

TOTVS S.A.

Condensed individual and consolidated Interim Financial Statements
as of and for the three and six-months periods ended June 30, 2024

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

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Consolidated Operating and Financial Performance

Consolidated Result (in R\$ thousand)	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
Net Revenue	1,295,135	1,087,914	19.0%	1,247,637	3.8%	2,542,772	2,152,056	18.2%
Management Revenue	1,158,656	989,489	17.1%	1,117,957	3.6%	2,276,613	1,965,412	15.8%
Business Performance Revenue	136,479	98,425	38.7%	129,680	5.2%	266,159	186,644	42.6%
Mgmt. + Biz Perform. Adjusted EBITDA	295,731	259,287	14.1%	306,761	(3.6%)	602,492	536,308	12.3%
Management Adjusted EBITDA	288,040	255,585	12.7%	297,285	(3.1%)	585,325	528,932	10.7%
Biz Performance Adjusted EBITDA	7,691	3,702	107.8%	9,476	(18.8%)	17,167	7,376	132.7%
% Adjusted EBITDA Margin	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

Net Revenue

In the second quarter of 2024, consolidated Net Revenue reached R\$1.3 billion, registering 19% 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; and (ii) in Business Performance Recurring Revenue, which grew 40%. The combined SaaS Management Revenue and Business Performance have already accounted for 49% of Total 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, with an Adjusted EBITDA Margin of 22.8%, 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 Management Dimension EBITDA Margin, which is majorly associated with the reduction of 220 basis points of 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.

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.

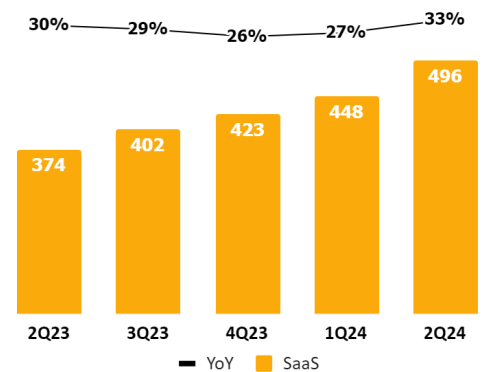
Management Result (in R\$ thousand)	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
Net Revenue	1,158,656	989,489	17.1%	1,117,957	3.6%	2,276,613	1,965,412	15.8%
Recurring	1,021,316	849,572	20.2%	956,381	6.8%	1,977,697	1,667,237	18.6%
Non Recurring	137,340	139,917	(1.8%)	161,576	(15.0%)	298,916	298,175	0.2%
License	47,114	48,941	(3.7%)	77,792	(39.4%)	124,906	130,128	(4.0%)
Services	90,226	90,976	(0.8%)	83,784	7.7%	174,010	168,047	3.5%
Adjusted Costs	(341,955)	(270,116)	26.6%	(319,265)	7.1%	(661,220)	(537,133)	23.1%
Adjusted Gross Profit	816,701	719,373	13.5%	798,692	2.3%	1,615,393	1,428,279	13.1%
<i>Adjusted Gross Margin</i>	<i>70.5%</i>	<i>72.7%</i>	<i>-220 bp</i>	<i>71.4%</i>	<i>-90 bp</i>	<i>71.0%</i>	<i>72.7%</i>	<i>-170 bp</i>
Research and Development	(189,792)	(170,271)	11.5%	(186,086)	2.0%	(375,878)	(339,825)	10.6%
Provision for Expected Credit Losses	(12,250)	(8,510)	43.9%	(10,169)	20.5%	(22,419)	(14,334)	56.4%
Adjusted Sales and Marketing Expenses	(228,335)	(201,493)	13.3%	(218,770)	4.4%	(447,105)	(385,924)	15.9%
Adjusted G&A Expenses and Others	(98,284)	(83,514)	17.7%	(86,382)	13.8%	(184,666)	(159,264)	15.9%
Management Adjusted EBITDA	288,040	255,585	12.7%	297,285	(3.1%)	585,325	528,932	10.7%
<i>% Management Adjusted EBITDA</i>	<i>24.9%</i>	<i>25.8%</i>	<i>-90 bp</i>	<i>26.6%</i>	<i>-170 bp</i>	<i>25.7%</i>	<i>26.9%</i>	<i>-120 bp</i>

Recurring Revenue

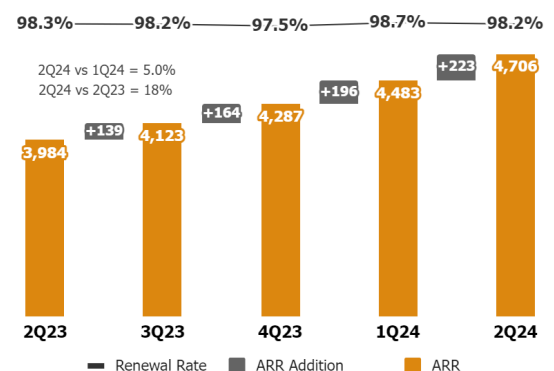
Recurring Revenue grew 20% in comparison to the second quarter of 2023, an important acceleration over the 17% growth in the previous quarter and once again highlighting the performance of SaaS + Cloud. In SaaS, the continued positive sales performance, associated with the inorganic addition from Ahgora, 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.

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%.

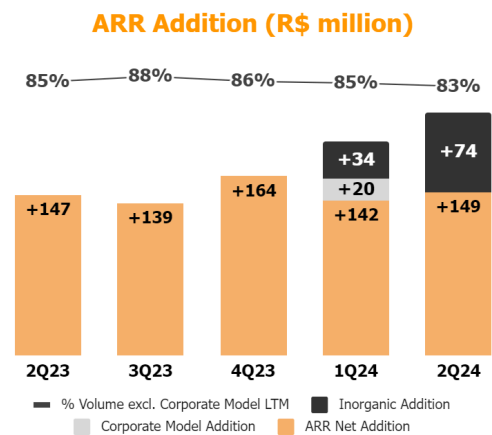
Management SaaS Revenue (R\$ million)



ARR (R\$ million) and Renewal Rate



Finally, consistent strong sales volume performance versus 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

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\$ thousand	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
Net Revenue	1,158,656	989,489	17.1%	1,117,957	3.6%	2,276,613	1,965,412	15.8%
Gross Profit	816,701	713,094	14.5%	797,853	2.4%	1,614,554	1,420,679	13.6%
Gross Margin	70.5%	72.1%	-160 bp	71.4%	-90 bp	70.9%	72.3%	-140 bp
Extraord. Adj. - Operat. Restructuring	-	6,279	(100.0%)	839	(100.0%)	839	7,600.0	(89.0%)
Adjusted Gross Profit	816,701	719,373	13.5%	798,692	2.3%	1,615,393	1,428,279	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 19% 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\$ thousand	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
Adjusted Sales and Marketing Expenses	(228,335)	(201,493)	13.3%	(218,770)	4.4%	(447,105)	(385,924)	15.9%
% Net Revenue	19.7%	20.4%	-70 bp	19.6%	10 bp	19.6%	19.6%	0 bp
Sales and Marketing Expenses	(228,335)	(202,536)	12.7%	(219,947)	3.8%	(448,282)	(388,241)	15.5%
Extraord. Adj. - Operatl. Restructuring	-	1,043	(100.0%)	1,177	(100.0%)	1,177	2,317	(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, on Net Revenue is mainly related to the increase in Marketing expenses, reflecting the investment of more than R\$12 million in the realization of Universo TOTVS 2024 and the new advertising campaign, which started in June, initially scheduled to last until the end of 2024.

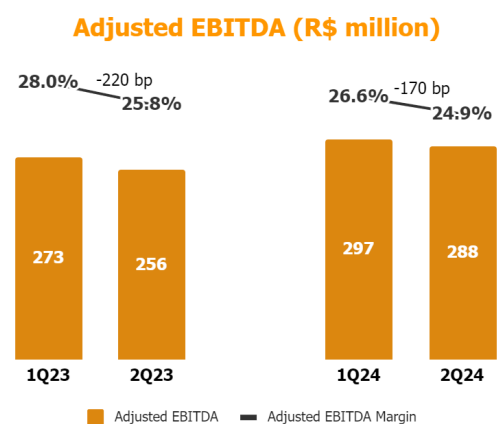
General, Administrative and Other Expenses

In R\$ thousand	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
Adjusted G&A Expenses and Others	(98,284)	(83,514)	17.7%	(86,382)	13.8%	(184,666)	(159,264)	15.9%
% Net Revenue	8.5%	8.4%	10 bp	7.7%	80 bp	8.1%	8.1%	0 bp
G&A Expenses and Others	(103,831)	(90,830)	14.3%	(99,535)	4.3%	(203,366)	(169,550)	19.9%
General and Administrative Expenses	(100,746)	(78,894)	27.7%	(93,694)	7.5%	(194,440)	(157,509)	23.4%
Provision for Contingencies	(5,799)	(7,126)	(18.6%)	(244)	>999%	(6,043)	(7,231)	(16.4%)
Other Net Expenses (Revenues)	2,714	(4,810)	(156.4%)	(5,597)	(148.5%)	(2,883)	(4,810)	(40.1%)
Extraordinary Items	5,547	7,316	(24.2%)	13,153	(57.8%)	18,700	10,286	81.8%
Extraord. Adj. - Operatl. Restructuring	60	25	140.0%	2,041	(97.1%)	2,101	524	301.0%
M&A Adjustment at Fair Value	1,552	5,064	(69.4%)	14,035	(88.9%)	15,587	6,265	148.8%
Expenses with M&A Transactions	3,935	1,364	188.5%	2,969	32.5%	6,904	2,634	162.1%
Tax Credit	-	863	(100.0%)	-	-	-	863	(100.0%)
Loss (Earns) in Disposed Assets	-	-	-	(5,892)	(100.0%)	(5,892)	-	-

Adjusted General and Administrative Expenses and Others grew 18% over 2Q23 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 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 effects on Non-Recurring Revenue, mentioned above; (iii) the recent acquisitions that have profitability below the average; and (iv) the growth of 44% in the Provision for Expected Credit Losses line.



In comparison to 1Q24, following historical seasonal behavior, the 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.

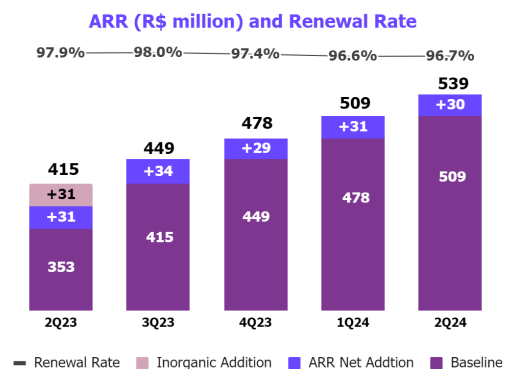
Business Performance dimension results

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

Biz Performance Result (in R\$ thousand)	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
Net Revenue	136,479	98,425	38.7%	129,680	5.2%	266,159	186,644	42.6%
Recurring	134,042	95,776	40.0%	127,171	5.4%	261,213	182,716	43.0%
Non Recurring	2,437	2,649	(8.0%)	2,509	(2.9%)	4,946	3,928	25.9%
Costs	(34,906)	(22,521)	55.0%	(31,555)	10.6%	(66,461)	(42,710)	55.6%
Gross Profit	101,573	75,904	33.8%	98,125	3.5%	199,698	143,934	38.7%
<i>Gross Margin</i>	<i>74.4%</i>	<i>77.1%</i>	<i>-270 bp</i>	<i>75.7%</i>	<i>-130 bp</i>	<i>75.0%</i>	<i>77.1%</i>	<i>-210 bp</i>
Research and Development	(29,247)	(24,392)	19.9%	(28,311)	3.3%	(57,558)	(47,100)	22.2%
Provision for Expected Credit Losses	(4,102)	(1,697)	141.7%	(3,061)	34.0%	(7,163)	(3,334)	114.8%
Sales and Marketing Expenses	(44,136)	(32,648)	35.2%	(41,759)	5.7%	(85,895)	(60,713)	41.5%
G&A Expenses and Others	(26,787)	(13,465)	98.9%	(15,518)	72.6%	(42,305)	(45,818)	(7.7%)
Biz Performance EBITDA	(2,699)	3,702	(172.9%)	9,476	(128.5%)	6,777	(13,031)	(152.0%)
<i>% Biz Performance EBITDA</i>	<i>-2.0%</i>	<i>3.8%</i>	<i>-580 bp</i>	<i>7.3%</i>	<i>-930 bp</i>	<i>2.5%</i>	<i>-7.0%</i>	<i>950 bp</i>
Extraordinary Items	10,390	-	-	-	-	10,390	20,407	(49.1%)
M&A Adjustment at Fair Value	9,825	-	-	-	-	9,825	20,407	(51.9%)
G&A and Others from Oper. Restructuring	565	-	-	-	-	565	-	-
Biz Performance Adjusted EBITDA	7,691	3,702	107.8%	9,476	(18.8%)	17,167	7,376	132.7%
<i>% Biz Performance Adjusted EBITDA</i>	<i>5.6%</i>	<i>3.8%</i>	<i>180 bp</i>	<i>7.3%</i>	<i>-170 bp</i>	<i>6.4%</i>	<i>4.0%</i>	<i>240 bp</i>

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 Station Conversas, RD Station CRM, and RD Station Marketing solutions. The multi-product strategy of Business Performance dimension main objectives 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 22%, 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 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 occurred in July and the settlement will be in 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.

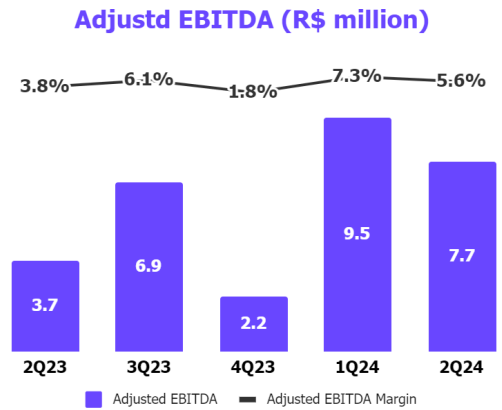
EBITDA and EBITDA Margin

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 potential 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.



Management and Business Performance Below EBITDA Result

Depreciation and Amortization Expenses

In R\$ thousand	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
Depreciation	(37,803)	(33,034)	14.4%	(36,286)	4.2%	(74,089)	(63,302)	17.0%
Amortization	(46,537)	(42,758)	8.8%	(37,174)	25.2%	(83,711)	(74,626)	12.2%
Depreciation and Amortization	(84,340)	(75,792)	11.3%	(73,460)	14.8%	(157,800)	(137,928)	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\$ thousand	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
Financial Revenues	67,913	87,401	(22.3%)	88,988	(23.7%)	156,901	158,876	(1.2%)
Financial Expenses	(77,538)	(91,081)	(14.9%)	(93,650)	(17.2%)	(171,188)	(183,194)	(6.6%)
Financial Result	(9,625)	(3,680)	161.5%	(4,662)	106.5%	(14,287)	(24,318)	(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 repurchase program expense; and (ii) the 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\$ thousand	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
EBT	185,829	165,177	12.5%	213,470	(12.9%)	399,299	333,452	19.7%
Taxes at combined rate (34%)	(63,182)	(56,160)	12.5%	(72,580)	(12.9%)	(135,762)	(113,374)	19.7%
Law 11,196/05 - R&D Incentive	8,834	7,196	22.8%	6,950	27.1%	15,784	13,355	18.2%
Effect of Different Taxation in Subsidiaries	(2,905)	(4,728)	(38.6%)	(7,119)	(59.2%)	(10,024)	(8,600)	16.6%
Management Bonus	(1,047)	(693)	51.1%	(511)	104.9%	(1,558)	(1,877)	(17.0%)
Government Subsidies	792	785	0.9%	1,014	(21.9%)	1,806	1,764	2.4%
Other	(4,055)	255	<(999%)	(6,507)	(37.7%)	(10,562)	(7,747)	36.3%
Income Tax and Social Contribution	(61,563)	(53,345)	15.4%	(78,753)	(21.8%)	(140,316)	(116,479)	20.5%
Current Income Tax and Social Contribution	(56,750)	(53,670)	5.7%	(66,445)	(14.6%)	(123,195)	(116,538)	5.7%
Deferred Income Tax and Social Contribution	(4,813)	325	<(999%)	(12,308)	(60.9%)	(17,121)	59	<(999%)
<i>% Current Effective Tax Rate</i>	<i>30.5%</i>	<i>32.5%</i>	<i>-200 bp</i>	<i>31.1%</i>	<i>-60 bp</i>	<i>30.9%</i>	<i>34.9%</i>	<i>-400 bp</i>
<i>% Total Effective Tax Rate</i>	<i>33.1%</i>	<i>32.3%</i>	<i>80 bp</i>	<i>36.9%</i>	<i>-380 bp</i>	<i>35.1%</i>	<i>34.9%</i>	<i>20 bp</i>

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

The Techfin dimension contemplates Supplier and Techfin operations, consolidated under TOTVS Techfin. Supplier is a company with more than 20 years in the market, profitable and consolidated in its niche. Techfin was created just over 3 years ago and has been building its portfolio of solutions based on strong competitive advantages, such as the creation of ERP banking.

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

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

Techfin Results (in R\$ thousand)	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
Techfin Net Revenue	51,110	44,436	15.0%	49,735	2.8%	100,845	94,312	6.9%
Funding Cost	(16,189)	(20,693)	(21.8%)	(18,237)	(11.2%)	(34,426)	(43,335)	(20.6%)
Techfin Revenue - Net of funding	34,921	23,743	47.1%	31,498	10.9%	66,419	50,977	30.3%
Operational Costs	(5,662)	(3,785)	49.6%	(4,605)	23.0%	(10,267)	(7,006)	46.5%
Gross Profit	29,259	19,958	46.6%	26,893	8.8%	56,152	43,971	27.7%
Research and Development	(4,126)	(4,516)	(8.6%)	(6,763)	(39.0%)	(10,889)	(9,208)	18.3%
Provision for Expected Credit Losses	(4,290)	(3,379)	27.0%	(3,602)	19.1%	(7,892)	(7,524)	4.9%
Other Operating Expenses	(20,678)	(13,602)	52.0%	(18,122)	14.1%	(38,800)	(26,807)	44.7%
Techfin EBITDA	166	(1,539)	(110.8%)	(1,594)	(110.4%)	(1,429)	432	(430.7%)
% Techfin EBITDA	0.5%	-6.5%	700 bp	-5.1%	560 bp	-2.2%	0.8%	-300 bp
Depreciation and Amortization	(4,614)	(5,098)	(9.5%)	(4,727)	(2.4%)	(9,341)	(10,395)	(10.1%)
Financial Result	1,794	351	411.1%	2,113	(15.1%)	3,907	418	834.7%
Income Tax and Social Contribution	(905)	2,318	(139.0%)	(54)	>999%	(959)	2,780	(134.5%)
Net Income (Loss) from Techfin Dimension	(3,559)	(3,968)	(10.3%)	(4,262)	(16.5%)	(7,821)	(6,765)	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 Items	-	-	-	1,323	(100.0%)	1,323	-	-
Techfin Adjusted EBITDA	166	(1,539)	(110.8%)	(271)	(161.1%)	(106)	432	(124.4%)
% Techfin Adjusted EBITDA	0.5%	-6.5%	700 bp	-0.9%	140 bp	-0.2%	0.8%	-100 bp

Techfin Revenue - Net of Funding

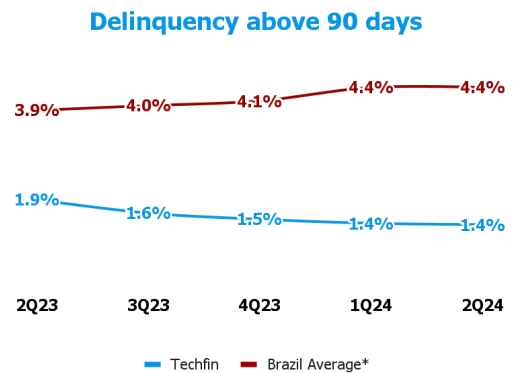
Techfin Revenue Net of Funding ended the quarter at R\$34.9 million, which is 11% above 1Q24 and 47% higher than 2Q23. The evolution is primarily pegged to Credit Production performance, which surpassed the 1Q24 amount, even with the negative seasonality of agribusiness in Q2, which resulted in a 5.5 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).

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, which ended 2Q24 in 300 basis points lower than the Brazil Average, as presented in the side chart.



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

Adjusted EBITDA and EBITDA Margin

Techfin's Adjusted EBITDA ended the quarter at R\$166 thousand, an increase of R\$437 thousand over 1Q24, mainly because of the growth in Techfin Revenue Net of Funding in the period. Meanwhile, the EBITDA Margin presented growth of 7 percentage points over 2Q23 and 5.6 percentage 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.

Net Income

Techfin dimension loss ended the quarter at R\$3.6 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.

EBITDA and Net Income Reconciliation

In R\$ thousand	2Q24	2Q23	Δ	1Q24	Δ	1H24	1H23	Δ
Consolidated Net Income	120,705	103,897	16.2%	129,371	(6.7%)	250,076	203,444	22.9%
<i>Net Margin</i>	9.3%	9.6%	-30 bp	10.4%	-110 bp	9.8%	9.5%	30 bp
(-) Net Loss from Techfin Dimension	-	7,935	(100.0%)	1,085	(100.0%)	1,085	13,529	(92.0%)
(+) Depreciation and Amortization	84,340	75,792	11.3%	73,460	14.8%	157,800	137,928	14.4%
(+) Financial Result	9,625	3,680	161.5%	4,662	106.5%	14,287	24,318	(41.2%)
(+) Income Tax and Social Contribution	61,563	53,345	15.4%	78,753	(21.8%)	140,316	116,479	20.5%
EBITDA ⁽¹⁾	276,233	244,649	12.9%	287,331	(3.9%)	563,564	495,698	13.7%
<i>% EBITDA Margin</i>	21.3%	22.5%	-120 bp	23.0%	-170 bp	22.2%	23.0%	-80 bp
(+) Techfin Dimension Adjusted EBITDA	166	(1,539)	(110.8%)	(271)	(161.1%)	(106)	432	(124.4%)
(-) Equity Pickup	(3,561)	-	-	(4,261)	(16.4%)	(7,822)	-	-
(+) Extraordinary Items	15,937	14,638	8.9%	15,169	5.1%	31,106	40,610	(23.4%)
M&A Adjustment at Fair Value	11,377	5,064	124.7%	14,035	(18.9%)	25,412	26,672	(4.7%)
Adjustment from Oper. Restructuring	625	7,347	(91.5%)	4,057	(84.6%)	4,682	10,441	(55.2%)
Tax Credit	-	863	(100.0%)	-	-	-	863	(100.0%)
Expenses with M&A Transactions	3,935	1,364	188.5%	2,969	32.5%	6,904	2,634	162.1%
Lost (Earn) in Disposed Assets	-	-	-	(5,892)	(100.0%)	(5,892)	-	-
Adjusted EBITDA ⁽¹⁾	295,897	257,748	14.8%	306,490	(3.5%)	602,387	536,740	12.2%
<i>% Adjusted EBITDA Margin ⁽²⁾</i>	22.2%	23.2%	-100 bp	24.0%	-180 bp	23.1%	24.4%	-130 bp

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

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

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



Report on review of the interim financial information

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

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of TOTVS S.A. ("Company"), contained in the Quarterly Information – ITR Form for the quarter ended June 30, 2024, comprising the balance sheet as of June 30, 2024 and related statements of income, comprehensive income for the three and six-month periods then ended, of changes in shareholders' equity and of cash flows for the six-month period then ended, including the explanatory notes.

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

Scope of the review

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

Conclusion on the individual and consolidated interim financial information

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

Other matters

Statements of value added

The interim financial information referred to above includes the individual and consolidated statements of value added (DVA) for the six-month period ended June 30, 2024, prepared under responsibility of Company's management, and presented as supplementary information for IAS 34 purposes. These statements were submitted to review procedures carried out jointly with the audit of Company's quarterly information to form a conclusion whether these statements are reconciled with interim financial information and book records, as applicable, and whether their forms and contents are in accordance with criteria defined in Technical Pronouncement CPC 09 – Statement of Value Added. Based on our review, we are not aware of any other

event that make us believe that these statements of added value were not prepared, in all material respects, in accordance with individual and consolidated interim financial information taken as a whole.

São Paulo, August 1st, 2024

KPMG Auditores Independentes Ltda.
CRC 2SP014428/O-6
Original report in Portuguese signed by
Wagner Bottino
Accountant CRC 1SP196907/O-7

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

(In thousands of Reais)

Assets	Note	Individual		Consolidated		Liabilities and equity	Note	Individual		Consolidated	
		6/30/2024	12/31/2023	6/30/2024	12/31/2023			6/30/2024	12/31/2023	6/30/2024	12/31/2023
Current assets		1,814,672	1,998,329	3,070,913	3,906,298	Current liabilities		658,192	636,034	1,280,133	1,348,729
Cash and cash equivalents	5	1,275,069	1,466,321	2,205,225	3,129,162	Labor liabilities	14	265,529	224,268	478,996	375,960
Escrow account	18	7,223	6,915	19,575	13,175	Trade and other payable		142,704	113,276	194,614	155,266
Trade accounts and other receivable	6	381,002	367,725	584,221	538,528	Taxes and contributions liabilities	15	74,337	69,293	119,837	107,427
Recoverable taxes	7	20,887	44,305	73,785	87,838	Commissions payable		41,931	52,967	52,412	62,610
Other assets	10	130,491	113,063	188,107	137,595	Dividends payable	21	1,781	1,781	1,781	1,781
						Loans and lease liabilities	16	47,144	81,799	57,525	90,701
						Debentures	17	48,594	55,208	48,594	55,208
						Accounts payable from acquisition of subsidiaries	18	7,312	7,004	238,083	421,803
						Other liabilities		28,860	30,438	88,291	77,973
Non-current assets		5,652,806	5,492,876	5,631,983	4,922,562	Non-current liabilities		2,121,714	2,134,597	2,434,539	2,467,460
Achievable in the long term		255,836	242,406	600,616	514,482	Loans and lease liabilities	16	70,843	96,906	77,272	106,663
Escrow account	18	-	-	179,074	116,759	Debentures	17	1,493,025	1,491,495	1,493,025	1,491,495
Trade accounts and other receivable	6	14,131	10,959	19,747	16,496	Provision for contingencies	19	90,224	89,240	112,605	111,990
Receivables from related parties	9	7,482	8,563	4,876	3,787	Accounts payable from acquisition of subsidiaries	18	-	-	252,444	272,135
Investments at fair value	4.2	64,289	43,051	148,965	127,483	Call option of non-controlling interests		424,554	412,655	424,554	412,655
Deferred tax assets	8	69,019	87,710	136,133	147,426	Other liabilities		43,068	44,301	74,639	72,522
Judicial deposits	19	28,436	29,423	32,758	33,832						
Other assets	10	72,479	62,700	79,063	68,699						
Equity-accounted investees	11	4,476,726	4,352,257	315,545	323,367	Shareholders' equity	20	4,687,572	4,720,574	4,988,224	5,012,671
Property, plant and equipment	12	341,594	358,254	400,429	413,486	Share Capital		2,962,585	2,962,585	2,962,585	2,962,585
Intangible assets	13	578,650	539,959	4,315,393	3,671,227	Treasury shares		(545,092)	(283,445)	(545,092)	(283,445)
						Capital reserves		709,199	738,293	709,199	738,293
						Profit Reserves		1,262,719	1,262,719	1,262,719	1,262,719
						Retained earnings		241,521	-	241,521	-
						Carrying value adjustments		56,640	40,422	56,640	40,422
						Non-controlling interests		-	-	300,652	292,097
Total assets		7,467,478	7,491,205	8,702,896	8,828,860	Total shareholders' equity and liabilities		7,467,478	7,491,205	8,702,896	8,828,860

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

(A free translation of the original in Portuguese)

TOTVS S.A.
Condensed Individual and Consolidated Statements of Profit or Loss
For the three and six-months ended June 30, 2024 and 2023
(In thousands of Reais, except for earnings per share)

	Note	Individual				Consolidated			
		04/01 to 06/30/2024	01/01 to 06/30/2024	04/01 to 06/30/2023	01/01 to 06/30/2023	04/01 to 06/30/2024	01/01 to 06/30/2024	04/01 to 06/30/2023	01/01 to 06/30/2023
Net revenue	25	776,745	1,558,368	678,666	1,368,500	1,295,135	2,542,772	1,087,915	2,152,057
Cost of software	26	(254,255)	(499,244)	(224,119)	(433,610)	(408,277)	(788,770)	(330,517)	(639,639)
Gross profit		522,490	1,059,124	454,547	934,890	886,858	1,754,002	757,398	1,512,418
Operating income (expenses)									
Research and development expenses	26	(139,275)	(278,407)	(124,781)	(250,712)	(231,193)	(457,680)	(206,527)	(410,784)
Selling and marketing expenses	26	(168,506)	(341,118)	(164,092)	(318,257)	(298,427)	(582,943)	(254,690)	(484,631)
Administrative expenses	26	(83,053)	(156,602)	(71,455)	(136,944)	(154,057)	(286,537)	(122,536)	(232,976)
Other operating income/ (expenses)	26	2,482	10,470	(913)	(2,285)	(7,727)	(13,256)	(4,787)	(26,256)
Operating profit		134,138	293,467	93,306	226,692	195,454	413,586	168,858	357,771
Finance income	27	32,327	74,075	49,710	91,457	67,913	156,901	87,401	158,876
Finance expenses	27	(52,932)	(119,432)	(68,894)	(139,817)	(77,538)	(171,188)	(91,082)	(183,195)
Share of profit/ (loss) of equity-accounted investees	11	34,131	68,500	48,139	75,486	(3,561)	(7,822)	-	-
Profit before income and social contribution taxes		147,664	316,610	122,261	253,818	182,268	391,477	165,177	333,452
Income tax and social contribution - current		(22,057)	(55,313)	(19,473)	(53,026)	(56,750)	(123,195)	(53,669)	(116,537)
Income tax and social contribution - deferred		(10,735)	(18,691)	552	2,263	(4,813)	(17,121)	324	58
Total of Income tax and social contribution taxes	8	(32,792)	(74,004)	(18,921)	(50,763)	(61,563)	(140,316)	(53,345)	(116,479)
Net profit from continuing operations		114,872	242,606	103,340	203,055	120,705	251,161	111,832	216,973
Net loss from Techfin Dimension (discontinued operation)		-	(1,085)	(7,935)	(13,529)	-	(1,085)	(7,935)	(13,529)
Net profit for the period		114,872	241,521	95,405	189,526	120,705	250,076	103,897	203,444
Net profit attributable to shareholders of the Company		114,872	241,521	95,405	189,526	114,872	241,521	95,405	189,526
Net profit attributable to non-controlling		-	-	-	-	5,833	8,555	8,492	13,918
Basic earnings per share (in Reais)	24					0.19304	0.40318	0.15820	0.31379
Diluted earnings per share (in Reais)	24					0.18984	0.39674	0.15576	0.30916

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

(A free translation of the original in Portuguese)

TOTVS S.A.
Condensed Individual and Consolidated Statements of Comprehensive Income
For the three and six-months ended June 30, 2024 and 2023

(In thousands of Reais)

	Individual				Consolidated			
	04/01 to 06/30/2024	01/01 to 06/30/2024	04/01 to 06/30/2023	01/01 to 06/30/2023	04/01 to 06/30/2024	01/01 to 06/30/2024	04/01 to 06/30/2023	01/01 to 06/30/2023
Net profit for the period	114,872	241,521	95,405	189,526	120,705	250,076	103,897	203,444
Items that are or may be reclassified subsequently to profit or loss								
Foreign operations - foreign currency translation adjustments	12,598	19,189	(4,572)	(7,017)	12,598	19,189	(4,572)	(7,017)
Other comprehensive income	12,598	19,189	(4,572)	(7,017)	12,598	19,189	(4,572)	(7,017)
Total comprehensive income for the period, net of tax	127,470	260,710	90,833	182,509	133,303	269,265	99,325	196,427
Total comprehensive income attributable to:								
Shareholders of the Company	127,470	260,710	90,833	182,509	127,470	260,710	90,833	182,509
Non-controlling interests	-	-	-	-	5,833	8,555	8,492	13,918

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

TOTVS S.A.

Condensed Individual and Consolidated Statements of Changes in Shareholders' Equity

For the six-months ended June 30, 2024 and 2023

(In thousands of Reais)

	Note	Capital Reserves			Profit reserves			Carrying value adjustments		Total Equity	Non-controlling interests	Total shareholders' equity
		Capital	Treasury shares	Transaction between shareholders	Capital Reserve	Legal Reserve	Retaining earnings	Accumulated earnings	Other comprehensive income			
Balances at January 1, 2024		2,962,585	(283,445)	(24,323)	762,616	192,313	1,070,406	-	40,422	4,720,574	292,097	5,012,671
Capital transactions with shareholders			(261,647)	-	(29,094)	-	-	-	-	(290,741)	-	(290,741)
Share-based compensation plan	22	-	-	-	21,677	-	-	-	-	21,677	-	21,677
Disposal of treasury shares	22	-	50,771	-	(50,771)	-	-	-	-	-	-	-
Purchase of treasury shares	22	-	(312,418)	-	-	-	-	-	-	(312,418)	-	(312,418)
Total comprehensive income		-	-	-	-	-	-	241,521	16,218	257,739	8,555	266,294
Profit for the period		-	-	-	-	-	-	241,521	-	241,521	8,555	250,076
Cumulative adjustment for currency exchange		-	-	-	-	-	-	-	16,218	16,218	-	16,218
Balance at June 30, 2024		2,962,585	(545,092)	(24,323)	733,522	192,313	1,070,406	241,521	56,640	4,687,572	300,652	4,988,224

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

	Capital	Treasury shares	Capital Reserves		Profit reserves			Carrying value adjustments	Total Equity	Non-controlling interests	Total shareholders' equity
			Transaction between shareholders	Capital Reserve	Legal Reserve	Retaining earnings	Accumulated earnings	Other comprehensive income			
Balances at January 1, 2023	2,962,585	(217,671)	(24,323)	747,506	155,566	638,003	-	46,950	4,308,616	276,233	4,584,849
Capital transactions with shareholders	-	(109,308)	-	15,072	-	-	-	-	(94,236)	-	(94,236)
Share-based compensation plan	-	-	-	18,041	-	-	-	-	18,041	-	18,041
Disposal of treasury shares	-	84	-	(84)	-	-	-	-	-	-	-
Purchase of treasury shares	-	(109,392)	-	-	-	-	-	-	(109,392)	-	(109,392)
Goodwill special reserve due to merger	-	-	-	(2,885)	-	-	-	-	(2,885)	-	(2,885)
Total comprehensive income	-	-	-	-	-	-	94,121	(2,444)	91,677	5,426	97,103
Profit for the period	-	-	-	-	-	-	94,121	-	94,121	5,426	99,547
Cumulative adjustment for currency exchange	-	-	-	-	-	-	-	(2,444)	(2,444)	-	(2,444)
Balance at June 30, 2023	2,962,585	(326,979)	(24,323)	762,578	155,566	638,003	94,121	44,506	4,306,057	281,659	4,587,716

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

(A free translation of the original in Portuguese)

TOTVS S.A.
Condensed Individual and Consolidated Statement of Cash Flows
For the six-months ended June 30, 2024 and 2023

(In thousands of Reais)

	Note	Individual		Consolidated	
		01/01 to 06/30/2024	01/01 to 06/30/2023	01/01 to 06/30/2024	01/01 to 06/30/2023
Cash flow from operating activities					
Profit before income and social taxes		316,610	253,818	391,477	333,452
Adjustments for:					
Depreciation and amortization	12/ 13	98,895	90,809	157,800	137,927
Share-based payments transactions	22	19,512	22,787	19,512	22,787
(Gain) Losses on write-off/ sale of property, plant and equipment and intangible assets		(7,010)	620	(7,056)	689
Impairment loss on trade and other receivables	6	11,891	9,442	29,582	17,669
Share of profit/ (losses) of equity-accounted investees	11	(68,500)	(75,486)	7,822	-
Provision for contingencies, net of reversals	19	6,190	7,294	6,470	7,231
Provisions on other obligations and others		(747)	-	(1,602)	27,183
Interest and monetary variations and exchange variations differences, net		105,730	128,081	135,929	153,601
		482,571	437,365	739,934	700,539
Changes in operating assets and liabilities					
Trade and other receivables		(28,340)	(19,339)	(67,471)	(54,645)
Recoverable taxes		(7,403)	(5,315)	(18,981)	(7,181)
Judicial deposits		708	(3,317)	1,074	(4,380)
Other assets		(59,383)	(47,978)	(87,215)	(89,193)
Labor liabilities		64,490	64,268	109,938	104,183
Trade and other payables		27,827	(2,521)	35,810	5,530
Commissions payable		(11,036)	3,210	(12,777)	2,479
Taxes and contributions payable		829	(8,818)	(7,054)	(19,263)
Other liabilities		(8,729)	(12,842)	(6,672)	3,247
Cash generated from operating activities		461,534	404,713	686,586	641,316
Interest paid		(99,136)	(109,988)	(100,248)	(110,932)
Tax paid		(37,596)	(29,726)	(95,796)	(80,033)
Net cash from operating activities		324,802	264,999	490,542	450,351
Cash flow generated by investing activities					
Capital increase in subsidiaries/ associates	13.2	(142,137)	(27,116)	-	-
Dividends received		105,196	44,541	-	-
Acquisition of property, plant and equipment	12	(51,288)	(53,660)	(60,784)	(60,678)
Acquisition of intangible assets	13	(71,185)	(48,158)	(78,078)	(50,090)
Franchises loan		7,406	11,713	7,406	11,713
Acquisitions of subsidiaries, net of cash acquired		-	-	(583,573)	(38,748)
Payments from acquisitions of subsidiaries		-	-	(314,990)	(37,484)
Proceeds from sale of subsidiaries, net of cash		21,144	54	21,144	54
Proceeds from sale of property, plant and equipment and intangibles		7,960	660	8,305	1,214
Fundo CVC investment		(26,010)	(4,532)	(26,010)	(4,532)
Cash used in Techfin Dimension		-	(4,777)	-	(4,777)
Net cash used in investing activities		(148,914)	(81,275)	(1,026,580)	(183,328)
Cash flow (used in the) /generated by financing activities					
Payment of principal of loans		(32,083)	-	(40,372)	(10,957)
Payment of principal of debentures		-	-	(5,000)	-
Payment of principal of lease liabilities		(24,790)	(24,171)	(30,109)	(28,771)
Investment in non controlling		-	-	-	4,164
Receivables from related companies		2,151	(6,373)	-	(6,309)
Dividends and interest on shareholders' equity paid		-	(127,048)	-	(131,212)
Treasury shares, net		(312,418)	(109,392)	(312,418)	(109,392)
Net cash used in the financing activities		(367,140)	(266,984)	(387,899)	(282,477)
Net (Decrease) in cash and cash equivalents		(191,252)	(83,260)	(923,937)	(15,454)
Cash and cash equivalents at beginning of the period		1,466,321	1,709,966	3,129,162	2,735,765
Cash and cash equivalents at the end of the period		1,275,069	1,626,706	2,205,225	2,720,311

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

TOTVS S.A.
Condensed Individual and Consolidated Statements of Value Added
For the six months ended June 30, 2024 and 2023
(In thousands of Reais)

	Individual		Consolidated	
	01/01 to 06/30/2024	01/01 to 06/30/2023	01/01 to 06/30/2024	01/01 to 06/30/2023
1 – REVENUES	1,758,373	1,536,802	2,825,867	2,399,771
1.1 Revenues of contract with customer	1,759,936	1,543,474	2,857,838	2,414,487
1.2 Other revenue	10,328	2,770	(2,389)	2,953
1.3 Impairment loss on trade and other receivables (recording)	(11,891)	(9,442)	(29,582)	(17,669)
2 - RAW MATERIALS ACQUIRED FROM THIRD-PARTIES (includes ICMS and IPI taxes)	(495,952)	(469,498)	(706,027)	(657,808)
2.1 Cost of goods and services sold	(84,795)	(75,251)	(99,266)	(87,122)
2.2 Materials, energy, outsourced services and other	(410,072)	(380,718)	(594,664)	(557,157)
2.3 Other	(1,085)	(13,529)	(12,097)	(13,529)
3 - GROSS VALUE ADDED (1+2)	1,262,421	1,067,304	2,119,840	1,741,963
4 - DEPRECIATION AND AMORTIZATION	(98,895)	(90,809)	(157,800)	(137,927)
5 - NET VALUE ADDED PRODUCED BY THE COMPANY (3+4)	1,163,526	976,495	1,962,040	1,604,036
6 - VALUE ADDED RECEIVED THROUGH TRANSFERS	142,575	166,943	149,079	158,876
6.1 Share of profit/ (losses) of equity-accounted investees	68,500	75,486	(7,822)	-
6.2 Finance income	74,075	91,457	156,901	158,876
7 - TOTAL VALUE ADDED TO DISTRIBUTE (5+6)	1,306,101	1,143,438	2,111,119	1,762,912
8 - VALUE ADDED DISTRIBUTION	1,306,101	1,143,438	2,111,119	1,762,912
8.1 Personnel	640,809	562,839	1,167,523	944,403
8.1.1 Direct Compensation	526,042	465,835	968,145	788,873
8.1.2 Benefits	77,404	64,671	130,817	101,114
8.1.3 FGTS (Unemployment fund)	37,363	32,333	68,561	54,416
8.2 Taxes and contributions	303,930	250,588	517,098	429,318
8.2.1 Federal	257,073	209,584	441,878	365,299
8.2.2 State	71	111	1,734	1,334
8.2.3 Local	46,786	40,893	73,486	62,685
8.3 Interest and rent	119,841	140,485	176,422	185,747
8.3.1 Interest	119,432	139,817	171,188	183,195
8.3.2 Rents	409	668	5,234	2,552
8.4 Equity remuneration	241,521	189,526	250,076	203,444
8.4.3 Retained profit for the period	241,521	189,526	241,521	189,526
8.4.4 Non-controlling interest in retained profits	-	-	8,555	13,918

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

TOTVS S.A.

Notes to the Condensed Individual and Consolidated Interim Financial Statements

(In thousands of Reais, unless otherwise stated)

1. Operational context

1.1 Reporting entity

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

1.2 Operations

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

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

1.3 Effects from climate event in Rio Grande do Sul

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

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

2.1. Statement of compliance

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

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

2.2. Basis of presentation

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

TOTVS's condensed individual and consolidated Interim Financial Statements were approved at the Board of Directors' Meeting held on August 1st, 2024, after a recommendation by the Audit Committee at a meeting held on July 30, 2024.

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

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

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

2.3. Basis of preparation

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

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

2.4. Consolidation basis

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

Corporate Names	Head office	Interest	Main activity	% Interest	
				6/30/2024	12/31/2023
Soluções em Software e Serviços TTS Ltda. ("TTS")	BRA	Direct	Software operation	100.00%	100.00%
TRS Gestão e Tecnologia S.A. ("TRS") (i)	BRA	Indirect	Software operation	-	100.00%
IP São Paulo Sistemas de Gestão Empresarial Ltda. ("IP SP") (v)	BRA	Indirect	Software operation	100.00%	-
Neopenso Tecnologia Ltda. ("Neopenso") (v)	BRA	Indirect	Software operation	100.00%	-
IPSP Sorocaba Sistemas Ltda. ("IPSP Sorocaba") (v)	BRA	Indirect	Software operation	100.00%	-
Ahgora HCM Ltda. ("Ahgora HCM") (v)	BRA	Indirect	Software operation	100.00%	-
Webtraining Ltda. ("Webtraining") (v)	BRA	Indirect	Software operation	100.00%	-
TOTVS Tecnologia em Software de Gestão Ltda. ("TOTVS Tecnologia")	BRA	Direct	Software operation	100.00%	100.00%
Gesplan S.A. ("Gesplan")	BRA	Indirect	Software operation	100.00%	100.00%
Wizco Sistemas Ltda. ("Wizco")	BRA	Indirect	Software operation	100.00%	100.00%
Feedz Tecnologia S.A. ("Feedz")	BRA	Indirect	Software operation	60.00%	60.00%
TOTVS Argentina S.A. ("TOTVS Argentina")	ARG	Direct	Software operation	100.00%	100.00%
TOTVS México S.A. ("TOTVS México")	MEX	Direct	Software operation	100.00%	100.00%
TOTVS Colômbia SAS ("TOTVS Colômbia")	COL	Indirect	Software operation	100.00%	100.00%
TOTVS Incorporation ("TOTVS Inc.")	EUA	Direct	Software operation	100.00%	100.00%
Dimensa S.A. ("Dimensa")	BRA	Direct	Software operation	62.50%	62.50%
Credit Core Tecnologia de Crédito Ltda. ("Vadu") (ii)	BRA	Indirect	Software operation	-	62.50%
Cobu Consulting & Business Ltda. ("Cobu") (ii)	BRA	Indirect	Software operation	-	62.50%
RBM Web - Sistemas Inteligentes Ltda. ("RBM Web")	BRA	Indirect	Software operation	62.50%	62.50%
Quiver Desenvolvimento e Tecnologia Ltda. ("Quiver Desenvolvimento") (v)	BRA	Indirect	Software operation	62.50%	-
Quiver Soluções de Tecnologia Ltda. ("Quiver Soluções") (v)	BRA	Indirect	Software operation	62.50%	-
TOTVS Hospitality Technology Argentina S.A. (former CM Soluciones Informatica S.A.) ("TOTVS Hospitality Argentina") (vi)	ARG	Indirect	Software operation	100.00%	100.00%
TOTVS Serviços de Desenvolvimento e Consultoria em Tecnologia da Informação Ltda. ("Eleve")	BRA	Direct	Software operation	100.00%	100.00%
TOTVS Reservas Ltda. ("TOTVS Reservas")	BRA	Indirect	Software operation	100.00%	100.00%
TOTVS Large Enterprise Tecnologia S.A. ("TOTVS Large")	BRA	Direct	Software operation	100.00%	100.00%
TOTVS Hospitality Ltda. ("TOTVS Hospitality")	BRA	Direct	Software operation	74.50%	74.20%

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

- (i) On February 1st, 2024, the indirect subsidiary TRS was merged by the, also direct subsidiary TTS for the net assets of R\$6,445 in which were evaluated by experts who issued the evaluation report of the Shareholders' equity in the base date on December 31, 2023. The variations in the accounts occurred after the base date until the data of effective merger were absorbed by the TTS;
- (ii) On February 1st, 2024, the indirect subsidiaries Vadu and Cobu were merged by the, also direct subsidiary Dimensa, for the net assets of R\$18,446 and R\$2, respectively. These companies were evaluated by experts which issued the evaluation report of the Shareholders' equity in the base date on December 31, 2023. The variations in the accounts occurred after the base date until the data of effective merger were absorbed by the Dimensa;
- (iii) Dormant companies that will be closed;
- (iv) On April 30, 2024, VT Comércio was closed;;
- (v) Companies acquired in 2024 in accordance with note 3;
- (vi) On February 29, 2024, direct subsidiary TOTVS Hospitality Argentina became an indirect subsidiary;
- (vii) Call option exercise 100% of registered common shares with no par value issued by RD Gestão de Sistemas S.A. on May 7, 2024. In this way, we also began to disclose 100% participation to its subsidiaries Tallos and Exact Sales.

All balances and transactions between subsidiaries were eliminated in the consolidation. Comparing the consolidated profit or loss between 2024 and 2023, must be considered the acquisition date of each subsidiary. Thus, the condensed individual and consolidated interim financial information as of June 30, 2023 do not include the profit or loss of the acquired subsidiaries TRS, IP, Ahgora and Quiver which began to be consolidated from the date of their respective acquisitions.

3 Business Combination

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

IP acquisition

On October 30, 2023 the subsidiary Soluções em Software e Serviços TTS Ltda., entered into an Agreement for the Sale and Purchase to acquire the entire social capital of IP São Paulo Sistemas de Gestão Empresarial Ltda. franchise. The amount paid in cash, including price adjustment and withheld amount of R\$7,000 for eventual indemnities, was R\$139,613.

The closing of the acquisition depended on the approval of the Administrative Council for Economic Defense (CADE), as well as the checking of other usual conditions for this type of operation, which was concluded on January 31, 2024.

Quiver acquisition

On February 1, 2024 the subsidiary Dimensa S.A., entered into an Agreement for the Sale and Purchase to acquire the entire social capital of Quiver Desenvolvimento e Tecnologia Ltda.. The amount paid in cash was R\$113,083, which includes the withheld amount of R\$15,000 for eventual indemnities. In addition, the agreement provides the payment of complementary purchase price, subject to the fulfillment of some conditions.

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

Ahgora acquisition

On November 30, 2023 the subsidiary Soluções em Software e Serviços TTS Ltda., entered into an Agreement for the Sale and Purchase to acquire entire shares of Ahgora HCM S.A. and quotas of Webtraining Ltda. ("Webtraining" and jointly with HCM, "Ahgora"). The amount paid in cash was R\$372,000, which includes the withheld amount of R\$10,000 for eventual indemnities.

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

With Ahgora's software operation, TOTVS reinforces its position as a platform for HR in the Management dimension.

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

<i>In thousands of Reais</i>	Note	Acquired companies in 2024			
		IP	Quiver	Ahgora	Total
Cash payment		127,800	98,083	362,000	587,883
Contingent consideration	18	-	12,799	-	12,799
Amount withheld	18	7,000	15,000	10,000	32,000
Price adjustment		4,813	-	11,376	16,189
Total consideration		139,613	125,882	383,376	648,871

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

Identifiable intangible assets acquired and Goodwill

The following is the information related to identified assets acquired and preliminary liabilities assumed at fair value, goodwill and cost of the interest held that affected the condensed individual and consolidated interim financial statements position as at June 30, 2024:

Preliminary fair value	Companies acquired in 2024			
	IP	Quiver	Ahgora	Total
<i>At acquisitions date</i>	<i>01/31/2024</i>	<i>02/1/2024</i>	<i>03/28/2024</i>	
Current assets	14,117	6,369	39,064	59,550
Cash and cash equivalents	9,636	2,846	28,640	41,122
Trade accounts and other receivable	143	2,299	8,613	11,055
Other current assets	4,338	1,224	1,811	7,373
Non-current assets	56,643	61,445	86,326	204,414
Property, plant and equipment	-	983	3,285	4,268
Software	-	13,228	51,772	65,000
Client portfolio	44,537	41,220	23,001	108,758
Trademark	-	-	3,421	3,421
R&D	-	-	767	767
Non-compete	-	-	457	457
Goodwill	8,318	6,014	-	14,332
Other non-current assets	3,788	-	3,623	7,411
Current liabilities	21,546	10,474	27,574	59,594
Labor liabilities	8,882	3,963	10,345	23,190
Other liabilities	12,664	6,511	17,229	36,404
Non-current liabilities	-	1,337	6,035	7,372
Net assets and liabilities	49,214	56,003	91,781	196,998
Cash payment	127,800	98,083	362,000	587,883
Short-term portion	4,813	-	11,376	16,189
Long-term portion (i)	7,000	27,799	10,000	44,799
Goodwill	90,399	69,879	291,595	451,873

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

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

The goodwill of R\$451,873 regarding Management Dimension, comprises the value of future economic benefits of synergies arising from the acquisition and align with the strategy of the Company and its subsidiaries.

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

In the condensed individual and consolidated interim financial statements position, in the ended period on June 30, 2024, the acquired company IP, Quiver and Ahgora, were included in the Management segment in line with the TOTVS group's strategy and contributed with a net consolidated revenue from services and sales of R\$78,108 and consolidated net profit of R\$1,092, considering the period after each acquisition date mentioned above.

If the acquisition had taken place on January 01, 2024, the consolidated net revenue from services and sales would have been R\$106,217 and consolidated net loss of R\$12,126.

The transaction cost involving the acquisition of these companies as of June 30, 2024 was R\$3,236, recognized in consolidated profit or loss as administrative expenses.

4 Financial instruments and sensitivity analysis of financial assets and liabilities

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

4.1 Financial instruments by category

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

Consolidated	Note	Classification by category	6/30/2024	12/31/2023
Cash and cash equivalents	5	Fair Value through profit or loss	2,167,323	3,099,642
Cash and cash equivalents	5	Amortized cost	37,902	29,520
Escrow account	18	Amortized cost	198,649	129,934
Trade accounts and other receivable	6	Amortized cost	603,968	555,024
Franchises loan	10	Amortized cost	10,063	13,855
Receivables for investments sold	10	Amortized cost	-	22,788
Investments at fair value	4.2	Fair Value through profit or loss	148,965	127,483
Financial Instruments assets			3,166,870	3,978,246
Loans (i)	16	Amortized cost	-	32,083
Debentures	17	Amortized cost	1,541,619	1,546,703
Trade accounts and other payable (ii)		Amortized cost	248,807	219,657
Accounts payable from acquisition of subsidiaries	18	Fair Value through profit or loss	260,373	543,358
Accounts payable from acquisition of subsidiaries	18	Amortized cost	230,154	150,580
Call option of non-controlling interests (iii)		Fair Value through profit or loss	424,554	412,655
Other liabilities		Amortized cost	24,632	32,344
Financial liabilities			2,730,139	2,937,380

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

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

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

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

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

4.2 Investments at fair value

We present, the composition of investments at fair value and respective balances on June 30, 2024 and December 31, 2023:

	Individual		Consolidated	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023
CV Idexo Fundo de Investimento	64,289	43,051	64,289	43,051
GoodData	-	-	84,652	84,408
Other	-	-	24	24
Total	64,289	43,051	148,965	127,483

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

Follow the detail of each group:

a) CV Idexo Fundo de Investimento em Participações

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

b) GoodData

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

4.3 Sensitivity analysis of financial assets and liabilities

The financial instruments of the Company and its subsidiaries are represented by accounts and other receivables, trade and other payables, loans and debentures, which are recorded at cost plus income or charges incurred, or at fair value, when applicable, as at June 30, 2024 and December 31, 2023.

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

a) Financial assets

In order to check the sensitivity of the index in the short-term investments to which the Company and its subsidiaries were exposed to risk in interest rate movement as of June 30, 2024, three different scenarios were defined. Based on projections disclosed by financial institutions, the average rate for CDI of 10.9% was defined as a probable scenario (scenario I) for the six-months period. Based thereon, variations of 25% (scenario II) and 50% (scenario III) were calculated.

For each of these scenarios the "gross finance income" was estimated, with taxes on investment returns not included. The reference date for the portfolio was June 30, 2024, with a one-year projection to check the sensitivity of CDI to each scenario.

Operation	Note	Balances at 6/30/2024	Risk	Probable Scenario I	Scenario II	Scenario III
Consolidated financial investments	5	2,188,664	Reduction CDI	10.90%	8.18%	5.45%
Estimated finance income				238,564	179,033	119,282

b) Financial liabilities

To evaluate the sensitivity of the indexes to which the Company and its subsidiaries are exposed when estimating the debts as at June 30, 2024, three different scenarios were created. Based on CDI rates in force at this date, the most probable scenario (scenario I) was determined for 2024 and, from this, variations of 25% (scenario II) and 50% (scenario III) were calculated.

For each scenario, the gross financial expense was calculated, without the related tax impacts and the maturity flow of each contract scheduled for 2024. The reference date used for the debentures was June 30, 2024, projecting the rates for one year and checking their sensitivity in each scenario.

Operation	Note	Balances at 6/30/2024	Risk	Probable Scenario I	Scenario II	Scenario III
Debentures	17	1,541,619	Increase CDI	10.90%	13.63%	16.35%
Estimated finance expense				168,036	210,123	252,055

4.4 Changes in liabilities from financing activities

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

The following is a breakdown of liabilities arising from financing activities for the six-months period ended on June 30, 2024:

Consolidated	Note	12/31/2023	Payments of principal and interests (i)	Non-cash items			6/30/2024
				Addition/ Remeasurement (Write off)	Interest incurred	Acquisition of subsidiary	
Loans	16	32,083	(40,372)	-	(31)	8,320	-
Leases	16	165,281	(34,391)	(1,817)	4,860	864	134,797
Debentures	17	1,546,703	(100,966)	-	90,481	5,401	1,541,619
Dividends and Interest on shareholders' equity payable	21	1,781	-	-	-	-	1,781
Total		1,745,848	(175,729)	(1,817)	95,310	14,585	1,678,197

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

4.5 Financial risk management

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

a. Liquidity Risk

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

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

b. Credit risk

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

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

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

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

c. Market risk

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

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

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

The Company and its subsidiaries ensure that its net exposure is maintained at an acceptable level in accordance with the policies and limits defined by Management and the economics and political factors in each of these companies, being the position on June 30, 2024 the balance of assets exceeds the negative balances from liabilities exposed, as follows:

6/30/2024						
Company	Trade and other payables	Cash and cash equivalents	Trade and other receivables	Other assets	Net exposure	Currency exposure
RJ Consultores México	(22)	1,341	1,550	136	3,005	Peso (MXN)
CMNet Participações	(10)	556	78	4	628	Peso CLP
TOTVS Hospitality Argentina	(113)	1,490	548	11	1,936	ARS
TOTVS S.A.	(101)	29	1,969	-	1,897	USD
TOTVS Large	(299)	-	9	-	(290)	USD
TOTVS México	(3,450)	569	7,147	1,002	5,268	Peso (MXN)
TOTVS Argentina	(4,251)	10,298	10,446	357	16,850	Peso (ARS)
TOTVS Colômbia	(1,385)	3,792	4,752	726	7,885	Peso (COP)
TOTVS Incorporation (Labs) (i)	(911)	644	841	84,686	85,260	USD
RD Station	(547)	-	-	-	(547)	USD
Feedz	-	-	9	-	9	USD
Total	(11,089)	18,719	27,349	86,922	121,901	

(i) Other assets in the amount of R\$84,652 on June 30, 2024 refer to financial investments described in note 4.2.

d. Derivatives

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

4.6 Capital management

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

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

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

	Note	Individual		Consolidated	
		6/30/2024	12/31/2023	6/30/2024	12/31/2023
Loans and lease liabilities	16	117,987	178,705	134,797	197,364
Debentures	17	1,541,619	1,546,703	1,541,619	1,546,703
Accounts payable from acquisition of subsidiaries	18	7,312	7,004	490,527	693,938
(-) Cash and cash equivalents	5	(1,275,069)	(1,466,321)	(2,205,225)	(3,129,162)
(-) Escrow account	18	(7,223)	(6,915)	(198,649)	(129,934)
Net debt/ (cash)		384,626	259,176	(236,931)	(821,091)
Shareholders' equity		4,687,572	4,720,574	4,687,572	4,720,574
Non-controlling interests		-	-	300,652	292,097
Shareholders' equity and net debt		5,072,198	4,979,750	4,751,293	4,191,580

5 Cash and cash equivalents

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

	Individual		Consolidated	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023
Cash and banks	903	487	16,561	13,421
Cash equivalents	1,274,166	1,465,834	2,188,664	3,115,741
Investment fund	1,263,835	1,465,834	2,167,323	3,099,642
CDB	10,331	-	12,357	4,077
Others	-	-	8,984	12,022
	1,275,069	1,466,321	2,205,225	3,129,162

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

The Company and its subsidiaries concentrate its investments in an exclusive investment fund. The fund is composed of investment fund shares whose portfolio is made up of highly-liquid fixed-income assets. The eligible assets in the portfolio structure are mainly government debt securities, which present low credit risk and volatility. The investments of the Company and its subsidiaries are substantially remunerated by reference to the CDI variation, which averaged 100.59% of the CDI for the period ended on June 30, 2024 (93.99% as of December 31, 2023). Following is the breakdown of the exclusive investment fund portfolio:

	6/30/2024	12/31/2023
Post interest		
Cash and CPR (i)	54.97%	59.10%
Private credit	3.59%	4.11%
Public titles	41.16%	36.66%
Derivatives	0.26%	0.11%
Pre interest		
Private credit	0.28%	0.13%
Derivatives	-0.26%	-0.11%
Total	100.00%	100.00%

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

6 Trade and other receivables

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

	Individual		Consolidated	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023
Domestic market	424,217	418,536	646,096	603,083
Foreign market	1,969	1,920	17,188	14,144
Trade of domestic and foreign market	426,186	420,456	663,284	617,227
(-) Impairment loss on trade and other receivables	(31,053)	(41,772)	(59,316)	(62,203)
Total trade accounts and other receivable	395,133	378,684	603,968	555,024
Current assets	381,002	367,725	584,221	538,528
Non-current assets (i)	14,131	10,959	19,747	16,496

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

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

	Individual		Consolidated	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023
Opening balance	41,772	42,321	62,203	62,551
Additional allowance	11,891	19,076	29,582	36,394
Write-off of impairment loss	(22,610)	(19,625)	(35,727)	(38,328)
Acquisition of subsidiaries	-	-	3,258	1,586
Ending balance	31,053	41,772	59,316	62,203

6.1 Aging list of domestic and foreign market

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

	Individual		Consolidated	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023
Falling due	316,623	308,074	467,138	450,898
Unbilled	48,569	45,133	86,965	69,035
Overdue				
1 to 30 days	18,475	13,285	31,499	20,499
31 to 60 days	4,956	5,857	10,277	9,112
61 to 90 days	4,308	4,239	9,048	6,482
91 to 180 days	8,840	7,176	19,877	11,890
181 to 360 days	8,603	10,969	15,320	15,467
More than 361 days	15,812	25,723	23,160	33,844
Gross trade and other receivables	426,186	420,456	663,284	617,227
(-) Impairment loss on trade and other receivables (i)	(31,053)	(41,772)	(59,316)	(62,203)
Net trade and other receivables	395,133	378,684	603,968	555,024

- (i) The impairment loss on trade and other receivables is net of the write-off due to loss recorded against trade and other receivables for R\$22,610 (R\$19,625 on December 31, 2023) for Individual and R\$35,727 (R\$38,328 on December 31, 2023) for consolidated.

Management believes that the risk related to software trade and other receivables in general is mitigated by the fact that the customer portfolio of the Company and its subsidiaries are diluted and also throughout various operating segments. In general, the Company and its subsidiaries do not require any guarantee on installment sales.

7 Recoverable taxes

The amounts of recoverable taxes for the six-month period ended on June 30, 2024 and year ended on December 31, 2023 are as follows:

	Individual		Consolidated	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023
Income tax to offset (i)	7,293	27,006	41,878	50,722
Social contribution tax to offset (i)	4,518	8,562	13,255	14,935
Others (ii)	9,076	8,737	18,652	22,181
	20,887	44,305	73,785	87,838
Current assets	20,887	44,305	73,785	87,838

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

8 Income taxes

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

8.1 Reconciliation of income tax expenses

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

	Individual		Consolidated	
	01/01 to 06/30/2024	01/01 to 06/30/2023	01/01 to 06/30/2024	01/01 to 06/30/2023
Income before taxes	316,610	253,818	391,477	333,452
Income and social contribution taxes at combined nominal rate of 34%	(107,647)	(86,298)	(133,102)	(113,374)
Adjustments for the statement of effective rate				
Share of profit/ (losses) of equity-accounted investees	24,795	27,171	(2,660)	-
Law No. 11196/05 (Incentive for research and development)	10,239	7,899	15,784	13,355
Effect of subsidiaries subject to special rates	-	-	(10,024)	(8,600)
Participation of administrators	(1,464)	(1,756)	(1,558)	(1,877)
Workers' Meal Program (PAT)	984	953	1,806	1,764
Others	(911)	1,268	(10,562)	(7,747)
Income and social contribution tax expense	(74,004)	(50,763)	(140,316)	(116,479)
Current income taxes	(55,313)	(53,026)	(123,195)	(116,537)
Deferred income taxes	(18,691)	2,263	(17,121)	58
Effective rate	23.4%	20.0%	35.8%	34.9%

8.2 Breakdown of deferred income taxes

	Individual		Consolidated	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023
Income tax losses	-	-	6,426	10,208
Deriving from temporary differences:				
Difference between tax and accounting bases of goodwill	28,732	27,576	75,771	68,280
Tax benefit from goodwill amortization	(110,862)	(110,435)	(208,478)	(198,099)
Provision for commissions	14,517	18,290	17,119	21,163
Deferred income or revenues and/or to be invoice	5,014	4,166	13,051	12,497
Impairment loss on trade and other receivables	10,558	14,202	17,250	19,510
Provision for contingencies and other obligations	30,676	30,341	38,108	38,039
Provision for trade and other payables	26,562	26,417	34,695	34,189
Provision for share-based payments	32,963	46,033	39,192	53,173
Present value adjustment	340	376	50,524	42,984
Participation in profits and results	13,316	12,607	17,218	16,008
Others (i)	17,203	18,137	21,022	20,827
Net deferred income and social contribution taxes	69,019	87,710	121,898	138,779
Deferred tax assets	69,019	87,710	136,133	147,426
Deferred tax liabilities (ii)	-	-	14,235	8,647

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

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

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

Changes in deferred income taxes are as follows:

	Individual		Consolidated	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023
Opening balance	87,710	68,455	138,779	118,425
Expense in statement of profit or loss	(18,691)	19,538	(17,121)	24,447
Other comprehensive income	-	(282)	-	(282)
Acquisitions of subsidiary	-	-	472	-
Others (i)	-	(1)	(232)	(3,811)
Ending balance	69,019	87,710	121,898	138,779

(i) On December 31, 2023, refers to the changes from the subsidiary in Argentina and utilization of tax credits for contingencies payments of the same nature.

9 Related party balances and transactions

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

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

The main balances of assets and liabilities on June 30, 2024 and December 31, 2023 and revenues and costs on June 30, 2024 and 2023 are presented:

Company	6/30/2024				01/01 to 06/30/2024	
	Trade and other receivables	Other Assets (v)	Trade and other payables	Other Liabilities	Revenues	Costs
Subsidiaries						
IP (v)	10	-	2	-	112	9,559
Neopenso (v)	-	-	-	-	6	925
Dimensa (i)	87	2,053	176	-	9,202	566
Exact	-	-	-	-	-	499
RD Station	189	-	12	-	895	333
Gesplan	-	-	4	-	398	123
Wealth Systems (ii)	-	12	-	-	168	68
RJ Consultores	-	-	-	-	1,185	61
Others	16	725	-	184	350	193
Total transactions with subsidiaries	302	2,790	194	184	12,316	12,327
Joint arrangements						
Techfin S.A. (iii)	-	4,876	-	-	8,997	-
Supplier (iv)	-	-	-	-	242	-
Total transactions with joint arrangements	-	4,876	-	-	9,239	-
Total	302	7,666	194	184	21,555	12,327

Company	12/31/2023				01/01 to 06/30/2023	
	Trade and other receivables	Other Assets (v)	Trade and other payables	Other Liabilities	Revenues	Costs
Subsidiaries						
TRS	17	-	2,170	-	-	-
Dimensa (i)	315	2,459	170	-	5,624	1,177
RD Station	35	2,190	54	-	405	433
Wealth Systems (ii)	-	-	-	-	1,075	529
TOTVS Large	23	-	42	-	116	272
Gesplan	-	-	4	-	-	121
Vadu	-	-	38	-	-	199
RJ Consultores	-	-	-	-	150	-
Others	50	127	38	19	28	(2)
Total transactions with subsidiaries	440	4,776	2,516	19	7,398	2,729
Joint arrangements						
Techfin S.A. (iii)	-	3,787	-	-	2,358	97
Supplier (iv)	-	-	-	-	382	2,569
Total transactions with joint arrangements	-	3,787	-	-	2,740	2,666
Total	440	8,563	2,516	19	4,729	3,344

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

9.2 Transactions or relationships with shareholders and key Management personnel

Relationship company	Classification	Individual		Consolidated	
		01/01 to 06/30/2024	01/01 to 06/30/2023	01/01 to 06/30/2024	01/01 to 06/30/2023
VIP IV Empreendimentos e Participações (i)	Expense	797	772	797	772
GoodData Corporation (ii)	Expense	3,808	3,360	3,808	3,360
Instituto da Oportunidade Social (IOS) (iii)	Expense	3,079	2,067	4,330	4,180
Shipay Tecnologia S.A. (iv)	Expense	-	331	-	331
Other revenues (v)	Revenue	73	98	88	125

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

(ii) Through its subsidiary TOTVS Inc., the Company holds a minority interest in the capital, and representative on the board of GoodData, which represents a related party from TOTVS Group, being this investment classified as fair value through profit or loss as note 4.2. On June 30, 2024, the current contracts are: (i) commercial partnership for distribution of GoodData solutions in the amount of R\$3,646 (R\$3,196 on June 30, 2023); and (ii) software licenses contract in the amount of R\$162 (R\$164 on June 30, 2023).

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

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

(v) Contracts regarding to the software and cloud services of no representative amounts with related parties.

Some of the Company's shareholders and key management personnel directly or indirectly hold 8.80% of the Company's shares as of June 30, 2024 (8.84% as of December 31, 2023), being the indirect interest held through LC-EH Empreendimentos e Participações S.A..

9.3 Key management personal compensation

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

	Individual and Consolidated	
	04/01 to 06/30/2024	04/01 to 06/30/2023
Management compensation		
Salaries, fees and payroll charges	8,256	7,171
Direct and Indirect benefits (i)	1,258	1,124
Variable bonus	7,573	4,670
Share-based payments	14,845	12,622
Total	31,932	25,587

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

10 Other assets

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

	Individual		Consolidated	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023
Prepaid expenses (i)	140,099	112,965	149,891	121,002
Franchises loan (ii)	10,063	13,855	10,063	13,855
Advances to employees (iii)	45,198	19,205	71,163	31,939
Advances to suppliers	6,547	6,312	27,541	14,528
Receivables from investments disposed of (iv)	-	22,788	-	22,788
Other assets	1,063	638	8,512	2,182
Total	202,970	175,763	267,170	206,294
Current assets	130,491	113,063	188,107	137,595
Non-current assets	72,479	62,700	79,063	68,699

- (i) Includes the amounts of taxes paid and renewals of contracts with suppliers referring to expenses that will be incurred during next years;
- (ii) Franchise loans are adjusted monthly, most by Interbank Deposit Certificate (CDI);
- (iii) Represents, advances from vacations, other advances and advances from 13^o salary paid until June 30, 2024.
- (iv) On December 31, 2023, refers to the price adjustment in the TOTVS Techfin business combination, JV signed with Itaú.

11 Equity-accounted investees

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

11.1 Equity-accounted investees in subsidiaries and joint arrangements

	Individual		Consolidated	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023
Equity-accounted investees in subsidiaries and joint arrangements	4,458,156	4,329,259	315,545	323,367
Appreciation of assets	18,570	22,998	-	-
	4,476,726	4,352,257	315,545	323,367

11.2 Equity-accounted investees changes

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

	12/31/2023	Additions / (reductions)	Dividends	Equity pick-up			Foreign exchange/ Inflation (i)	Restructuring	6/30/2024
				Equity pick-up	Amortization of PPA (ii)	Total			
TOTVS Large	2,285,364	120,903	-	25,715	(4,428)	21,287	520	(54)	2,428,020
TOTVS Tecnologia	250,609	277	(76,232)	51,539	-	51,539	-	-	226,193
TOTVS Techfin	323,367	-	-	(7,822)	-	(7,822)	-	-	315,545
TTS	846,709	873	(7,194)	7,854	-	7,854	-	-	848,242
TOTVS Inc.	85,514	7,617	-	(18,925)	-	(18,925)	11,427	-	85,633
TOTVS Hospitality	49,415	-	(12,400)	6,460	-	6,460	349	660	44,484
VT Digital (iii)	5,424	-	(4,948)	(315)	-	(315)	-	(161)	-
TOTVS México	4,585	6,213	-	(3,725)	-	(3,725)	1,410	-	8,483
TOTVS Argentina	6,296	3,540	-	(3,943)	-	(3,943)	5,330	-	11,223
Dimensa	486,829	-	-	14,258	-	14,258	-	-	501,087
Eleve	7,747	2,312	(4,422)	2,179	-	2,179	-	-	7,816
TOTVS Hospitality Argentina	398	402	-	(347)	-	(347)	153	(606)	-
Total	4,352,257	142,137	(105,196)	72,928	(4,428)	68,500	19,189	(161)	4,476,726

- (i) Includes the inflation adjustments of Argentine subsidiaries, in addition to the write-off for Profit or Loss of cumulative translation adjustment from TOTVS Hospitality Argentina in the amount of R\$2,971, due to the change in shareholding control;
- (ii) The goodwill and intangibles balances in the value of R\$18,570 (R\$22,998 on December 31, 2023) from TOTVS Large are presented in the investment composition of the individual. The amortization in the six-month period ended on June 30, 2024 was R\$4,428 (R\$4,429 on June 30, 2023).
- (iii) On April 30, 2024, VT Digital was closed.

11.3 Direct subsidiaries and joint arrangements information

	Summarized financial statements as at June 30, 2024				
	Assets	Liabilities	Shareholders' Equity	Net revenue	Profit or loss of the period
TOTVS Large	2,592,217	182,767	2,409,450	157,363	25,715
TOTVS Tecnologia	384,721	158,528	226,193	126,168	51,539
TOTVS Techfin	658,058	26,969	631,089	7,604	(15,643)
TTS	997,031	148,789	848,242	102,579	7,854
TOTVS Inc.	88,251	2,618	85,633	1,585	(18,925)
TOTVS Hospitality	75,088	15,373	59,715	38,335	8,686
VT Digital (ii)	-	-	-	266	(315)
TOTVS México	19,123	10,640	8,483	16,355	(3,725)
TOTVS Argentina	23,249	12,026	11,223	29,996	(3,943)
Dimensa	910,955	109,216	801,739	107,874	22,813
Eleve	9,788	1,972	7,816	6,082	2,179
TOTVS Hospitality Argentina (i)	-	-	-	431	(347)

- (i) On February 29, 2024, direct subsidiary TOTVS Hospitality Argentina became an indirect subsidiary;
- (ii) On April 30, 2024, the Joint Operation VT Digital was closed.

12 Property, plant and equipment

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

	Individual							Total
	Computers and electronic equipment	Vehicles	Furniture and fixtures	Facilities machinery and equipment	Leasehold improvements	Rights of use (i)	Others	
Cost								
Balances in 12/31/2023	397,723	19,501	27,645	28,549	104,751	315,965	12,036	906,170
Additions	46,710	4,271	54	18	226	-	9	51,288
Contract remeasurement	-	-	-	-	-	(3,843)	-	(3,843)
Transfers	149	-	(149)	164	(164)	-	-	-
Write-offs	(2,485)	(2,851)	(181)	-	(520)	(6,311)	(67)	(12,415)
Balances in 6/30/2024	442,097	20,921	27,369	28,731	104,293	305,811	11,978	941,200
Depreciation								
Balances in 12/31/2023	(226,191)	(9,490)	(22,887)	(23,548)	(73,729)	(182,925)	(9,146)	(547,916)
Depreciation for the period (iii)	(28,010)	(3,175)	(896)	(854)	(5,363)	(23,919)	(1,097)	(63,314)
Transfers	(2)	-	2	-	-	-	-	-
Write-offs	2,307	2,309	160	-	520	6,296	32	11,624
Balances in 6/30/2024	(251,896)	(10,356)	(23,621)	(24,402)	(78,572)	(200,548)	(10,211)	(599,606)
Net amount								
Balances in 6/30/2024	190,201	10,565	3,748	4,329	25,721	105,263	1,767	341,594
Balances in 12/31/2023	171,532	10,011	4,758	5,001	31,022	133,040	2,890	358,254
Average annual depreciation rate	20% to 25%	33%	10% to 25%	6.7% to 25%	10% to 33%	10% to 33%	20%	
Average useful life (years)	4 to 5	3	4 to 10	4 to 12	3 to 10	3 to 10	5	
	Consolidated							Total
	Computers and electronic equipment	Vehicles	Furniture and fixtures	Facilities machinery and equipment	Leasehold improvements	Rights of use (i)	Others	
Cost								
Balances in 12/31/2023	444,931	25,132	36,062	34,349	134,195	353,065	14,185	1,041,919
Additions	54,458	5,702	73	93	260	-	198	60,784
Contract remeasurement	-	-	-	-	-	(1,733)	-	(1,733)
Additions due to business combination	2,030	40	942	401	2,709	4,862	275	11,259
Exchange variation (ii)	2,673	176	346	82	881	841	140	5,139
Transfers	149	-	(155)	170	(220)	-	-	(56)
Write-offs	(3,369)	(3,472)	(645)	(73)	(43)	(9,513)	(91)	(17,206)
Balances in 6/30/2024	500,872	27,578	36,623	35,022	137,782	347,522	14,707	1,100,106
Depreciation								
Balances in 12/31/2023	(253,853)	(11,617)	(28,568)	(26,898)	(93,911)	(203,051)	(10,535)	(628,433)
Depreciation for the period (iii)	(31,935)	(4,077)	(1,297)	(1,137)	(7,527)	(28,924)	(1,384)	(76,281)
Additions due to business combination	(1,218)	(41)	(458)	(212)	(852)	(4,102)	(109)	(6,992)
Exchange variation (ii)	(1,992)	(48)	(313)	(53)	(881)	(501)	(124)	(3,912)
Transfers	(1)	-	3	(2)	56	-	-	56
Write-offs	3,131	2,775	430	63	43	9,391	52	15,885
Balances in 6/30/2024	(285,868)	(13,008)	(30,203)	(28,239)	(103,072)	(227,187)	(12,100)	(699,677)
Net amount								
Balances in 6/30/2024	215,004	14,570	6,420	6,783	34,710	120,335	2,607	400,429
Balances in 12/31/2023	191,078	13,515	7,494	7,451	40,284	150,014	3,650	413,486
Average annual depreciation rate	20% to 25%	33%	10% to 25%	6.7% to 25%	10% to 33%	10% to 33%	20%	
Average useful life (years)	4 to 5	3	4 to 10	4 to 12	3 to 10	3 to 10	5	

- (i) The Company and its subsidiaries applied exceptions to the standard for short-term and low value contracts, recorded in lease expenses, on June 30, 2024, in the amount of R\$409 (R\$668 on June 30, 2023) in Individual and R\$5,234 (R\$2,552 on June 30, 2023) in Consolidated.
- (ii) Includes the inflation adjustments of Argentine subsidiaries.
- (iii) Depreciation and amortization lines in the Statements of Cash Flows and Statements of Value Added are presented net of PIS/ COFINS credits on depreciation of property, plant and equipment, in the value of R\$2,178 (R\$2,885 on June 30, 2023).

Breakdown of right of use and lease liabilities for the six-month period ended June 30, 2024 is as follows:

	Consolidated		
	Right to use real estate	Right of use computers and equipment	Total assets
Balances in 12/31/2023	137,483	12,531	150,014
Additions/ Contract Remeasurement (i)	(1,734)	1	(1,733)
Write-offs	(110)	(12)	(122)
Additions due to business combination	472	288	760
Amortization	(25,747)	(3,177)	(28,924)
Interest incurred and exchange variation	288	52	340
Balances in 6/30/2024	110,652	9,683	120,335

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

13 Intangible assets

Intangible assets and changes in balances are as follows:

	Individual						Total
	Software	Trademarks & patents	Customer portfolio	R&D (i)	Others (ii)	Goodwill	
Cost							
Balances in 12/31/2023	548,632	67,841	302,358	85,878	19,786	292,873	1,317,368
Additions	33,523	-	21,117	21,810	-	-	76,450
Balances in 6/30/2024	582,155	67,841	323,475	107,688	19,786	292,873	1,393,818
Amortization							
Balances in 12/31/2023	(423,778)	(63,150)	(249,531)	(21,164)	(19,786)	-	(777,409)
Amortization for the period	(21,160)	-	(10,566)	(6,033)	-	-	(37,759)
Balances in 6/30/2024	(444,938)	(63,150)	(260,097)	(27,197)	(19,786)	-	(815,168)
Net amount							
Balances in 6/30/2024	137,217	4,691	63,378	80,491	-	292,873	578,650
Balances in 12/31/2023	124,854	4,691	52,827	64,714	-	292,873	539,959
Average annual amortization rates	10% to 20%	6.7% to 8%	10% to 12.5%	20% to 50%	10% to 50%		
Average useful life (years)	5 to 10	12.5 to 15	8 to 10	2 to 5	2 to 5		

	Consolidated						
	Software	Trademarks & patents	Customer portfolio	R&D (i)	Others (ii)	Goodwill	Total
Cost							
Balances in 12/31/2023	882,726	142,517	635,882	110,423	82,098	2,952,405	4,806,051
Additions	33,662	-	21,116	28,565	-	-	83,343
Additions due to business combination	69,158	3,421	110,736	1,049	457	466,205	651,026
Exchange variation (iii)	64	-	-	-	-	-	64
Write-offs	-	(26)	-	-	-	-	(26)
Balances in 6/30/2024	985,610	145,912	767,734	140,037	82,555	3,418,610	5,540,458
Amortization							
Balances in 12/31/2023	(543,022)	(95,641)	(402,649)	(35,968)	(57,544)	-	(1,134,824)
Amortization for the period	(40,869)	(2,928)	(31,445)	(6,580)	(1,875)	-	(83,697)
Additions due to business combination	(4,158)	-	(1,978)	(282)	-	-	(6,418)
Exchange variation (iii)	(140)	-	-	-	-	-	(140)
Write-offs	-	14	-	-	-	-	14
Balances in 6/30/2024	(588,189)	(98,555)	(436,072)	(42,830)	(59,419)	-	(1,225,065)
Net amount							
Balances in 6/30/2024	397,421	47,357	331,662	97,207	23,136	3,418,610	4,315,393
Balances in 12/31/2023	339,704	46,876	233,233	74,455	24,554	2,952,405	3,671,227
Average annual amortization rates	10% to 20%	6.7% to 8%	10% to 12.5%	20% to 50%	10% to 50%		
Average useful life (years)	5 to 10	12.5 to 15	8 to 10	2 to 5	2 to 5		

- (i) The development capitalization totaled R\$28,565 in the six-months period ended June 30, 2024 (R\$16,480 on June 30, 2023), that majority are related to the strategic plan of the Company and its subsidiaries. The assets development amortization starts when development is completed and the asset is available for use or sale.
- (ii) Includes primarily non-compete rights arising from the purchase price allocation from business combinations.
- (iii) Includes the inflation adjustments of Argentine subsidiaries.

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

13.1 Changes in goodwill

The breakdown of goodwill as of June 30, 2024 and December 31, 2023 is as follows:

	12/31/2023	Business combination	6/30/2024
Gesplan	28,325	-	28,325
Feedz	89,241	-	89,241
TRS	55,446	-	55,446
IP	-	98,717	98,717
Ahgora	-	291,595	291,595
Quiver	-	75,893	75,893
Other goodwill	813,204	-	813,204
CGU Management	986,216	466,205	1,452,421
CGU Dimensa	109,687	-	109,687
CGU Business Performance	1,856,502	-	1,856,502
Total	2,952,405	466,205	3,418,610

13.2 Impairment of assets

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

In the six-months period ended June 30, 2024, the Management from the Company evaluated assumptions used on December 31, 2023 for the recoverability of its assets and did not identify material evidences that justify the necessity of provision for loss in the condensed individual and consolidated interim financial statements.

14 Labor liabilities

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

	Individual		Consolidated	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023
Labor liabilities:				
Salaries payable	34,141	34,538	71,609	66,537
Vacation payable	102,131	96,140	185,487	161,185
13th monthly salary payable	32,210	-	65,787	-
Profit sharing and bonus	41,125	40,717	61,963	59,231
Withholding Income Tax (IRRF) payable	32,780	24,910	51,021	44,341
Actuarial liabilities due to health care plan and retirement benefits (i)	2,459	2,309	2,459	2,309
Others (ii)	5,516	9,817	9,246	12,312
	250,362	208,431	447,572	345,915
Payroll liabilities				
FGTS (Unemployment Compensation Fund) payable	6,681	7,577	12,408	14,099
INSS (Social Security Tax) payable	8,486	8,260	19,016	15,946
	15,167	15,837	31,424	30,045
Total	265,529	224,268	478,996	375,960

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

(ii) Including union contribution and unapproved dispute provision.

15 Taxes and contributions liabilities

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

	Individual		Consolidated	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023
Federal Social Security Tax on Gross Revenue (CPRB)	22,426	21,617	30,168	28,543
Service Tax (ISS) payable	8,148	7,980	13,275	11,882
PIS and COFINS payable	40,768	36,720	54,889	49,080
IRPJ and CSLL payable	-	-	15,668	11,886
Withholding IR and CSLL	1,355	1,302	3,916	3,538
Other taxes	1,640	1,674	2,479	2,540
Total	74,337	69,293	120,395	107,469
Current liabilities	74,337	69,293	119,837	107,427
Non-current liabilities (i)	-	-	558	42

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

16 Loans and lease liabilities

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

The loans and lease liabilities transactions can be summarized as follows:

	Annual financial charges	Individual		Consolidated	
		6/30/2024	12/31/2023	6/30/2024	12/31/2023
Leases	(i)	117,987	146,622	134,797	165,281
Guaranteed accounts and other	-	-	32,083	-	32,083
		117,987	178,705	134,797	197,364
Current liabilities		47,144	81,799	57,525	90,701
Non-current liabilities		70,843	96,906	77,272	106,663

(i) Weighted average nominal interest rate or the lease of real property right of use is 10.13% p.a. and 13.61% p.a. for the lease of the right to use electronic equipment.

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

	Individual		Consolidated	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023
2025	22,503	47,631	26,644	55,003
2026	40,363	41,198	42,382	43,360
2027	7,567	7,671	7,836	7,894
2028	410	406	410	406
Non-current liabilities	70,843	96,906	77,272	106,663

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

	Individual		Consolidated	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023
Opening balance	178,705	178,632	197,364	212,533
Additions from right of use leases	(3,844)	20,225	(1,733)	23,444
Additions from loans	-	32,083	-	32,083
Addition due to business combination	-	-	9,184	11,255
Interest incurred	3,570	8,896	4,829	9,719
Write-offs of right-of-use leases	-	(2,579)	(84)	(11,187)
Interest amortization	(3,571)	(8,896)	(4,282)	(10,472)
Principal amortization	(56,873)	(49,656)	(70,481)	(70,011)
Closing balance	117,987	178,705	134,797	197,364

a) Lease liabilities

Lease obligations are guaranteed by chattel mortgage of leased assets. The table below shows gross liabilities of finance leases as of June 30, 2024 and December 31, 2023:

	Individual		Consolidated	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023
Gross lease liabilities – minimum lease payments				
Less than one year	52,286	56,303	63,553	66,260
More than one year and less than five years	73,800	102,275	80,523	112,567
More than five years	430	430	430	430
	126,516	159,008	144,506	179,257
Future financing charges on finance leases	(8,529)	(12,386)	(9,709)	(13,976)
Present value of lease liabilities	117,987	146,622	134,797	165,281
Current liabilities	47,144	49,716	57,525	58,618
Non-current liabilities	70,843	96,906	77,272	106,663

17 Debentures

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

17.1 Composition

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

Description	Debentures	Unit Price	Annual financial charges	Maturity	Individual		Consolidated	
					6/30/2024	12/31/2023	6/30/2024	12/31/2023
4th Issue of Debentures - Single Series	1,500,000	1	100% from CDI + Spread 1.35% p.a.	09/12/2027	1,541,619	1,546,703	1,541,619	1,546,703
Total					1,541,619	1,546,703	1,541,619	1,546,703
Current liabilities					48,594	55,208	48,594	55,208
Non-current liabilities					1,493,025	1,491,495	1,493,025	1,491,495

17.2 Changes

	Individual	Consolidated
	6/30/2024	6/30/2024
Opening Balance	1,546,703	1,546,703
Business combination	-	5,401
Interest incurred	90,481	90,481
(-) Interest amortization	(95,565)	(95,966)
(-) Principal payment	-	(5,000)
Ending balance	1,541,619	1,541,619

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

Maturity	Individual and Consolidated	
	6/30/2024	12/31/2023
2026	745,220	743,690
2027	747,805	747,805
Non-current liabilities	1,493,025	1,491,495

17.3 Covenants

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

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

18 Accounts payable from acquisition of subsidiaries

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

	Individual					
	6/30/2024			12/31/2023		
	Contingent payments	Other amounts payable	Total	Contingent payments	Other amounts payable	Total
Datasul MG	-	6,465	6,465	-	6,190	6,190
Seventeen	-	318	318	-	308	308
Other	-	529	529	-	506	506
Total	-	7,312	7,312	-	7,004	7,004
Current liabilities		7,312	7,312	-	7,004	7,004

	Consolidated					
	6/30/2024			12/31/2023		
	Contingent payments	Other amounts payable	Total	Contingent payments	Other amounts payable	Total
RD Station (i) (ii)	-	34,055	34,055	252,375	32,366	284,741
Tallos (ii)	130,027	1,469	131,496	101,227	1,413	102,640
Feedz	67,399	8,068	75,467	65,000	7,668	72,668
Quiver	17,171	15,511	32,682	-	-	-
Supplier	26,326	19,583	45,909	23,816	19,156	42,972
IP	-	37,682	37,682	-	-	-
Exact (ii)	-	4,971	4,971	37,758	4,756	42,514
Vadu	-	18,298	18,298	15,186	17,567	32,753
TRS	-	22,833	22,833	-	22,124	22,124
Ahgora	-	21,605	21,605	-	-	-
Mobile2you	-	9,507	9,507	7,975	10,190	18,165
Lexos	10,514	2,272	12,786	9,923	2,160	12,083
Gesplan	-	5,484	5,484	21,439	5,332	26,771
Other	8,936	28,816	37,752	8,659	27,848	36,507
Total	260,373	230,154	490,527	543,358	150,580	693,938
Current liabilities	206,362	31,721	238,083	398,201	23,602	421,803
Non-current liabilities	54,011	198,433	252,444	145,157	126,978	272,135

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

(ii) Earn-out update in accordance with performance calculated until June 30, 2024, with effect of reversal in the amount of R\$16,294 recorded in the rubric "Other operating income/ (expenses)".

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

Year	Consolidated	
	6/30/2024	12/31/2023
2025	7,612	74,151
2026	66,144	86,430
2027	35,750	35,337
2028 onwards	142,938	76,217
Non-current liabilities	252,444	272,135

Below we present the retained amounts of accounts payable from acquisition of subsidiaries on June 30, 2024 and December 31, 2023, which are updated by the CDI (see note 5) until the release schedule or its offset as defined in the contract:

	Individual		Consolidated	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023
Escrow account - current	7,223	6,915	19,575	13,175
Escrow account - non-current	-	-	179,074	116,759
Total	7,223	6,915	198,649	129,934

19 Provision for contingencies

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

The amount of provisions set up as at June 30, 2024 and December 31, 2023 are as follows:

	Individual		Consolidated	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023
Tax	8,182	8,025	10,848	10,206
Labor	53,929	48,819	70,632	64,673
Civil	28,113	32,396	31,125	37,111
	90,224	89,240	112,605	111,990

a) Changes in provisions

Changes in provisions for the six-months period ended June 30, 2024 are as follows:

	Individual				Consolidated			
	Tax	Labor	Civil	Total	Tax	Labor	Civil	Total
Balances in 12/31/2023	8,025	48,819	32,396	89,240	10,206	64,673	37,111	111,990
(+) Additional provision	-	9,648	4,613	14,261	443	9,853	5,009	15,305
(+) Monetary adjustment	190	2,120	(690)	1,620	271	2,874	(431)	2,714
(-) Reversal of provision	(33)	(3,268)	(4,770)	(8,071)	(35)	(3,876)	(4,924)	(8,835)
(-) Write-off due to payment	-	(3,390)	(3,436)	(6,826)	(37)	(3,172)	(5,640)	(8,849)
(+) Acquisition of subsidiaries	-	-	-	-	-	280	-	280
Balances in 6/30/2024	8,182	53,929	28,113	90,224	10,848	70,632	31,125	112,605

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

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

b) Judicial deposits

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

	Individual				Consolidated			
	Tax	Labor	Civil	Total	Tax	Labor	Civil	Total
Balances in 12/31/2023	14,000	6,036	9,387	29,423	15,055	8,552	10,225	33,832
(+) Addition in guarantees	-	1,012	884	1,896	-	1,078	907	1,985
(+) Monetary adjustment	445	(28)	193	610	469	73	199	741
(-) Write-off for loss	-	(771)	(118)	(889)	-	(771)	(143)	(914)
(-) Reversion by devolution	-	(210)	(2,394)	(2,604)	-	(665)	(2,394)	(3,059)
(+) Acquisition of subsidiaries	-	-	-	-	173	-	-	173
Balances in 6/30/2024	14,445	6,039	7,952	28,436	15,697	8,267	8,794	32,758

19.1 Contingent Liabilities

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

Nature	Individual		Consolidated	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023
Tax	179,339	166,014	230,801	216,101
Labor	35,319	44,998	52,556	60,904
Civil	141,392	165,581	167,444	192,113
	356,050	376,593	450,801	469,118

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

20 Shareholders' equity

a) Share Capital

As at June 30, 2024 and December 31, 2023, the Company's share capital was composed of 617,183,181 registered common shares issued and fully paid, with no par value, as follows:

Shareholder	6/30/2024		12/31/2023	
	Shares	%	Shares	%
LC EH Participações e Empreendimentos S.A.	50,682,639	8.21%	50,682,639	8.21%
GIC Private Limited	35,595,482	5.77%	37,582,739	6.09%
Canada Pension Plan	32,754,201	5.31%	32,754,201	5.31%
BlackRock Inc.	31,632,336	5.13%	31,632,336	5.13%
Laércio José de Lucena Cosentino	1,050,306	0.17%	1,545,336	0.25%
CSHG Senta Pua Fia	144,800	0.02%	144,800	0.02%
Other	442,972,665	71.77%	449,464,231	72.82%
Outstanding shares	594,832,429	96.38%	603,806,282	97.83%
Treasury shares	22,350,752	3.62%	13,376,899	2.17%
Total in units	617,183,181	100.00%	617,183,181	100.00%

b) Capital reserves

The balance of capital reserves at June 30, 2024 and December 31, 2023 was broken down as follows:

	6/30/2024	12/31/2023
Goodwill reserve (i)	665,676	665,676
Premium on acquisition of non-controlling interests	(24,323)	(24,323)
Debentures converted into shares	44,629	44,629
Share-based compensation plan	101,461	130,555
Share issue expenses	(69,396)	(69,396)
Dilution of interest	352,540	352,540
Call option of non-controlling interests	(361,388)	(361,388)
	709,199	738,293

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

c) Treasury shares

As at June 30, 2024, changes in "Treasury Shares" were as follows:

	Number of shares (Units)	Value (in Thousand)	Average price per share (in Reais)
Balance on 12/31/2023	13,376,899	R\$ 283,445	R\$ 21.19
Repurchase (i)	11,061,300	R\$ 312,418	R\$ 28.24
Used	(2,087,447)	R\$ (50,771)	R\$ 24.32
Balance on 6/30/2024	22,350,752	R\$ 545,092	R\$ 24.39

On November 7, 2023 the Board of Directors approved the share buyback program for the shares issued by the Company up to the limit of 18.000.000 common shares, to maximize the generation of shareholder value, promote the efficient allocation of capital; may be held in treasury, canceled or sold in accordance with the law. The share buyback program will be finished until November 8, 2024. In the six-month period ended on June 30, 2024, 11,061,300 shares had been repurchased.

During the six-month period ended June 30, 2024, 2,087,447 (2,043,332 on June 30, 2023) treasury shares were used by the restricted share plans, which consumed R\$50,771 (R\$43,288 on June 30, 2023) from the capital reserve.

21 Dividends and Interest on shareholders' equity

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

The balance of dividends and interest on equity payable in the Statement of Financial Position amounted to R\$1,781 in the individual and in the consolidated on June 30, 2024 (R\$1,781 in the individual and in the consolidated on December 31, 2023).

22 Share-based compensation plan

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

In the period of six-months ending June 30, 2024, occurred five new grants of the current share-based compensation plan, which had the following assumptions:

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

Changes in restricted shares for the period as follows:

Restricted shares	
	Amount (units)
Opening balance	9,536,381
Transactions:	
Exercised	(2,850,864)
Granted	3,970,530
Canceled	(378,638)
Closing balance	10,277,409

The cumulative effect on Shareholders' Equity in the six-month period ended June 30, 2024 was R\$21,677 (R\$16,905 as of June 30, 2023), recorded as share-based payment expenses.

23 Operating Segments

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

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

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

Techfin segment: includes the business of providing financial services, such as technology products aimed at financial services, partnerships, products with assumption of some degree of credit risk and/or the definition and/or application of credit policies through the joint venture TOTVS Techfin. In this segment are also consolidated the results of the subordinated shares of Supplier FIDC I and FIDC II, to which Supplier, subsidiary of TOTVS Techfin, currently assigns the originated credits. The creation of the JV with Itaú has resulted in a classification in only one line in the Statements of Profit or Loss in the rubric "Net Profit from Techfin Dimension" as CPC

31/ IFRS 5 determine until July 31, 2023 and from August 1, 2023, began to reflect the results of this operation in share of profit/ (loss) of equity-accounted investees line, proportional to its participation in the Share Capital from the Company.

The statement of profit or loss for the six-month period ended June 30, 2024 and 2023 for these three reportable segments is as follows:

Statement of profit or loss	Management		Business Performance		Techfin (i)		Consolidated	
	01/01 to 06/30/2024	01/01 to 06/30/2023	01/01 to 06/30/2024	01/01 to 06/30/2023	01/01 to 06/30/2024	01/01 to 06/30/2023	01/01 to 06/30/2024	01/01 to 06/30/2023
Net revenue	2,276,613	1,965,413	266,159	186,644	100,845	94,312	2,643,617	2,246,369
(-) Costs	(662,059)	(544,732)	(66,461)	(42,710)	(44,693)	(50,341)	(773,213)	(637,783)
Gross profit	1,614,554	1,420,681	199,698	143,934	56,152	43,971	1,870,404	1,608,586
(-) Research and development expenses	(375,878)	(339,825)	(57,558)	(47,100)	(10,889)	(9,208)	(444,325)	(396,133)
(-) Selling and marketing expenses	(448,282)	(388,242)	(85,895)	(60,713)	(10,308)	(10,292)	(544,485)	(459,247)
(-) Impairment loss on trade and other receivables	(22,419)	(14,335)	(7,163)	(3,334)	(7,892)	(7,524)	(37,474)	(25,193)
(-) Administrative expenses	(200,483)	(164,647)	(31,932)	(24,465)	(28,203)	(17,834)	(260,618)	(206,946)
(-) Other operating income (expenses)	(2,883)	(4,811)	(10,373)	(21,445)	(291)	1,319	(13,547)	(24,937)
Result before depreciation, amortization and financial results and income tax and social contribution	564,609	508,821	6,777	(13,123)	(1,430)	432	569,957	496,130
(-) Depreciation and amortization	-	-	-	-	-	-	(167,141)	(148,322)
(-) Finance income (expenses)	-	-	-	-	-	-	(10,380)	(23,901)
(-) Income tax expenses	-	-	-	-	-	-	(141,275)	(113,699)
Profit for the period	-	-	-	-	-	-	251,161	210,208

(i) The amount from Techfin Dimension regarding the 1st quarter of 2023 are presented considering 50% from operation for better comparability.

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

The following table conciliate the segments model presented above with the Statement of Profit or Loss for the six-month period ended on June 30, 2024 and 2023:

	01/01 to 06/30/2024			
Statement of profit or loss	Consolidated Statement of Profit or Loss	Reclassification (i)	Techfin Profit or loss (ii)	Consolidated segments
Net revenue	2,542,772	-	100,845	2,643,617
(-) Costs	(788,770)	60,250	(44,693)	(773,213)
Gross profit	1,754,002	60,250	56,152	1,870,404
(-) Research and development expenses	(457,680)	24,244	(10,889)	(444,325)
(-) Selling and marketing expenses	(582,943)	48,766	(10,308)	(544,485)
(-) Impairment loss on trade and other receivables	-	(29,582)	(7,892)	(37,474)
(-) Administrative expenses	(286,537)	54,122	(28,203)	(260,618)
(-) Other operating income (expenses)	(13,256)	-	(291)	(13,547)
Result before depreciation, amortization and financial results and income tax and social contribution	413,586	157,800	(1,430)	569,957
(-) Depreciation and amortization	-	(157,800)	(9,341)	(167,141)
(-) Share of profit / (loss) of equity-accounted investees	(7,822)	7,822	-	-
(-) Finance income (expenses)	(14,287)	-	3,907	(10,380)
(-) Income tax expenses	(140,316)	-	(959)	(141,275)
Profit (loss) for the period	251,161	7,822	(7,822)	251,161

	01/01 to 06/30/2023			
Statement of profit or loss	Consolidated Statement of Profit or Loss	Reclassification (i)	Discontinued operation (iii)	Consolidated segments
Net revenue	2,152,057	-	94,312	2,246,369
(-) Costs	(639,639)	52,197	(50,341)	(637,783)
Gross profit	1,512,418	52,197	43,971	1,608,586
(-) Research and development expenses	(410,784)	23,859	(9,208)	(396,133)
(-) Selling and marketing expenses	(484,631)	35,676	(10,292)	(459,247)
(-) Impairment loss on trade and other receivables	-	(17,669)	(7,524)	(25,193)
(-) Administrative expenses	(232,976)	43,864	(17,834)	(206,946)
(-) Other operating income (expenses)	(26,256)	-	1,319	(24,937)
Result before depreciation, amortization and financial results and income tax and social contribution	357,771	137,927	432	496,130
(-) Depreciation and amortization	-	(137,927)	(10,395)	(148,322)
(-) Finance income (expenses)	(24,319)	-	418	(23,901)
(-) Income tax expenses	(116,479)	-	2,780	(113,699)
Profit (loss) for the period	216,973	-	(6,765)	210,208

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

(ii) Share of profit / (loss) of equity-accounted investees, from January 1st to June 30, 2024;

(iii) Discontinued operation represents the profit or loss from January 1st to June 30, 2023 proportional to 50% of operation for better comparability.

24 Earnings per share

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

Basic earnings per share	04/01 to 06/30/2024	01/01 to 06/30/2024	04/01 to 06/30/2023	01/01 to 06/30/2023
Profit or loss for the period				
Continuing operations	114,872	242,606	103,340	203,055
Techfin Dimension	-	(1,085)	(7,935)	(13,529)
Profit attributable to the owners of the Company	114,872	241,521	95,405	189,526
Denominator (in thousands of shares)				
Weighted average number of common shares outstanding	595,075	599,043	603,082	603,994
Basic earnings per share (in Reais)	0.19304	0.40318	0.15820	0.31379
Basic earnings per share - continuing operations (in Reais)	0.19304	0.40499	0.17135	0.33619

Diluted earnings per share	04/01 to 06/30/2024	01/01 to 06/30/2024	04/01 to 06/30/2023	01/01 to 06/30/2023
Profit or loss for the period				
Continuing operations	114,872	242,606	103,340	203,055
Techfin Dimension	-	(1,085)	(7,935)	(13,529)
Profit attributable to the owners of the Company	114,872	241,521	95,405	189,526
Denominator (in thousands of shares)				
Weighted average number of common shares outstanding	595,075	599,043	603,082	603,994
Weighted average number of stock options/restricted shares	10,019	9,726	9,433	9,038
Weighted average number of common shares adjusted according to dilution effect	605,094	608,769	612,515	613,032
Diluted earnings per share (in Reais)	0.18984	0.39674	0.15576	0.30916
Diluted earnings per share - continuing operations (in Reais)	0.18984	0.39852	0.16871	0.33123

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

25 Gross sales revenue

Gross revenue and deductions used for the calculation of net revenue presented in the Company's statement of profit and loss for the three and six-months periods ended June 30, 2024 and 2023 were as follows:

	Individual				Consolidated			
	04/01 to 06/30/2024	01/01 to 06/30/2024	04/01 to 06/30/2023	01/01 to 06/30/2023	04/01 to 06/30/2024	01/01 to 06/30/2024	04/01 to 06/30/2023	01/01 to 06/30/2023
Recurring software	798,685	1,567,902	673,212	1,324,369	1,303,354	2,527,805	1,067,421	2,087,405
Nonrecurring software	83,811	202,776	101,120	233,580	159,436	347,587	165,133	347,841
License fees	33,038	99,133	38,835	114,360	54,388	143,011	56,704	149,565
Nonrecurring services	50,773	103,643	62,285	119,220	105,048	204,576	108,429	198,276
Operating revenue	882,496	1,770,678	774,332	1,557,949	1,462,790	2,875,392	1,232,554	2,435,246
Sales canceled	(5,456)	(11,148)	(8,113)	(13,245)	(9,360)	(18,256)	(11,669)	(19,346)
Sales taxes	(100,295)	(201,162)	(87,553)	(176,204)	(158,295)	(314,362)	(132,970)	(263,843)
Deductions	(105,751)	(212,310)	(95,666)	(189,449)	(167,655)	(332,618)	(144,639)	(283,189)
Total net revenue	776,745	1,558,368	678,666	1,368,500	1,295,135	2,542,772	1,087,915	2,152,057

26 Costs and expenses by nature

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

Nature	Individual				Consolidated			
	04/01 to 06/30/2024	01/01 to 06/30/2024	04/01 to 06/30/2023	01/01 to 06/30/2023	04/01 to 06/30/2024	01/01 to 06/30/2024	04/01 to 06/30/2023	01/01 to 06/30/2023
Salaries, benefits and payroll charges	319,690	640,809	280,954	562,839	592,358	1,167,523	482,045	944,403
Outsourced services and other inputs	199,488	364,993	157,625	299,435	295,310	544,610	229,151	436,441
Commissions	48,373	123,684	69,071	144,205	63,372	142,850	82,055	170,163
Depreciation and amortization	51,002	98,895	51,938	90,809	84,340	157,800	75,792	137,927
Provision for contingencies	6,311	6,190	6,890	7,294	6,041	6,470	7,127	7,231
Impairment loss on trade and other receivables	6,075	11,891	5,258	9,442	16,352	29,582	10,208	17,669
Others (i)	11,668	18,439	13,624	27,784	41,908	80,351	32,679	80,452
Total	642,607	1,264,901	585,360	1,141,808	1,099,681	2,129,186	919,057	1,794,286

Occupation	Individual				Consolidated			
	04/01 to 06/30/2024	01/01 to 06/30/2024	04/01 to 06/30/2023	01/01 to 06/30/2023	04/01 to 06/30/2024	01/01 to 06/30/2024	04/01 to 06/30/2023	01/01 to 06/30/2023
Cost of softwares	254,255	499,244	224,119	433,610	408,277	788,770	330,517	639,639
Research and development expenses	139,275	278,407	124,781	250,712	231,193	457,680	206,527	410,784
Selling and marketing expenses	168,506	341,118	164,092	318,257	298,427	582,943	254,690	484,631
Administrative expenses	83,053	156,602	71,455	136,944	154,057	286,537	122,536	232,976
Other operating revenues/ (expenses) (i)	(2,482)	(10,470)	913	2,285	7,727	13,256	4,787	26,256
Total	642,607	1,264,901	585,360	1,141,808	1,099,681	2,129,186	919,057	1,794,286

(i) In the six-month period ended on June 30, 2024 the consolidated includes the earn-out adjustment from subsidiaries RD Station, Tallos and Exact due to the performance in the amount of R\$16,294 in accordance with CPC 15/ IFRS 3. In this same line in 2023, including the adjustment in the amount of R\$20,407 refers to the earn-out complement from the subsidiary Tallos.

27 Finance income and expenses

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

	Individual				Consolidated			
	04/01 to 06/30/2024	01/01 to 06/30/2024	04/01 to 06/30/2023	01/01 to 06/30/2023	04/01 to 06/30/2024	01/01 to 06/30/2024	04/01 to 06/30/2023	01/01 to 06/30/2023
Finance income								
Short-term investment yield	28,996	64,373	45,044	81,739	58,553	137,023	79,920	142,943
Interest received	1,396	2,823	1,569	3,463	2,776	5,351	2,060	4,414
Monetary gains	1,275	2,708	2,346	4,707	3,185	6,634	3,162	6,376
Adjustment to present value	593	1,112	698	1,449	1,010	1,904	1,141	2,237
Foreign exchange gains	51	3,043	53	97	2,329	5,788	904	2,679
Other finance income	16	16	-	2	60	201	214	227
	32,327	74,075	49,710	91,457	67,913	156,901	87,401	158,876
Finance expenses								
Interest expense	(46,103)	(94,673)	(56,180)	(114,989)	(50,460)	(102,494)	(59,481)	(121,588)
Monetary losses	(790)	(7,881)	(3,827)	(7,060)	(3,292)	(11,528)	(5,318)	(9,836)
Bank expenses	(533)	(805)	(1,031)	(1,960)	(917)	(1,432)	(1,274)	(2,423)
Adjustment to present value of liabilities	(3,521)	(12,132)	(7,732)	(15,435)	(15,070)	(38,449)	(19,613)	(39,057)
Foreign exchange losses	(17)	(54)	(52)	(230)	(591)	(2,250)	(1,887)	(4,769)
Other finance expenses (i)	(1,968)	(3,887)	(72)	(143)	(7,208)	(15,035)	(3,509)	(5,522)
	(52,932)	(119,432)	(68,894)	(139,817)	(77,538)	(171,188)	(91,082)	(183,195)
Net finance results	(20,605)	(45,357)	(19,184)	(48,360)	(9,625)	(14,287)	(3,681)	(24,319)

(i) Includes inflation adjustments of Argentine subsidiaries

28 Private pension plan – defined contribution

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

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

In the individual and consolidated, the private pension expenses for the six-months period ended June 30, 2024 was R\$5,905 (R\$4,551 as of June 30, 2023).

29 Subsequent events

Issue of debentures

On July 19, 2024, the Board of Directors, approved the 5th issuance of simple, non-convertible, unsecured debentures, in a single series, for public distribution with restricted placement efforts, intended exclusively to professional investors. The debentures will have a unit face value of R\$1 on the issuance date, totaling R\$1,500,000, which will mature on July 19, 2031. The unit face value, as the case may be, will bear interest corresponding to 100% of the accumulated variation of the average daily rates of the DI, "over extra-group", expressed as a percentage per year, on a 252 business day basis, calculated and published by B3 S.A. in the daily newsletter, plus an exponential spread equivalent to 0.95% p.a. on a 252 business day basis.

With this issuance, the Company seeks to optimize financial costs and extend its gross debt profile, maintaining its solid cash position, considering that the net resources obtained with this issuance will be fully used for the early redemption of the totality of debentures, non-convertible, unsecured debentures, in a single series, of the Company's 4th (fourth) issuance.

Payment of interest on shareholders' equity

On August 1, 2024, the Board of Directors approved the payment of interest on shareholders' equity in the gross total amount of R\$136,811, corresponding to twenty-three cents per share of the Company, which shall be attributed to the mandatory dividends of the fiscal year. The interest on shareholders' equity will be paid to the beneficiary shareholders on August 26, 2024.

Guidance's Tracking

The financial projection disclosed in the Material Fact dated August 8th, 2023 and revised in the Material Fact dated August 7th, 2024 ("Projections") was an estimate and involved market and other factors beyond Company's control and did not constitute a promise of performance or by its management, and may be subject to change.

OPEX TOTVS TECHFIN

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

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

TOTVS Techfin	2Q24 Actual ⁽¹⁾	4Q24 Projected
Operating Costs and Expenses (OPEX)⁽²⁾	R\$23.4 million	R\$20 to 30 million

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

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

The recent revision is due to the ongoing and already achieved progress resulting from the integration of operations between TOTVS TECHFIN and Supplier, that has allowed TOTVS TECHFIN to achieve greater fluidity and operational efficiency gains in its investments towards building a new portfolio of solutions.