EARNINGS RELEASE
1Q24

VIDEO CONFERENCE - May 9th, 2024 at 11am (BRT)

- **PORTUGUESE:**

Live transmission: click here. Phone numbers list click here (access – Webinar ID: 858 5722 3688) or on website ri.totvs.com

- **ENGLISH (Simultaneous Translation):**

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TOTVS

1Q24 EARNINGS RELEASE

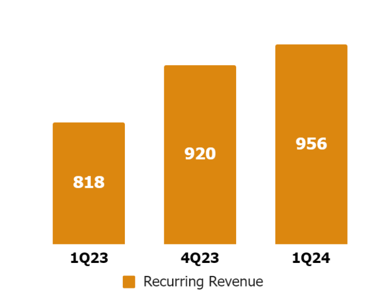
São Paulo, May, 8th, 2024 - TOTVS S.A. (B3: TOTS3), the leader in the development of business solutions in Brazil, announces its results for the **First Quarter of 2024 (1Q24).**

CONSOLIDATED EBITDA EXCEEDS, FOR THE FIRST TIME, THE R$300 MILLION MARK WITH AN EBITDA MARGIN OF 24%

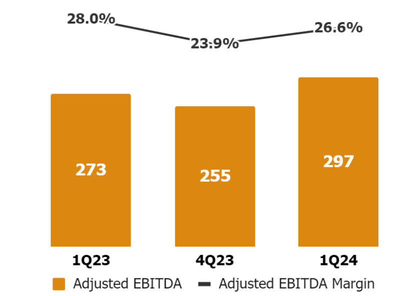
- This performance is associated with an EBITDA Margin of 26.6% in Management and 7.3% in Business Performance
- Net Revenue reached R$1.3 billion, driven by the 17% growth in Recurring Revenue from Management and 47% growth in Net Revenue from Business Performance in 1Q23
- SaaS Management + Business Performance + Techfin already represent approximately half of the Company's Revenue and accounted for 75% of the Revenue growth
- Sales performance is steadily increasing, leading to an ARR Net Addition of R$193 million, 4% higher than 1Q23 even with a lower YoY contribution from corporate model and Price component

1Q24 NET REVENUE[1]	1Q24 ADJUSTED EBITDA	1Q24 OPERATING CASH GENER. / ADJUSTED EBITDA (Mgmt + Biz Perf.)	1Q24 CASH EARNINGS
R$1.3 billion	**R$306 million**	**110%**	**R$156 million**
+17% vs 1Q23	**+9.9% vs 1Q23**	**+540 p.p vs 1Q23**	**+17% vs 1Q23**

Management Recurring Revenue (R$ million)



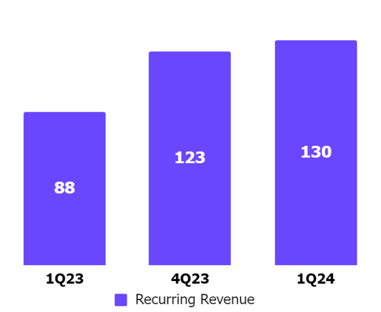
Management Adj. EBITDA (R$ million)



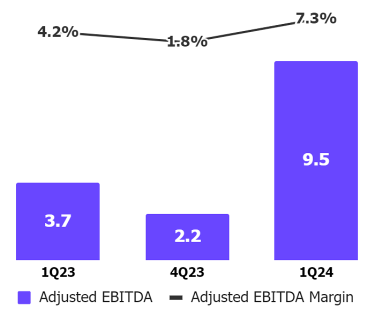
Management ARR
R$4.5 billion
+17% vs 1Q23
+4.6% vs 4Q23

Management ARR Net Addition
R$142 million
+10% vs 1Q23

Biz Performance Revenue (R$ million)



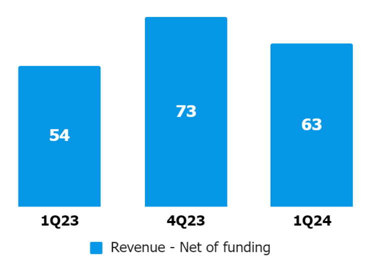
Biz Performance Adj. EBITDA (R$ million)



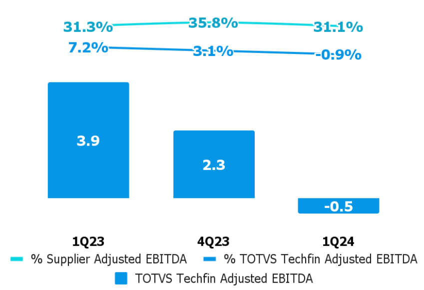
Business Performance ARR
R$509 million
+44% vs 1Q23
+6.5% vs 4Q23

Business Performance ARR Addition
R$31 million
+35% vs 1Q23

Techfin Revenue Net of Funding (R$ million)



Techfin Adj. EBITDA (R$ million)



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

Supplier Credit Portfolio
+R$2.3 billion
+18% vs 1Q23
+11% vs 4Q23

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

RECENT EVENTS

2024 Annual General Meeting

The meeting, held on May 23rd, was attended by more than 70% of the Company's voting capital, all the proposed matters were approved, including: the capital budget, the election of the Board of Directors and the overall management compensation.

For further information, please click here

Closing of Ahgoras' Acquisition

After meeting all the precedent conditions, including CADE (Antitrust Authority) approval and the corporate restructuring of the purchased entities, TOTVS consolidates its position as a leading HR solutions platform through Ahgora. In this way, we have significantly strengthened our HR suite solutions, covering everything from the personnel department to employee experience management, providing a complete digital journey, with automation, intelligence and increased productivity, enabling HR departments to take on an increasingly strategic role.

For further information, please click here

AA+

Fitch maintains AA+ (BRA) rating and revises outlook to positive

According to Fitch, the positive outlook reflects the expected strengthening of TOTVS' business profile, driven by the consolidation of the revenue diversification strategy, with the growth of the Business Performance dimension, the formation of the Techfin Joint Venture with Itaú Unibanco S.A., and the consistent generation of cash flow, which will continue to sustain the growth strategy through acquisitions, without overloading the capital structure.

For further information, please click here (portuguese only)

Investor Day and Universo TOTVS 2024 invitation

The TOTVS Investor Day for 2024 is scheduled for June 18th, once again as part of the Universo TOTVS event. The Investor Day is a targeted event for analysts, investors, and professionals in the stock exchange market. Modes of participation: whether digital or face-to-face, with the latter granting access to the entire programming of the Universo TOTVS. ***We look forward to your presence!***

For further information, please contact us via email ri@totvs.com

FINANCIAL AND OPERATING RESULTS

Management Message

TOTVS has made a positive start to 2024. There has been notable progress on all fronts. In the case of Management, we continued with strong sales, generating ARR growth that is surprising quarter after quarter. Recurring Revenue has experienced double-digit growth for 5 consecutive years already, mainly fueled by SaaS sales and Cloud Revenues. The renewal rate remains at the highest level, just like the NPS. The portfolio continues to grow and the efficiency of the business is increasing. As a result, the ability to attract new clients and carry out cross and up-selling remains strong. With disciplined execution, the margin is at its highest levels since the IPO.

In Business Performance, the strategy's evolution for the multi-product line has led to a substantial surge in the addition of ARR and has reinforced our revenue growth, exceeding 40% year-over-year. Additionally, even with new acquisitions, with lower or negative margins, the consolidated EBITDA Margin of this dimension continues to experience fast growth. We already have the largest portfolio in the market, and it will continue to grow even more.

TOTVS Techfin has advanced in its major challenge of launching its new products and is already in the pilot phase in the "verticalized payroll loan" and working capital, and continues to make steady progress with the digital account. It is important to emphasize that this is a self-sustaining Dimension, since Supplier's positive margin more than offsets the still negative result of Organic Techfin.

We are building our positioning based on the concept of Trusted Advisor for clients, particularly SMBs. In this movement, progress in each of the dimensions is as important as convergence between them. As a result, our kick-off event had the slogan “3 Dimensions, one single destination”.

The integration of culture, processes, technology and sales is accelerating. We are already seeing concrete results in the sale of Business Performance products through the distribution of Management. This is in addition to the already consolidated results of generating Supplier's affiliates through this same structure. We are definitely in the early stages of this process and we see a multitude of opportunities ahead of us. There is no doubt that this convergence will play a crucial role in driving TOTVS' performance.

I conclude this message by providing an overview of the progress of TOTVS alongside some of its key stakeholders. The eNPS, which represents the team's engagement index, has reached its highest level since the inception of this measurement. The confidence of our employees in the Company's success and leadership are some of the major highlights. As mentioned earlier, the NPS, customer satisfaction and recommendation rate are currently at their peak performance. This is an essential element in a company where cross-selling and upselling serve as key engines of growth. I also emphasize that our commitment to a better society is reflected in the IOS, our major social initiative to train young people in vulnerable situations for their first jobs in technology, which has already graduated over 45,000 individuals.

May 2024 be the best year for TOTVS!

Dennis Herszkowicz - CEO

Financial and Operating Highlights

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

	1Q24	1Q23	Δ	4Q23	Δ
Growth (in R$ million)					
Non-GAAP Net Revenue [1]	**1,279.1**	**1,091.4**	**17.2%**	**1,228.1**	**4.2%**
Management + Biz Perform. Recurring Revenue	1,083.6	904.6	19.8%	1,040.3	4.2%
% Management + Biz Perform. Recurring Revenue	84.7%	82.9%	180 bp	84.7%	0 bp
Techfin Revenue - Net of funding [2]	**31.5**	**27.2**	**15.7%**	**36.5**	**(13.8%)**
Consolidated ARR	4,992.7	4,190.0	19.2%	4,765.6	4.8%
Consolidated ARR Net Addition [3]	192.9	185.4	4.0%	193.2	(0.2%)
Management + Biz Perform. SaaS Revenue	572.0	437.9	30.6%	540.7	5.8%
Management Recurring Revenue vs. ARR [4]	87.2%	87.1%	10 bp	87.5%	-30 bp
Biz Performance Recurring Revenue	127.2	86.9	46.3%	120.4	5.6%
Credit Production	2,618.5	2,524.8	3.7%	2,735.6	(4.3%)
Profitability (in R$ million)					
Adjusted EBITDA Margin [5]	**24.0%**	**25.6%**	**-160 bp**	**21.0%**	**300 bp**
Adjusted EBITDA [6]	306.5	279.0	9.9%	258.3	18.7%
Cash Earnings [7]	156.1	133.9	16.6%	170.4	(8.4%)
Cash Earnings Margin	12.2%	12.3%	-10 bp	13.9%	-170 bp
Oper. Cash Generation (Mgmt + Biz Perform.)	336.0	288.4	16.5%	345.4	(2.7%)
Op. Cash Generation / Adjusted EBITDA	109.5%	104.1%	540 bp	134.3%	-2480 bp
Stock Market					
TOTS3 (in R$)	**28.38**	**28.16**	**0.8%**	**33.69**	**(15.8%)**
ADTV 30 (in R$ million)	118.7	141.7	(16.2%)	140.4	(15.4%)
IBOV (thousands pts)	128.1	101.9	25.7%	134.2	(4.5%)
IBrX 50 (thousands pts)	21.3	17.1	24.9%	22.2	(4.1%)

[1] Non-GAAP Revenue net of Funding , represents the Techfin Revenue at 50% and net of Funding Cost consolidated in the Total Company's Revenue, in all periods

[2] Considers Techfin's results at 50% in all periods

[3] Organic ARR Net Addition from Management + Business Performance

[4] Ratio Calculation Rationale = Recurring Revenue / [(Current Quarter ARR + Previous Quarter ARR) / 8]

[5] Adjusted EBITDA over the Non GAAP Revenue net of Funding, considering the Techfin's Results revenue at 50% in all periods

[6] EBITDA adjusted by extraordinary items and added with 50% of Techfin EBITDA in all periods

[7] Net Income without the effects of expenses with amortization of intangibles arising from acquisitions, considering Techfin Net Income at 50% in all periods

Consolidated Results (Non-GAAP)

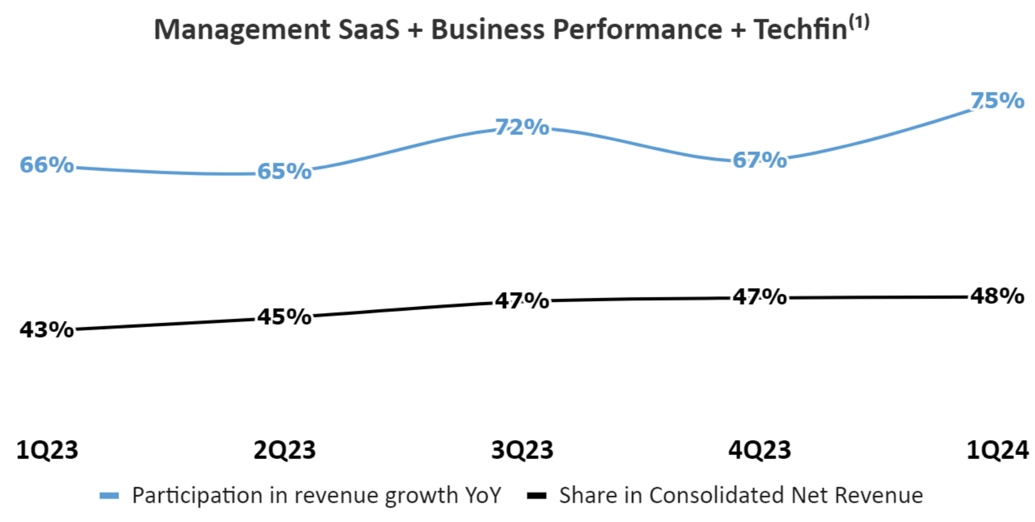
Consolidated Result (in R$ million)	1Q24	1Q23	Δ	4Q23	Δ
Consolidated Net Revenue	**1,279.1**	**1,091.4**	**17.2%**	**1,228.1**	**4.2%**
GAAP Net Revenue	**1,247.6**	**1,064.1**	**17.2%**	**1,191.6**	**4.7%**
Management Revenue	1,118.0	975.9	14.6%	1,068.4	4.6%
Business Performance Revenue	129.7	88.2	47.0%	123.2	5.3%
Techfin Revenue - Net of funding [1]	**31.5**	**27.2**	**15.7%**	**36.5**	**(13.8%)**
Adjusted EBITDA [2]	**306.5**	**279.0**	**9.9%**	**258.3**	**18.7%**
Mgmt. + Biz Performance Adjusted EBITDA	**306.8**	**277.0**	**10.7%**	**257.1**	**19.3%**
Management Adjusted EBITDA	297.3	273.3	8.8%	254.9	16.6%
Biz Performance Adjusted EBITDA	9.5	3.7	157.9%	2.2	326.3%
Techfin Adjusted EBITDA [3]	**(0.3)**	**2.0**	**(113.7%)**	**1.1**	**(123.6%)**
Adjusted EBITDA Margin	***24.0%***	***25.6%***	***-160 bp***	***21.0%***	***300 bp***
% Mgmt. + Biz Performance Adjusted EBITDA	***24.6%***	***26.0%***	***-140 bp***	***21.6%***	***300 bp***
% Management Adjusted EBITDA	*26.6%*	*28.0%*	*-140 bp*	*23.9%*	*270 bp*
% Biz Performance Adjusted EBITDA	*7.3%*	*4.2%*	*310 bp*	*1.8%*	*550 bp*
% Techfin Adjusted EBITDA	***-0.9%***	***7.2%***	***-810 bp***	***3.1%***	***-400 bp***

[1] Considers Techfin's results at 50% in all periods

[2] In accordance with CVM Resolution 156/22, the reconciliation between Adjusted EBITDA and Net Income is presented in Appendix III of this document

[3] EBITDA adjusted by extraordinary items and considering 50% of Techfin EBITDA in all periods

Net Revenue



[1] Considers Techfin revenue at 50% for all periods.

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

This performance primarily reflects the focus on expanding Recurring Revenue, intensified with the 3D strategy that significantly enlarged the Company's addressable markets. Today, revenues from the SaaS Management, Business Performance, and Techfin fronts already account for nearly half of Total Revenue and maintain their position as growth drivers, representing 75% of the year-over-year increase in Consolidated Net Revenue, the highest historical level.

Adjusted EBITDA

Adjusted EBITDA showed a strong recovery when compared to 4Q23 and closed the quarter at R$306 million, the highest historical level, and an Adjusted EBITDA Margin of 24%, which means 300 basis points above 4Q23, these results are connected to the positive seasonal effect of 1Q's Corporate Model License Revenue and, mainly, to the profitability increase of Business Performance and Management, demonstrating that, as described in the previous quarter, many of the factors that impacted 4Q23 were isolated and specific to that period. This outcome serves as evidence of the Company's competence in delivering solid results, particularly when evaluating performance over a longer period rather than just on a quarterly basis.

When compared to 1Q23, the 160 basis points reduction in the Adjusted EBITDA Margin is mostly due to investments in Organic Techfin, as well as the expected reduction in the Management Licenses Revenue of the Corporate Model and the 70 basis points increase in the line of Sales and Marketing Expenses as a percentage of Net Revenue of the Management dimension.

Adjusted Net Income and Consolidated Cash Earnings

In R$ million	1Q24	1Q23	Δ	4Q23	Δ
Mgmt. + Biz Performance EBITDA	291.6	251.0	16.1%	211.0	38.2%
Mgmt. + Biz Performance Extraordinary Items	15.2	26.0	(41.6%)	46.2	(67.1%)
Mgmt. + Biz Performance Adjusted EBITDA	**306.8**	**277.0**	**10.7%**	**257.1**	**19.3%**
% Mgmt. + Biz Performance Adjusted EBITDA	*24.6%*	*26.0%*	-140 bp	*21.6%*	300 bp
Depreciation and Amortization	(73.5)	(62.1)	18.2%	(73.3)	0.2%
Financial Result	(4.7)	(20.6)	(77.4%)	(1.1)	307.5%
Income Tax and Social Contribution	(78.8)	(63.1)	24.7%	(9.1)	765.6%
Taxes on Extraordinary Items	(5.2)	(8.8)	(41.6%)	(15.7)	(67.1%)
50% Adj. Net Income (Loss) from Techfin Dim.	**(3.4)**	**(2.8)**	**21.1%**	**(1.2)**	**181.3%**
Adjusted Net Income	**141.3**	**119.5**	**18.3%**	**156.7**	**(9.8%)**
Adjusted Net Margin [1]	*11.0%*	*10.9%*	*10 bp*	*12.8%*	*-180 bp*
Net Effect of Amortization of Acquisitions' Intangibles	14.7	14.4	2.5%	13.7	7.2%
Cash Earnings [2]	**156.1**	**133.9**	**16.6%**	**170.4**	**(8.4%)**
Cash Earnings Margin	*12.2%*	*12.3%*	*-10 bp*	*13.9%*	*-170 bp*

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

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

In 1Q24, Cash Earnings amounted to R$156 million, which is a decrease of 8.4% compared to 4Q23 and can be attributed primarily to the R$69.7 million rise in the Income Tax and Social Contribution, resulting from the payment of Interest on Equity as reported in 4Q23.

Compared to the same period of the previous year, we had a 17% growth in Cash Earnings, driven mainly by the 11% growth in Adjusted Management + Business Performance EBITDA, which offset the R$15.6 million increase in Income Tax and Social Contribution.

GAAP Cash Flow
(Management and Business Performance dimensions)

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

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

In R$ million	1Q24	1Q23	Δ	4Q23	Δ
EBT (GAAP)	**209.2**	**168.3**	**24.3%**	**135.3**	**54.6%**
Non-Cash Items	**207.8**	**188.7**	**10.1%**	**230.8**	**(10.0%)**
Change in Working Capital	**(81.0)**	**(68.6)**	**18.1%**	**(20.7)**	**291.4%**
Operating Cash Generation	**336.0**	**288.4**	**16.5%**	**345.4**	**(2.7%)**
Interest paid	(97.8)	(108.7)	(10.0%)	(2.4)	>999%
Income Tax and Social Cont. paid	(53.9)	(51.6)	4.6%	(46.2)	16.6%
Net Cash from Operating Activities	**184.3**	**128.1**	**43.8%**	**296.8**	**(37.9%)**
Acquisition of Subsidiaries and Investments, Net	(601.4)	(11.7)	>999%	(27.1)	>999%
Fixed Assets	(16.4)	(37.4)	(56.1%)	(23.6)	(30.2%)
Intangibles	(36.2)	(28.8)	25.4%	(20.3)	78.0%
Franchises Loan	3.6	6.2	(42.1%)	3.9	(8.6%)
Net cash Received (Invested) Techfin Dim.	-	(5.0)	(100.0%)	-	-
Net Cash from Investing Act.	**(650.4)**	**(76.8)**	**746.8%**	**(67.0)**	**870.6%**
Increase (Decrease) Gross Debt	(35.7)	(0.4)	>999%	-	-
Payment of Principal of Lease Liabilities	(15.1)	(13.9)	8.3%	(15.1)	(0.3%)
Shareholders Remuneration	(64.1)	(236.4)	(72.9%)	(142.3)	(55.0%)
Receivables from Related Companies	-	(0.2)	(100.0%)	0.0	(100.0%)
Net Cash from Financ. Act.	**(114.9)**	**(251.0)**	**(54.2%)**	**(157.4)**	**(27.0%)**
Incr. (Dec.) in Cash and Cash Equivalent	(581.0)	(199.7)	191.0%	72.4	(902.2%)
Cash and Equiv. Beginning of the Period	3,129.2	2,735.8	14.4%	3,056.7	2.4%
Cash and Equiv. End of the Period	**2,548.1**	**2,536.1**	**0.5%**	**3,129.2**	**(18.6%)**

Cash and Cash Equivalent ended the quarter amounting to R$2.5 billion, which is 19% lower than 4Q23, mainly due to the payment of Acquisition of Subsidiaries and Investments, in the amount of R$601 million for the acquisition of Quiver, TOTVS IP, and Ahgora, plus the payment of an earn-out from Gesplan, as well as the amount of R$64 million in the Shareholders Remuneration line regarding the share buyback program.

Operating Cash Generation over Management + Business Performance Adjusted EBITDA ended the quarter at 110%, underscoring the Company's financial strength, even in the face of continued investments and the establishment of two new business dimensions experiencing rapid growth.

Free Cash Flow (In R$ million)	1Q24	1Q23	Δ	4Q23	Δ
Operating Cash Generation	**336.0**	**288.4**	**16.5%**	**345.4**	**(2.7%)**
(–) Income Tax and Social Cont. paid	(53.9)	(51.6)	4.6%	(46.2)	16.6%
(–) Investing in Fixed and Intangibles Assets	(52.6)	(66.3)	(20.6%)	(43.9)	19.9%
(–) Payment of Principal of Lease Liabilities	(15.1)	(13.9)	8.3%	(15.1)	(0.3%)
(–) Revenue from financial investment, net of Taxes	(78.5)	(63.0)	24.5%	(84.5)	(7.1%)
Free Cash Flow to Firm	**135.9**	**93.6**	**45.2%**	**155.7**	**(12.7%)**

From this quarter onwards, the Company retroactively adjusted the amount of Revenue from Financial Investments so that it remains net of taxes. As a result, the Free Cash Flow to Firm ended the quarter at R$136 million, which is 13% lower than 4Q23, mainly due to the variation of R$7.7 million in Income Tax and Social Contribution paid, which is seasonally higher in the first quarter, and the increase of R$8.7 million in investments in Fixed and Intangibles Assets, corresponding to the capitalization of projects under development.

When compared to 1Q23, the 45% growth in Free Cash Flow to Firm is associated with: (i) the 17% increase in Operating Cash Generation, mainly due to the 24% growth in EBT; and (ii) the R$13.7 million reduction in investments in Fixed and Intangibles Assets.

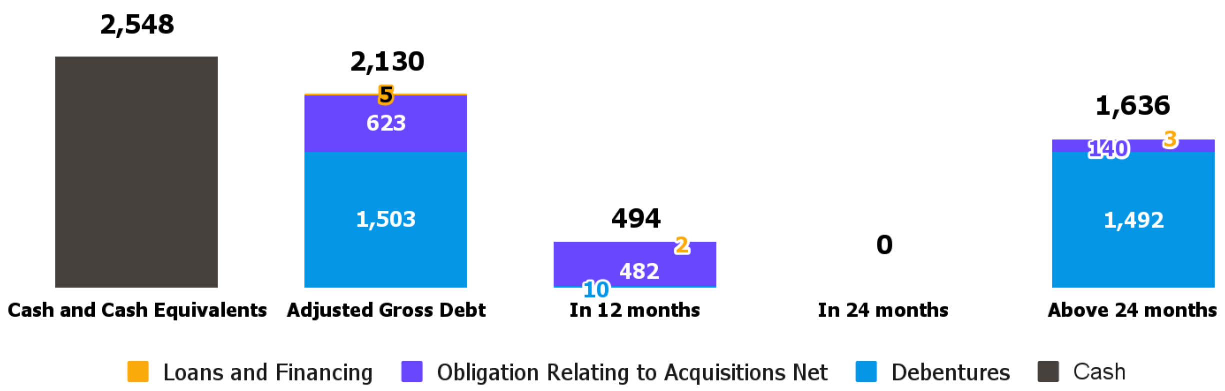
It is worth emphasizing that investments in Fixed Assets and Intangibles may experience quarterly fluctuations. Hence, we understand that the accumulated amount over the last 12 months offers a more accurate depiction of the performance in this line. Thus, when considering the accumulated amount of the last 12 months, investments in Fixed Assets and Intangible Assets grew 18% in 1Q23, in line with the growth in Management and Business Performance Revenues in the period.

Gross and Net Debt

In R$ million	1Q24	1Q23	Δ	4Q23	Δ
Loans and Financing	4.6	0.1	>999%	32.1	(85.6%)
Debentures	1,502.5	1,497.8	0.3%	1,546.7	(2.9%)
Financial Liabilities	**1,507.2**	**1,497.9**	**0.6%**	**1,578.8**	**(4.5%)**
Obligation Relating to Acquisitions Net	622.9	493.1	26.3%	564.0	10.4%
Total Gross Debt	**2,130.1**	**1,991.0**	**7.0%**	**2,142.8**	**(0.6%)**
(-) Cash and Cash Equivalents	(2,548.1)	(2,536.1)	0.5%	(3,129.2)	(18.6%)
Net Debt (Cash)	**(418.0)**	**(545.1)**	**(23.3%)**	**(986.4)**	**(57.6%)**

The Gross Debt at the end of 1Q24 reached R$2.1 billion, keeping the level of the previous quarter, mainly due to the payment of interest on debentures in the quarter and to the increase of Obligation Relating to Net Acquisitions (earn-out) resulting from acquisition of Quiver and monetary adjustment of existing obligations.

The Cash and Cash Equivalents (Gross Cash) balance closed the quarter at R$2.5 billion. This Gross Cash corresponds to approximately 1.2x the balance of Gross Debt, which has 77% of its total maturity beyond 24 months. The Cash position enables the necessary flexibility to invest in the continuous strategy of developing the 3D Ecosystem (Management, Techfin, and Business Performance), which can be achieved both via organic growth, partnerships, and/or mergers and acquisitions (M&A).



Given that Dimensa is a company with its own autonomy and governance, when its Cash and Debt positions are disregarded, Gross Debt totaled R$2,013.6 million while Cash and Gross Cash Equivalents totaled R$1,992.5 million, resulting in a Net Debt position of R$21.2 million at the end of 1Q24.

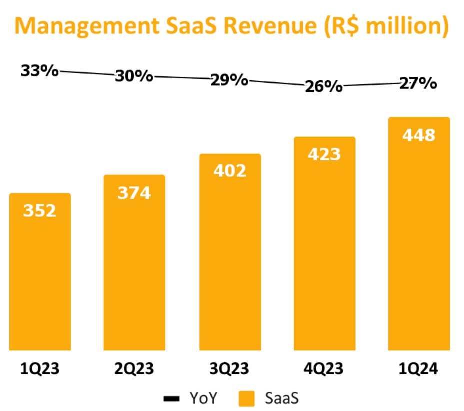
Management dimension results

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 1Q24 result of this dimension contains the financial figures for the recently acquired Quiver and TOTVS IP companies from February. Concerning the closing of the Ahgora acquisition, which took place after market hours on the last business day of the quarter, it will solely be accounted for in the balance sheet of the quarter.

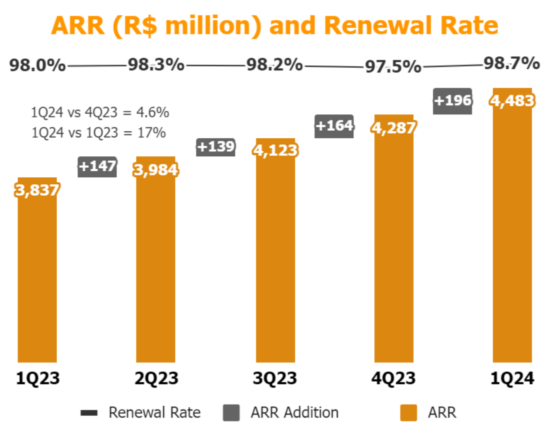
Management Result (in R$ million)	1Q24	1Q23	Δ	4Q23	Δ
Net Revenue	**1,118.0**	**975.9**	**14.6%**	**1,068.4**	**4.6%**
Recurring	956.4	817.7	17.0%	920.0	4.0%
Non Recurring	161.6	158.3	2.1%	148.4	8.8%
Adjusted Costs	(319.3)	(267.0)	19.6%	(311.8)	2.4%
Adjusted Gross Profit	**798.7**	**708.9**	**12.7%**	**756.6**	**5.6%**
Adjusted Gross Margin	*71.4%*	*72.6%*	*-120 bp*	*70.8%*	*60 bp*
Research and Development	(186.1)	(169.6)	9.8%	(184.5)	0.9%
Provision for Expected Credit Losses	(10.2)	(5.8)	74.6%	(6.2)	63.7%
Adjusted Sales and Marketing Expenses	(218.8)	(184.4)	18.6%	(218.0)	0.3%
Adjusted G&A Expenses and Others	(86.4)	(75.8)	14.0%	(92.9)	(7.1%)
Management Adjusted EBITDA	**297.3**	**273.3**	**8.8%**	**254.9**	**16.6%**
% Management Adjusted EBITDA	*26.6%*	*28.0%*	*-140 bp*	*23.9%*	*270 bp*

Recurring Revenue

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



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

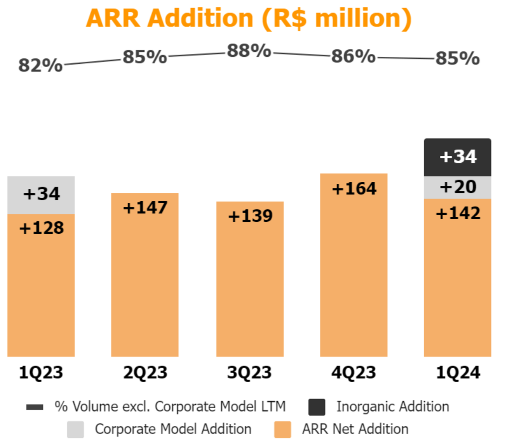


As a result, Management ARR (Recurring Revenue Addition) closed the quarter at approximately R$4.5 billion, with a Net Addition of R$196 million, of which R$142 million was organic, which represents a 10% increase compared to 1Q23, which once again highlighted the strong and growing sales pace, which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

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

The Addition of the Corporate Model (see the glossary at the end of this document) had a 41% drop compared to 1Q23, given the lowest average nominal growth of companies under this model, due to the declining behavior of inflation throughout 2023.

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



Non-Recurring Revenues

In R$ million	1Q24	1Q23	Δ	4Q23	Δ
Non Recurring Revenues	**161.6**	**158.3**	**2.1%**	**148.4**	**8.8%**
Licenses	77.8	81.2	(4.2%)	58.6	32.8%
Services	83.8	77.1	8.7%	89.9	(6.8%)

Non-Recurring Revenues ended the quarter at R$162 million, an 8.8% growth over 4Q23, mostly related to the 33% growth in Licenses Revenue, seasonally impacted by the Increment of the Corporate Model Revenue, which reached the amount of R$27.8 million in this quarter. The decrease in Services revenue by 6.8% is mainly due to the: (i) decline in revenue from the Argentina Unit, which is a result of hyperinflation and exchange rate devaluation, however, without impacting margins, as the same effect also affected the costs and expenses of this operation; and (ii) the decrease in non-recurring services in the Rio Grande do Sul unit (formerly TRS franchise) as part of the ongoing integration process. These reductions were partially offset by the inorganic increase of R$8.7 million in the consolidation of TOTVS IP (formerly TOTVS Interior Paulista franchise) as of February and by the increase of R$4.4 million in this item in Dimensa.

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

Gross Margin

In R$ million	1Q24	1Q23	Δ	4Q23	Δ
Net Revenue	**1,118.0**	**975.9**	**14.6%**	**1,068.4**	**4.6%**
Gross Profit	**797.9**	**707.6**	**12.8%**	**756.6**	**5.5%**
Gross Margin	*71.4%*	*72.5%*	*-110 bp*	*70.8%*	*60 bp*
Extraord. Adj. - Operatl. Restructuring	0.8	1.3	(36.5%)	-	-
Adjusted Gross Profit	**798.7**	**708.9**	**12.7%**	**756.6**	**5.6%**
Adjusted Gross Margin	*71.4%*	*72.6%*	*-120 bp*	*70.8%*	*60 bp*

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

Research & Development

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

Provision for Expected Credit Losses

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

Sales and Marketing Expenses

In R$ million	**1Q24**	1Q23	Δ	4Q23	Δ
Adjusted Sales and Marketing Expenses	**(218.8)**	**(184.4)**	**18.6%**	**(218.0)**	**0.3%**
% Net Revenue	*19.6%*	*18.9%*	*70 bp*	*20.4%*	*-80 bp*
Sales and Marketing Expenses	(219.9)	(185.7)	18.4%	(218.5)	0.7%
Extraord. Adj. - Operatl. Restructuring	1.2	1.3	(7.6%)	0.5	146.2%

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

General, Administrative and Other Expenses

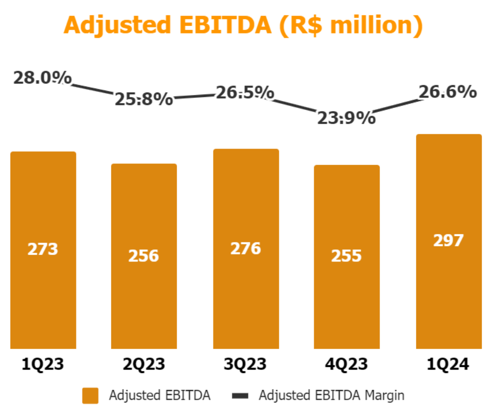
In R$ million	1Q24	1Q23	Δ	4Q23	Δ
Adjusted G&A Expenses and Others	**(86.4)**	**(75.8)**	**14.0%**	**(92.9)**	**(7.1%)**
% GAAP Net Revenue	*7.7%*	*7.8%*	*-10 bp*	*8.7%*	*-100 bp*
G&A Expenses and Others	**(99.5)**	**(78.7)**	**26.4%**	**(98.6)**	**0.9%**
General and Administrative Expenses	(93.7)	(78.6)	19.2%	(94.0)	(0.4%)
Provision for Contingencies	(0.2)	(0.1)	132.4%	(12.4)	(98.0%)
Other Net Revenues (Expenses)	(5.6)	-	-	7.7	(172.3%)
Extraordinary Items	**13.2**	**3.0**	**342.9%**	**5.7**	**130.8%**
Extraord. Adj. - Operatl. Restructuring	2.0	0.5	309.0%	1.6	30.2%
M&A Adjustment at Fair Value	14.0	1.2	>999%	(1.6)	(987.7%)
Expenses with M&A Transactions	3.0	1.3	133.8%	5.7	(48.0%)
Loss (Earns) in Disposed Assets	(5.9)	-	-	-	-

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

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

EBITDA and EBITDA Margin

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



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

Business Performance dimension results

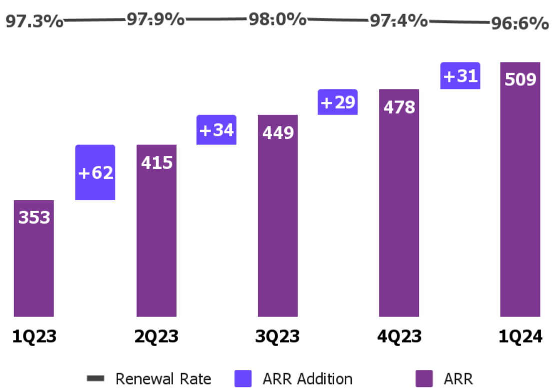
The Business Performance dimension represents the portfolio of solutions focused on increasing sales, competitiveness, and client performance through Digital Marketing, Sales/Digital Commerce, and CX - Customer Experience solutions.

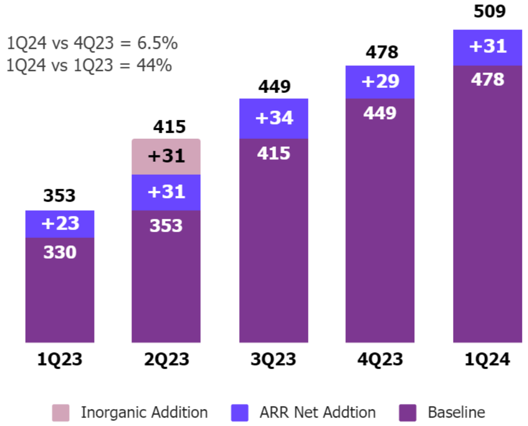
Business Performance Result (in R$ million)	1Q24	1Q23	Δ	4Q23	Δ
Net Revenue	**129.7**	**88.2**	**47.0%**	**123.2**	**5.3%**
Recurring	127.2	86.9	46.3%	120.4	5.6%
Non Recurring	2.5	1.3	96.2%	2.8	(10.1%)
Costs	(31.6)	(20.2)	56.3%	(29.4)	7.4%
Gross Profit	**98.1**	**68.0**	**44.2%**	**93.8**	**4.6%**
Gross Margin	*75.7%*	*77.1%*	*-140 bp*	*76.1%*	*-40 bp*
Research and Development	(28.3)	(22.7)	24.7%	(27.6)	2.5%
Provision for Expected Credit Losses	(3.1)	(1.6)	87.0%	(2.1)	44.1%
Sales and Marketing Expenses	(41.8)	(28.1)	48.8%	(45.5)	(8.3%)
G&A Expenses and Others	(15.5)	(32.4)	(52.0%)	(56.3)	(72.4%)
Biz Performance EBITDA	**9.5**	**(16.7)**	**(156.6%)**	**(37.8)**	**(125.1%)**
% Biz Performance EBITDA	*7.3%*	*-19.0%*	*2630 bp*	*-30.7%*	*3800 bp*
Extraordinary Items	**-**	**20.4**	**(100.0%)**	**40.0**	**(100.0%)**
M&A Adjustment at Fair Value	-	20.4	(100.0%)	40.0	(100.0%)
Biz Performance Adjusted EBITDA	**9.5**	**3.7**	**157.9%**	**2.2**	**326.3%**
% Biz Performance Adjusted EBITDA	*7.3%*	*4.2%*	*310 bp*	*1.8%*	*550 bp*

Net Revenue

The Net Revenue from Business Performance grew 47% when compared to 1Q23, and grew 5.3% versus 4Q23. This increase primarily resulted from the Organic Net Addition of ARR amounting to R$31 million, 35% above 1Q23, driven by the acceleration of sales of Conversational (RD Conversas), CRM, and Digital Marketing solutions, catering to both new and the existing customer base of this dimension as a result of the multi-product strategy. This addition raised the Business Performance ARR to R$509 million, which means an increase of 44% compared to 1Q23 and 6.5% compared to 4Q23.

ARR (R$ million) and Renewal Rate





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

Gross Margin

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

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

Research & Development

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

Provision for Expected Credit Losses

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

Sales and Marketing Expenses

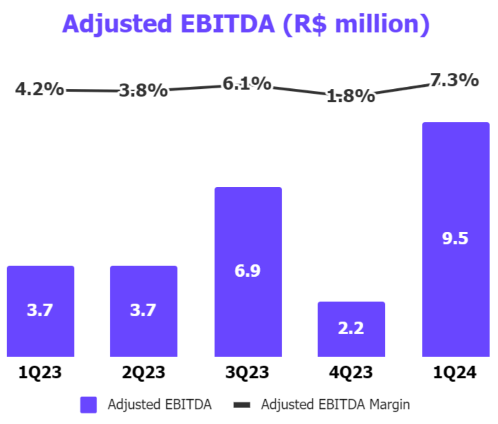
Sales and Marketing Expenses on Net Revenue ended 1Q24 at 32.2%, which represents 4.8 percentage points lower than 4Q23 and 0.4 percentage point higher than 1Q23. The reduction quarter-over-quarter is directly related to the RD Summit event, held in 4Q23, which took place for the first time in Sao Paulo, as commented in the previous quarter.

General, Administrative and Other Expenses

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

EBITDA and EBITDA Margin

The Adjusted EBITDA of Business Performance reached R$9.5 million by the end of the quarter, experiencing an increase of over 150% compared to the same period last year, with a Margin of 7.3%. The 310 basis points expansion in the Margin compared to 1Q23 was mainly attributed to the leveraged gains arising from the acceleration of Revenue in the same period. This gain is primarily associated with the performance of the most consolidated operations within the dimension, which already records a double-digit EBITDA margin and hsa more than offset the negative margins of recent acquisitions in the period. We highlight that these more recent operations are progressing towards financial break-even, benefiting from favorable unit economics.



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

Below EBITDA Results
(Management and Business Performance dimensions)

Depreciation and Amortization Expenses

In R$ million	1Q24	1Q23	Δ	4Q23	Δ
Depreciation	(36.3)	(30.3)	19.9%	(36.0)	0.8%
Amortization	(37.2)	(31.9)	16.6%	(37.3)	(0.4%)
Depreciation and Amortization	**(73.5)**	**(62.1)**	**18.2%**	**(73.3)**	**0.2%**

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

Financial Result

In R$ million	1Q24	1Q23	Δ	4Q23	Δ
Financial Revenues	89.0	71.5	24.5%	92.3	(3.6%)
Financial Expenses	(93.7)	(92.1)	1.7%	(93.5)	0.2%
Financial Result	**(4.7)**	**(20.6)**	**(77.4%)**	**(1.1)**	**307.5%**

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

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

The Present Value Adjustment Liabilities line shown in the explanatory note of the Quarterly Interim Financial Statements (ITR) is mostly connected to the periodic update of the obligations arising from acquisitions (M&A), as well as the call option to purchase a minority interest in the capital stock of Dimensa. This line may vary over the quarters associated with the following elements: (i) new acquisitions (M&As) that have earn-out payment obligations; (ii) revisions to the projections of acquired companies that reflect a review of earn-outs; and (iii) with the end of earn-outs.

It is worth emphasizing that this line, along with other lines in the Financial Result, do not necessarily impact the current quarter of Company's cash and reflect the higher level of accounting complexity required by certain transactions carried out to maximize value for the Company.

Income Tax and Social Contribution

In R$ million	1Q24	1Q23	Δ	4Q23	Δ
EBT	**213.5**	**168.3**	**26.9%**	**136.5**	**56.4%**
Taxes at nominal rate (34%)	(72.6)	(57.2)	26.9%	(46.4)	56.4%
Law 11,196/05 - R&D Incentive	7.0	6.2	12.8%	9.2	(24.6%)
Interest on Equity	-	-	-	48.4	(100.0%)
Effect of Different Taxation in Subsidiaries	(7.1)	(3.9)	83.9%	(6.4)	12.0%
Management Bonus	(0.5)	(1.2)	(56.8%)	(1.4)	(63.5%)
Workers' Meal Program	1.0	1.0	3.6%	(0.0)	<(999%)
Other	(6.5)	(8.0)	(18.7%)	(12.6)	(48.2%)
Income Tax and Social Contribution	**(78.8)**	**(63.1)**	**24.7%**	**(9.1)**	**765.6%**
Current Income Tax and Social Contribution	(66.4)	(62.9)	5.7%	(31.7)	109.7%
Deferred Income Tax and Social Contribution	(12.3)	(0.3)	>999%	22.6	(154.5%)
% Total Effective Tax Rate	*36.9%*	*37.5%*	*-60 bp*	*6.7%*	*3020 bp*

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

Techfin dimension results

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

With the announcement of the closing of the transaction with Itaú, which encompasses 100% of the outcome of this Dimension, the Company started to hold a 50% stake in this operation from August 2023 and its results are not be consolidated in the Cash Flow and Balance Sheet, being the result of the TOTVS Techfin operation added to the proportion of 50% in the Equity Pickup line.

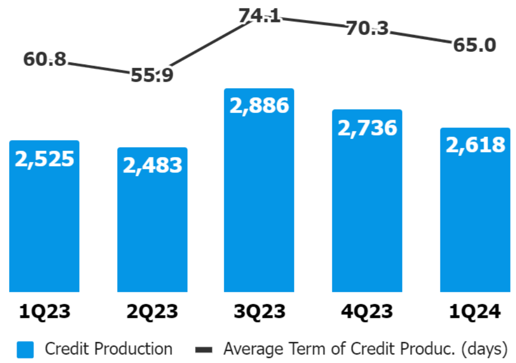
In order to preserve the analysis of this business dimension, we will maintain the disclosure of the results considering **100% of the Income Statement, Balance Sheet and Cash Flow of TOTVS Techfin in this section.**

Techfin Results (in R$ million)	1Q24	1Q23	Δ	4Q23	Δ
Techfin Net Revenue	**99.5**	**99.8**	**(0.3%)**	**118.8**	**(16.3%)**
Funding Cost	(36.5)	(45.3)	(19.5%)	(45.8)	(20.3%)
Techfin Revenue - Net of funding	**63.0**	**54.5**	**15.7%**	**73.1**	**(13.8%)**
Operational Costs	(9.2)	(6.4)	42.9%	(10.5)	(12.7%)
Adjusted Gross Profit	**53.8**	**48.0**	**12.0%**	**62.5**	**(14.0%)**
Research and Development	(13.5)	(9.4)	44.1%	(17.7)	(23.6%)
Provision for Expected Credit Losses	(7.2)	(8.3)	(13.1%)	(8.5)	(15.7%)
Other Operating Expenses	(36.2)	(26.4)	37.2%	(34.0)	6.7%
Techfin EBITDA	**(3.2)**	**3.9**	**(180.8%)**	**2.3**	**(239.3%)**
% Techfin EBITDA	*-5.1%*	*7.2%*	*-1230 bp*	*3.1%*	*-820 bp*
Depreciation and Amortization	(9.5)	(10.6)	(10.8%)	(10.1)	(6.1%)
Financial Result	4.2	0.1	>999%	4.8	(11.4%)
Income Tax and Social Contribution	(0.1)	0.9	(111.8%)	0.6	(118.1%)
Net Income (Loss) from Techfin Dimension	**(8.5)**	**(5.6)**	**52.4%**	**(2.4)**	**253.8%**
% Net Income (Loss) from Techfin Dimension	*-13.5%*	*-10.3%*	*-320 bp*	*-3.3%*	*-1020 bp*
Extraordinary Expense Payroll Reimbursement	2.6	-	-	-	-
Techfin Adjusted EBITDA	**(0.5)**	**3.9**	**(113.7%)**	**2.3**	**(123.6%)**
% Techfin Adjusted EBITDA	*-0.9%*	*7.2%*	*-810 bp*	*3.1%*	*-400 bp*
Taxes on Extraordinary Items	(0.9)	-	-	-	-
Adjusted Net Income (Loss) from Techfin Dimension	**(6.8)**	**(5.6)**	**21.1%**	**(2.4)**	**181.3%**
Net Effect of Amortization	5.2	5.2	0.0%	5.2	0.0%
Techfin Dimension Cash Earnings (1)	**(1.5)**	**(0.4)**	**322.4%**	**2.8**	**(155.0%)**
Techfin Cash Earnings Margin	*-2.5%*	*-0.7%*	*-180 bp*	*3.9%*	*-640 bp*

(1) Net Income without the effects of expenses with amortization of intangibles arising from acquisitions

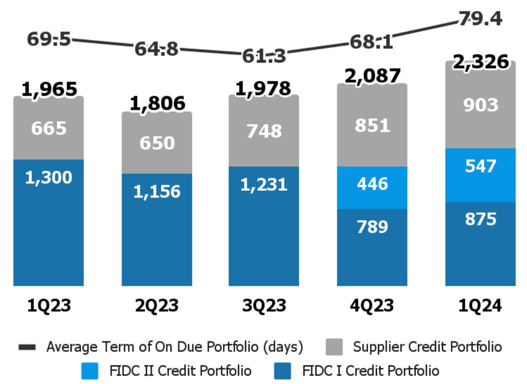
Techfin Revenue

Supplier Credit Production (R$ million)



Techfin revenue ended the quarter at R$99.5 million, a level similar to that reported in 1Q23. The main reason for maintaining this level was the growth of 3.7% in credit production and a 6.9% increase in the average term of credit production of Supplier, which effectively counterbalanced the decrease in the Selic rate during the period. When compared with 4Q23, the 16% reduction in Techfin Revenue Net of Funding is due to: (i) the 5.3-day reduction in the average term production; (ii) the decrease in the Selic Rate for the period; and (iii) the 4.3% decrease in credit production. The reduction in both credit production and average term during Q1 is a predictable seasonal pattern that is linked to the decrease in concentration of agribusiness credit agreements in production in this period.

Supplier Net Credit Portfolio (R$ million)

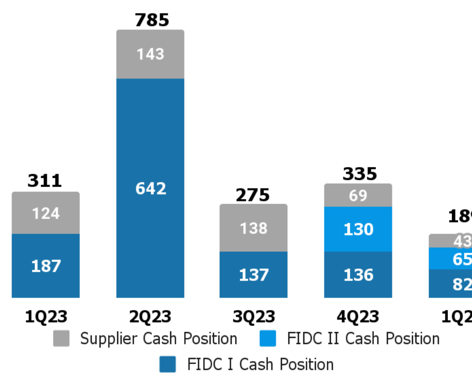


Supplier's Credit Portfolio, net of the Provision for Expected Credit Losses, grew 18% year-over-year, with an calculated average term of 79.4 days, mainly due to the greater share of agribusiness in the credit portfolio mix at the end of the quarter, originated in previous quarters, with more concentrated maturities starting in May. Should we disregard this concentration of agribusiness, the average portfolio term would be 67.8 days. The proportion of the portfolio loaded by Supplier at the end of the quarter was 39%, a level similar to that of 4Q23, reflecting the production mix of the last quarters, which had a higher concentration of Agribusiness.

Techfin Revenue - Net of Funding

The Cost of Funding ended the quarter at R$36.5 million, which means a 20% decrease over 4Q23 and a 19% decrease over 1Q23, reflecting: (i) the change in the funding mix made in the last quarter; (ii) the reduction in the Selic rate for the period; and (iii) the optimization of Cash, as shown in the chart on the side. This optimization in the funding cost, especially in the year-over-year view, allowed a 16% increase in Techfin Revenue Net of Funding versus 1Q23, resulting in a growth, in that revenue, higher than the Credit Production evolution in the period, demonstrating that this process can be an important lever for gaining efficiency in this operation throughout the year.

Supplier Cash Position (R$ million)



Operating Costs

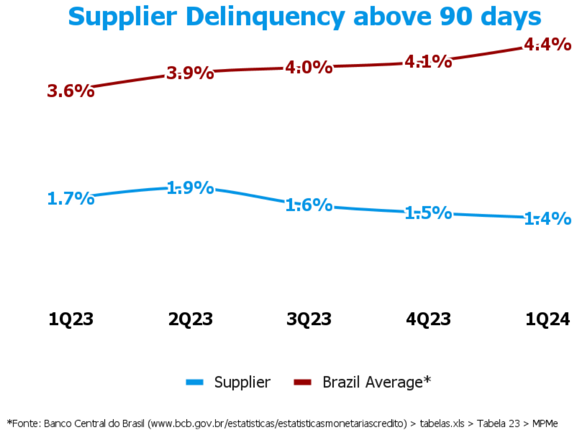
Operating Costs ended the quarter 13% lower than in 4Q23, mainly due to the reduction in credit insurance premiums, which reflect the reduction in Credit Production.

Research & Development

Research and Development (R&D) expenses decreased by 24% compared to 4Q23, due to: (i) the higher concentration of vacations in January; (ii) the reduction in the book value of a development asset that occurred in 4Q23 at Organic Techfin; and (iii) the fact that some of the projects under development at Organic Techfin, with clear prospects of return in the medium/long term, met the capitalization criteria.

Provision for Expected Credit Losses

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



Supplier's Credit Rights by Maturity (In R$ million)	1Q24	1Q23	Δ	4Q23	Δ
On Due	2,308.9	1,950.4	18.4%	2,069.8	11.6%
Notes overdue					
Up to 30 days	13.3	14.1	(5.5%)	15.1	(12.1%)
from 31 to 60 days	5.0	4.0	24.5%	5.5	(10.3%)
from 61 to 90 days	4.4	3.9	13.0%	4.0	11.0%
from 91 to 180 days	10.2	18.3	(44.5%)	10.7	(4.9%)
from 181 to 360 days	22.9	16.6	38.0%	21.0	8.7%
over 360 days	110.4	79.2	39.4%	103.6	6.5%
Gross Trade Receivables	**2,475.1**	**2,086.5**	**18.6%**	**2,229.8**	**11.0%**
Provision for Expected Credit Losses	(149.5)	(121.4)	23.2%	(142.9)	4.6%
Total	**2,325.6**	**1,965.1**	**18.3%**	**2,086.9**	**11.4%**

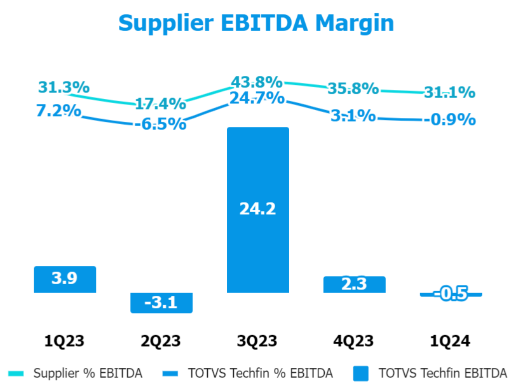
Other Operating Expenses

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

Techfin Adjusted EBITDA

Techfin Adjusted EBITDA ended the quarter at negative R$0.5 million, which means a decrease of R$2.8 million versus 4Q23, mainly due to the lower Revenue Net of Funding in the quarter. The OPEX of Organic Techfin operation (excluding Supplier) closed 1Q24 at R$25.1 million, a level slightly lower than 4Q23 due to the capitalization of some projects under development as mentioned in the "Research and Development" topic of this section.

Supplier's EBITDA Margin in 1Q24 stood at 31.1%, showing the strength of this operation, which was supported mainly by the improved Funding dynamics provided by the JV and the resulting cash optimization of the operation.



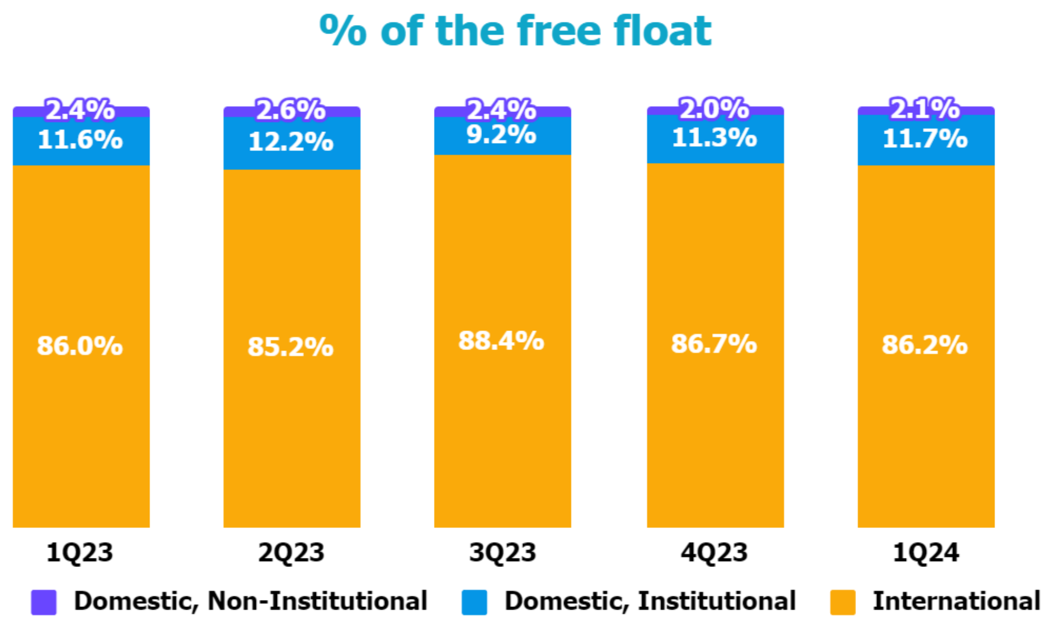
Therefore, Supplier continues to have a very solid operation, leading a large, profitable and recurring niche. After a 2023 of more volatility in quarterly results, we hope that 2024 will be a less volatile year, remembering that there is a historical seasonality in production in the first half of the year, reflecting the relevance of agribusiness in its results.

Techfin's Adjusted Net Income and Cash Earnings

The Techfin dimension loss, adjusted by the Extraordinary Expenses net of Income Tax, concluded the quarter with R$6.8 million, mainly attributed to the seasonal nature of Supplier's revenue in the quarter and to the continued investment in Techfin's organic operation, whose Working Capital and Payroll Loan products verticalized are already available in pilot selected clients of Management. This dimension's Cash Earnings, adjusted by the Extraordinary Expenses and the amortization of intangible assets arising from the acquisition of Supplier, closed the quarter at a loss of R$1.5 million.

SHAREHOLDING COMPOSITION

TOTVS ended 1Q24 with a Capital Stock of approximately R$3 billion, comprised of 617,183,181 common shares, of which 89% are in free-float with the following composition:



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

APPENDIX I

Consolidated Income Statement

In this view, we are considering the result of the Techfin Dimension at 100% in the "Net Income (Loss) from Discontinued Operation" line until July 2023, according to IFRS-5, and at 50% in the "Equity Pickup" from August 2023 on.

In R$ million	1Q24	1Q23	Δ	4Q23	Δ
Net Revenue	**1,247.6**	**1,064.1**	**17.2%**	**1,191.6**	**4.7%**
Management Revenue	1,118.0	975.9	14.6%	1,068.4	4.6%
Business Performance Revenue	129.7	88.2	47.0%	123.2	5.3%
Operating Costs	**(351.7)**	**(288.5)**	**21.9%**	**(341.2)**	**3.1%**
Management Operating Costs	(320.1)	(268.3)	19.3%	(311.8)	2.7%
Business Performance Operating Costs	(31.6)	(20.2)	56.3%	(29.4)	7.4%
Adjusted Gross Profit	**896.0**	**775.6**	**15.5%**	**850.4**	**5.4%**
Operating Expenses	**(677.8)**	**(586.7)**	**15.5%**	**(712.7)**	**(4.9%)**
Research and Development	(214.4)	(192.3)	11.5%	(212.1)	1.1%
Sales and Marketing Expenses	(261.7)	(213.8)	22.4%	(264.0)	(0.9%)
Provision for Expected Credit Losses	(13.2)	(7.5)	77.3%	(8.3)	58.7%
General and Administrative Expenses	(109.2)	(89.5)	22.0%	(109.0)	0.1%
Provision for Contingencies	(0.3)	(0.1)	221.0%	(12.4)	(97.3%)
Depreciation and Amortization	(73.5)	(62.1)	18.2%	(73.3)	0.2%
Other Net Revenues (Expenses)	(5.5)	(21.5)	(74.2%)	(33.5)	(83.5%)
EBIT	**218.1**	**188.9**	**15.5%**	**137.7**	**58.5%**
Financial Result	(4.7)	(20.6)	(77.4%)	(1.1)	307.5%
Equity Pickup	(4.3)	-	-	(1.2)	253.0%
Earnings Before Taxes (EBT)	**209.2**	**168.3**	**24.3%**	**135.3**	**54.6%**
Income Tax and Social Contribution	(78.8)	(63.1)	24.7%	(9.1)	765.6%
Net Income (Loss) from Discontinued Operation	(1.1)	(5.6)	(80.6%)	-	-
Consolidated Net Income	**129.4**	**99.5**	**30.0%**	**126.2**	**2.5%**
Non-Controlling Net Income	(2.7)	(5.4)	(49.8%)	(8.7)	(68.5%)
Controller's Net Income	**126.6**	**94.1**	**34.6%**	**117.6**	**7.7%**
Controller's Net Margin	*10.2%*	*8.8%*	*140 bp*	*9.9%*	*30 bp*

APPENDIX II

Reconciliation of the Consolidated Income Statement

In R$ million	1Q24 GAAP Income Statement* (a)	Deprec. and Amort. Reclass.** (b)	Consolidated Income Statement (a+b)
Net Revenue	**1,247.6**	**-**	**1,247.6**
Management Revenue	1,118.0	-	1,118.0
Business Performance Revenue	129.7	-	129.7
Costs	**(380.5)**	**28.8**	**(351.7)**
Gross Profit	**867.1**	**28.8**	**896.0**
Gross Margin	*69.5%*		*71.8%*
Operating Expenses (Revenues)	**(649.0)**	**(28.8)**	**(677.8)**
Research and Development	(226.5)	12.1	(214.4)
Sales and Marketing Expenses	(284.5)	22.8	(261.7)
General and Administrative Expenses	(132.5)	23.0	(109.5)
Depreciation and Amortization	-	(73.5)	(73.5)
Provision for Expected Credit Losses	-	(13.2)	(13.2)
Other Net Revenues (Expenses)	(5.5)	-	(5.5)
EBIT	**218.1**	**0.0**	**218.1**
Financial Revenues	89.0	-	89.0
Financial Expenses	(93.7)	-	(93.7)
Equity Pickup	(4.3)	-	(4.3)
Earnings Before Taxes (EBT)	**209.2**	**0.0**	**209.2**
Income Tax and Social Contribution	(78.8)	-	(78.8)
Techfin Dim. Net Income (Loss)	(1.1)	-	(1.1)
Consolidated Net Income	**129.371**	**0.0**	**129.4**
Non-Controlling Net Income	(2.7)	-	(2.7)
Controlling Net Income	**126.6**	**0.0**	**126.6**
Controlling Net Margin	*10.2%*		*10.2%*

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

** As established in IAS-1, expenses with depreciation and amortization and provision for expected credit losses were reclassified to cost and expense lines associated with the respective assets that originated them.

APPENDIX III

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

In R$ million	1Q24	1Q23	Δ	4Q23	Δ
Consolidated Net Income	**129.4**	**99.5**	**30.0%**	**126.2**	**2.5%**
Net Margin	*9.9%*	*8.9%*	*100 bp*	*10.0%*	*-10 bp*
(–) Net Income (Loss) Techfin Dim.	(1.1)	(5.6)	(80.6%)	-	-
(+) Depreciation and Amortization	73.5	62.1	18.2%	73.3	0.2%
(–) Financial Results	(4.7)	(20.6)	(77.4%)	(1.1)	307.5%
(+) Income Tax and Social Contribution	78.8	63.1	24.7%	9.1	765.6%
EBITDA GAAP	**287.3**	**251.0**	**14.5%**	**209.8**	**37.0%**
% EBITDA GAAP	*23.0%*	*23.6%*	*-60 bp*	*17.6%*	*540 bp*
(+) Techfin Dimension Adjusted EBITDA	**(0.3)**	**2.0**	**(113.7%)**	**1.1**	**(123.6%)**
(–) Equity Pickup	**(4.3)**	**-**	**-**	**(1.2)**	**253.0%**
(+) Extraordinary Items	**15.2**	**26.0**	**(41.6%)**	**46.2**	**(67.1%)**
M&A Adjustment at Fair Value	14.0	21.6	(35.0%)	38.4	(63.4%)
Adjustment from Oper. Restructuring	4.1	3.1	31.1%	2.0	98.3%
Expenses with M&A Transactions	3.0	1.3	133.8%	5.7	(48.0%)
Lost (Earn) in Disposed Assets	(5.9)	-	-	-	-
Adjusted EBITDA	**306.5**	**279.0**	**9.9%**	**258.3**	**18.7%**
Non-GAAP Adjusted EBITDA Margin	*24.0%*	*25.6%*	-160 bp	*21.0%*	300 bp

APPENDIX IV

Cash Flow *GAAP*

In R$ million	1Q24	1Q23	Δ	4Q23	Δ
EBT	**209.2**	**168.3**	**24.3%**	**135.3**	**54.6%**
Adjustments:	**207.8**	**188.7**	**10.1%**	**230.8**	**(10.0%)**
Depreciation and Amortization	73.5	62.1	18.2%	73.3	0.2%
Share-based Payments Expense	26.0	17.3	50.1%	21.1	23.5%
Loss (Earns) in Disposed Assets	(0.6)	1.0	(159.1%)	0.9	(164.1%)
Provision for Expected Credit Losses	13.2	7.5	77.3%	8.3	58.7%
Equity Pickup	4.3	-	-	1.2	253.0%
Prov. for Contingencies, Net of Reversals	0.4	0.1	308.6%	12.4	(96.5%)
Provision (Reversal) for Other Obligations	14.0	21.6	(35.0%)	35.5	(60.4%)
Net Inter. Monet. and Exchange Var.	76.9	79.1	(2.8%)	78.1	(1.6%)
Changes in Op. Assets and Liabilities:	**(81.0)**	**(68.6)**	**18.1%**	**(20.7)**	**291.4%**
Trade Receivables	(46.1)	(31.3)	47.5%	12.7	(463.0%)
Recoverable Taxes	(2.8)	4.9	(158.0%)	(50.3)	(94.4%)
Judicial Deposits	1.4	(2.7)	(151.0%)	(1.3)	(205.8%)
Other Assets	(34.2)	(34.5)	(0.7%)	52.2	(165.5%)
Labor Liabilities	7.4	3.4	114.8%	(34.5)	(121.3%)
Trade and Other Payables	12.6	(16.7)	(175.6%)	20.3	(37.9%)
Commissions Payable	(4.0)	8.3	(147.5%)	(2.4)	66.4%
Taxes and Contributions Payable	(8.3)	(12.9)	(36.0%)	13.0	(163.7%)
Other Accounts Payable	(7.0)	12.9	(154.3%)	(30.5)	(77.1%)
Operating Cash Generation	**336.0**	**288.4**	**16.5%**	**345.4**	**(2.7%)**
Interest paid	(97.8)	(108.7)	(10.0%)	(2.4)	>999%
Tax Paid	(53.9)	(51.6)	4.6%	(46.2)	16.6%
Net Cash from Operating Activities	**184.3**	**128.1**	**43.8%**	**296.8**	**(37.9%)**
Acquisitions of Prop. Plant and Equip.	(23.5)	(37.9)	(38.1%)	(25.3)	(7.3%)
Acquisition of Intangible Assets	(36.2)	(28.8)	25.4%	(20.3)	78.0%
Franchises Loan	3.6	6.2	(42.1%)	3.9	(8.6%)
Acquisition of Subsidiaries, Net of Cash	(570.9)	-	-	(5.7)	>999%
Payments from Acquisitions of Subsidiaries	(25.6)	(11.7)	118.6%	(0.7)	>999%
Proceeds from Sale of Subsid., Net of Cash	21.1	-	-	-	-
Proceeds from Sale of Prop. Plant and Equip.	7.0	0.5	>999%	1.8	298.5%
CVC Fund Investments	(26.0)	-	-	(20.7)	25.7%
Net cash Received (Invested) Techfin Dim.	-	(5.0)	(100.0%)	-	-
Net Cash used in Investing Act.	**(650.4)**	**(76.8)**	**746.8%**	**(67.0)**	**870.6%**
Payment of Princ. of Loans and Financing	(35.7)	(0.4)	>999%	-	-
Payment of Principal of Lease Liabilities	(15.1)	(13.9)	8.3%	(15.1)	(0.3%)
Receivables from Related Companies	-	(0.2)	(100.0%)	0.0	(100.0%)
Dividends and Interest on Equity Paid	-	(127.0)	(100.0%)	(142.3)	(100.0%)
Net Treasury Shares	(64.1)	(109.4)	(41.4%)	-	-
Net Cash gen. by (used in) Financ. Act.	**(114.9)**	**(251.0)**	**(54.2%)**	**(157.4)**	**(27.0%)**
Incr. (Dec.) in Cash and Cash Eq.	**(581.0)**	**(199.7)**	**191.0%**	**72.4**	**(902.2%)**
Cash and Equiv. Beginning of the Period	3,129.2	2,735.8	14.4%	3,056.7	2.4%
Cash and Equiv. End of the Period	2,548.1	2,536.1	0.5%	3,129.2	(18.6%)

APPENDIX V

Balance Sheet (*GAAP*)

In R$ million	1Q24	1Q23	Δ	4Q23	Δ
ASSETS					
Current Assets	**3,375.4**	**5,858.9**	**(42.4%)**	**3,906.3**	**(13.6%)**
Cash and Cash Equivalents	2,548.1	2,536.1	0.5%	3,129.2	(18.6%)
Trade Receivables	642.4	563.8	13.9%	600.7	6.9%
Provision for Expected Credit Losses	(61.7)	(57.5)	7.3%	(62.2)	(0.7%)
Recoverable Taxes	91.2	96.0	(5.0%)	87.8	3.8%
Escrow Account	13.8	12.7	8.2%	13.2	4.4%
Other Assets	141.8	117.9	20.2%	137.6	3.0%
Techfin Dimension Assets	-	2,590.0	(100.0%)	-	-
Non-current Assets	**5,648.4**	**4,376.7**	**29.1%**	**4,922.6**	**14.7%**
Long-term assets	**584.3**	**452.2**	**29.2%**	**514.5**	**13.6%**
Trade Receivables	16.7	31.7	(47.4%)	16.5	1.0%
Recoverable Taxes	- .0	8.1	(100.0%)	- .0	-
Receivables from Related Parties	5.0	1.1	340.7%	3.8	32.0%
Deferred Tax Assets	138.6	116.9	18.6%	147.4	(6.0%)
Judicial Deposits	32.2	37.6	(14.3%)	33.8	(4.7%)
Investments at Fair Value	140.7	108.1	30.1%	127.5	10.3%
Escrow Account	178.2	77.1	131.3%	116.8	52.6%
Other Assets	72.9	71.7	1.7%	68.7	6.1%
Investments	319.1	-	-	323.4	(1.3%)
Property, Plant and Equipment	405.7	422.2	(3.9%)	413.5	(1.9%)
Intangible	4,339.3	3,502.3	23.9%	3,671.2	18.2%
TOTAL ASSETS	**9,023.8**	**10,235.6**	**(11.8%)**	**8,828.9**	**2.2%**
LIABILITIES					
Current Liabilities	**1,427.3**	**2,983.9**	**(52.2%)**	**1,348.7**	**5.8%**
Labor Liabilities	407.7	321.1	27.0%	376.0	8.4%
Trade and Other Payables	171.4	112.0	53.1%	155.3	10.4%
Taxes and Contributions Liabilities	116.2	94.4	23.1%	107.4	8.2%
Debentures	10.3	8.7	17.8%	55.2	(81.4%)
Loans and Financing	1.7	0.1	>999%	32.1	(94.7%)
Lease Liabilities	59.8	57.6	3.8%	58.6	2.1%
Dividends Payable	1.8	3.3	(46.3%)	1.8	0.0%
Accounts Payable from Acq. of Subsid.	496.2	96.7	412.9%	421.8	17.6%
Commissions Payable	61.2	73.8	(17.1%)	62.6	(2.2%)
Other Liabilities	100.9	80.6	25.1%	78.0	29.4%
Techfin Dimension Liabilities	-	2,135.4	(100.0%)	-	-
Non-current Liabilities	**2,514.9**	**2,664.0**	**(5.6%)**	**2,467.5**	**1.9%**
Lease Liabilities	93.2	139.7	(33.3%)	106.7	(12.6%)
Loans and Financing	2.9	-	-	-	-
Debentures	1,492.3	1,489.1	0.2%	1,491.5	0.1%
Accounts Payable from Acq. of Subsid.	318.7	486.2	(34.4%)	272.1	17.1%
Tax Obligations	1.0	0.8	20.5%	0.0	>999%
Deferred Income Taxes	11.6	0.8	>999%	8.6	34.6%
Provision for Contingencies	108.7	106.4	2.2%	112.0	(2.9%)
Call Option of Non-controlling Interests	421.2	390.4	7.9%	412.7	2.1%
Other Liabilities	65.3	50.6	29.0%	63.8	2.3%
Shareholders' Equity	**5,081.7**	**4,587.7**	**10.8%**	**5,012.7**	**1.4%**
Share Capital	2,962.6	2,962.6	0.0%	2,962.6	0.0%
Treasury Shares	(367.9)	(327.0)	12.5%	(283.4)	29.8%
Capital Reserves	758.8	738.3	2.8%	738.3	2.8%
Profit Reserve	1,389.4	887.7	56.5%	1,262.7	10.0%
Carrying Value Adjustments	44.0	44.5	(1.0%)	40.4	9.0%
Non-controlling Interest	294.8	281.7	4.7%	292.1	0.9%
TOTAL LIABILITIES AND EQUITY	**9,023.8**	**10,235.6**	**(11.8%)**	**8,828.9**	**2.2%**

APPENDIX VI

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

In R$ million	1Q24
Up to 12 months	68.7
from 13 to 24 months	62.9
from 25 to 36 months	62.4
from 37 to 48 months	58.3
over 48 months	164.5
Total	**416.8**

Aging of M&A Amortizations Effect (Techfin)

In R$ million	1Q24
Up to 12 months	27.7
from 13 to 24 months	6.7
from 25 to 36 months	6.6
from 37 to 48 months	6.6
over 48 months	31.7
Total	**79.2**

APPENDIX VII

Techfin's Cash Flow

In R$ million	1Q24	1Q23	Δ	4Q23	Δ
EBT	**(8.4)**	**(6.5)**	**29.1%**	**(3.0)**	**179.0%**
Non-Cash Items	**50.4**	**66.8**	**(24.6%)**	**57.6**	**(12.5%)**
Change in Working Capital	**(253.5)**	**(78.9)**	**221.3%**	**112.7**	**(325.0%)**
Operating Cash Generation	**(211.5)**	**(18.6)**	**>999%**	**167.2**	**(226.4%)**
Interest paid	(0.1)	(0.0)	26.8%	(11.3)	(99.5%)
Income Tax and Social Cont. paid	(0.4)	-	-	(0.1)	498.4%
Net Cash from Operating Activities	**(211.9)**	**(18.6)**	**>999%**	**155.9**	**(235.9%)**
Fixed Assets	(0.3)	(0.1)	181.4%	(1.0)	(71.4%)
Intangibles	(1.1)	(0.0)	>999%	(0.1)	939.1%
Financial Rescues (Invest.)	150.9	285.0	(47.1%)	(129.2)	(216.8%)
Net Cash used in Investing Act.	**149.5**	**284.9**	**(47.5%)**	**(130.2)**	**(214.8%)**
Increase (Decrease) Gross Debt	100.0	-	-	(600.0)	(116.7%)
Payment of Principal of Lease Liabilities	(0.4)	(0.3)	49.8%	(0.4)	2.2%
Red. (Inv.) of Senior Quotas	(42.0)	(307.7)	(86.3%)	466.3	(109.0%)
Capital Increase, Net of Expenses	-	5.0	(100.0%)	-	-
Receivables from Related Companies	-	0.2	(100.0%)	-	-
Net Cash gen. by (used in) Financ. Act.	**57.5**	**(302.8)**	**(119.0%)**	**(134.1)**	**(142.9%)**
Incr. (Dec.) in Cash and Cash Equivalent	(4.9)	(36.5)	(86.6%)	(108.4)	(95.5%)
Cash and Equiv. Beginning of the Period	199.2	164.8	20.9%	307.5	(35.2%)
Cash and Equiv. End of the Period	**194.3**	**128.3**	**51.4%**	**199.2**	**(2.5%)**
Revenue from financial investment, net of Taxes	5.1	0.1	>999%	5.7	(10.7%)
Free Cash Flow to Firm *	**(218.7)**	**(19.0)**	**>999%**	**160.0**	**(236.7%)**

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

Techfin's Free Cash Flow ended the quarter at a negative R$219 million and its variation, when compared to 4Q23, is mainly related to the growth in Accounts Receivable from Customers, due to the increase in the Credit Portfolio and the reduction in Business Partners Payable.

APPENDIX VIII

Techfin's Balance Sheet

In R$ million	1Q24	1Q23	Δ	4Q23	Δ
ASSETS					
Current Assets	**2,685.2**	**2,298.2**	**16.8%**	**2,640.4**	**1.7%**
Cash and Cash Equivalents	194.3	128.3	51.4%	199.2	(2.5%)
Financial Investments	141.3	186.9	(24.4%)	279.0	(49.4%)
Trade Receivables	2,320.1	1,966.0	18.0%	2,080.8	11.5%
Other Assets	29.6	17.1	73.2%	81.4	(63.7%)
Non-current Assets	**256.1**	**291.8**	**(12.2%)**	**260.4**	**(1.7%)**
Long-term assets	**50.1**	**48.8**	**2.9%**	**46.4**	**8.0%**
Other Assets	50.1	48.8	2.9%	46.4	8.0%
Property, Plant and Equipment	6.4	5.9	9.3%	7.2	(10.2%)
Intangible	199.5	237.2	(15.9%)	206.9	(3.5%)
TOTAL ASSETS	**2,941.3**	**2,590.0**	**13.6%**	**2,900.8**	**1.4%**
LIABILITIES					
Current Liabilities	**2,293.1**	**2,130.0**	**7.7%**	**2,243.5**	**2.2%**
Loans and Financing	101.7	1.2	>999%	1.6	>999%
Business Partners Payable	721.8	713.8	1.1%	779.1	(7.4%)
Senior and Mezzanine Quotas	1,412.3	1,387.9	1.8%	1,410.5	0.1%
Other Liabilities	57.4	27.2	111.2%	52.4	9.6%
Non-current Liabilities	**10.0**	**5.4**	**86.4%**	**10.5**	**(5.1%)**
Loans and Financing	1.5	1.4	0.4%	1.8	(18.7%)
Provision for Contingencies	2.4	1.6	47.3%	2.5	(3.9%)
Other Liabilities	6.2	2.3	168.2%	6.3	(1.7%)
Shareholders' Equity	**638.2**	**454.6**	**40.4%**	**646.7**	**(1.3%)**
TOTAL LIABILITIES AND EQUITY	**2,941.3**	**2,590.0**	**13.6%**	**2,900.8**	**1.4%**

GLOSSARY

A

ADTV (Average Daily Trading Volume)

ARR (Annual Recurring Revenue)

C

CADE (Conselho Administrativo de Defesa Econômica): Brazilian Antitrust Agency.

CAC Customer Acquisition Cost

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

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

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

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

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

E

Earn-out: a portion corresponding to the payment of the part of the acquisition price of a company and linked to compensation to the selling partners in relation to the company’s future profits.

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

ESG (Environmental, Social and Governance)

F

FIDC (*Fundo de Investimento em Direitos Creditórios*): securitization fund.

G

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

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

H

Headcount: count of the total employees of an organization.

I

IBOV (*Índice Bovespa*): Bovespa Index. It is the most important indicator of the average performance of the prices of shares traded on the B3 stock exchange - Brazil, Bolsa, Balcão. It is formed by the shares with the highest volume traded in recent months.

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

IIRC (International Integrated Reporting Council)

J

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

L

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

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

LTM (Last Twelve Months)

M

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

N

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

O

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

P

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

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

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

Q

QoQ (Quarter-over-Quarter)

R

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

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

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

ROE (Return on equity)

S

SaaS (software as a service)

SDG (Sustainable Development Goals)

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

Signings: sales production.

SMB (Small Million Business).

T

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

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

U

UN (United Nations)

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

Y

YoY (Year-over-Year)