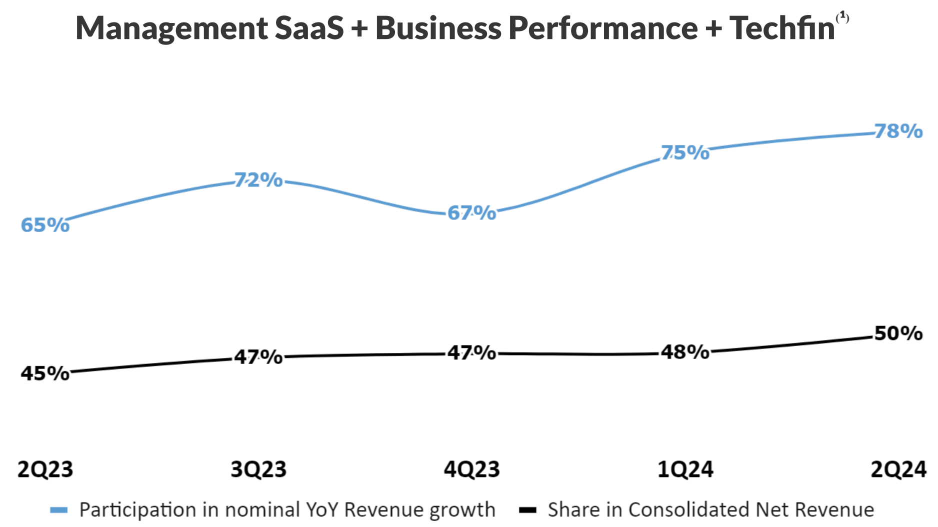
(1) Non-GAAP Revenue net of Funding , represents the Techfin Revenue at 50% and net of Funding Cost consolidated in the Total Company's Revenue, in all periods
(2) Considers Techfin's results at 50% in all periods
(3) Organic ARR Net Addition from Management + Business Performance
(4) Ratio Calculation Rationale = Recurring Revenue / [(Current Quarter ARR + Previous Quarter ARR) / 8]
(5) Adjusted EBITDA over the Non GAAP Revenue net of Funding, considering the Techfin's Results revenue at 50% in all periods
(6) EBITDA adjusted by extraordinary items and added with 50% of Techfin EBITDA in all periods
(7) Net Income without the effects of expenses with amortization of intangibles arising from acquisitions, considering Techfin Net Income at 50% in all periods

Consolidated Results (Non-GAAP)

Consolidated Result (in R$ million)	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
Consolidated Net Revenue	**1,330.1**	**1,111.7**	**19.6%**	**1,279.1**	**4.0%**	**2,609.2**	**2,203.0**	**18.4%**
GAAP Net Revenue	**1,295.1**	**1,087.9**	**19.0%**	**1,247.6**	**3.8%**	**2,542.8**	**2,152.1**	**18.2%**
Management Revenue	1,158.7	989.5	17.1%	1,118.0	3.6%	2,276.6	1,965.4	15.8%
Business Performance Revenue	136.5	98.4	38.7%	129.7	5.2%	266.2	186.6	42.6%
Techfin Revenue - Net of funding (1)	**34.9**	**23.7**	**47.1%**	**31.5**	**10.9%**	**66.4**	**51.0**	**30.3%**
Adjusted EBITDA (2)	**295.9**	**257.7**	**14.8%**	**306.5**	**(3.5%)**	**602.4**	**536.7**	**12.2%**
Mgmt. + Biz Performance Adjusted EBITDA	**295.7**	**259.3**	**14.1%**	**306.8**	**(3.6%)**	**602.5**	**536.3**	**12.3%**
Management Adjusted EBITDA	288.0	255.6	12.7%	297.3	(3.1%)	585.3	528.9	10.7%
Biz Performance Adjusted EBITDA	7.7	3.7	107.8%	9.5	(18.8%)	17.2	7.4	132.7%
Techfin Adjusted EBITDA (3)	**0.2**	**(1.5)**	**(110.7%)**	**(0.3)**	**(160.6%)**	**(0.1)**	**0.4**	**(124.7%)**
Adjusted EBITDA Margin	***22.2%***	***23.2%***	***-100 bp***	***24.0%***	***-180 bp***	***23.1%***	***24.4%***	***-130 bp***
% Mgmt. + Biz Performance Adjusted EBITDA	***22.8%***	***23.8%***	***-100 bp***	***24.6%***	***-180 bp***	***23.7%***	***24.9%***	***-120 bp***
% Management Adjusted EBITDA	*24.9%*	*25.8%*	*-90 bp*	*26.6%*	*-170 bp*	*25.7%*	*26.9%*	*-120 bp*
% Biz Performance Adjusted EBITDA	*5.6%*	*3.8%*	*180 bp*	*7.3%*	*-170 bp*	*6.4%*	*4.0%*	*240 bp*
% Techfin Adjusted EBITDA	***0.5%***	***-6.5%***	***700 bp***	***-0.9%***	***140 bp***	***-0.2%***	***0.8%***	***-100 bp***

(1) Considers Techfin's results at 50% in all periods
(2) In accordance with CVM Resolution 156/22, the reconciliation between Adjusted EBITDA and Net Income is presented in Appendix III of this document
(3) EBITDA adjusted by extraordinary items and considering 50% of Techfin EBITDA in all periods

Net Revenue



(1) Consider Techfin revenue at 50% in all periods

In the second quarter of 2024, consolidated Net Revenue exceeded R$1.3 billion, registering 20% of growth compared to the same period of the previous year. This performance reflects the continuous progress made: (i) in Management Recurring Revenue, which grew 20%, driven by the increase in SaaS Management Revenue, which increased 33% in 2Q24 versus 2Q23; (ii) in Business Performance Recurring Revenue, which grew 40%; and (iii) in Techfin Revenue Net of Funding, which grew 47%. The combined SaaS Management Revenue, Business Performance, and Techfin has already accounted for 50% of Total Revenue and has contributed 78% to the year-over-year growth in Net Revenue. This demonstrates the TOTVS' great innovative capacity, as these are recent revenue lines. The Combined Recurring Revenue from Management and Business Performance grew 22% year-over-year, accelerating in relation to the 20% growth rate observed in 1Q24.

Adjusted EBITDA

Adjusted EBITDA in the quarter was R$296 million, up 15% versus 2Q24, with an Adjusted EBITDA Margin of 22.2%, which represents 100 basis points less than that achieved in 2Q23. This decrease is mainly related to the reduction of 90 basis points in the Adjusted EBITDA Margin of Management dimension, which is majorly associated with the reduction of 220 basis points of the Gross Margin and other factors that will be discussed in the " Management dimension results" section.

In the quarter-over-quarter comparison, the decrease of 180 basis points is mostly attributed to the positive seasonal effect of the increment from the Corporate Model Licenses in Management Dimension, which contributed R$27.8 million in 1Q24.

Adjusted Net Income and Consolidated Cash Earnings

In R$ million	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
Mgmt. + Biz Performance EBITDA	279.8	244.6	14.4%	291.6	(4.0%)	571.4	495.7	15.3%
Mgmt. + Biz Performance Extraordinary Items	15.9	14.6	8.9%	15.2	5.1%	31.1	40.6	(23.4%)
Mgmt. + Biz Performance Adjusted EBITDA	**295.7**	**259.3**	**14.1%**	**306.8**	**(3.6%)**	**602.5**	**536.3**	**12.3%**
% Mgmt. + Biz Performance Adjusted EBITDA	*22.8%*	*23.8%*	-100 bp	*24.6%*	-180 bp	*23.7%*	*24.9%*	-120 bp
Depreciation and Amortization	(84.3)	(75.8)	11.3%	(73.5)	14.8%	(157.8)	(137.9)	14.4%
Financial Result	(9.6)	(3.7)	161.5%	(4.7)	106.5%	(14.3)	(24.3)	(41.2%)
Income Tax and Social Contribution	(61.6)	(53.3)	15.4%	(78.8)	(21.8%)	(140.3)	(116.5)	20.5%
Taxes on Extraordinary Items	(5.4)	(5.0)	8.9%	(5.2)	5.1%	(10.6)	(13.8)	(23.4%)
50% Adj. Net Income (Loss) from Techfin Dim.	**(3.6)**	**(4.0)**	**(10.3%)**	**(3.4)**	**5.1%**	**(6.9)**	**(6.8)**	**2.7%**
Adjusted Net Income	**131.2**	**117.5**	**11.7%**	**141.3**	**(7.2%)**	**272.6**	**237.0**	**15.0%**
Adjusted Net Margin [1]	*9.9%*	*10.6%*	*-70 bp*	*11.0%*	*-110 bp*	*10.4%*	*10.8%*	*-40 bp*
Net Effect of Amortization of Acquisitions' Intangibles	19.5	14.9	31.0%	14.7	32.1%	34.2	29.2	17.0%
Cash Earnings [2]	**150.7**	**132.4**	**13.8%**	**156.1**	**(3.5%)**	**306.8**	**266.2**	**15.2%**
Cash Earnings Margin	*11.3%*	*11.9%*	*-60 bp*	*12.2%*	*-90 bp*	*11.8%*	*12.1%*	*-30 bp*

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

[2] Net Income without the effects of expenses with amortization of intangibles arising from acquisitions

Cash Earnings reached R$151 million in 2Q24, 14% higher than in 2Q23, this growth is mainly related to the 14% increase in Management + Biz Performance Adjusted EBITDA. When compared to the previous quarter, this line remained at a similar level, mainly because of the maintenance of Management + Biz Performance Adjusted EBITDA.

In the semester, the 15% growth of this line is primarily attributed to the 12% growth in Management + Biz Performance Adjusted EBITDA.

GAAP Cash Flow
(Management and Business Performance dimensions)

The following statement reflects the combined summarized Cash Flow of the Management and Business Performance dimensions as per the GAAP standards. The detailed view of the GAAP Cash Flow is stated in **Appendix IV** of this document.

As mentioned in recent quarters, the Company updated the calculation rationale for Free Cash Flow to Firm. The new view begins in the Operational Cash Generation before the effects of Interest paid, considering the following subtractions: (i) Income Tax and Social Contribution paid; (ii) Investments in Fixed and Intangible Assets; (iii) Payment of Lease Installments related to the expenses of lease contracts under IFRS16; and (iv) Financial Investment Revenue. Its reconciliation is stated in the following table:

In R$ million	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
EBT (GAAP)	**182.3**	**165.2**	**10.3%**	**209.2**	**(12.9%)**	**391.5**	**333.5**	**17.4%**
Non-Cash Items	**147.3**	**178.4**	**(17.4%)**	**207.8**	**(29.1%)**	**355.1**	**367.1**	**(3.3%)**
Change in Working Capital	**21.0**	**9.3**	**124.8%**	**(81.0)**	**(126.0%)**	**(60.0)**	**(59.2)**	**1.3%**
Operating Cash Generation	**350.6**	**353.0**	**(0.7%)**	**336.0**	**4.4%**	**686.6**	**641.3**	**7.1%**
Interest paid	(2.4)	(2.2)	8.5%	(97.8)	(97.5%)	(100.2)	(110.9)	(9.6%)
Income Tax and Social Cont. paid	(41.9)	(28.5)	47.0%	(53.9)	(22.3%)	(95.8)	(80.0)	19.7%
Net Cash from Operating Activities	**306.3**	**322.2**	**(4.9%)**	**184.3**	**66.2%**	**490.5**	**450.4**	**8.9%**
Acquisition of Subsidiaries and Investments, Net	(302.0)	(69.0)	337.8%	(601.4)	(49.8%)	(903.4)	(80.7)	>999%
Fixed Assets	(36.0)	(22.0)	63.5%	(16.4)	119.1%	(52.5)	(59.5)	(11.7%)
Intangibles	(41.9)	(21.3)	97.2%	(36.2)	16.0%	(78.1)	(50.1)	55.9%
Franchises Loan	3.8	5.5	(30.8%)	3.6	6.6%	7.4	11.7	(36.8%)
Net cash Received (Invested) Techfin Dim.	-	0.2	(100.0%)	-	-	-	(4.8)	(100.0%)
Net Cash from Investing Act.	**(376.2)**	**(106.5)**	**253.1%**	**(650.4)**	**(42.2%)**	**(1,026.6)**	**(183.3)**	**460.0%**
Increase (Decrease) Gross Debt	(9.7)	(10.5)	(8.1%)	(35.7)	(72.9%)	(45.4)	(11.0)	314.1%
Investments from Non-controlling Interest	-	4.2	(100.0%)	-	-	-	4.2	(100.0%)
Payment of Principal of Lease Liabilities	(15.0)	(14.9)	1.2%	(15.1)	(0.2%)	(30.1)	(28.8)	4.7%
Shareholders Remuneration	(248.3)	(4.2)	>999%	(64.1)	287.5%	(312.4)	(240.6)	29.8%
Receivables from Related Companies	-	(6.1)	(100.0%)	-	-	-	(6.3)	(100.0%)
Net Cash from Financ. Act.	**(273.0)**	**(31.5)**	**768.0%**	**(114.9)**	**137.7%**	**(387.9)**	**(282.5)**	**37.3%**
Incr. (Dec.) in Cash and Cash Equivalent	(342.9)	184.2	(286.1%)	(581.0)	(41.0%)	(923.9)	(15.5)	>999%
Cash and Equiv. Beginning of the Period	2,548.1	2,536.1	0.5%	3,129.2	(18.6%)	3,129.2	2,735.8	14.4%
Cash and Equiv. End of the Period	**2,205.2**	**2,720.3**	**(18.9%)**	**2,548.1**	**(13.5%)**	**2,205.2**	**2,720.3**	**(18.9%)**

Cash and Equivalent ended the quarter amounting to R$2.2 billion, which is 13% lower than 1Q24, mainly due to: (i) the payment of Acquisition of Subsidiaries and Investments in the amount of R$302 million for the acquisition of the RD Station's remaining shares and for the earnout payments of Gesplan, Mobile2You and Vadu; and (ii) the amount of R$248 million in the Shareholders Remuneration line regarding the share buyback program.

Furthermore, the Company continues demonstrating its financial strength when registering an Operating Cash Generation on Management + Business Performance Adjusted EBITDA of 119% in the quarter. Despite continued investments and the establishment of two new fast growing business areas, this level of robustness remains unchanged.

Free Cash Flow (In R$ million)	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
Operating Cash Generation	**350.6**	**353.0**	**(0.7%)**	**336.0**	**4.4%**	**686.6**	**641.3**	**7.1%**
(–) Income Tax and Social Cont. paid	(41.9)	(28.5)	47.0%	(53.9)	(22.3%)	(95.8)	(80.0)	19.7%
(–) Investing in Fixed and Intangibles Assets	(78.0)	(43.3)	80.1%	(52.6)	48.2%	(130.6)	(109.6)	19.2%
(–) Payment of Principal of Lease Liabilities	(15.0)	(14.9)	1.2%	(15.1)	(0.2%)	(30.1)	(28.8)	4.7%
(–) Revenue from financial investment, net of Taxes	(58.6)	(79.9)	(26.7%)	(78.5)	(25.4%)	(137.0)	(142.9)	(4.1%)
Free Cash Flow to Firm	**157.2**	**186.4**	**(15.7%)**	**135.9**	**15.6%**	**293.1**	**280.0**	**4.7%**

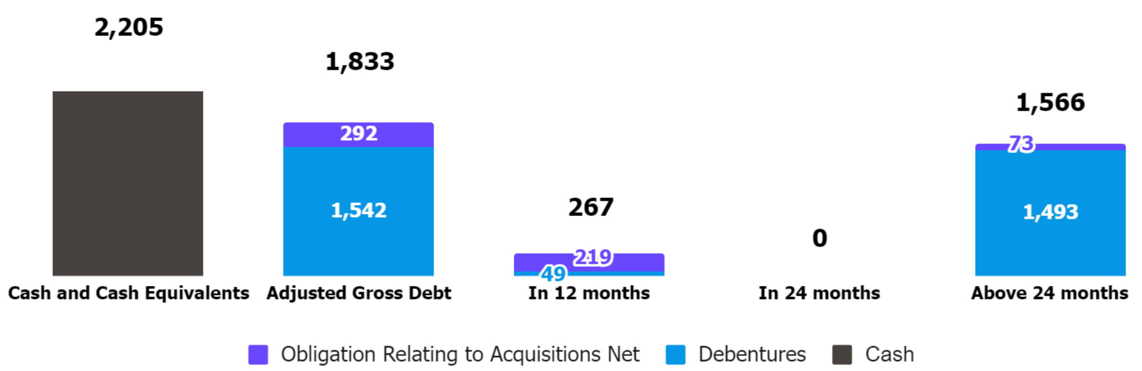
Free Cash Flow ended the quarter at R$157 million, which is 16% higher than in 1Q24, mainly because of the growth of R$15 million in Operating Cash Generation. This performance counterbalanced the increase in Investing in Fixed and Intangible Assets, primarily related to investments made in the Cloud operation, subject to usual quarterly fluctuations driven by the demand for new investments resulting from the operation's rapid growth, as already mentioned in previous quarters.

Gross and Net Debt

In R$ million	2Q24	2Q23	Δ	1Q24	Δ
Loans and Financing	-	-	-	4.6	(100.0%)
Debentures	1,541.6	1,551.2	(0.6%)	1,502.5	2.6%
Financial Liabilities	**1,541.6**	**1,551.2**	**(0.6%)**	**1,507.2**	**2.3%**
Obligation Relating to Acquisitions Net	291.9	520.5	(43.9%)	622.9	(53.1%)
Total Gross Debt	**1,833.5**	**2,071.7**	**(11.5%)**	**2,130.1**	**(13.9%)**
(-) Cash and Cash Equivalents	(2,205.2)	(2,720.3)	(18.9%)	(2,548.1)	(13.5%)
Net Debt (Cash)	**(371.7)**	**(648.6)**	**(42.7%)**	**(418.0)**	**(11.1%)**

The Gross Debt as of the end of 2Q24 amounted to R$1.8 billion, a reduction of 14% compared to the previous quarter, mainly due to the settlement of obligations related to the acquisition of RD Station, as a result of the completion of the acquisition of the remaining shares of the operation.

The Cash and Cash Equivalents (Gross Cash) ended the quarter at R$2.2 billion. This Gross Cash corresponds to approximately 1.2x the balance of Gross Debt, which has more than 85% of its total maturity in more than 24 months.



Given that Dimensa is a company with its own autonomy and governance, when its Cash and Debt positions are disregarded, Gross Debt totaled R$1,798 million while Gross Cash and Cash Equivalents totaled R$1,674 million, resulting in a Net Debt position of R$125 million at the end of 2Q24.

In addition, the 2Q24 results do not incorporate the effects of the Company's 5th issue of Debentures, carried out with the main objective of extending the profile of its gross disposal.

Management dimension results

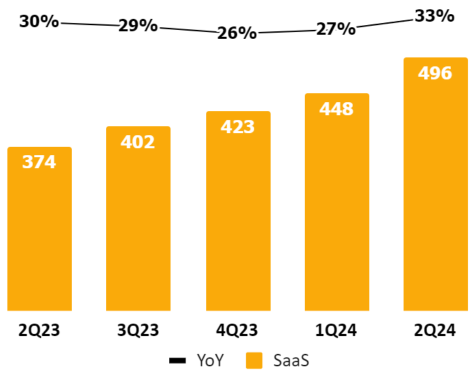
The Management dimension represents the portfolio of solutions focused on the efficiency of our clients' back and middle office operations through ERP/HR and Vertical solutions specialized in 12 industry sectors of the economy. The 2Q24 result of this dimension contains Ahgora's numbers from April onwards.

Management Result (in R$ million)	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
Net Revenue	**1,158.7**	**989.5**	**17.1%**	**1,118.0**	**3.6%**	**2,276.6**	**1,965.4**	**15.8%**
Recurring	1,021.3	849.6	20.2%	956.4	6.8%	1,977.7	1,667.2	18.6%
Non Recurring	137.3	139.9	(1.8%)	161.6	(15.0%)	298.9	298.2	0.2%
Adjusted Costs	(342.0)	(270.1)	26.6%	(319.3)	7.1%	(661.2)	(537.1)	23.1%
Adjusted Gross Profit	**816.7**	**719.4**	**13.5%**	**798.7**	**2.3%**	**1,615.4**	**1,428.3**	**13.1%**
Adjusted Gross Margin	*70.5%*	*72.7%*	*-220 bp*	*71.4%*	*-90 bp*	*71.0%*	*72.7%*	*-170 bp*
Research and Development	(189.8)	(170.3)	11.5%	(186.1)	2.0%	(375.9)	(339.8)	10.6%
Provision for Expected Credit Losses	(12.3)	(8.5)	43.9%	(10.2)	20.5%	(22.4)	(14.3)	56.4%
Adjusted Sales and Marketing Expenses	(228.3)	(201.5)	13.3%	(218.8)	4.4%	(447.1)	(385.9)	15.9%
Adjusted G&A Expenses and Others	(98.3)	(83.5)	17.7%	(86.4)	13.8%	(184.7)	(159.3)	15.9%
Management Adjusted EBITDA	**288.0**	**255.6**	**12.7%**	**297.3**	**(3.1%)**	**585.3**	**528.9**	**10.7%**
% Management Adjusted EBITDA	*24.9%*	*25.8%*	*-90 bp*	*26.6%*	*-170 bp*	*25.7%*	*26.9%*	*-120 bp*

Recurring Revenue

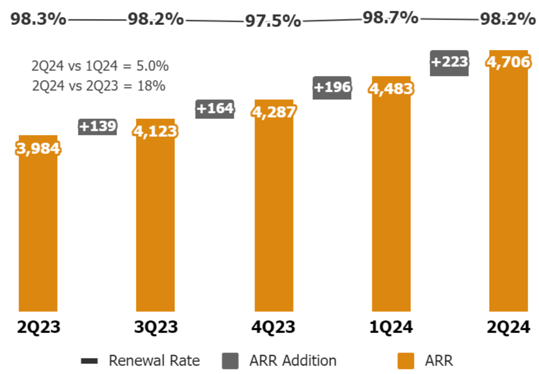
Recurring Revenue grew 20% in comparison to the second quarter of 2023, an important acceleration over the 17% growth in the previous quarter and once again highlighting the performance of SaaS + Cloud. In SaaS, the continued positive sales performance, associated with the inorganic addition from Ahgora, boosted revenue to R$496 million. In Cloud, the demand for T-Cloud (PaaS - Platform as a Service) solutions continues to accelerate revenue, which presented growth higher than 30% in the quarter, when compared to 2Q23. These combined results led to an acceleration in annual SaaS growth from 27% in 1Q24 to 33% in 2Q24.

Management SaaS Revenue (R$ million)

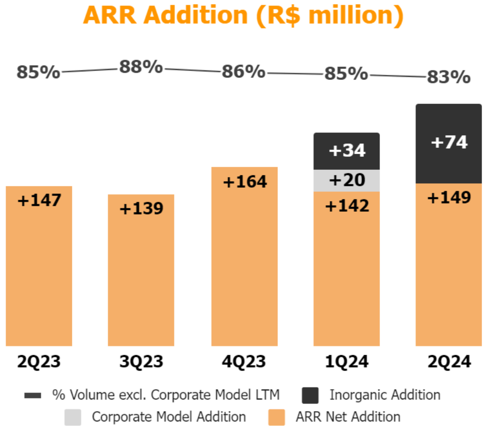


This quarter, Management ARR exceeded R$4.7 billion, with Total Net Addition of R$223 million, of which R$74 million was an inorganic addition, due to the acquisition of Ahgora and R$149 million was an organic addition. This organic performance is a direct reflection of another quarter of increased sales volume, which reached a new record for the quarter, associated with the customer Renewal Rate that remained above 98%.

ARR (R$ million) and Renewal Rate



Finally, consistent strong sales volume performance versus to the recent inflation rates meant that the LTM Volume component in the ARR addition stayed above 80%. This result demonstrates that growth rates in the Management dimension continue to be driven by new sales to the existing and new customers, a consequence of continuous advances in the perception of product quality, evidenced by the highest levels of NPS (Net Promoter Score) recorded by the Company, since this indicator began to be monitored, together with the expansion of the portfolio and the reduction of TCO (Total Cost of Ownership).



Non-Recurring Revenues

In R$ million	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
Non Recurring Revenues	**137.3**	**139.9**	**(1.8%)**	**161.6**	**(15.0%)**	**298.9**	**298.2**	**0.2%**
Licenses	47.1	48.9	(3.7%)	77.8	(39.4%)	124.9	130.1	(4.0%)
Services	90.2	91.0	(0.8%)	83.8	7.7%	174.0	168.0	3.5%

Non-Recurring Revenues ended the quarter at R$137 million, reduction of 15% compared to 1Q24, mostly associated with the 39% drop in the License line, which in 1Q24 had a seasonal impact of R$27.8 million from the Corporate Model License increment.

When compared to 2Q23, Non-Recurring Revenues fell 1.8%, mainly related to: (i) the 3.7% year-over-year reduction in License Revenue; and (ii) the reduction of 0.8% in Service Revenue mainly as a result of the negative fluctuations in international operations and in some large customer projects. It is worth mentioning that both lines had a limited impact on the Rio Grande do Sul operation.

Gross Margin

In R$ million	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
Net Revenue	**1,158.7**	**989.5**	**17.1%**	**1,118.0**	**3.6%**	**2,276.6**	**1,965.4**	**15.8%**
Gross Profit	**816.7**	**713.1**	**14.5%**	**797.9**	**2.4%**	**1,614.6**	**1,420.7**	**13.6%**
Gross Margin	*70.5%*	*72.1%*	*-160 bp*	*71.4%*	*-90 bp*	*70.9%*	*72.3%*	*-140 bp*
Extraord. Adj. - Operatl. Restructuring	-	6.3	(100.0%)	0.8	(100.0%)	0.8	7.6	(89.0%)
Adjusted Gross Profit	**816.7**	**719.4**	**13.5%**	**798.7**	**2.3%**	**1,615.4**	**1,428.3**	**13.1%**
Adjusted Gross Margin	*70.5%*	*72.7%*	*-220 bp*	*71.4%*	*-90 bp*	*71.0%*	*72.7%*	*-170 bp*

Adjusted Management Gross Margin reached 70.5% in the quarter, a reduction of 220 basis points compared to 2Q23. This reduction was mainly due to: (i) the recent acquisitions, which have not yet benefited from the scaling gains resulting from their integration with other operations of the dimension; and (ii) the effects on Non-Recurring Revenue mentioned above.

In comparison with 1Q24, Gross Margin decreased 90 basis points, mainly due to the seasonal effect of the Corporate Model in 1Q24, as mentioned in the previous section.

Research & Development

Research and Development (R&D) expenses amounted to 18.6% of Recurring Revenue for the quarter, 140 basis points lower than 2Q23 and 90 basis points lower than 1Q24. This reduction is mainly related to the growth in Recurring Revenue, which has allowed TOTVS to make the necessary investments in Research and Development, maintaining the solid profitability of this dimension.

Provision for Expected Credit Losses

The Provision for Expected Credit Losses corresponded to 1.1% of Management Revenue, which is 20 basis points above 1Q24 and 2Q23, but within the historical range of this line. It is worth mentioning that this increase of R$3.7 million year-over-year is mainly related to a few above-average clients that entered into judicial reorganization in the quarter, and the same behavior is not observed in the client base as a whole, which continues with the same resilience of a business model mainly based on Recurring Revenue, combined with a broad and diversified client base.

Sales and Marketing Expenses

In R$ million	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
Adjusted Sales and Marketing Expenses	**(228.3)**	**(201.5)**	**13.3%**	**(218.8)**	**4.4%**	**(447.1)**	**(385.9)**	**15.9%**
% Net Revenue	*19.7%*	*20.4%*	*-70 bp*	*19.6%*	*10 bp*	*19.6%*	*19.6%*	*0 bp*
Sales and Marketing Expenses	(228.3)	(202.5)	12.7%	(219.9)	3.8%	(448.3)	(388.2)	15.5%
Extraord. Adj. - Operatl. Restructuring	-	1.0	(100.0%)	1.2	(100.0%)	1.2	2.3	(49.2%)

Adjusted Sales and Marketing Expenses ended the quarter at 19.7% of Net Revenue, representing a reduction of 70 basis points compared to 2Q23. This reduction is even more important when considering the accomplishment of the Universo TOTVS 2024, approximately 50% greater than in 2023, concomitantly to the start of a great TOTVS' advertising campaign, focused in brand building, demonstrating that the Company continues to advance in sales growth, without ceasing to do the necessary investments on the Sales and Marketing fronts.

Compared to 1Q24, the 10 basis point growth is mainly related to the increase in Marketing expenses, reflecting the investment of more than R$12 million in the Universo TOTVS 2024 and the new advertising campaign, which started in June, initially scheduled to last until the end of 2024.

General, Administrative and Other Expenses

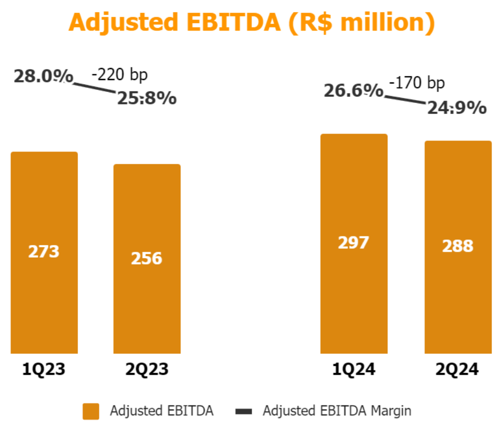
In R$ million	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
Adjusted G&A Expenses and Others	**(98.3)**	**(83.5)**	**17.7%**	**(86.4)**	**13.8%**	**(184.7)**	**(159.3)**	**15.9%**
% GAAP Net Revenue	*8.5%*	*8.4%*	*10 bp*	*7.7%*	*80 bp*	*8.1%*	*8.1%*	*0 bp*
G&A Expenses and Others	**(103.8)**	**(90.8)**	**14.3%**	**(99.5)**	**4.3%**	**(203.4)**	**(169.6)**	**19.9%**
General and Administrative Expenses	(100.7)	(78.9)	27.7%	(93.7)	7.5%	(194.4)	(157.5)	23.4%
Provision for Contingencies	(5.8)	(7.1)	(18.6%)	(0.2)	>999%	(6.0)	(7.2)	(16.4%)
Other Net Revenues (Expenses)	2.7	(4.8)	(156.4%)	(5.6)	(148.5%)	(2.9)	(4.8)	(40.1%)
Extraordinary Items	**5.5**	**7.3**	**(23.9%)**	**13.2**	**(57.8%)**	**18.7**	**10.3**	**82.2%**
Extraord. Adj. - Operatl. Restructuring	0.1	-	-	2.0	(97.1%)	2.1	0.5	321.0%
M&A Adjustment at Fair Value	1.6	5.1	(69.4%)	14.0	(88.9%)	15.6	6.3	148.8%
Expenses with M&A Transactions	3.9	1.4	188.5%	3.0	32.5%	6.9	2.6	162.1%
Tax Credit	-	0.9	(100.0%)	-	-	-	0.9	(100.0%)
Loss (Earns) in Disposed Assets	-	-	-	(5.9)	(100.0%)	(5.9)	-	-

Adjusted General and Administrative Expenses and Others grew 18% over 2Q24 and ended the quarter at 8.5% of Net Revenue, similar level to that recorded in 2Q23, even with the acquisitions of Quiver, Ahgora and of TOTVS TRS and TOTVS IP franchises. When compared to 1Q24, the 14% growth is mainly due to the Provision for Contingencies, which ended the quarter in R$5.8 million, and to the growth in the General and Administrative Expenses line, mostly associated with the recent acquisitions. It is worth highlighting that when analyzing from a wider perspective, the Provision for Contingencies line had a reduction, 16% in the six-month period compared to the same period of the previous year, demonstrating that, despite the more volatile profile in the quarterly analysis, this line has been decreasing its representation on Revenue in recent years.

EBITDA and EBITDA Margin

The Adjusted EBITDA from Management dimension closed the second quarter of 2024 at R$288 million, growth of 13% compared to the same period of the previous year, with Adjusted EBITDA Margin at 24.9%, 90 basis points lower than 2Q23. This reduction in the margin is mainly related to: (i) the mismatch between the pass-through of inflation in Revenue, which has approximately half of its base linked to the IGP-M, an index that has runned negatively in recent quarters, and the impact of inflation on costs and expenses with people, which have a direct proxy with the IPCA, which was positive in the same period; (ii) the smaller Corporate Model ARR addition in 2024 relative to 2023, as disclosed in the last quarter; (iii) the effects on Non-Recurring Revenue, mentioned above; (iv) recent acquisitions that have profitability below the average; and (v) the growth of 44% in the Provision for Expected Credit Losses line.

In comparison to 1Q24, following historical seasonal behavior, the Adjusted EBITDA Margin registered a decline of 170 basis points, a behavior mainly attributed to the seasonal impact of the Corporate Model, the accomplishment of the Universo TOTVS and the volatility in the Contingencies and Provision for Expected Loss lines. It is worth mentioning that, as shown in the chart to the side, the negative seasonality quarter-over-quarter in 2024 had a behavior 50 basis points better, when compared to 2023, demonstrating the ability to dilute costs and expenses in a business model based on recurring revenue, even considering the mismatch of the inflation with a lower effect on revenue, when compared to its effect on spending in recent quarters.



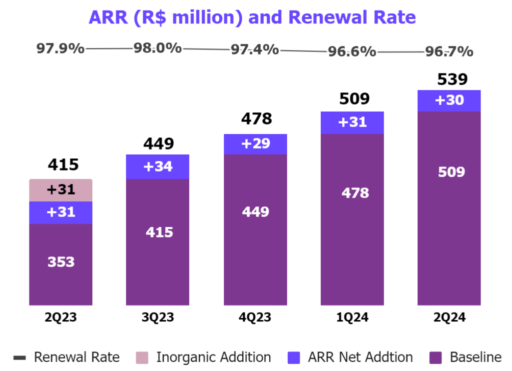
Business Performance dimension results

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.

Business Performance Result (in R$ million)	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
Net Revenue	**136.5**	**98.4**	**38.7%**	**129.7**	**5.2%**	**266.2**	**186.6**	**42.6%**
Recurring	134.0	95.8	40.0%	127.2	5.4%	261.2	182.7	43.0%
Non Recurring	2.4	2.6	(8.0%)	2.5	(2.9%)	4.9	3.9	25.9%
Costs	(34.9)	(22.5)	55.0%	(31.6)	10.6%	(66.5)	(42.7)	55.6%
Gross Profit	**101.6**	**75.9**	**33.8%**	**98.1**	**3.5%**	**199.7**	**143.9**	**38.7%**
Gross Margin	*74.4%*	*77.1%*	*-270 bp*	*75.7%*	*-130 bp*	*75.0%*	*77.1%*	*-210 bp*
Research and Development	(29.2)	(24.4)	19.9%	(28.3)	3.3%	(57.6)	(47.1)	22.2%
Provision for Expected Credit Losses	(4.1)	(1.7)	141.7%	(3.1)	34.0%	(7.2)	(3.3)	114.8%
Sales and Marketing Expenses	(44.1)	(32.6)	35.2%	(41.8)	5.7%	(85.9)	(60.7)	41.5%
G&A Expenses and Others	(26.8)	(13.5)	98.9%	(15.5)	72.6%	(42.3)	(45.8)	(7.7%)
Biz Performance EBITDA	**(2.7)**	**3.7**	**(172.9%)**	**9.5**	**(128.5%)**	**6.8**	**(13.0)**	**(152.0%)**
% Biz Performance EBITDA	*-2.0%*	*3.8%*	*-580 bp*	*7.3%*	*-930 bp*	*2.5%*	*-7.0%*	*950 bp*
Extraordinary Items	**10.4**	**-**	**-**	**-**	**-**	**10.4**	**20.4**	**(49.1%)**
M&A Adjustment at Fair Value	9.8	-	-	-	-	9.8	20.4	(51.9%)
Adjustment from Oper. Restructuring	0.6	-	-	-	-	0.6	-	-
Biz Performance Adjusted EBITDA	**7.7**	**3.7**	**107.8%**	**9.5**	**(18.8%)**	**17.2**	**7.4**	**132.7%**
% Biz Performance Adjusted EBITDA	*5.6%*	*3.8%*	*180 bp*	*7.3%*	*-170 bp*	*6.4%*	*4.0%*	*240 bp*

Net Revenue

Business Performance Net Revenue grew 39% versus 2Q23, and 5.2% versus 1Q24. This result is mainly a reflection of the ARR Organic Net Addition of R$30 million, driven by the continuous acceleration of sales in RD Sation Conversas, RD Station CRM, and RD Station Marketing solutions. The multi-product strategy of Business Performance dimension main objectives is to attract new customers, retain and expand the existing customer base. The approach for new customers involves offering a more complete and diversified selection of products which attend different needs. For the existing customer base, the strategy focused on cross-selling, promoting complementary products and upgrades that add value and boost customer retention.



The organic net addition of R$30 million led to a Business Performance ARR of R$539 million, registering an increase of 30% compared to 2Q23 and of 5.9% compared to 1Q24.

Gross Margin

Gross Margin of Business Performance ended the quarter at 74.4%, 130 basis points lower than 1Q24 and 270 basis points lower than 2Q23. These reductions are mainly related to the continuous growth in Revenue representativeness of the RD Station Conversas, Lexos and Exact Sales solutions which, as they are more recent operations, are still at lower scale and productivity levels than the RD Station Marketing and RD Station CRM solutions. These levels can be reached as the multi-product strategy advances and expands the integration of these operations.

Research & Development

Research and Development (R&D) expenses, as a percentage of this dimension's Recurring Revenue, ended the quarter at 21.8%, a decrease of 370 basis points compared to 2Q23 and 50 basis points compared to 1Q24. This decrease is mainly due to the dilution resulting from the strong performance of Recurring Revenue, without impacting the necessary investments to execute the dimension's strategy.

Provision for Expected Credit Losses

The Provision for Expected Credit Losses of Business Performance in 2Q24 amounted to 3% of Net Revenue, an increase when compared to both 2Q23 and 1Q24. It should be noted that as the single-to-multi-product strategy advances, incorporating new operations and products with different profiles, it is expected to see fluctuations in this provision line. However, these fluctuations do not necessarily mean a change in the trend of behavior as a percentage of Revenue.

Sales and Marketing Expenses

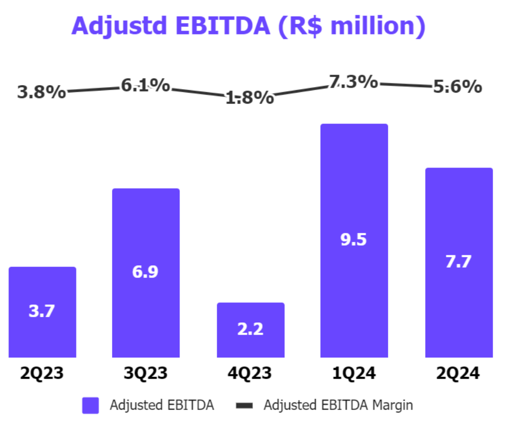
Sales and Marketing Expenses represented 32% of Net Revenue in the second quarter of 2024, remaining at levels similar to those in the first quarter of the same year. This percentage, higher in relation to the Management dimension, is mainly due to the higher Go-To-Market (GTM) expenditure of the newer operations, given that the ratio of Sales and Marketing Expenses to Net Revenue of the RD Station Marketing operation was approximately 21%.

General, Administrative and Other Expenses

General Administrative and Other Expenses, adjusted for extraordinary items, reached 12% of Net Revenue in the quarter, maintaining a similar level to the first quarter of 2024 and presenting a decrease of 170 basis points year-over-year. The M&A Adjustment at Fair Value line, which makes up this group of expenses, was essentially impacted: (i) by the increase in the earn-out provision of Tallos (RD Station Conversas), whose final calculation was completed in July and the settlement will be made by the end of the 4Q24, a reflection of recent performance, over again greater than the scenario estimated at the beginning of this year, which ended the quarter with ARR higher than R$60 million; and (ii) by the reversal of the Exact Sale earn-out, based on revisions of projected scenario for the operation.

EBITDA and EBITDA Margin

Business Performance Adjusted EBITDA ended the quarter at R$7.7 million, more than doubling year-over-year, with an Adjusted EBITDA Margin of 5.6%. When compared to 1Q24, the 180 basis point reduction of Adjusted EBITDA Margin was mainly caused by the lower Gross Margin of the dimension in the quarter.



In the 6-month accumulated, the Adjusted EBITDA Margin was 6.4%, which is 240 basis points above the same period in 2023.

It is worth mentioning that the dynamics of Business Performance EBITDA margin tend to be structurally increasing, given that the unit economics of this dimension have the potential to be superior to those of Management. This dynamic can already be observed when considering the standalone original RD Station operation, which closed 2Q24 with an EBITDA margin exceeding 20%, even with a significantly smaller ARR than that of Management. Therefore, the 100% SaaS model, with a simpler Go-To-Market, provides high scalability.

Below EBITDA Results
(Management and Business Performance dimensions)

Depreciation and Amortization Expenses

In R$ million	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
Depreciation	(37.8)	(33.0)	14.4%	(36.3)	4.2%	(74.1)	(63.3)	17.0%
Amortization	(46.5)	(42.8)	8.8%	(37.2)	25.2%	(83.7)	(74.6)	12.2%
Depreciation and Amortization	**(84.3)**	**(75.8)**	**11.3%**	**(73.5)**	**14.8%**	**(157.8)**	**(137.9)**	**14.4%**

The Amortization line experienced a 25% growth in comparison to 1Q24, primarily attributed to the beginning of amortizations for intangible assets resulting from the acquisition of TOTVS IP, Quiver, and Ahgora, amounting to R$6.7 million, of which R$1.8 million corresponds to retroactive amortizations for 1Q24.

Financial Result

In R$ million	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
Financial Revenues	67.9	87.4	(22.3%)	89.0	(23.7%)	156.9	158.9	(1.2%)
Financial Expenses	(77.5)	(91.1)	(14.9%)	(93.7)	(17.2%)	(171.2)	(183.2)	(6.6%)
Financial Result	**(9.6)**	**(3.7)**	**161.5%**	**(4.7)**	**106.5%**	**(14.3)**	**(24.3)**	**(41.2%)**

The Financial Result behavior from a negative R$4.7 million in 1Q24 to a negative R$9.6 million in 2Q24, primarily reflects: (i) the Company's share buyback program expense; and (ii) a decrease in average cash, caused by the payment of the acquisitions of TOTVS IP, Quiver, and Ahgora. This decline in cash was partially offset by the reduction in the Liabilities Present Value Adjustment, also arising from the lower balance of Obligations from Acquisition of Investments.

Income Tax and Social Contribution

In R$ million	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
EBT	**185.8**	**165.2**	**12.5%**	**213.5**	**(12.9%)**	**399.3**	**333.5**	**19.7%**
Taxes at nominal rate (34%)	(63.2)	(56.2)	12.5%	(72.6)	(12.9%)	(135.8)	(113.4)	19.7%
Law 11,196/05 - R&D Incentive	8.8	7.2	22.8%	7.0	27.1%	15.8	13.4	18.2%
Effect of Different Taxation in Subsidiaries	(2.9)	(4.7)	(38.6%)	(7.1)	(59.2%)	(10.0)	(8.6)	16.6%
Management Bonus	(1.0)	(0.7)	51.1%	(0.5)	104.9%	(1.6)	(1.9)	(17.0%)
Workers' Meal Program	0.8	0.8	0.9%	1.0	(21.9%)	1.8	1.8	2.4%
Other	(4.1)	0.3	<(999%)	(6.5)	(37.7%)	(10.6)	(7.7)	36.3%
Income Tax and Social Contribution	**(61.6)**	**(53.3)**	**15.4%**	**(78.8)**	**(21.8%)**	**(140.3)**	**(116.5)**	**20.5%**
Current Income Tax and Social Contribution	(56.8)	(53.7)	5.7%	(66.4)	(14.6%)	(123.2)	(116.5)	5.7%
Deferred Income Tax and Social Contribution	(4.8)	0.3	<(999%)	(12.3)	(60.9%)	(17.1)	0.1	<(999%)
% Total Effective Tax Rate	*33.1%*	*32.3%*	*80 bp*	*36.9%*	*-380 bp*	*35.1%*	*34.9%*	*20 bp*

Total Effective Tax Rate remained steady throughout both the quarter and the semester, when compared to the results of the same period in the previous year. The historical seasonality of Interest on Equity payments in the second half of the year largely explains this level of Effective Rate in the first half of the year.

Techfin dimension results

With the announcement of the closing of the transaction with Itaú, the Company started to hold a 50% stake in this operation from August 2023 and its results are not be consolidated in the Cash Flow and Balance Sheet, 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 **100% of the TOTVS Techfin operation in this section.**

Techfin Results (in R$ million)	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
Techfin Net Revenue	**102.2**	**88.9**	**15.0%**	**99.5**	**2.8%**	**201.7**	**188.6**	**6.9%**
Funding Cost	(32.4)	(41.4)	(21.8%)	(36.5)	(11.2%)	(68.9)	(86.7)	(20.6%)
Techfin Revenue - Net of funding	**69.8**	**47.5**	**47.1%**	**63.0**	**10.9%**	**132.8**	**102.0**	**30.3%**
Operational Costs	(11.3)	(7.6)	49.6%	(9.2)	23.0%	(20.5)	(14.0)	46.5%
Adjusted Gross Profit	**58.5**	**39.9**	**46.6%**	**53.8**	**8.8%**	**112.3**	**87.9**	**27.7%**
Research and Development	(8.3)	(9.0)	(8.6%)	(13.5)	(39.0%)	(21.8)	(18.4)	18.3%
Provision for Expected Credit Losses	(8.6)	(6.8)	27.0%	(7.2)	19.1%	(15.8)	(15.0)	4.9%
Other Operating Expenses	(41.4)	(27.2)	52.0%	(36.2)	14.1%	(77.6)	(53.6)	44.8%
Techfin EBITDA	**0.3**	**(3.1)**	**(110.7%)**	**(3.2)**	**(110.3%)**	**(2.9)**	**0.9**	**(430.9%)**
% Techfin EBITDA	*0.5%*	*-6.5%*	*700 bp*	*-5.1%*	*560 bp*	*-2.2%*	*0.8%*	*-300 bp*
Depreciation and Amortization	(9.2)	(10.2)	(9.5%)	(9.5)	(2.4%)	(18.7)	(20.8)	(10.1%)
Financial Result	3.6	0.7	411.1%	4.2	(15.1%)	7.8	0.8	834.6%
Income Tax and Social Contribution	(1.8)	4.6	(139.0%)	(0.1)	>999%	(1.9)	5.6	(134.5%)
Net Income (Loss) from Techfin Dimension	**(7.1)**	**(7.9)**	**(10.3%)**	**(8.5)**	**(16.4%)**	**(15.6)**	**(13.5)**	**15.6%**
% Net Income (Loss) from Techfin Dimension	*-10.2%*	*-16.7%*	*650 bp*	*-13.5%*	*330 bp*	*-11.8%*	*-13.3%*	*150 bp*
Extraordinary Expense Payroll Reimbursement	-	-	-	2.6	(100.0%)	2.6	-	-
Techfin Adjusted EBITDA	**0.3**	**(3.1)**	**(110.7%)**	**(0.5)**	**(160.6%)**	**(0.2)**	**0.9**	**(124.7%)**
% Techfin Adjusted EBITDA	*0.5%*	*-6.5%*	*700 bp*	*-0.9%*	*140 bp*	*-0.2%*	*0.8%*	*-100 bp*
Taxes on Extraordinary Items	-	-	-	(0.9)	(100.0%)	(0.9)	-	-
Adjusted Net Income (Loss) from Techfin Dimension	**(7.1)**	**(7.9)**	**(10.3%)**	**(6.8)**	**5.1%**	**(13.9)**	**(13.5)**	**2.7%**
Net Effect of Amortization	5.2	5.2	0.0%	5.2	0.0%	10.5	10.5	0.0%
Techfin Dimension Cash Earnings [1]	**(1.9)**	**(2.7)**	**(30.1%)**	**(1.5)**	**22.2%**	**(3.4)**	**(3.1)**	**12.0%**
Techfin Cash Earnings Margin	*-2.7%*	*-5.7%*	*300 bp*	*-2.5%*	*-20 bp*	*-2.6%*	*-3.0%*	*40 bp*

[1] Net Income without the effects of expenses with amortization of intangibles arising from acquisitions

Techfin Revenue - Net of Funding

Operational Infos (in R$ million)	2Q24	2Q23	Δ	1Q24	Δ
Credit Production	**2,791.1**	**2,483.3**	**12.4%**	**2,618.5**	**6.6%**
Average Term of Credit Production (days)	59.5	55.9	6.5%	65.0	(8.5%)
Credit Portfolio, Net	**2,112.9**	**1,805.9**	**17.0%**	**2,325.6**	**(9.1%)**
Credit Portfolio - FIDC I	711.7	1,155.6	(38.4%)	874.9	(18.7%)
Credit Portfolio - FIDC II	331.3	-	-	547.5	(39.5%)
Credit Portfolio - Techfin	1,069.9	650.3	64.5%	903.2	18.5%
Average Term of On Due Portfolio (days)	67.4	64.8	4.0%	79.4	(15.1%)
Cash Position	**433.1**	**784.7**	**(44.8%)**	**189.5**	**128.6%**
Cash Position - FIDC I	234.7	641.5	(63.4%)	82.3	185.2%
Cash Position - FIDC II	139.4	-	-	64.6	115.8%
Cash Position - Credit Operation	59.0	143.2	(58.8%)	42.6	38.5%

Techfin Revenue Net of Funding ended the quarter at R$69.8 million, which is 11% above 1Q24 and 47% higher than 2Q23. The evolution is primarily pegged to Credit Production performance, which surpassed the 1Q24 amount, even with the negative seasonality of agribusiness in Q2, which resulted in a 5.5 days reduction in the average term of credit production compared to 1Q24. Additionally, the reduction in Funding Cost is mainly related to the increase in Cash Position in the period, as a result of the reduction in the Net Credit Portfolio, reflecting the maturity of agribusiness contracts in the period.

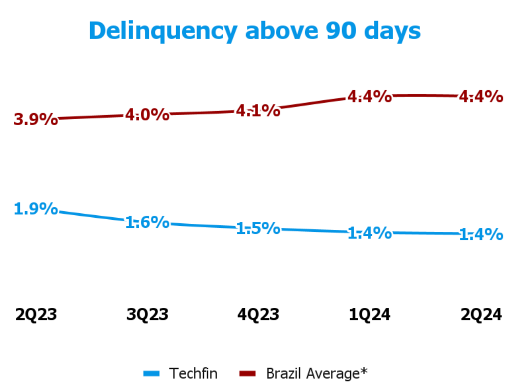
Operating Costs and Expenses

Techfin's Operating Costs and Expenses remained at the same level as in the 1Q24, as the increase in investments planned in Techfin offset the non-repetition, in 2Q24, of the retroactive extraordinary expense with the payroll reinstatement, which impacted the results of the previous quarter. Moreover, the reduction in the Research and Development line in the period is explained mainly by the investment in projects under development at Techfin that met the capitalization criteria (CAPEX).

The OPEX of Techfin closed 2Q24 at R$23.4 million, due to the progress in the integration between Supplier and Techfin operations, which has allowed operational efficiency gains without compromising the product portfolio development plan. This integration has allowed TOTVS TECHFIN to achieve greater fluidity and operational efficiency gains in its investments towards building a new portfolio of solutions, which considers the ERP Banking thesis, with distinctive features related to the digital B2B journey integrated into management software and into the extensive use of data available in these softwares.

Provision for Expected Credit Losses

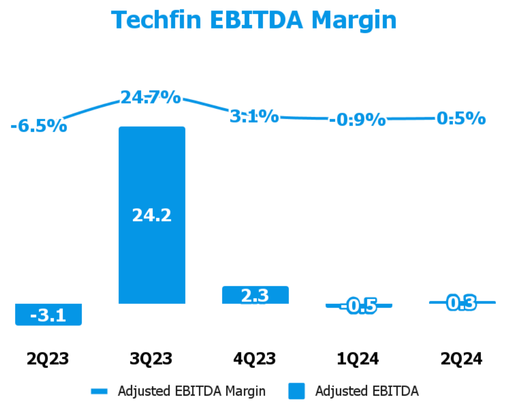
Provision for Expected Credit Losses represented 0.4% of the Gross Credit Portfolio, which is 10 basis points above 1Q24 and 3 basis points above 2Q23. This increase, compared to 1Q24, is mainly a reflection of the seasonal reduction in the Gross Credit Portfolio, and not the nominal variation in the Provision for Expected Loss in the period. The low delinquency level in the 1 to 90-days ranges of overdue Credit Rights resulted in the maintenance of a low delinquency level above 90 days, ending 2Q24 300 basis points lower than the Brazil Average, as presented in the side chart.



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

EBITDA and EBITDA Margin

Techfin's Adjusted EBITDA ended the quarter at R$0.3 million, an increase of R$0.9 million over 1Q24, mainly because of the growth in Techfin Revenue Net of Funding in the period. Meanwhile, the Adjusted EBITDA Margin presented growth of 7 percentage points over 2Q23 and 1.4 percentual points over 1Q24. This performance is mainly related to the growth in Revenue Net of Funding in both periods. It is worth remembering that if the credit production reflects historical behavior, Techfin is likely to experience an even greater profitability in the second half of the year.

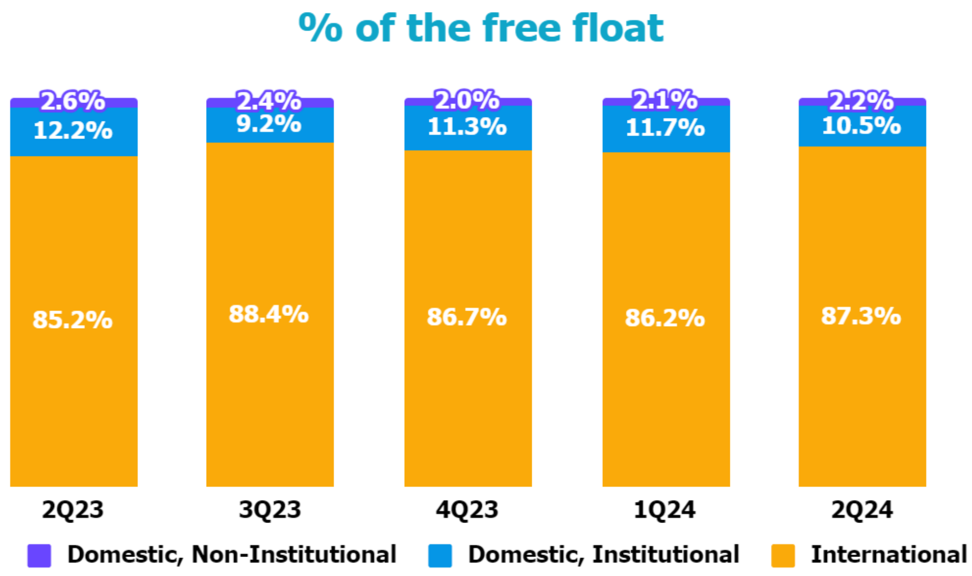


Techfin's Net Income and Cash Earnings

Techfin dimension loss ended the quarter at R$7.1 million, similar to 1Q24, over again related to the revenue seasonality and to the maintenance of investments in the construction of the new product portfolio. Meanwhile, the dimension's Cash Earnings, adjusted by the amortization of intangible assets, ended the quarter at a loss of R$1.9 million.

SHAREHOLDING COMPOSITION

TOTVS ended 2Q24 with a Capital Stock of approximately R$3 billion, comprised of 617,183,181 common shares, of which 88% are in free-float with the following composition:



This report contains forward-looking statements. Such information does not refer to historical facts only, but reflects the wishes and expectations of TOTVS' management. Words such as "anticipates", "wants", "expects", "foresees", "intends", "plans", "predicts", "projects", "aims", and the like are intended to identify statements that necessarily involve known and unknown risks. Known risks include uncertainties not limited to the impact of price and product competitiveness, the acceptance of products on the market, product transitions from the Company and its competitors, regulatory approval, currency, currency fluctuations, supply and production hurdles, and changes in product sales, among other risks. This report also contains certain pro forma statements prepared by the Company only for information and reference purposes and are therefore unaudited. This report is up to date, and TOTVS has no obligation to update it with new information and/or future events.

APPENDIX I

Consolidated Income Statement

In this view, 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 on.

In R$ million	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
Net Revenue	**1,295.1**	**1,087.9**	**19.0%**	**1,247.6**	**3.8%**	**2,542.8**	**2,152.1**	**18.2%**
Management Revenue	1,158.7	989.5	17.1%	1,118.0	3.6%	2,276.6	1,965.4	15.8%
Business Performance Revenue	136.5	98.4	38.7%	129.7	5.2%	266.2	186.6	42.6%
Operating Costs	**(376.9)**	**(298.9)**	**26.1%**	**(351.7)**	**7.2%**	**(728.5)**	**(587.4)**	**24.0%**
Management Operating Costs	(342.0)	(276.4)	23.7%	(320.1)	6.8%	(662.1)	(544.7)	21.5%
Business Performance Operating Costs	(34.9)	(22.5)	55.0%	(31.6)	10.6%	(66.5)	(42.7)	55.6%
Adjusted Gross Profit	**918.3**	**789.0**	**16.4%**	**896.0**	**2.5%**	**1,814.3**	**1,564.6**	**16.0%**
Operating Expenses	**(722.8)**	**(620.1)**	**16.6%**	**(677.8)**	**6.6%**	**(1,400.7)**	**(1,206.8)**	**16.1%**
Research and Development	(219.0)	(194.7)	12.5%	(214.4)	2.2%	(433.4)	(386.9)	12.0%
Sales and Marketing Expenses	(272.5)	(235.2)	15.9%	(261.7)	4.1%	(534.2)	(449.0)	19.0%
Provision for Expected Credit Losses	(16.4)	(10.2)	60.2%	(13.2)	23.6%	(29.6)	(17.7)	67.4%
General and Administrative Expenses	(116.8)	(92.4)	26.5%	(109.2)	7.0%	(226.0)	(181.9)	24.3%
Provision for Contingencies	(6.0)	(7.1)	(15.2%)	(0.3)	>999%	(6.4)	(7.2)	(11.8%)
Depreciation and Amortization	(84.3)	(75.8)	11.3%	(73.5)	14.8%	(157.8)	(137.9)	14.4%
Other Net Revenues (Expenses)	(7.7)	(4.8)	61.5%	(5.5)	39.8%	(13.3)	(26.3)	(49.5%)
EBIT	**195.5**	**168.9**	**15.8%**	**218.1**	**(10.4%)**	**413.6**	**357.8**	**15.6%**
Financial Result	(9.6)	(3.7)	161.5%	(4.7)	106.5%	(14.3)	(24.3)	(41.2%)
Equity Pickup	(3.6)	-	-	(4.3)	(16.4%)	(7.8)	-	-
Earnings Before Taxes (EBT)	**182.3**	**165.2**	**10.3%**	**209.2**	**(12.9%)**	**391.5**	**333.5**	**17.4%**
Income Tax and Social Contribution	(61.6)	(53.3)	15.4%	(78.8)	(21.8%)	(140.3)	(116.5)	20.5%
Net Income (Loss) from Discontinued Operation	-	(7.9)	(100.0%)	(1.1)	(100.0%)	(1.1)	(13.5)	(92.0%)
Consolidated Net Income	**120.7**	**103.9**	**16.2%**	**129.4**	**(6.7%)**	**250.1**	**203.4**	**22.9%**
Non-Controlling Net Income	(5.8)	(8.5)	(31.3%)	(2.7)	114.3%	(8.6)	(13.9)	(38.5%)
Controller's Net Income	**114.9**	**95.4**	**20.4%**	**126.6**	**(9.3%)**	**241.5**	**189.5**	**27.4%**
Controller's Net Margin	*8.9%*	*8.8%*	*10 bp*	*10.2%*	*-130 bp*	*9.5%*	*8.8%*	*70 bp*

APPENDIX II

Reconciliation of the Consolidated Income Statement

	2Q24			1H24		
	GAAP Income Statement*	Deprec. and Amort. Reclass.**	Consolidated Income Statement	GAAP Income Statement*	Deprec. and Amort. Reclass.**	Consolidated Income Statement
In R$ million	**(a)**	**(b)**	**(a+b)**	**(a)**	**(b)**	**(a+b)**
Net Revenue	**1,295.1**	**-**	**1,295.1**	**2,542.8**	**-**	**2,542.8**
Management Revenue	1,158.7	-	1,158.7	2,276.6	-	2,276.6
Business Performance Revenue	136.5	-	136.5	266.2	-	266.2
Costs	**(408.3)**	**31.4**	**(376.9)**	**(788.8)**	**60.3**	**(728.5)**
Gross Profit	**886.9**	**31.4**	**918.3**	**1,754.0**	**60.3**	**1,814.3**
Gross Margin	*68.5%*		*70.9%*	*69.0%*		*71.3%*
Operating Expenses (Revenues)	**(691.4)**	**(31.4)**	**(722.8)**	**(1,340.4)**	**(60.3)**	**(1,400.7)**
Research and Development	(231.2)	12.2	(219.0)	(457.7)	24.2	(433.4)
Sales and Marketing Expenses	(298.4)	26.0	(272.5)	(582.9)	48.8	(534.2)
General and Administrative Expenses	(154.1)	31.2	(122.9)	(286.5)	54.1	(232.4)
Depreciation and Amortization	-	(84.3)	(84.3)	-	(157.8)	(157.8)
Provision for Expected Credit Losses	-	(16.4)	(16.4)	-	(29.6)	(29.6)
Other Net Revenues (Expenses)	(7.7)	-	(7.7)	(13.3)	-	(13.3)
EBIT	**195.5**	**0.0**	**195.5**	**413.6**	**(0.0)**	**413.6**
Financial Revenues	67.9	-	67.9	156.9	-	156.9
Financial Expenses	(77.5)	-	(77.5)	(171.2)	-	(171.2)
Equity Pickup	(3.6)	-	(3.6)	(7.8)	-	(7.8)
Earnings Before Taxes (EBT)	**182.3**	**0.0**	**182.3**	**391.5**	**(0.0)**	**391.5**
Income Tax and Social Contribution	(61.6)	-	(61.6)	(140.3)	-	(140.3)
Techfin Dim. Net Income (Loss)	-	-	-	(1.1)	-	(1.1)
Consolidated Net Income	**120.7**	**0.0**	**120.7**	**250.1**	**(0.0)**	**250.1**
Non-Controlling Net Income	(5.8)	-	(5.8)	(8.6)	-	(8.6)
Controlling Net Income	**114.9**	**0.0**	**114.9**	**241.5**	**(0.0)**	**241.5**
Controlling Net Margin	*8.9%*		*8.9%*	*9.5%*		*9.5%*

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

** As established in IAS-1, expenses with depreciation and amortization and provision for expected credit losses 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	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
Consolidated Net Income	**120.7**	**103.9**	**16.2%**	**129.4**	**(6.7%)**	**250.1**	**203.4**	**22.9%**
Net Margin	*8.8%*	*9.2%*	*-40 bp*	*9.9%*	*-110 bp*	*9.3%*	*9.0%*	*30 bp*
(–) Net Income (Loss) Techfin Dim.	-	(7.9)	(100.0%)	(1.1)	(100.0%)	(1.1)	(13.5)	(92.0%)
(+) Depreciation and Amortization	84.3	75.8	11.3%	73.5	14.8%	157.8	137.9	14.4%
(–) Financial Results	(9.6)	(3.7)	161.5%	(4.7)	106.5%	(14.3)	(24.3)	(41.2%)
(+) Income Tax and Social Contribution	61.6	53.3	15.4%	78.8	(21.8%)	140.3	116.5	20.5%
EBITDA GAAP	**276.2**	**244.6**	**12.9%**	**287.3**	**(3.9%)**	**563.6**	**495.7**	**13.7%**
% EBITDA GAAP	*21.3%*	*22.5%*	*-120 bp*	*23.0%*	*-170 bp*	*22.2%*	*23.0%*	*-80 bp*
(+) Techfin Dimension Adjusted EBITDA	**0.2**	**(1.5)**	**(110.8%)**	**(0.3)**	**(161.1%)**	**(0.1)**	**0.4**	**(124.4%)**
(–) Equity Pickup	**(3.6)**	**-**	**-**	**(4.3)**	**(16.4%)**	**(7.8)**	**-**	**-**
(+) Extraordinary Items	**15.9**	**14.6**	**8.9%**	**15.2**	**5.1%**	**31.1**	**40.6**	**(23.4%)**
M&A Adjustment at Fair Value	11.4	5.1	124.7%	14.0	(18.9%)	25.4	26.7	(4.7%)
Adjustment from Oper. Restructuring	0.6	7.3	(91.5%)	4.1	(84.6%)	4.7	10.4	(55.2%)
Expenses with M&A Transactions	3.9	1.4	188.5%	3.0	32.5%	6.9	2.6	162.1%
Tax Credit	-	0.9	(100.0%)	-	-	-	0.9	(100.0%)
Lost (Earn) in Disposed Assets	-	-	-	(5.9)	(100.0%)	(5.9)	-	-
Adjusted EBITDA	**295.9**	**257.7**	**14.8%**	**306.5**	**(3.5%)**	**602.4**	**536.7**	**12.2%**

APPENDIX IV

Cash Flow GAAP

In R$ million	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
EBT	**182.3**	**165.2**	**10.3%**	**209.2**	**(12.9%)**	**391.5**	**333.5**	**17.4%**
Adjustments:	**147.3**	**178.4**	**(17.4%)**	**207.8**	**(29.1%)**	**355.1**	**367.1**	**(3.3%)**
Depreciation and Amortization	84.3	75.8	11.3%	73.5	14.8%	157.8	137.9	14.4%
Share-based Payments Expense	0.1	5.4	(98.3%)	26.0	(99.7%)	26.1	22.8	14.7%
Loss (Earns) in Disposed Assets	(6.5)	(0.3)	>999%	(0.6)	>999%	(7.1)	0.7	<(999%)
Provision for Expected Credit Losses	16.4	10.2	60.2%	13.2	23.6%	29.6	17.7	67.4%
Equity Pickup	3.6	-	-	4.3	(16.4%)	7.8	-	-
Prov. for Contingencies, Net of Reversals	6.0	7.1	(15.2%)	0.4	>999%	6.5	7.2	(10.5%)
Provision (Reversal) for Other Obligations	(15.6)	5.6	(380.4%)	14.0	(211.4%)	(1.6)	27.2	(105.9%)
Net Inter. Monet. and Exchange Var.	59.1	74.5	(20.8%)	76.9	(23.2%)	135.9	153.6	(11.5%)
Changes in Op. Assets and Liabilities:	**21.0**	**9.3**	**124.8%**	**(81.0)**	**(126.0%)**	**(60.0)**	**(59.2)**	**1.3%**
Trade Receivables	(21.3)	(23.4)	(8.6%)	(46.1)	(53.7%)	(67.5)	(54.6)	23.5%
Recoverable Taxes	(16.1)	(12.1)	33.9%	(2.8)	470.2%	(19.0)	(7.2)	164.3%
Judicial Deposits	(0.3)	(1.7)	(81.4%)	1.4	(122.4%)	1.1	(4.4)	(124.5%)
Other Assets	(53.0)	(54.7)	(3.1%)	(34.2)	55.1%	(87.2)	(89.2)	(2.2%)
Labor Liabilities	96.0	100.8	(4.8%)	7.4	>999%	103.3	104.2	(0.8%)
Trade and Other Payables	23.2	22.2	4.2%	12.6	83.6%	35.8	5.5	547.6%
Commissions Payable	(8.8)	(5.9)	50.6%	(4.0)	122.6%	(12.8)	2.5	(615.4%)
Taxes and Contributions Payable	1.2	(6.4)	(119.0%)	(8.3)	(114.6%)	(7.1)	(19.3)	(63.4%)
Other Accounts Payable	0.3	(9.6)	(103.2%)	(7.0)	(104.4%)	(6.7)	3.2	(305.5%)
Operating Cash Generation	**350.6**	**353.0**	**(0.7%)**	**336.0**	**4.4%**	**686.6**	**641.3**	**7.1%**
Interest paid	(2.4)	(2.2)	8.5%	(97.8)	(97.5%)	(100.2)	(110.9)	(9.6%)
Tax Paid	(41.9)	(28.5)	47.0%	(53.9)	(22.3%)	(95.8)	(80.0)	19.7%
Net Cash from Operating Activities	**306.3**	**322.2**	**(4.9%)**	**184.3**	**66.2%**	**490.5**	**450.4**	**8.9%**
Acquisitions of Prop. Plant and Equip.	(37.3)	(22.8)	64.0%	(23.5)	59.0%	(60.8)	(60.7)	0.2%
Acquisition of Intangible Assets	(41.9)	(21.3)	97.2%	(36.2)	16.0%	(78.1)	(50.1)	55.9%
Franchises Loan	3.8	5.5	(30.8%)	3.6	6.6%	7.4	11.7	(36.8%)
Acquisition of Subsidiaries, Net of Cash	(12.7)	(38.7)	(67.3%)	(570.9)	(97.8%)	(583.6)	(38.7)	>999%
Payments from Acquisitions of Subsidiaries	(289.3)	(25.8)	>999%	(25.6)	>999%	(315.0)	(37.5)	740.3%
Proceeds from Sale of Subsid., Net of Cash	-	0.1	(100.0%)	21.1	(100.0%)	21.1	0.1	>999%
Proceeds from Sale of Prop. Plant and Equip.	1.3	0.7	78.8%	7.0	(81.7%)	8.3	1.2	584.1%
CVC Fund Investments	-	(4.5)	(100.0%)	(26.0)	(100.0%)	(26.0)	(4.5)	473.9%
Net cash Received (Invested) Techfin Dim.	-	0.2	(100.0%)	-	-	-	(4.8)	(100.0%)
Net Cash used in Investing Act.	**(376.2)**	**(106.5)**	**253.1%**	**(650.4)**	**(42.2%)**	**(1,026.6)**	**(183.3)**	**460.0%**
Payment of Princ. of Loans and Financing	(4.7)	(10.5)	(55.7%)	(35.7)	(86.9%)	(40.4)	(11.0)	268.5%
Payment of Principal of Lease Liabilities	(15.0)	(14.9)	1.2%	(15.1)	(0.2%)	(30.1)	(28.8)	4.7%
Receivables from Related Companies	-	(6.1)	(100.0%)	-	-	-	(6.3)	(100.0%)
Payment of Principal of Debentures	(5.0)	-	-	-	-	(5.0)	-	-
Investments from Non-controlling Interest	-	4.2	(100.0%)	-	-	-	4.2	(100.0%)
Dividends and Interest on Equity Paid	-	(4.2)	(100.0%)	-	-	-	(131.2)	(100.0%)
Net Treasury Shares	(248.3)	-	-	(64.1)	287.5%	(312.4)	(109.4)	185.6%
Net Cash gen. by (used in) Financ. Act.	**(273.0)**	**(31.5)**	**768.0%**	**(114.9)**	**137.7%**	**(387.9)**	**(282.5)**	**37.3%**
Incr. (Dec.) in Cash and Cash Eq.	**(342.9)**	**184.2**	**(286.1%)**	**(581.0)**	**(41.0%)**	**(923.9)**	**(15.5)**	**>999%**
Cash and Equiv. Beginning of the Period	2,548.1	2,536.1	0.5%	3,129.2	(18.6%)	3,129.2	2,735.8	14.4%
Cash and Equiv. End of the Period	2,205.2	2,720.3	(18.9%)	2,548.1	(13.5%)	2,205.2	2,720.3	(18.9%)

APPENDIX V

Balance Sheet (GAAP)

In R$ million	2Q24	2Q23	Δ	1Q24	Δ
ASSETS					
Current Assets	**3,070.9**	**6,418.8**	**(52.2%)**	**3,375.4**	**(9.0%)**
Cash and Cash Equivalents	2,205.2	2,720.3	(18.9%)	2,548.1	(13.5%)
Trade Receivables	643.5	595.3	8.1%	642.4	0.2%
Provision for Expected Credit Losses	(59.3)	(65.5)	(9.5%)	(61.7)	(3.9%)
Recoverable Taxes	73.8	74.8	(1.4%)	91.2	(19.1%)
Escrow Account	19.6	12.2	60.4%	13.8	42.3%
Other Assets	188.1	175.9	6.9%	141.8	32.7%
Techfin Dimension Assets	-	2,905.7	(100.0%)	-	-
Non-current Assets	**5,632.0**	**4,504.5**	**25.0%**	**5,648.4**	**(0.3%)**
Long-term assets	**600.6**	**439.4**	**36.7%**	**584.3**	**2.8%**
Trade Receivables	19.7	22.6	(12.5%)	16.7	18.5%
Recoverable Taxes	-	4.1	(100.0%)	-	-
Receivables from Related Parties	4.9	7.2	(32.4%)	5.0	(2.4%)
Deferred Tax Assets	136.1	117.3	16.1%	138.6	(1.8%)
Judicial Deposits	32.8	39.3	(16.6%)	32.2	1.6%
Investments at Fair Value	149.0	105.4	41.4%	140.7	5.9%
Escrow Account	179.1	81.7	119.2%	178.2	0.5%
Other Assets	79.1	61.8	27.8%	72.9	8.5%
Investments	315.5	-	-	319.1	(1.1%)
Property, Plant and Equipment	400.4	423.7	(5.5%)	405.7	(1.3%)
Intangible	4,315.4	3,641.5	18.5%	4,339.3	(0.6%)
TOTAL ASSETS	**8,702.9**	**10,923.3**	**(20.3%)**	**9,023.8**	**(3.6%)**
LIABILITIES					
Current Liabilities	**1,280.1**	**3,755.8**	**(65.9%)**	**1,427.3**	**(10.3%)**
Labor Liabilities	479.0	406.1	18.0%	407.7	17.5%
Trade and Other Payables	194.6	200.2	(2.8%)	171.4	13.5%
Taxes and Contributions Liabilities	119.8	98.0	22.3%	116.2	3.1%
Debentures	48.6	61.3	(20.8%)	10.3	372.8%
Loans and Financing	-	-	-	1.7	(100.0%)
Lease Liabilities	57.5	59.5	(3.3%)	59.8	(3.9%)
Dividends Payable	1.8	1.4	24.4%	1.8	0.0%
Accounts Payable from Acq. of Subsid.	238.1	315.3	(24.5%)	496.2	(52.0%)
Commissions Payable	52.4	68.0	(22.9%)	61.2	(14.4%)
Other Liabilities	88.3	86.7	1.8%	100.9	(12.5%)
Techfin Dimension Liabilities	-	2,459.2	(100.0%)	-	-
Non-current Liabilities	**2,434.5**	**2,479.7**	**(1.8%)**	**2,514.9**	**(3.2%)**
Lease Liabilities	77.3	135.5	(43.0%)	93.2	(17.1%)
Loans and Financing	-	-	-	2.9	(100.0%)
Debentures	1,493.0	1,489.9	0.2%	1,492.3	0.1%
Accounts Payable from Acq. of Subsid.	252.4	299.1	(15.6%)	318.7	(20.8%)
Tax Obligations	0.6	0.5	12.0%	1.0	(45.5%)
Deferred Income Taxes	14.2	1.7	717.2%	11.6	22.3%
Provision for Contingencies	112.6	112.7	(0.1%)	108.7	3.6%
Call Option of Non-controlling Interests	424.6	398.0	6.7%	421.2	0.8%
Other Liabilities	59.8	42.3	41.6%	65.3	(8.3%)
Shareholders' Equity	**4,988.2**	**4,687.8**	**6.4%**	**5,081.7**	**(1.8%)**
Share Capital	2,962.6	2,962.6	0.0%	2,962.6	0.0%
Treasury Shares	(545.1)	(283.8)	92.1%	(367.9)	48.2%
Capital Reserves	709.2	693.9	2.2%	758.8	(6.5%)
Profit Reserve	1,504.2	983.1	53.0%	1,389.4	8.3%
Carrying Value Adjustments	56.6	39.9	41.8%	44.0	28.6%
Non-controlling Interest	300.7	292.0	3.0%	294.8	2.0%
TOTAL LIABILITIES AND EQUITY	**8,702.9**	**10,923.3**	**(20.3%)**	**9,023.8**	**(3.6%)**

APPENDIX VI

Aging of M&A Amortizations Effect (Management + Business Performance)

In R$ million	2Q24
Up to 12 months	86.1
from 13 to 24 months	81.7
from 25 to 36 months	81.0
from 37 to 48 months	74.4
over 48 months	244.0
Total	**567.3**

Aging of M&A Amortizations Effect (Techfin 100%)

In R$ million	2Q24
Up to 12 months	21.5
from 13 to 24 months	6.6
from 25 to 36 months	6.6
from 37 to 48 months	6.6
over 48 months	30.1
Total	**71.3**

APPENDIX VII

Techfin's Cash Flow (100%)

In R$ million	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
EBT	**(5.3)**	**(12.6)**	**(57.8%)**	**(8.4)**	**(36.9%)**	**(13.7)**	**(19.1)**	**(28.1%)**
Non-Cash Items	**59.0**	**57.8**	**2.0%**	**50.4**	**17.0%**	**109.4**	**124.6**	**(12.2%)**
Change in Working Capital	**447.2**	**147.6**	**202.9%**	**(253.5)**	**(276.4%)**	**193.8**	**68.7**	**181.8%**
Operating Cash Generation	**500.9**	**192.9**	**159.7%**	**(211.5)**	**(336.9%)**	**289.4**	**174.3**	**66.1%**
Interest paid	(0.4)	(0.0)	916.7%	(0.1)	603.8%	(0.4)	(0.1)	442.9%
Income Tax and Social Cont. paid	0.0	-	-	(0.4)	(110.5%)	(0.3)	-	-
Net Cash from Operating Activities	**500.6**	**192.8**	**159.6%**	**(211.9)**	**(336.2%)**	**288.7**	**174.2**	**65.7%**
Fixed Assets	(0.1)	(0.1)	144.3%	(0.3)	(45.4%)	(0.4)	(0.2)	167.1%
Intangibles	(2.0)	(0.2)	>999%	(1.1)	72.3%	(3.1)	(0.2)	>999%
Financial Rescues (Invest.)	(235.2)	(445.8)	(47.3%)	150.9	(255.9%)	(84.3)	(160.8)	(47.6%)
Net Cash used in Investing Act.	**(237.3)**	**(446.1)**	**(46.8%)**	**149.5**	**(258.7%)**	**(87.8)**	**(161.1)**	**(45.5%)**
Increase (Decrease) Gross Debt	(92.6)	250.0	(137.0%)	100.0	(192.6%)	7.4	250.0	(97.0%)
Payment of Principal of Lease Liabilities	(0.5)	(0.3)	83.7%	(0.4)	24.8%	(1.0)	(0.6)	66.9%
Red. (Inv.) of Senior Quotas	(178.4)	12.3	<(999%)	(42.0)	324.4%	(220.5)	(295.4)	(25.4%)
Capital Increase, Net of Expenses	-	(0.2)	(100.0%)	-	-	-	4.8	(100.0%)
Receivables from Related Companies	-	6.0	(100.0%)	-	-	-	6.3	(100.0%)
Net Cash gen. by (used in) Financ. Act.	**(271.6)**	**267.8**	**(201.4%)**	**57.5**	**(572.1%)**	**(214.0)**	**(34.9)**	**512.6%**
Incr. (Dec.) in Cash and Cash Equivalent	(8.3)	14.6	(156.9%)	(4.9)	70.1%	(13.2)	(21.9)	(39.7%)
Cash and Equiv. Beginning of the Period	194.3	128.3	51.4%	199.2	(2.5%)	199.2	164.8	20.9%
Cash and Equiv. End of the Period	**186.0**	**142.9**	**30.2%**	**194.3**	**(4.3%)**	**186.0**	**142.9**	**30.2%**
Revenue from financial investment, net of Taxes	3.8	0.9	317.3%	5.1	(25.9%)	8.8	1.0	810.8%
Free Cash Flow to Firm *	**494.5**	**191.4**	**158.3%**	**(218.7)**	**(326.1%)**	**275.8**	**172.4**	**60.0%**

* 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

APPENDIX VIII

Techfin's Balance Sheet (100%)

In R$ million	2Q24	2Q23	Δ	1Q24	Δ
ASSETS					
Current Assets	**2,721.2**	**2,617.3**	**4.0%**	**2,685.2**	**1.3%**
Cash and Cash Equivalents	186.0	142.9	30.2%	194.3	(4.3%)
Financial Investments	376.3	641.5	(41.3%)	141.3	166.4%
Trade Receivables	2,108.4	1,803.7	16.9%	2,320.1	(9.1%)
Other Assets	50.6	29.3	72.8%	29.6	71.1%
Non-current Assets	**248.6**	**288.4**	**(13.8%)**	**256.1**	**(2.9%)**
Long-term assets	**50.6**	**55.1**	**(8.1%)**	**50.1**	**1.0%**
Other Assets	50.6	55.1	(8.1%)	50.1	1.0%
Property, Plant and Equipment	5.9	5.4	9.6%	6.4	(7.6%)
Intangible	192.1	227.8	(15.7%)	199.5	(3.8%)
TOTAL ASSETS	**2,969.9**	**2,905.7**	**2.2%**	**2,941.3**	**1.0%**
LIABILITIES					
Current Liabilities	**2,329.4**	**2,448.2**	**(4.9%)**	**2,293.1**	**1.6%**
Loans and Financing	9.1	252.9	(96.4%)	101.7	(91.0%)
Business Partners Payable	988.1	703.9	40.4%	721.8	36.9%
Senior and Mezzanine Quotas	1,275.3	1,449.8	(12.0%)	1,412.3	(9.7%)
Other Liabilities	56.8	41.7	36.4%	57.4	(1.0%)
Non-current Liabilities	**9.4**	**11.1**	**(14.8%)**	**10.0**	**(5.8%)**
Loans and Financing	1.1	1.1	(2.5%)	1.5	(23.4%)
Provision for Contingencies	2.6	1.6	61.1%	2.4	11.1%
Other Liabilities	5.7	8.3	(31.6%)	6.2	(8.1%)
Shareholders' Equity	**631.1**	**446.5**	**41.4%**	**638.2**	**(1.1%)**
TOTAL LIABILITIES AND EQUITY	**2,969.9**	**2,905.7**	**2.2%**	**2,941.3**	**1.0%**

APPENDIX IX

Techfin's Credit Rights by Maturity

Credit Rights by Maturity (In R$ million)	2Q24	2Q23	Δ	1Q24	Δ
On Due	2,088.8	1,786.6	16.9%	2,308.9	(9.5%)
Notes overdue					
Up to 30 days	18.6	14.6	27.3%	13.3	39.8%
from 31 to 60 days	6.4	4.6	40.0%	5.0	29.3%
from 61 to 90 days	4.2	6.2	(32.0%)	4.4	(4.4%)
from 91 to 180 days	11.1	15.3	(27.4%)	10.2	9.5%
from 181 to 360 days	18.3	20.3	(9.6%)	22.9	(19.9%)
over 360 days	122.4	85.4	43.3%	110.4	10.9%
Gross Trade Receivables	**2,269.9**	**1,933.0**	**17.4%**	**2,475.1**	**(8.3%)**
Provision for Expected Credit Losses	(157.0)	(127.1)	23.5%	(149.5)	5.0%
Total	**2,112.9**	**1,805.9**	**17.0%**	**2,325.6**	**(9.1%)**

GLOSSARY

A

ADTV (Average Daily Trading Volume): Average Daily Trading Volume of shares.

C

CAC Customer Acquisition Cost: indicates how much a company spends, on average, to acquire a new customer, that is, it is the total investment made in marketing and sales, divided by the number of customers acquired in a specific period.

Carve-out: the process by which a company sells a generally smaller and autonomous portion of its business (a division, a product line, a group of contracts, a subsidiary, etc) to an interested party.

Cash Earnings: is a non-accounting metrics that represents Net Income without the effects of amortization expenses of intangible assets arising from company acquisitions and the corresponding impacts of income tax and social contribution on such amortization. This measurement is important to monitor the progress of net income without the effects of acquisitions, considering the relevance of the Company's acquisition strategy.

Contribution Margin: it represents how much the sale of a product or service contributes to covering specific costs and expenses to that product or service.

Corporate Model: in this Management software payment model, customers enjoy unlimited access to contracted systems, and agreement fees are updated annually, in the first quarter, based on customer performance in the previous year, measured upon updated metrics, previously established in the contract, such as gross revenue. The updated fees have an impact on both Licenses Revenue and Recurring Revenue. Regarding Licenses, the increase specifically pertains to customers who consistently expanded their business over the years, resulting in a shift to a higher price range in the list, while in Recurring Revenue, the impact is the net balance between clients who "went up" and those who "went down" on the price list.

Cross-selling: marketing strategy to leverage sales with the sale of other portfolio offerings, in addition to the customer's existing solution.

E

Earn-out: a portion corresponding to the payment of the part of the acquisition price of a company, linked to the selling partners, generally linked to certain goals of the acquired company.

EBITDA (Earning Before Interest, Tax, Depreciation and Amortization): is a non-accounting measure prepared by the Company and consists of net income for the year or period, plus financial income and expenses, income tax and social contribution, and depreciation and amortization costs and expenses

ESG (Environmental, Social and Governance): is a set of criteria used to evaluate a company's performance in relation to sustainability and social responsibility.

F

FIDC (*Fundo de Investimento em Direitos Creditórios*): is a type of investment fund that invests resources from various investors in credit rights, that is, the FIDC buys debts from companies or individuals and divides them into smaller parts, which are sold to investors.

G

Global Report Initiative (GRI): a multi-stakeholder organization that defines global Sustainability Reporting Standards developed with contributions from different stakeholders and focused on the public interest.

GMV (Gross Merchandise Volume): It represents the total sales value of products/services through the marketplace in a given period. It is a metric to estimate the size of the platform, but not its health.

GTM (Go-To-Market): is the strategy aimed at launching and positioning a product or service in the market, which can be translated as the sum of commercial and marketing expenses.

H

Headcount: count of the total employees of an organization.

I

IBOV (*Índice Bovespa*): Bovespa Index. It is the most important indicator of the average performance of the prices of shares traded on the B3 stock exchange - Brazil, Bolsa, Balcão.

IBrX-50 (*Índice Brasil 50*): Brazil 50 Index. The average performance indicator for the prices of the 50 most actively traded and best representative stocks of the Brazilian stock market.

IIRC (International Integrated Reporting Council)

J

JV (Joint Venture): it comprises the economic association between two companies, whether in the same field or not, during a specific and limited period, for a specific purpose.

L

LGPD (*Lei Geral de Proteção de Dados*): The Brazilian General Data Protection Law.

LTV (LifeTime Value): It is a metric that defines the average customer lifecycle value. How much money it generates for the company from purchases and services for as long as he maintains a relationship with.

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

M

Midcap: is defined as companies between $2 billion and $10 billion in market capitalization.

N

NPS (Net Promoter Score): an indicator measured through a survey with the customer, in order to measure the probability of the customer recommending the company, product or service received.

O

OMS (Order Management System): Distribution Management System, designed for the management of distribution and logistical planning through the automation of sales orders to be distributed by a company and the automation of commercial, inventory and credit analysis processes, in addition to sorting the approved orders for delivery sequencing in cargo loading, considering any restrictions of each customer.

P

PLG (Product Led Growth): It is defined as "instances in which the use of the product is the main driver for user acquisition, retention and expansion", therefore, PLG is both a growth strategy and an innovative business model. It is an end-user focused growth model, based entirely on the product.

Pricing Power: is the ability to readjust prices at times of cost and expense inflation. It is a characteristic of differentiated companies and those with Pricing Power can seek a better balance between impact on costs, price and sales production and, consequently, have greater potential to maintain a healthy relationship between growth and profitability, without damaging the relationship with customers.

Pro forma: pro forma financial information provides information about the impact of a particular transaction, on a recurring basis, showing how an entity's historical financial statements could have been affected if such transaction had been completed at an earlier date.

Q

QoQ (Quarter-over-Quarter): a quarter-over-quarter comparison.

R

Revenue net of Funding: format usually adopted by the financial market, which comprises the revenue net of the cost consisting of the remuneration of the senior and mezzanine quotas of FIDC.

Renewal Rate: shows the percentage of clients that remained on the recurrence base at the end of the period, compared to the base in the beginning of the period, taking as reference the Recurring Revenue.

Rule of 40: balanced combination of growth and profitability (resulting in a sum of more than 40 percentage points).

ROE (Return on equity): metric that measures return on equity.

S

SDG (Sustainable Development Goals): they are a collection of 17 global goals established by the United Nations General Assembly in 2015. These goals represent a call to action for all countries — rich and poor — to eradicate poverty, protect the planet and ensure that all people enjoy peace and prosperity.

Selic (*Sistema Especial de Liquidação e Custódia*): in English 'Special System for Settlement and Custody', the basic interest rate of the Brazilian economy. It is the main instrument of the monetary policy used by the Central Bank (BC) to control inflation.

Signings: sales production.

T

Take rate: expression that indicates the percentage of gain on each transaction.

TCO (Total Cost of Ownership): it is the sum of all possible costs related to purchasing and owning a product or service.

U

Up-selling: marketing strategy to leverage sales by selling more units to an existing client.

Y

YoY (Year-over-Year): a year-over-year comparison.