EARNINGS RELEASE 3Q24

VIDEO CONFERENCE - November 7th , 2024 at 11am (BRT)

- **PORTUGUESE:**

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TOTVS

3Q24 EARNINGS RELEASE

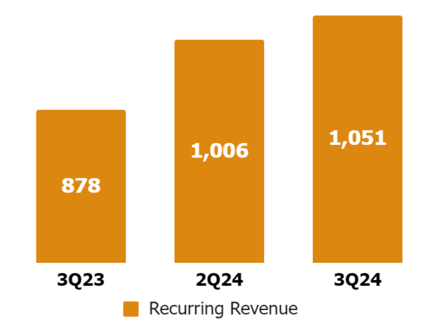
São Paulo, November, 6th, 2024 - TOTVS S.A. (B3: TOTS3), the leader in the development of business solutions in Brazil, announces its results for the **Third Quarter of 2024 (3Q24).**

ADJUSTED EBITDA GREW 13% WITH MARGIN 200 BP HIGHER THAN THE 2Q24

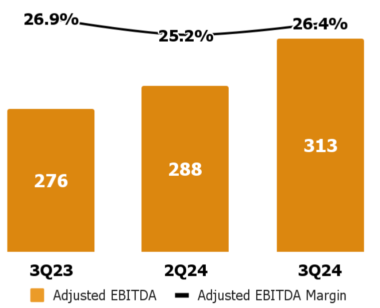
- Adjusted EBITDA Margin ended the quarter 20 basis points higher than 1Q24, even this latter counting on revenue from Corporate Model
- Business Performance EBITDA Margin reached double digits, growing 640 basis points over 2Q24 and 600 basis points over 3Q23
- Adjusted Net Income reached R$226 million, growth of 55% in comparison to 2Q24
- Management Recurring Revenue + Business Performance Revenue GREW 21% over 3Q23, reaching R$1.2 billion and 87% of Total Net Revenue

3Q24 NET REVENUE[1]	3Q24 ADJUSTED EBITDA	3Q24 ADJUSTED NET INCOME	3Q24 FREE CASH FLOW
R$1.4billion	**R$335million**	**R$226million**	**R$183million**
+4.2% vs 2Q24	**+13% vs 2Q24**	**+55% vs 2Q24**	**+16% vs 2Q24**

Management Recurring Revenue (R$ million)



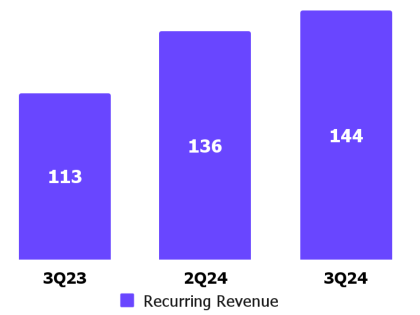
Management Adj. EBITDA (R$ million)



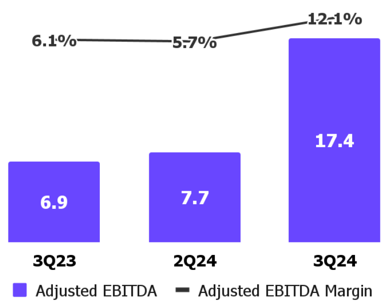
Management ARR
R$4.8billion
+3.4% vs 2Q24
+18% vs 3Q23

Management ARR Net Addition
R$158million
+6.5% vs 2Q24

Biz Performance Revenue (R$ million)



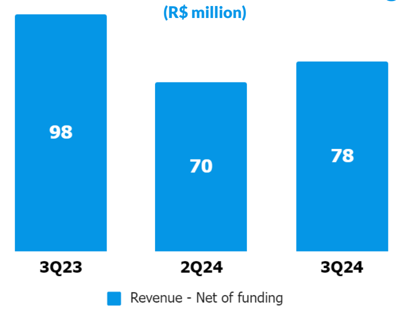
Biz Perform. Adj. EBITDA (R$ million)



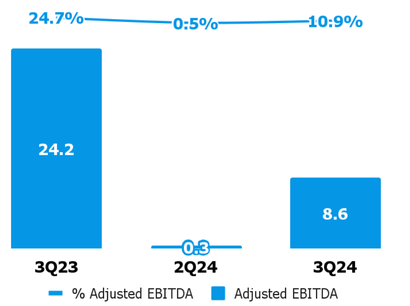
Biz Performance ARR
R$559million
+4.2% vs 2Q24
+25% vs 3Q23

Biz Performance EBITDA
R$17million
+127% vs 2Q24

Techfin Revenue Net of Funding (R$ million)



Techfin Adjusted EBITDA (R$ million)



Delinquency over 90 days
1.3%
320 basis points lower than Brazil Average[2]

Credit Production
+R$3billion
+9.2% vs 2Q24

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

RECENT EVENTS

Acquisition of VAREJONLINE

Another step in building a complete “Retail Suite”

VAREJONLINE offers a comprehensive and specialized portfolio of management solutions for retail. Going beyond traditional Point of Sale (“POS”), it provides an integrated approach by incorporating essential modules for optimizing all operational and administrative processes of retailers, with a particular focus on franchise operations and 100% cloud-native technological architecture.

For more information, please click here

New Share Buyback Program

Closing of the previous program and cancellation of repurchased shares

The Board of Directors approved on this date: (i) the closing of the share buyback program approved on November 7th, 2023; (ii) the cancellation of 17,781,600 treasury shares, without reducing capital stock; and (iii) the creation of a new buyback program of up to 18 million shares, aiming to maximize shareholder value generation and promote efficient capital allocation.

For more information, please click here

GPTW 2024

TOTVS and RD Station featured among the best companies to work in Brazil

TOTVS ranks 18th and RD Station ranks 44th in the companies category with 1,000 to 9,999 employees by the 2024 edition of Great Place To Work Brasil (GPTW) ranking. This recognition showcases TOTVS' belief that everyone can grow and its commitment to its objective of being increasingly recognized as a great place to work.

For more information, please click here (portuguese only)

Transparency Trophy 2024

TOTVS among the best financial statements

Recognition for the fourth consecutive year in the “Troféu Transparência” (Transparency Trophy), granted by ANEFAC - National Association of Finance, Administration and Accounting Executives, consolidates TOTVS' position as a reference in transparency, by providing investors and other stakeholders with a clear and reliable view of its operations through its financial statements.

For further information, please click here (portuguese only)

Election of TOTVS TECHFIN’s CEO

Mauro Wulkan appointed to the office of President (“CEO”)

As part of the integration process between Supplier and TOTVS TECHFIN’s operations, Mr. Mauro Wulkan takes office as CEO with the responsibility of leading the growth strategy of Techfin segment, which is focused on the creation of ERP Banking, a disruptive concept that encompasses the development and distribution of financial services to legal entities, with an ERP integrated digital journey, as well as the use of data as main engine of credit modeling.

For further information, please click here

FINANCIAL AND OPERATING RESULTS

Management Message

This third quarter represents a kind of "to turn the corner" in relation to TOTVS' ability to show operating leverage, both in EBITDA and in the bottom line.

During discussions with certain investors, we have been receiving feedback showing that the company has achieved exceptional growth in recent years, achieving 22 consecutive quarters of double-digit growth in Recurring Revenue (and, considering the ARR addition, mathematically the 23rd seems close), most of them in the "twenties", including in Management, which was incorrectly seen as considered a mature market with high penetration; however, this growth has not been followed by a gain in profitability of the same magnitude.

In last quarter's message, we spoke of our confidence that, as of 2H24, we would see a significant recovery in profitability in the 3 Business Units: in Management, with the end of the impacts of the long and unusually large mismatch between IPCA and IGP-M, in addition to the gains from the integration of the latest acquisitions and the sustained accelerated growth of recurring revenue; in Business Performance, due to the rapid gain in scale in a business with very favorable unit economics; and in Techfin, due to the increase in costs and funding efficiency, the synergies of integration between operations and the release of the first new products.

That is exactly what we had from this quarter onwards. In comparisons with 2Q24, we delivered: (i) in the consolidated, growth of over 13% in EBITDA, with a gain of 200 basis points in margin; (ii) in Management, EBITDA growth of 9%, with a 120 basis points increase in margin; (iii) in Business Performance, EBITDA 127% higher, with a gain of 640 basis points in margin; and (iv) in Techfin, over 2000% growth in EBITDA, with a 1,040 basis points increase in margin.

Another clear sign of this recovery is the comparison, in Management, between the performances of 3Q24 versus 1Q24 and 3Q23 versus 1Q23. Historically, the first quarter has been the strongest in terms of margin, due to the Corporate Model, which brings important additional revenue from licenses. 3Q23 was considered an exceptional quarter in Management, among other reasons, because EBITDA was 0.9% higher than 1Q23, with a margin "only" 150 basis points lower. Well, in 3Q24 we had an EBITDA 5.3% higher than 1Q24, with "only" 60 basis points lower margin.

The margin gain performance in Business Performance is higher than expected by the Company itself, also because it has been followed by important investments in the transformation of the single product into a multi-product platform, which involves acquisitions of companies with lower margins at the beginning, in addition to the creation of a new go to market, for Management clients, using its sales machine, which is added to the traditional go to market inbound digital SaaS go to market.

Regarding Techfin, after the first year of operation of the JV with Itaú, the signs of profitability are also clear. Following 2Q23, our market analysis revealed projections of unfavorable results for several quarters. However, what we have since then is an operation with R$35 million of accumulated EBITDA (at 100%), despite investing heavily in the creation of the "ERP Banking".

In considering the remainder of the year and the outlook for 2025, we are confident that TOTVS has all the required elements to continue growing in the top line, supported by operational leverage in the 3 Business Units. And, by doing that, showcase its special talent for combining innovation and a pioneering spirit with financial and operational discipline.

I would like to conclude by congratulating and thanking all of our employees for their great achievement of 18th place in the GPTW ranking. As we always say, people are the main asset of TOTVS.

Dennis Herszkowicz - CEO

Financial and Operating Highlights

Given the progress in developing the Company's partners ecosystem of solutions, we have improved the disclosure of net revenue in this quarter. The net revenue now shows revenues from solution partnerships in which TOTVS acts as a "commercial agent", already deducted from the respective costs with the sharing of revenue passed on to such partners, under CPC 47 / IFRS-15. To ensure comparability, similar treatment has been used for presenting the prior periods contained herein. The reconciliation between the previous and the current formats is presented in **Appendix XI** of this document.

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

	3Q24	3Q23	Δ	2Q24	Δ	**9M24**	9M23	Δ
Growth (in R$ million)								
Non-GAAP Net Revenue [1]	**1,369.0**	**1,188.1**	**15.2%**	**1,313.8**	**4.2%**	**3,945.8**	**3,363.9**	**17.3%**
Management + Biz Perform. Recurring Revenue	1,191.0	987.7	20.6%	1,139.4	4.5%	3,398.7	2,811.5	20.9%
% Management + Biz Perform. Recurring Revenue	87.0%	83.1%	390 bp	86.7%	30 bp	86.1%	83.6%	250 bp
Techfin Revenue - Net of funding [2]	39.2	48.9	(19.9%)	34.9	12.3%	105.6	99.9	5.7%
Consolidated ARR	5,343.5	4,500.5	18.7%	5,163.1	3.5%	n/a	n/a	-
Consolidated ARR Net Addition [3]	180.4	170.8	5.6%	176.8	2.0%	547.0	525.7	4.0%
Management + Biz Perform. SaaS Revenue	652.9	501.8	30.1%	616.2	6.0%	1,830.2	1,391.8	31.5%
Management Recurring Revenue vs. ARR [4]	89.3%	88.1%	120 bp	89.1%	20 bp	n/a	n/a	-
Biz Performance Recurring Revenue	140.1	110.0	27.4%	133.4	5.0%	400.1	292.5	36.8%
Credit Production	3,047.2	2,885.6	5.6%	2,791.1	9.2%	8,456.8	7,893.7	7.1%
Profitability (in R$ million)								
Adjusted EBITDA Margin [5]	**24.5%**	**24.8%**	**-30 bp**	**22.5%**	**200 bp**	**23.7%**	**24.7%**	**-100 bp**
Adjusted EBITDA [6]	334.7	294.9	13.5%	295.9	13.1%	937.1	831.6	12.7%
NOPLAT [7]	228.3	202.5	12.8%	151.2	51.0%	535.9	470.8	13.8%
Adjusted Net Income [8]	226.1	211.0	7.2%	145.5	55.4%	530.6	474.3	11.9%
Adjusted Earnings Margin	16.5%	17.8%	-130 bp	11.1%	540 bp	13.4%	14.1%	-70 bp
Oper. Cash Generation (Mgmt + Biz Perform.)	331.3	379.9	(12.8%)	350.6	(5.5%)	1,017.8	1,021.2	(0.3%)
Op. Cash Generation / Adjusted EBITDA	100.2%	134.4%	-3420 bp	118.6%	-1840 bp	109.1%	124.7%	-1560 bp
Stock Market								
TOTS3 (in R$)	**28.56**	**27.00**	**5.8%**	**30.43**	**(6.1%)**	**n/a**	**n/a**	**-**
ADTV 30 (in R$ million)	77.5	124.7	(37.8%)	125.4	(38.2%)	n/a	n/a	-
TOTS3 TSR [9]	n/a	27.0	7.4%	30.4	(4.0%)	n/a	n/a	-
IBOV (thousands pts)	131.8	116.6	13.1%	123.9	6.4%	n/a	n/a	-
IBrX 50 (thousands pts)	22.2	19.4	14.2%	20.9	6.3%	n/a	n/a	-

(1) Non-GAAP Revenue net of Funding , represents the Techfin Revenue at 50% and net of Funding Cost consolidated in the Total Company's Revenue, in all periods
(2) Considers Techfin's results at 50% in all periods
(3) Organic ARR Net Addition from Management + Business Performance
(4) Ratio Calculation Rationale = Recurring Revenue / [(Current Quarter ARR + Previous Quarter ARR) / 8]
(5) Adjusted EBITDA over the Non GAAP Revenue net of Funding, considering the Techfin's Results revenue at 50% in all periods
(6) EBITDA adjusted by extraordinary items and added with 50% of Techfin EBITDA in all periods
(7) NOPLAT is a managerial measure that represents Operating Income minus taxes. Calculation Rationale = Adjusted Net Income - (Adjusted Financial Result) x 66 %
(8) Net Income adjusted by the extraordinary items, effects of the partnership agreement for the Dimensa operation and without the effects of expenses with amortization of intangibles arising from acquisitions
(9) TSR represents the Total Shareholder Return, that is, the payment of dividends for the period is added to the final share price

Consolidated Results (Non-GAAP)

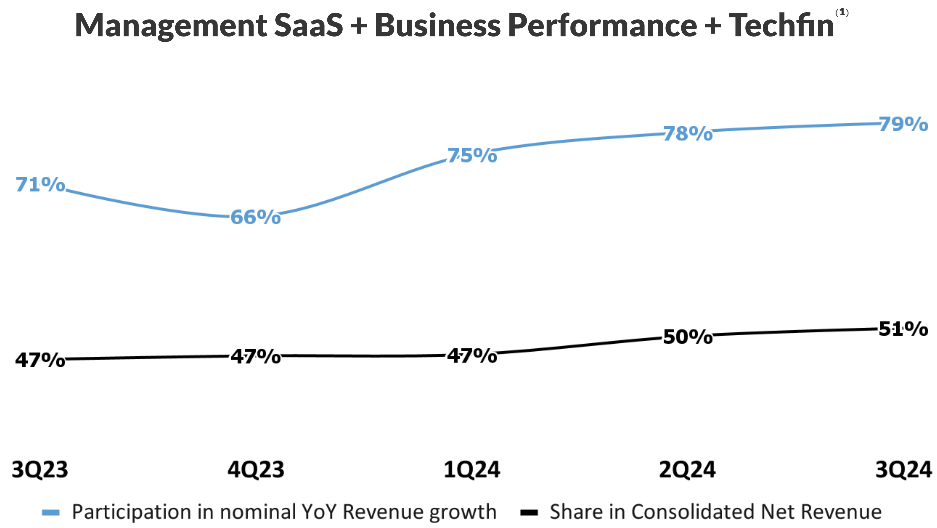
Consolidated Result (in R$ million)	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Consolidated Net Revenue	**1,369.0**	**1,188.1**	**15.2%**	**1,313.8**	**4.2%**	**3,945.8**	**3,363.9**	**17.3%**
GAAP Net Revenue	**1,329.8**	**1,139.2**	**16.7%**	**1,278.8**	**4.0%**	**3,840.2**	**3,264.0**	**17.7%**
Management Revenue	1,186.1	1,026.5	15.5%	1,143.0	3.8%	3,431.4	2,964.8	15.7%
Business Performance Revenue	143.7	112.7	27.5%	135.8	5.8%	408.7	299.2	36.6%
Techfin Revenue - Net of funding [1]	**39.2**	**48.9**	**(19.9%)**	**34.9**	**12.3%**	**105.6**	**99.9**	**5.7%**
Adjusted EBITDA [2]	**334.7**	**294.9**	**13.5%**	**295.9**	**13.1%**	**937.1**	**831.6**	**12.7%**
Mgmt. + Biz Performance Adjusted EBITDA	**330.5**	**282.8**	**16.9%**	**295.7**	**11.7%**	**932.9**	**819.1**	**13.9%**
Management Adjusted EBITDA	313.0	275.9	13.4%	288.0	8.7%	898.3	804.9	11.6%
Biz Performance Adjusted EBITDA	17.4	6.9	154.1%	7.7	126.7%	34.6	14.2	143.0%
Techfin Adjusted EBITDA [3]	**4.3**	**12.1**	**(64.6%)**	**0.2**	**>999%**	**4.2**	**12.5**	**(66.7%)**
Adjusted EBITDA Margin	***24.5%***	***24.8%***	***-30 bp***	***22.5%***	***200 bp***	***23.7%***	***24.7%***	***-100 bp***
% Mgmt. + Biz Performance Adjusted EBITDA	***24.8%***	***24.8%***	***0 bp***	***23.1%***	***170 bp***	***24.3%***	***25.1%***	***-80 bp***
% Management Adjusted EBITDA	*26.4%*	*26.9%*	*-50 bp*	*25.2%*	*120 bp*	*26.2%*	*27.1%*	*-90 bp*
% Biz Performance Adjusted EBITDA	*12.1%*	*6.1%*	*600 bp*	*5.7%*	*640 bp*	*8.5%*	*4.8%*	*370 bp*
% Techfin Adjusted EBITDA	***10.9%***	***24.7%***	***-1380 bp***	***0.5%***	***1040 bp***	***4.0%***	***12.5%***	***-850 bp***

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

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

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

Net Revenue



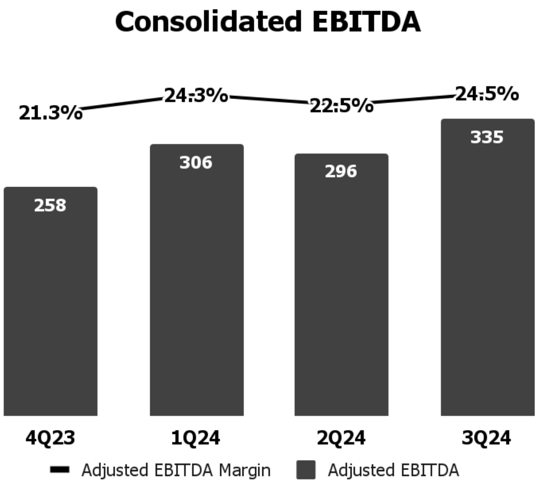
[1] Consider Techfin revenue at 50% in all periods

In the third quarter, consolidated Net Revenue reached R$1.4 billion, up 15% year-over-year, reflecting growth in Management and Business Performance Revenue, which together grew 17% year-over-year. This performance is largely the result of the focus on expanding recurring revenue in both operations, with 20% year-over-year growth in Management Recurring Revenue, driven by growth in SaaS Revenue, and 28% growth in Business Performance Net Revenue in the same period.

Management SaaS, Business Performance and Techfin revenues continue to be the main drivers of growth, having jointly accounted for more than half of the Total Revenue in the quarter, and for almost 80% of the year-over-year growth in Consolidated Net Revenue.

Adjusted EBITDA

Adjusted EBITDA for the quarter concluded at R$335 million, with a Margin of 24.5%, surpassing 2Q24 by 200 basis points, driven by margin expansion across the three business dimensions.



As demonstrated in the chart alongside, the Company has been advancing sequentially in profitability gains since 4Q23. The performance of 3Q24, exceeding 1Q24 by a margin of 20 basis points, is particularly impressive given the historical trend of the first quarter has presented the higher margin of the year. Compared to 2Q24, the margin expanded 200 basis points, being 120 basis points in Management, 640 basis points in Business Performance, which achieved double digits and a record EBITDA Margin of 12.1%, and 1,040 basis points in Techfin.

It is also worth mentioning that Management + Business Performance Adjusted EBITDA increased 16.9% year-over-year, with an EBITDA Margin of 24.8%.

Adjusted Net Income

In view of the Company's consolidating DNA, which combines organic and inorganic growth to generate value for shareholders, we revised the Adjusted Net Income metric to provide a more precise depiction of the Company's profitability, incorporating the subsequent effects into the existing rationale: (i) expenses with the amortization of Acquisitions' intangible assets, thus eliminating the need for the Cash Earnings line; (ii) the extraordinary impact on financial expenses by adjustment to present value from earn-outs; (iii) variations in financial expenses by adjustment to present value arising from the call option for the purchase of non-controlling interests in Dimensa; and (iv) the portion of Net Income attributed to Dimensa's non-controlling shareholders.

In R$ million	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Mgmt. + Biz Performance Adjusted EBITDA	**330.5**	**282.8**	**16.9%**	**295.7**	**11.7%**	**932.9**	**819.1**	**13.9%**
Mgmt. + Biz Performance Extraordinary Items	5.2	(9.2)	(156.9%)	(15.9)	(132.8%)	(25.9)	(49.8)	(48.0%)
Mgmt. + Biz Performance EBITDA	**335.7**	**273.6**	**22.7%**	**279.8**	**20.0%**	**907.1**	**769.3**	**17.9%**
Depreciation and Amortization	(86.9)	(71.5)	21.4%	(84.3)	3.0%	(244.7)	(209.5)	16.8%
Financial Result	(19.8)	8.1	(346.0%)	(9.6)	105.8%	(34.1)	(16.3)	109.6%
Income Tax and Social Contribution	64.8	(21.0)	(407.9%)	(61.6)	(205.2%)	(75.5)	(137.5)	(45.1%)
Net Income (Loss) from Discontinued Operation	-	241.3	(100.0%)	-	-	(1.1)	227.8	(100.5%)
Non-Controlling Net Income - Dimensa	(4.8)	(7.0)	(31.2%)	(5.8)	(16.9%)	(13.4)	(21.0)	(36.1%)
Equity-accounted Investees Result - Techfin	2.1	4.4	(53.2%)	(3.6)	(157.8%)	(5.8)	4.4	(230.9%)
GAAP Net Income	**291.0**	**427.7**	**(32.0%)**	**114.9**	**153.3%**	**532.5**	**617.3**	**(13.7%)**
Net Margin	*21.9%*	*37.5%*	*-1560 bp*	*9.0%*	*1290 bp*	*13.9%*	*18.9%*	*-500 bp*
Net Result from Discontinued Operation (1)	-	(240.0)	(100.0%)	-	-	1.1	(233.2)	(100.5%)
Net Extraordinary Items (2)	(90.6)	5.1	<(999%)	8.9	<(999%)	(70.8)	33.0	(314.6%)
PVA of Call Option, Net (3)	7.1	4.2	70.6%	2.2	216.2%	14.9	14.1	6.2%
Net Effect of Amort. of Acquisitions' Intangibles (4)	18.6	14.0	33.2%	19.5	(4.5%)	52.8	43.2	22.2%
Adjusted Net Income	**226.1**	**211.0**	**7.2%**	**145.5**	**55.4%**	**530.6**	**474.3**	**11.9%**
Adjusted Net Margin (5)	*16.5%*	*17.8%*	*-130 bp*	*11.1%*	*540 bp*	*13.4%*	*14.1%*	*-70 bp*

(1) Until July/2023, subtract 50% of the Net Income/Loss from Discontinued Operation (Techfin Dimension). From August/2023, subtract the Profit and price adjustment of the sale of 50% of Techfin to Itaú.
(2) Extraordinary items Net of Income Tax: (i) from Management + Business Performance EBITDA; (ii) from Tax Credit arising from the constitution of Deferred Income Tax of RD Station; (iii) from the PV adjustments arising from earn-out adjustments; and (iv) from Techfin Result (50%)
(3) Present Value Adjustment Finance Expense arising from the Call Option to purchase non-controlling interests, as per the partnership agreement with B3 for the Dimensa operation
(4) Amortization of intangibles arising from acquisitions, except goodwill, Net of Income taxes
(5) Adjusted Net Income as % of the Revenue net of Funding Cost, considering the Techfin's Results revenue at 50% in all periods

The Adjusted Net Income reached R$226 million in 3Q24, marking a 55% increase over 2Q24 and with an Adjusted Net Margin of 16.5%, which is 540 basis points higher than the previous quarter. This performance was driven by the 12% growth in Management + Biz Performance Adjusted EBITDA and by the seasonal reduction in Income Tax and Social Contribution, because of the payment of Interest on Equity benefit in 3Q.

When compared to 3Q23, the 7.2% growth in Adjusted Net Income was due to the 17% increase in Management + Biz Performance Adjusted EBITDA, which offset the impact of the R$16.2 million decrease in adjusted financial result (please refer to the "Below EBITDA Results" section).

The recent acquisitions, combined with earn-out adjustments made at the end of 2023 and beginning of 2024 and the fulfillment of the share buyback program, caused the Company's net cash position to decrease by 64% in 3Q24 compared to 3Q23. These factors primarily caused a decrease in financial results, leading to Adjusted Net Income growth lagging behind Adjusted EBITDA growth during the period. This behavior is different from the Company's cash generation, which we will discuss in the next topic.

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	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
EBT (GAAP)	**231.1**	**214.5**	**7.7%**	**182.3**	**26.8%**	**622.5**	**548.0**	**13.6%**
Non-Cash Items	**164.9**	**177.9**	**(7.3%)**	**147.3**	**11.9%**	**519.9**	**545.0**	**(4.6%)**
Change in Working Capital	**(64.7)**	**(12.5)**	**417.4%**	**21.0**	**(407.6%)**	**(124.6)**	**(71.7)**	**73.8%**
Operating Cash Generation	**331.3**	**379.9**	**(12.8%)**	**350.6**	**(5.5%)**	**1,017.8**	**1,021.2**	**(0.3%)**
Interest paid	(76.2)	(111.6)	(31.8%)	(2.4)	>999%	(176.4)	(222.5)	(20.7%)
Income Tax and Social Cont. paid	(33.4)	(63.4)	(47.2%)	(41.9)	(20.1%)	(129.2)	(143.4)	(9.9%)
Net Cash from Operating Activities	**221.7**	**204.9**	**8.2%**	**306.3**	**(27.6%)**	**712.2**	**655.3**	**8.7%**
Acquisition of Subsidiaries and Investments, Net	6.6	(40.3)	(116.5%)	(302.0)	(102.2%)	(896.8)	(121.0)	641.1%
Fixed Assets	(18.7)	(36.7)	(49.1%)	(36.0)	(48.1%)	(71.2)	(96.2)	(26.0%)
Intangibles	(20.1)	(83.5)	(75.9%)	(41.9)	(52.0%)	(98.2)	(133.6)	(26.5%)
Franchises Loan	(18.8)	(2.5)	655.4%	3.8	(591.0%)	(11.4)	9.2	(223.1%)
Net cash Received (Invested) Techfin Dim.	-	410.0	(100.0%)	-	-	-	405.2	(100.0%)
Net Cash from Investing Act.	**(51.0)**	**247.0**	**(120.6%)**	**(376.2)**	**(86.4%)**	**(1,077.6)**	**63.6**	**<(999%)**
Increase (Decrease) Gross Debt	(25.0)	32.1	(178.0%)	(9.7)	158.9%	(70.4)	21.1	(433.2%)
Investments from Non-controlling Interest	-	-	-	-	-	-	4.2	(100.0%)
Payment of Principal of Lease Liabilities	(16.8)	(15.2)	10.5%	(15.0)	11.5%	(46.9)	(43.9)	6.7%
Shareholders Remuneration	(179.3)	(138.7)	29.3%	(248.3)	(27.8%)	(491.7)	(379.3)	29.6%
Receivables from Related Companies	-	6.3	(100.0%)	-	-	-	(0.0)	(100.0%)
Net Cash from Financ. Act.	**(221.1)**	**(115.5)**	**91.4%**	**(273.0)**	**(19.0%)**	**(609.0)**	**(398.0)**	**53.0%**
Incr. (Dec.) in Cash and Cash Equivalent	(50.4)	336.4	(115.0%)	(342.9)	(85.3%)	(974.3)	321.0	(403.6%)
Cash and Equiv. Beginning of the Period	2,205.2	2,720.3	(18.9%)	2,548.1	(13.5%)	3,129.2	2,735.8	14.4%
Cash and Equiv. End of the Period	**2,154.8**	**3,056.7**	**(29.5%)**	**2,205.2**	**(2.3%)**	**2,154.8**	**3,056.7**	**(29.5%)**

Cash and Cash Equivalents ended the quarter amounting to R$2.2 billion, a level similar to 2Q24, mainly due to the payment of R$137 million in Interest on Equity, and R$43 million related to the share buyback program, which together consumed a relevant part of the Net Operating Cash Generation of the quarter.

It is worth highlighting the conversion of 100% of Management + Business Performance Adjusted EBITDA into Operating Cash Generation for the quarter.

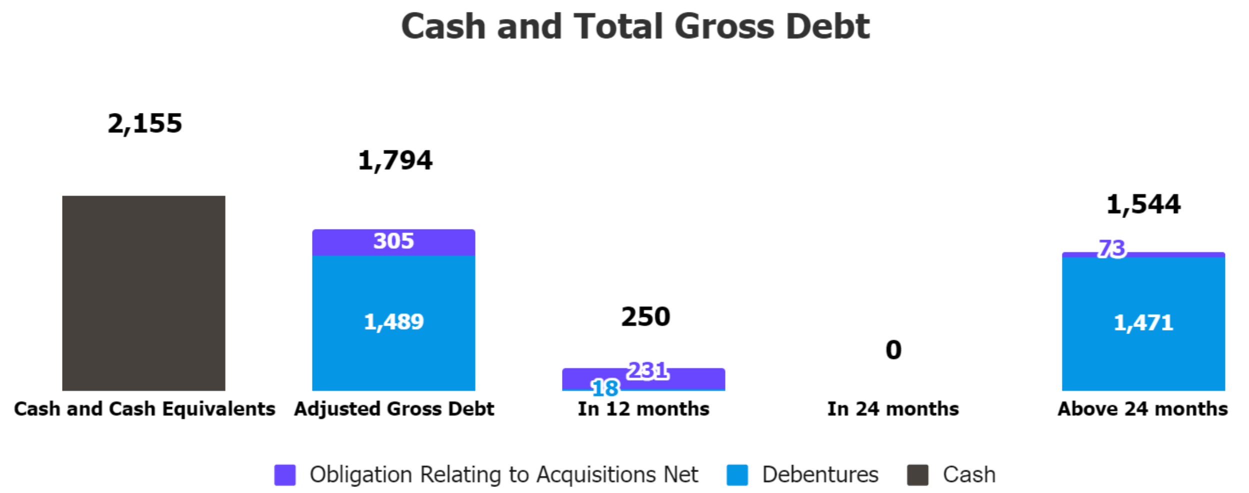
Free Cash Flow (In R$ million)	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Operating Cash Generation	**331.3**	**379.9**	**(12.8%)**	**350.6**	**(5.5%)**	**1,017.8**	**1,021.2**	**(0.3%)**
(–) Income Tax and Social Cont. paid	(33.4)	(63.4)	(47.2%)	(41.9)	(20.1%)	(129.2)	(143.4)	(9.9%)
(–) Investing in Fixed and Intangibles Assets	(38.9)	(120.3)	(67.7%)	(78.0)	(50.2%)	(169.4)	(229.8)	(26.3%)
(–) Payment of Principal of Lease Liabilities	(16.8)	(15.2)	10.5%	(15.0)	11.5%	(46.9)	(43.9)	6.7%
(–) Revenue from financial investment, net of Taxes	(59.7)	(93.3)	(36.0%)	(58.6)	1.9%	(196.7)	(236.2)	(16.7%)
(+) Income Tax paid Adjust. w/ JV Techfin Alienation	-	30.2	(100.0%)	-	-	-	30.2	(100.0%)
Free Cash Flow to Firm	**182.5**	**118.1**	**54.6%**	**157.2**	**16.1%**	**475.6**	**398.1**	**19.5%**

Free Cash Flow ended the quarter at R$183 million, up by 55% from 3Q23, and it reached R$476 million year-to-date, reflecting a 19% increase compared to the same period in 2023. This performance is mainly related to the reduction in investment in Fixed and Intangible Assets of the T-Cloud Operation, which, as noted in earlier quarters, may suffer natural fluctuations resulting from its fast growth. It is worth mentioning that this operation had a relevant and punctual increase in 2023 and early 2024, with the aim of reducing expenses with the use of third-party software and clouds in the future.

Gross and Net Debt

In R$ million	3Q24	3Q23	Δ	2Q24	Δ
Loans and Financing	-	32.1	(100.0%)	-	-
Debentures	1,489.5	1,498.0	(0.6%)	1,541.6	(3.4%)
Financial Liabilities	**1,489.5**	**1,530.1**	**(2.7%)**	**1,541.6**	**(3.4%)**
Obligation Relating to Acquisitions Net	304.7	515.5	(40.9%)	291.9	4.4%
Total Gross Debt	**1,794.1**	**2,045.6**	**(12.3%)**	**1,833.5**	**(2.1%)**
(-) Cash and Cash Equivalents	(2,154.8)	(3,056.7)	(29.5%)	(2,205.2)	(2.3%)
Net Debt (Cash)	**(360.7)**	**(1,011.2)**	**(64.3%)**	**(371.7)**	**(3.0%)**
Cash and Equiv. from Dimensa	(559.1)	(670.7)	(16.6%)	(531.4)	5.2%
Dimensa Gross Debt	38.9	39.8	(2.4%)	35.1	10.9%
Net Debt (Cash) - excl. Dimensa	**159.5**	**(380.3)**	**(141.9%)**	**124.6**	**28.0%**

Gross Debt, excluding Dimensa, reached R$1.8 billion at the end of 3Q24, maintaining a similar level to 2Q24. The balance of Cash and Cash Equivalents, excluding Dimensa, closed the quarter at R$1.6 billion. As mentioned in the Cash Flow topic, the Company's operational performance made the Net Debt position, excluding Dimensa, to be at a similar level to that of 2Q24, even in view of the payment of Interest on Equity relating to the result of the first half and the execution of the share buyback program.



Management dimension results

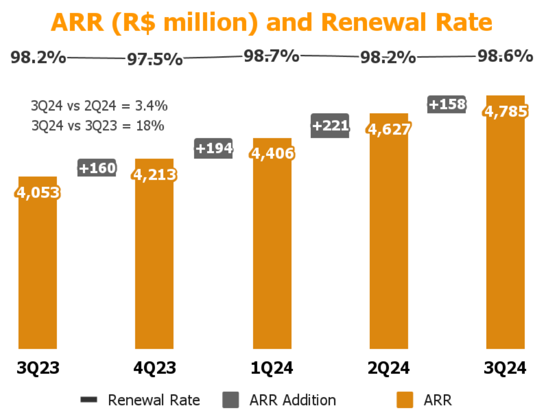
The Management dimension represents the portfolio of solutions focused on the efficiency of our clients' back and middle office operations through ERP/HR and Vertical solutions specialized in 12 industry sectors of the economy. The 2Q24 result of this dimension contains Ahgora's figures as of April.

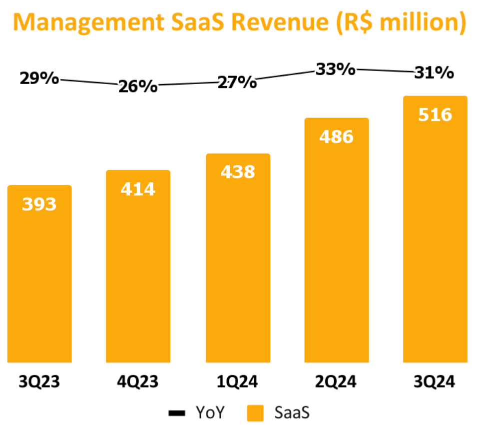
As stated in the "Financial and Operational Highlights" section, net revenue is presented after deducting costs related to revenue sharing with solution partners, consistent with CPC 47 / IFRS-15. The reconciliation between the previous and the current formats is presented in **Appendix XI** of this document.

Management Result (in R$ million)	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Net Revenue	**1,186.1**	**1,026.5**	**15.5%**	**1,143.0**	**3.8%**	**3,431.4**	**2,964.8**	**15.7%**
Recurring	1,050.9	877.7	19.7%	1,006.0	4.5%	2,998.6	2,518.9	19.0%
Non Recurring	135.2	148.8	(9.1%)	137.0	(1.3%)	432.9	445.8	(2.9%)
Adjusted Costs	(340.5)	(284.7)	19.6%	(326.3)	4.4%	(970.5)	(794.7)	22.1%
Adjusted Gross Profit	**845.5**	**741.8**	**14.0%**	**816.7**	**3.5%**	**2,460.9**	**2,170.1**	**13.4%**
Adjusted Gross Margin	*71.3%*	*72.3%*	*-100 bp*	*71.5%*	*-20 bp*	*71.7%*	*73.2%*	*-150 bp*
Research and Development	(197.4)	(171.5)	15.1%	(189.8)	4.0%	(573.3)	(511.4)	12.1%
Provision for Expected Credit Losses	(9.4)	(7.9)	19.3%	(12.3)	(23.5%)	(31.8)	(22.2)	43.3%
Adjusted Sales and Marketing Expenses	(230.6)	(202.8)	13.7%	(228.3)	1.0%	(677.7)	(588.7)	15.1%
Adjusted G&A Expenses and Others	(95.1)	(83.7)	13.7%	(98.3)	(3.2%)	(279.8)	(243.0)	15.2%
Management Adjusted EBITDA	**313.0**	**275.9**	**13.4%**	**288.0**	**8.7%**	**898.3**	**804.9**	**11.6%**
% Management Adjusted EBITDA	*26.4%*	*26.9%*	*-50 bp*	*25.2%*	*120 bp*	*26.2%*	*27.1%*	*-90 bp*

Recurring Revenue

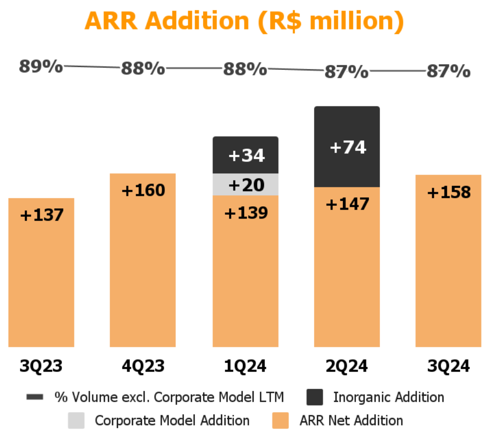
The Company's constant focus on recurring revenue sources is reflected in the representativeness of approximately 89% representation of Management Net Revenue in 3Q24, maintaining the growth pace and advancing 20% compared to the third quarter of 2023. Management SaaS performance was again a highlight, with revenue of R$516 million in 3Q24, 31% higher than 3Q23. The continued demand for T-Cloud solutions (including the PaaS - Platform as a Service offering) is also another highlight, contributing to a 32% increase in Cloud revenue in the period. These offerings of Subscription in cloud allow for greater scalability, flexibility and efficiency in the delivery of its solutions, in addition to generating process optimization, reductions in relative infrastructure costs and increasing agility in the implementation of new functionalities. Additionally, these solutions allow for easier integration between different systems and platforms, ensuring that customers can access and use TOTVS products more efficiently. We see Cloud as a huge opportunity for many, many years, with more than half of the Management client base still "on-premises", migration presenting low operational risk, high added value, resulting in a growing cloud consumption and that we can continue to expand the portfolio. We have observed a new assessment of foreign stock markets in relation to large global ERP companies, precisely due to a review of the potential for revenue growth and profitability resulting from migration to Cloud. TOTVS has been benefiting from this movement for a long time and, therefore, we believe that this assessment fully applies to our case.





In 3Q24, Management ARR reached R$4.8 billion, with a Net Addition of R$158 million. This solid organic performance represents another quarter of consistent good sales momentum, with the Customer Renewal Rate nearing 99%.

As previously noted in prior quarters, the steady advancement in customers' perception of product quality, as reflected in the increased NPS (Net Promoter Score), has played a pivotal role in driving sales. This factor, combined with the expansion of the portfolio and the reduction of TCO (Total Cost of Ownership), has been having an immediate and positive impact on sales performance.



The shift to the subscription model over the years is a great success. One of the driving formats behind this growth is the so-called "*Intera Ilimitado*" ("Unlimited Intera" - free translation), which resembles the Corporate Model, but with the proof of the metrics and the potential increment in the fee charged being carried out based on the contract's anniversary date. These increments represent Volume additions because of higher software consumption by customers, however, they were being classified in the Price component and we duly reclassified it to Volume in 3Q24. This reinforces the solid sales performance that, despite the return of the IGP-M rate contribution in the pricing component, kept the index at 87%, consistent with the level observed in 2Q24. It is worth mentioning that the contracts adjusted for inflation in the third quarter show an IPCA relevance surpassing 60%, with new contracts being linked to the IPCA by default, thereby increasing the representativeness of this index over time.

Non-Recurring Revenues

In R$ million	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Non Recurring Revenues	**135.2**	**148.8**	**(9.1%)**	**137.0**	**(1.3%)**	**432.9**	**445.8**	**(2.9%)**
Licenses	48.9	52.7	(7.1%)	46.8	4.7%	172.6	181.7	(5.0%)
Services	86.3	96.1	(10.2%)	90.2	(4.4%)	260.3	264.2	(1.5%)

TOTVS has aimed to lower the TCO (Total Cost of Ownership) of its solutions to improve its competitive edge, especially among new customers. Non-Recurring Services are commonly linked with deployment and customization projects in new sales. Price is by far the major component of TCO for customers in the first year, which is the time horizon analyzed in the sales process. Therefore, reducing this price is a very positive step towards making the Company more accessible.

A strategy to decrease this price for customers involves converting it into a monthly payment that will be integrated into the subscription permanently. This means that the first year is much cheaper, but for TOTVS, the customer's lifetime value becomes significantly higher because their average tenure exceeds a decade.

This mechanism has been used on an increasing scale in sales to new customers and the feedback from sales teams has been very positive. Therefore, this method should gain importance from now on and should contribute increasingly to Recurring Revenue. This initiative makes TOTVS more competitive, helps customers with less investment capacity at the start and is difficult for competitors to replicate, as it requires robust financial capacity, by exchanging a portion of the short-term Gross Margin for a significant increase in the EBITDA margin in the medium and long terms.

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

Gross Margin

In R$ million	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Net Revenue	**1,186.1**	**1,026.5**	**15.5%**	**1,143.0**	**3.8%**	**3,431.4**	**2,964.8**	**15.7%**
Gross Profit	**845.5**	**741.8**	**14.0%**	**816.7**	**3.5%**	**2,460.1**	**2,162.4**	**13.8%**
Gross Margin	*71.3%*	*72.3%*	*-100 bp*	*71.5%*	*-20 bp*	*71.7%*	*72.9%*	*-120 bp*
Extraord. Adj. - Operatl. Restructuring	-	-	-	-	-	0.8	7.6	(89.0%)
Adjusted Gross Profit	**845.5**	**741.8**	**14.0%**	**816.7**	**3.5%**	**2,460.9**	**2,170.1**	**13.4%**
Adjusted Gross Margin	*71.3%*	*72.3%*	*-100 bp*	*71.5%*	*-20 bp*	*71.7%*	*73.2%*	*-150 bp*

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

Research & Development

Research and Development (R&D) expenses corresponded to 18,8% of Recurring Revenue for the quarter, 70 basis points lower than in 3Q23 and 10 basis points lower than in 2Q24. This reduction is mainly attributed to the growth of 20% year-over-year and 4.5% quarter-over-quarter in Recurring Revenue, which empowered TOTVS to continue to make the required Research and Development investments, thus generating operational leverage.

The Company has been intensifying its investments in AI, through a dual strategy: (i) use of AI in internal processes, aiming at quality and efficiency/productivity gains; (ii) incorporation of AI into products, introducing features that provide customers with various formats of performance gains. At this moment, these investments are being integrated through a diversified testing approach, under the supervision of a centralized structure of excellence. Artificial Intelligence is a great opportunity for TOTVS to expand its leadership position, since it is a technology that has been reshaping the dynamics of businesses.

Provision for Expected Credit Losses

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

Sales and Marketing Expenses

In R$ million	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Adjusted Sales and Marketing Expenses	**(230.6)**	**(202.8)**	**13.7%**	**(228.3)**	**1.0%**	**(677.7)**	**(588.7)**	**15.1%**
% Net Revenue	*19.4%*	*19.8%*	*-40 bp*	*20.0%*	*-60 bp*	*19.7%*	*19.9%*	*-20 bp*
Sales and Marketing Expenses	(230.6)	(202.8)	13.7%	(228.3)	1.0%	(678.9)	(591.0)	14.9%
Extraord. Adj. - Operatl. Restructuring	-	-	-	-	-	1.2	2.3	(49.2%)

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

Compared to 2Q24, the decrease of 60 basis points is mainly related to Marketing expenses, due to the Universo TOTVS 2024 event held in the previous quarter. It is worth noting that the Company continues with its new advertising campaign, focused on brand building, which started in June and has been generating excellent results in awareness.

General, Administrative and Other Expenses

In R$ million	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Adjusted G&A Expenses and Others	**(95.1)**	**(83.7)**	**13.7%**	**(98.3)**	**(3.2%)**	**(279.8)**	**(243.0)**	**15.2%**
% GAAP Net Revenue	*8.0%*	*8.2%*	*-20 bp*	*8.6%*	*-60 bp*	*8.2%*	*8.2%*	*0 bp*
G&A Expenses and Others	**(89.2)**	**(93.2)**	**(4.3%)**	**(103.8)**	**(14.1%)**	**(292.6)**	**(262.8)**	**11.3%**
General and Administrative Expenses	(96.3)	(83.0)	16.0%	(100.7)	(4.4%)	(290.7)	(240.5)	20.9%
Provision for Contingencies	(4.5)	(3.5)	29.6%	(5.8)	(21.8%)	(10.6)	(10.7)	(1.4%)
Other Net Revenues (Expenses)	11.6	(6.7)	(273.1%)	2.7	328.2%	8.7	(11.5)	(175.8%)
Extraordinary Items	**(5.9)**	**9.6**	**(162.2%)**	**5.5**	**(207.2%)**	**12.8**	**19.8**	**(35.7%)**
Extraord. Adj. - Operatl. Restructuring	(0.5)	0.1	(950.9%)	0.1	(851.7%)	1.7	0.6	198.9%
M&A Adjustment at Fair Value	-	8.3	(100.0%)	1.6	(100.0%)	15.6	14.5	7.3%
Expenses with M&A Transactions	3.1	1.5	107.8%	3.9	(21.2%)	10.0	4.1	142.5%
Tax Credit	-	(0.2)	(100.0%)	-	-	-	0.6	(100.0%)
Loss (Earns) in Disposed Assets	(8.6)	-	-	-	-	(14.5)	-	-

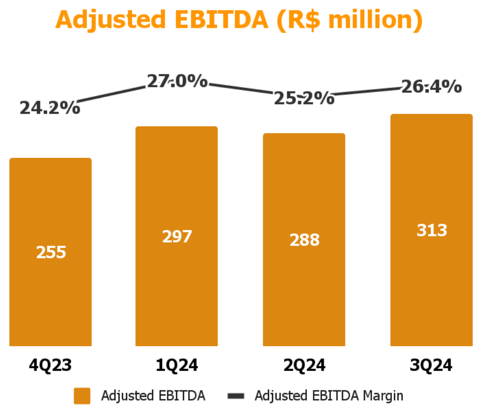
Adjusted General and Administrative and Other Expenses grew 14% compared to 3Q23, closing the quarter at 8% of Net Revenue, a level similar to that recorded in 3Q23, even with the acquisitions made in previous quarters. When compared to 2Q24, the reduction of 60 basis points in the ratio to Net Revenue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

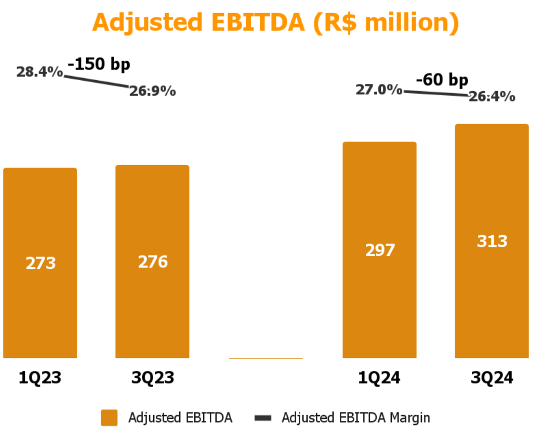
It is worth remembering that, as mentioned in previous quarters, horizontal corporate structures, such as the Board of Directors and most executive officers, are fully reported in this dimension, which further highlights the effort to optimize operating costs.

EBITDA and EBITDA Margin

The Adjusted EBITDA for Management exceeded R$300 million in the quarter, growing by 13% compared to 3Q23, driven primarily by a 20% increase in Recurring Revenue.

As shown in the chart below on the left, the Management dimension has shown a strong evolution in profitability over the past few quarters. Our EBITDA increased by 8.7% compared to 2Q24, with a 1.2 percentage points margin increase.



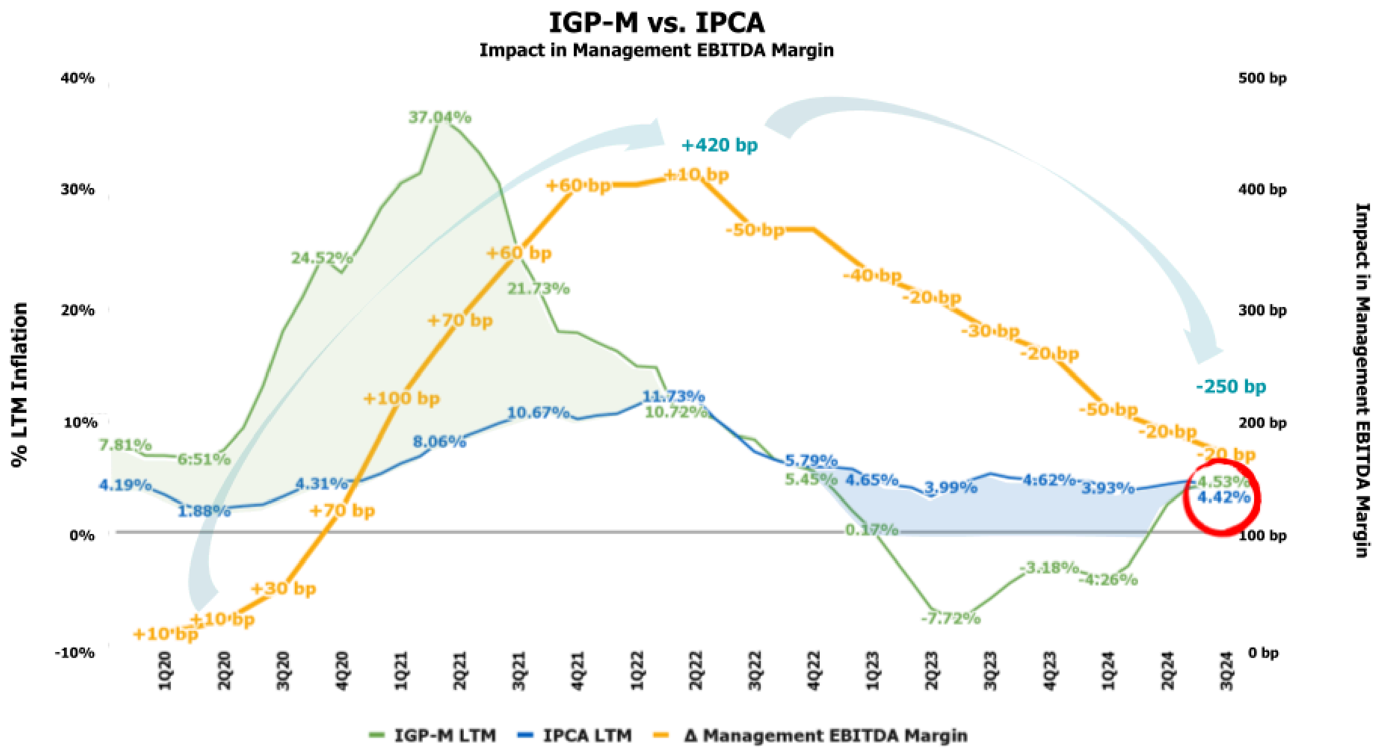


Another interesting comparison lies in the 5.3% growth in EBITDA in 3Q24 versus 1Q24, with only 60 basis points less margin; as is well known, 1Q has been historically the strongest quarter in margin, because of the Corporate Model. In 2023, EBITDA for 3Q was considered exceptional, as it was nominally higher than that of 1Q, being "only" 150 basis points lower in margin. The Management dimension's profitability performance, supported by 22 consecutive quarters of revenue growth, is the result of its operational leverage capacity, which entails cost and expense dilution in a business model based on recurring revenue. The upcoming quarters are expected to tend to benefit from: (i) the alignment of the IGP-M rate with the IPCA rate, which is reflected in fee updates passed on to contracts renewing for a new 12-month period, and (ii) the integration of recent acquisitions, which have contributed to lower-than-average profitability.

Inflation Dynamics in Management

As mentioned in previous quarters, Management revenue adjustments have a different dynamic than salary adjustments (collective bargaining agreement), due to the fact that the formats, anniversaries and, mainly, the divergents indexes behavior at times (see topics: "Inflation in costs and expenses" and "Inflation in revenue" in the glossary at the end of this document). The mismatch between the IGP-M and IPCA can contribute as a tailwind, positively impacting profitability gains, when the IGP-M is above the IPCA, or negatively impacting as a headwind, harming profitability, when the curves are inverted.

The exercise presented in the chart below shows, quarterly, how many basis points in Management EBITDA margin are impacted by the mismatch between the inflation indexes.



The yellow line in the chart represents the difference in basis points in the EBITDA Margin for the quarter as if the contracts adjusted by the IGP-M were adjusted by the IPCA, in an accumulated manner in the Recurring Revenue and in the Management Margin. As observed, during the period from 1Q20 to 2Q22 (green area), the IGP-M was above the IPCA, with the EBITDA Margin benefiting, accumulating 420 basis points above 2Q22. This benefit was reversed in 3Q22, until the curve changed direction from 4Q22 (blue area), when the IGP-M began to fall below the IPCA. As a result, there was the opposite cumulative effect, which accumulated 250 basis points in 3Q24.

In September, 2024, the IGP-M for the last 12 months was once again above the IPCA and although the sequential effect on the EBITDA margin is still negative, it is likely that it will be reversed soon, after more than 2 years. Another important observation is that, disregarding the negative effect accumulated from 3Q23 to 3Q24 (-110 bp), the Management EBITDA Margin in 3Q24 showed a growth of 60 basis points, when compared to 3Q23.

Business Performance dimension results

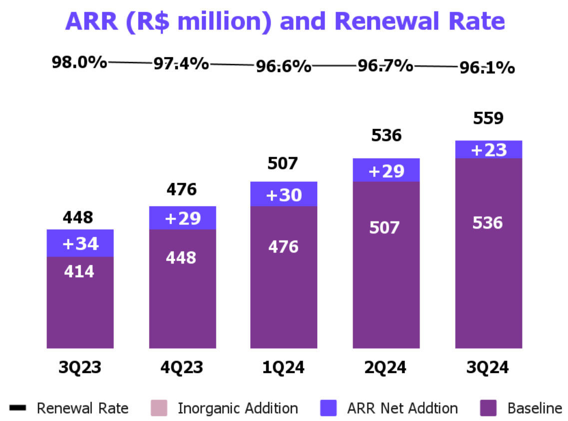
The Business Performance dimension represents the portfolio of solutions focused on increasing sales, competitiveness, and client performance through Digital Marketing, Sales/Digital Commerce, and CX | Customer Experience solutions.

As stated in the "Financial and Operational Highlights" section, net revenue is presented after deducting costs related to revenue sharing with solution partners, consistent with CPC 47 / IFRS-15. The reconciliation between the previous and the current formats is presented in **Appendix XI** of this document.

Business Performance Result (in R$ million)	**3Q24**	3Q23	Δ	2Q24	Δ	**9M24**	9M23	Δ
Net Revenue	**143.7**	**112.7**	**27.5%**	**135.8**	**5.8%**	**408.7**	**299.2**	**36.6%**
Recurring	140.1	110.0	27.4%	133.4	5.0%	400.1	292.5	36.8%
Non Recurring	3.6	2.7	32.5%	2.4	48.7%	8.6	6.7	28.6%
Costs	(36.3)	(25.9)	40.0%	(34.3)	5.9%	(101.6)	(68.4)	48.4%
Gross Profit	**107.4**	**86.8**	**23.8%**	**101.6**	**5.8%**	**307.1**	**230.7**	**33.1%**
Gross Margin	*74.8%*	*77.0%*	*-220 bp*	*74.8%*	*0 bp*	*75.1%*	*77.1%*	*-200 bp*
OPEX	**(90.7)**	**(79.5)**	**14.1%**	**(104.3)**	**(13.0%)**	**(283.7)**	**(236.5)**	**19.9%**
Research and Development	(27.9)	(26.7)	4.3%	(29.2)	(4.7%)	(85.4)	(73.8)	15.7%
Provision for Expected Credit Losses	(3.8)	(2.5)	48.2%	(4.1)	(8.4%)	(10.9)	(5.9)	86.1%
Sales and Marketing Expenses	(43.3)	(36.0)	20.3%	(44.1)	(1.9%)	(129.2)	(96.7)	33.6%
G&A Expenses and Others	(15.8)	(14.3)	10.7%	(26.8)	(41.0%)	(58.1)	(60.1)	(3.3%)
Biz Performance EBITDA	**16.7**	**7.3**	**130.2%**	**(2.7)**	**(719.0%)**	**23.5**	**(5.8)**	**(506.8%)**
% Biz Performance EBITDA	*11.6%*	*6.4%*	*520 bp*	*-2.0%*	*1360 bp*	*5.7%*	*-1.9%*	*760 bp*
Extraordinary Items	**0.7**	**(0.4)**	**(284.3%)**	**10.4**	**(93.0%)**	**11.1**	**20.0**	**(44.4%)**
M&A Adjustment at Fair Value	0.7	(0.4)	(284.3%)	9.8	(92.6%)	10.6	20.0	(47.3%)
Adjustment from Oper. Restructuring	-	-	-	0.6	(100.0%)	0.6	-	-
Biz Performance Adjusted EBITDA	**17.4**	**6.9**	**154.1%**	**7.7**	**126.7%**	**34.6**	**14.2**	**143.0%**
% Biz Performance Adjusted EBITDA	*12.1%*	*6.1%*	*600 bp*	*5.7%*	*640 bp*	*8.5%*	*4.8%*	*370 bp*

Net Revenue

Business Performance has already become a reality, with an Annual Recurring Revenue nearing R$600 million, positioning it as one of the largest pure SaaS businesses in Brazil. The strategy in this Business Unit combines: (i) the multiplication of growth avenues, in which we have the single product becoming a multi-product platform, bringing cross-sell within the dimension as leverage; and (ii) the addition of a new go-to-market, focused on Management customers (slightly larger and with a strong presence in different sectors of the economy), with the use of the existing field sales distribution structure.



The goal is to reinforce the advantages of pure SaaS in terms of lightness of unit economics and scalability in growth, with some of the major advantages of the Management dimension model, in particular stickiness and predictability. This is because, originally, Business Performance solutions have a more discretionary nature, which makes them more volatile, especially in the quarterly monitoring.

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

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

Gross Margin

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

Operating Expenses

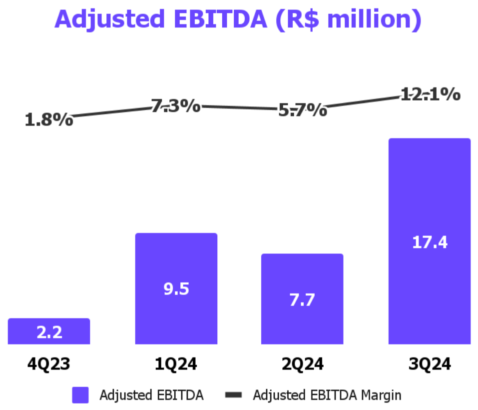
This quarter, Operating Expenses net of extraordinary items had another positive performance, a 4.1% sequential reduction in comparison to 2Q24, while, compared to 3Q23, expenses grew only 13%, against a 28% increase in Net Revenue, resulting in an important margin gain and showing great operational leverage capacity. The key explanations are the rapid expansion in scale, combined with the synergies currently being leveraged from the acquisitions conducted in 2022 and 2023.

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

EBITDA and EBITDA Margin

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

As Business Performance solutions gain maturity and efficiency, the positive impact of the growth in Recurring Revenue on the expansion of the EBITDA margin becomes more evident, showcasing the potential of the dimension's unit economics, which reconciles growth and profitability, and this potential is likely to be further enhanced with a multi-product strategy.



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

Below EBITDA Results
(Management and Business Performance dimensions)

Depreciation and Amortization Expenses

In R$ million	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Depreciation	(40.0)	(35.2)	13.7%	(37.8)	5.9%	(114.1)	(98.5)	15.9%
Amortization	(46.8)	(36.4)	28.9%	(46.5)	0.7%	(130.6)	(111.0)	17.6%
Depreciation and Amortization	**(86.9)**	**(71.5)**	**21.4%**	**(84.3)**	**3.0%**	**(244.7)**	**(209.5)**	**16.8%**

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

Financial Result

In R$ million	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Financial Revenues	67.3	104.6	(35.6%)	67.9	(0.8%)	224.2	263.4	(14.9%)
Financial Expenses	(87.1)	(96.5)	(9.7%)	(77.5)	12.4%	(258.3)	(279.7)	(7.6%)
Financial Result	**(19.8)**	**8.1**	**(346.0%)**	**(9.6)**	**105.8%**	**(34.1)**	**(16.3)**	**109.6%**
PVA of Call Option - Dimensa	10.7	6.3	70.6%	3.4	216.2%	22.6	21.3	6.2%
Extraordinary PVA - Earn-outs	5.7	(1.4)	(495.6%)	(2.5)	(331.0%)	3.3	0.2	>999%
Adjusted Financial Expenses	(70.7)	(91.7)	(22.9%)	(76.6)	(7.8%)	(232.4)	(258.2)	(10.0%)
Adjusted Financial Result	**(3.3)**	**12.9**	**(125.9%)**	**(8.7)**	**(61.7%)**	**(8.2)**	**5.2**	**(255.5%)**

As previously mentioned, recent acquisitions, combined with earn-out adjustments made at the end of 2023 and the beginning of 2024, along with the execution of the open buyback program, resulted in a 64% reduction in the Company's net cash position in 3Q24 compared to 3Q23. These factors were the main reasons for the R$16.2 million decrease in Adjusted Financial Results during the period.

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

Income Tax and Social Contribution

In R$ million	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
EBT	**229.0**	**210.1**	**9.0%**	**185.8**	**23.2%**	**628.3**	**543.6**	**15.6%**
Taxes at nominal rate (34%)	(77.9)	(71.4)	9.0%	(63.2)	23.2%	(213.6)	(184.8)	15.6%
Law 11,196/05 - R&D Incentive	8.3	7.4	12.4%	8.8	(6.4%)	24.1	20.7	16.1%
Interest on Equity	46.3	47.2	(1.9%)	-	-	46.3	47.2	(1.9%)
Effect of Different Taxation in Subsidiaries	(1.7)	(6.7)	(74.4%)	(2.9)	(41.0%)	(11.7)	(15.3)	(23.2%)
Management Bonus	(1.0)	(0.9)	9.6%	(1.0)	(3.7%)	(2.6)	(2.8)	(8.3%)
Workers' Meal Program	0.3	1.8	(82.2%)	0.8	(58.8%)	2.1	3.6	(40.7%)
Other	(0.5)	1.6	(129.4%)	(4.1)	(88.4%)	(11.0)	(6.1)	79.6%
Income Tax and Social Contribution	**(26.1)**	**(21.0)**	**24.1%**	**(61.6)**	**(57.6%)**	**(166.4)**	**(137.5)**	**21.0%**
% Income Tax Rate excl RD Station Deffered Tax Prov.	*-11.4%*	*-10.0%*	*-140 bp*	*-33.1%*	*2170 bp*	*-26.5%*	*-25.3%*	*-120 bp*
Deffered Tax Provision - RD Station	90.9	-	-	-	-	90.9	-	-
Income Tax and Social Contribution	**64.8**	**(21.0)**	**(407.9%)**	**(61.6)**	**(205.2%)**	**(75.5)**	**(137.5)**	**(45.1%)**
Current Income Tax and Social Contribution	(28.9)	(22.8)	26.6%	(56.8)	(49.1%)	(152.1)	(139.4)	9.1%
Deferred Income Tax and Social Contribution	93.7	1.8	>999%	(4.8)	<(999%)	76.6	1.9	>999%
% Total Effective Tax Rate	*-28.3%*	*10.0%*	*-3830 bp*	*33.1%*	*-6140 bp*	*12.0%*	*25.3%*	*-1330 bp*

In this quarter, the operation of RD Station in Business Performance met the criteria required to make up Deferred Income Tax assets, allowing the registration of Tax Credits, namely: (i) the historical basis of RD Station's Tax Losses in the gross amount of R$151 million; (ii) temporary adjustments (provisions) in the gross amount of R$17.3 million; and (iii) the amortization of goodwill from the merger of Tallos in the gross amount of R$99.2 million. These combined effects totaled a deferred income tax credit of R$91 million. When these effects are disregarded, the Total Effective Rate for the quarter is 11.4%, a level similar to that of 3Q23, both benefited mainly by the payment of Interest on Equity.

Techfin dimension results

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

We provide below a section considering **100% of the TOTVS Techfin operation.**

Techfin Results (in R$ million)	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Techfin Revenue - Net of funding	**78.4**	**97.8**	**(19.9%)**	**69.8**	**12.3%**	**211.2**	**199.8**	**5.7%**
Credit products	112.3	134.5	(16.5%)	99.6	12.7%	309.4	320.0	(3.3%)
Funding Cost	(36.6)	(38.3)	(4.3%)	(32.4)	13.1%	(105.5)	(124.9)	(15.6%)
Fee Revenue [1]	2.7	1.6	69.8%	2.6	4.0%	7.3	4.8	52.5%
Provision for Expected Credit Losses	(7.6)	(9.7)	(21.9%)	(8.6)	(11.9%)	(23.3)	(24.7)	(5.6%)
Adjusted OPEX	(62.3)	(63.9)	(2.6%)	(60.9)	2.2%	(179.5)	(150.0)	19.7%
Techfin Adjusted EBITDA	**8.6**	**24.2**	**(64.6%)**	**0.3**	**>999%**	**8.4**	**25.1**	**(66.7%)**
% Techfin EBITDA	*10.9%*	*24.7%*	*-1380 bp*	*0.5%*	*1040 bp*	*4.0%*	*12.5%*	*-850 bp*
Adjusted Bellow EBITDA	(4.4)	(12.7)	(65.1%)	(7.4)	(40.3%)	(18.1)	(27.1)	(33.2%)
Net Effect of Amortization	5.2	5.2	0.0%	5.2	0.0%	15.7	15.7	0.0%
Adjusted Net Income (Loss) from Techfin Dimension	**9.3**	**16.7**	**(44.0%)**	**(1.9)**	**(593.4%)**	**5.9**	**13.6**	**(56.7%)**
% Net Income (Loss) from Techfin Dimension	*11.9%*	*17.1%*	*-520 bp*	*-2.7%*	*1460 bp*	*2.8%*	*6.8%*	*-400 bp*
Extraordinary Items, Net	-	-	-	-	-	(1.7)	-	-
Net Effect of Amortization	(5.2)	(5.2)	0.0%	(5.2)	0.0%	(15.7)	(15.7)	0.0%
Net Income (Loss) from Techfin Dimension	**4.1**	**11.5**	**(64.1%)**	**(7.1)**	**(157.8%)**	**(11.5)**	**(2.1)**	**456.9%**
Other Results [2]	2.1	7.1	(70.8%)	(3.6)	(157.8%)	(5.8)	(6.5)	(10.9%)
Equity Pickup - TOTVS	2.1	4.4	(53.2%)	(3.6)	(157.8%)	(5.8)	4.4	(230.9%)

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

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

Operational Infos (in R$ million)	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Credit products								
Credit Production	3,047.2	2,885.6	5.6%	2,791.1	9.2%	8,456.8	7,893.7	7.1%
Average Term of Credit Production (days)	64.2	74.1	(13.5%)	59.5	7.8%	n/a	n/a	-
Credit Portfolio, Net	2,142.5	1,978.0	8.3%	2,112.9	1.4%	n/a	n/a	-
Average Term of On Due Portfolio (days)	62.8	61.3	2.4%	67.4	(6.8%)	n/a	n/a	-
Credit Operation Cash Position	386.3	275.0	40.5%	433.1	(10.8%)	n/a	n/a	n/a
Fee Products								
TPV - Techfin Pix	1,807.9	1,010.9	78.9%	1,555.2	16.3%	4,716.1	2,488.3	89.5%

Techfin Revenue Net of Funding

Techfin Revenue Net of Funding ended the quarter at R$78.4 million, which is 12% above 2Q24 and 20% lower than 3Q23. The third quarter has a historical behavior of higher concentration of credit production from agribusiness, as it aligns with the start of the agricultural harvest in Brazil. This year, this industry sector has faced adverse conditions related mainly to drought in some important regions, which impacted the potential Credit Production associated with this sector. This effect is mainly observed in the average Credit Production Term for the quarter, which was 13% lower than the same period in 2023. The remaining operating segments of this Techfin maintained a good production volume, which contributed to the 5.6% year-over-year growth.

Operating Costs and Expenses

This Techfin's Operating Costs and Expenses remained at a level similar to that of 2Q24, still reflecting the integration of Supplier and Techfin operations, which, as commented in the previous quarter, has allowed TOTVS TECHFIN greater fluidity and gain in operational efficiency in investments to develop a new range of solutions. In this sense, this Techfin's OPEX ended 3Q24 at R$22.4 million, within the revised financial projection range for 4Q24.

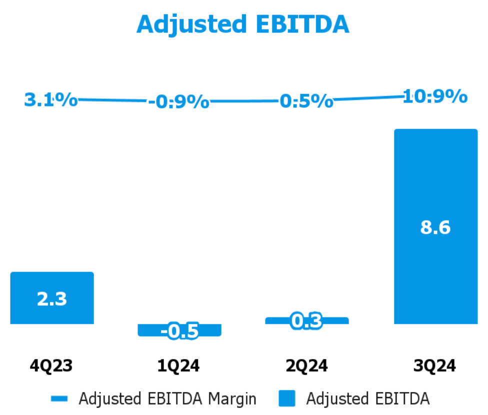
Provision for Expected Credit Losses

The Provision for Expected Credit Losses continues to demonstrate progress, having represented 0.35% of the Gross Credit Portfolio in the quarter, which remained 13 basis points lower than 3Q23 and 5 basis points lower than 2Q24. The low default level in the 1 to 90-day ranges of overdue Receivables resulted in a lower level of delinquency above 90 days, which ended 3Q24 at 320 basis points lower than the Brazilian Average.

EBITDA and EBITDA Margin

Techfin's Adjusted EBITDA ended the quarter at R$8.6 million, which means an increase of R$8.2 million over 2Q24, mainly because of the growth in Revenue Net of Funding in the period. The quarter-over-quarter Adjusted EBITDA Margin expanded strongly and seasonally, having increased from 0.5% in 2Q24 to 10.9% in 3Q24.

In the year-over-year comparison, as already mentioned, the reductions, both in Adjusted EBITDA and in the Adjusted EBITDA Margin, are mostly related to: (i) to the adverse performance that the Brazilian agribusiness sector; and (ii) the investments made to expand the products portfolio.

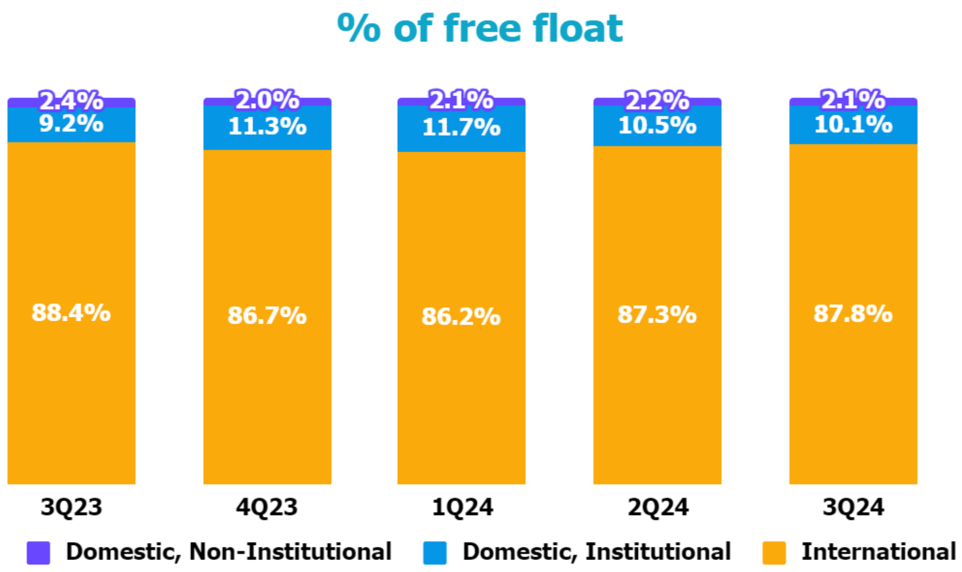


Techfin dimension Adjusted Income/Loss

Techfin ended the quarter with Adjusted Net Income of R$9.3 million, which is R$11.2 million higher than that of 2Q24, mainly driven by the growth of R$8.2 in Adjusted EBITDA.

SHAREHOLDING COMPOSITION

TOTVS ended 3Q24 with a Capital Stock of approximately R$3 billion, comprised of 617,183,181 common shares, of which approximately 87% 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	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Net Revenue	**1,329.8**	**1,139.2**	**16.7%**	**1,278.8**	**4.0%**	**3,840.2**	**3,264.0**	**17.7%**
Management Revenue	1,186.1	1,026.5	15.5%	1,143.0	3.8%	3,431.4	2,964.8	15.7%
Business Performance Revenue	143.7	112.7	27.5%	135.8	5.8%	408.7	299.2	36.6%
Operating Costs	**(376.8)**	**(310.6)**	**21.3%**	**(360.6)**	**4.5%**	**(1,072.9)**	**(870.8)**	**23.2%**
Management Operating Costs	(340.5)	(284.7)	19.6%	(326.3)	4.4%	(971.3)	(802.3)	21.1%
Business Performance Operating Costs	(36.3)	(25.9)	40.0%	(34.3)	5.9%	(101.6)	(68.4)	48.4%
Adjusted Gross Profit	**953.0**	**828.6**	**15.0%**	**918.3**	**3.8%**	**2,767.2**	**2,393.2**	**15.6%**
Operating Expenses	**(704.2)**	**(626.5)**	**12.4%**	**(722.8)**	**(2.6%)**	**(2,104.8)**	**(1,833.3)**	**14.8%**
Research and Development	(225.3)	(198.3)	13.6%	(219.0)	2.9%	(658.8)	(585.2)	12.6%
Sales and Marketing Expenses	(273.9)	(238.8)	14.7%	(272.5)	0.5%	(808.0)	(687.7)	17.5%
Provision for Expected Credit Losses	(13.1)	(10.4)	26.4%	(16.4)	(19.7%)	(42.7)	(28.1)	52.2%
General and Administrative Expenses	(111.4)	(97.8)	13.9%	(116.8)	(4.6%)	(337.5)	(279.7)	20.7%
Provision for Contingencies	(4.5)	(3.5)	29.7%	(6.0)	(24.9%)	(10.9)	(10.7)	1.7%
Depreciation and Amortization	(86.9)	(71.5)	21.4%	(84.3)	3.0%	(244.7)	(209.5)	16.8%
Other Net Revenues (Expenses)	11.0	(6.2)	(276.5%)	(7.7)	(242.1%)	(2.3)	(32.5)	(93.0%)
EBIT	**248.8**	**202.1**	**23.1%**	**195.5**	**27.3%**	**662.4**	**559.8**	**18.3%**
Financial Result	(19.8)	8.1	(346.0%)	(9.6)	105.8%	(34.1)	(16.3)	109.6%
Equity Pickup	2.1	4.4	(53.2%)	(3.6)	(157.8%)	(5.8)	4.4	(230.9%)
Earnings Before Taxes (EBT)	**231.1**	**214.5**	**7.7%**	**182.3**	**26.8%**	**622.5**	**548.0**	**13.6%**
Income Tax and Social Contribution	64.8	(21.0)	(407.9%)	(61.6)	(205.2%)	(75.5)	(137.5)	(45.1%)
Net Income (Loss) from Discontinued Operation	-	241.3	(100.0%)	-	-	(1.1)	227.8	(100.5%)
Consolidated Net Income	**295.8**	**434.8**	**(32.0%)**	**120.7**	**145.1%**	**545.9**	**638.2**	**(14.5%)**
Non-Controlling Net Income	(4.8)	(7.0)	(31.2%)	(5.8)	(16.9%)	(13.4)	(21.0)	(36.1%)
GAAP Net Income	**291.0**	**427.7**	**(32.0%)**	**114.9**	**153.3%**	**532.5**	**617.3**	**(13.7%)**
Net Margin	*21.9%*	*37.5%*	*-1560 bp*	*9.0%*	*1290 bp*	*13.9%*	*18.9%*	*-500 bp*

APPENDIX II

Reconciliation of the Consolidated Income Statement

In R$ million	3Q24 GAAP Income Statement* (a)	3Q24 Deprec. and Amort. Reclass.** (b)	3Q24 Consolidated Income Statement (a+b)	9M24 GAAP Income Statement* (a)	9M24 Deprec. and Amort. Reclass.** (b)	9M24 Consolidated Income Statement (a+b)
Net Revenue	**1,329.8**	**-**	**1,329.8**	**3,840.2**	**-**	**3,840.2**
Management Revenue	1,186.1	-	1,186.1	3,431.4	-	3,431.4
Business Performance Revenue	143.7	-	143.7	408.7	-	408.7
Costs	**(411.0)**	**34.2**	**(376.8)**	**(1,167.4)**	**94.5**	**(1,072.9)**
Gross Profit	**918.8**	**34.2**	**953.0**	**2,672.8**	**94.5**	**2,767.2**
Gross Margin	*69.1%*		*71.7%*	*69.6%*		*72.1%*
Operating Expenses (Revenues)	**(670.0)**	**(34.2)**	**(704.2)**	**(2,010.4)**	**(94.5)**	**(2,104.8)**
Research and Development	(239.9)	14.6	(225.3)	(697.6)	38.8	(658.8)
Sales and Marketing Expenses	(280.8)	6.9	(273.9)	(834.2)	26.1	(808.0)
General and Administrative Expenses	(147.1)	31.1	(116.0)	(433.7)	85.3	(348.4)
Depreciation and Amortization	-	(86.9)	(86.9)	-	(244.7)	(244.7)
Provision for Expected Credit Losses	(13.1)	-	(13.1)	(42.7)	-	(42.7)
Other Net Revenues (Expenses)	11.0	-	11.0	(2.3)	-	(2.3)
EBIT	**248.8**	**0.0**	**248.8**	**662.4**	**(0.0)**	**662.4**
Financial Revenues	67.3	-	67.3	224.2	-	224.2
Financial Expenses	(87.1)	-	(87.1)	(258.3)	-	(258.3)
Equity Pickup	2.1	-	2.1	(5.8)	-	(5.8)
Earnings Before Taxes (EBT)	**231.1**	**0.0**	**231.1**	**622.5**	**(0.0)**	**622.5**
Income Tax and Social Contribution	64.8	-	64.8	(75.5)	-	(75.5)
Techfin Dim. Net Income (Loss)	-	-	-	(1.1)	-	(1.1)
Consolidated Net Income	**295.8**	**0.0**	**295.8**	**545.9**	**(0.0)**	**545.9**
Non-Controlling Net Income	(4.8)	-	(4.8)	(13.4)	-	(13.4)
GAAP Net Income	**291.0**	**0.0**	**291.0**	**532.5**	**(0.0)**	**532.5**
Net Margin	*21.9%*		*21.9%*	*13.9%*		*13.9%*

* 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 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	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Consolidated Net Income	**295.8**	**434.8**	**(32.0%)**	**120.7**	**145.1%**	**545.9**	**638.2**	**(14.5%)**
(–) Net Income (Loss) Techfin Dim.	-	241.3	(100.0%)	-	-	(1.1)	227.8	(100.5%)
(+) Depreciation and Amortization	86.9	71.5	21.4%	84.3	3.0%	244.7	209.5	16.8%
(–) Financial Results	(19.8)	8.1	(346.0%)	(9.6)	105.8%	(34.1)	(16.3)	109.6%
(+) Income Tax and Social Contribution	(64.8)	21.0	(407.9%)	61.6	(205.2%)	75.5	137.5	(45.1%)
EBITDA GAAP	**337.7**	**278.0**	**21.5%**	**276.2**	**22.3%**	**901.3**	**773.7**	**16.5%**
(+) Techfin Dimension Adjusted EBITDA	**4.3**	**12.1**	**(64.6%)**	**0.2**	**>999%**	**4.2**	**12.5**	**(66.7%)**
(–) Equity Pickup	**2.1**	**4.4**	**(53.2%)**	**(3.6)**	**(157.8%)**	**(5.8)**	**4.4**	**(230.9%)**
(+) Extraordinary Items	**(5.2)**	**9.2**	**(156.9%)**	**15.9**	**(132.8%)**	**25.9**	**49.8**	**(48.0%)**
M&A Adjustment at Fair Value	0.7	7.9	(90.7%)	11.4	(93.6%)	26.1	34.5	(24.3%)
Adjustment from Oper. Restructuring	(0.5)	0.1	(950.9%)	0.6	(172.2%)	4.2	10.5	(59.7%)
Expenses with M&A Transactions	3.1	1.5	107.8%	3.9	(21.2%)	10.0	4.1	142.5%
Tax Credit	-	(0.2)	(100.0%)	-	-	-	0.6	(100.0%)
Lost (Earn) in Disposed Assets	(8.6)	-	-	-	-	(14.5)	-	-
Adjusted EBITDA	**334.7**	**294.9**	**13.5%**	**295.9**	**13.1%**	**937.1**	**831.6**	**12.7%**

APPENDIX IV

Cash Flow GAAP

In R$ million	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
EBT	**231.1**	**214.5**	**7.7%**	**182.3**	**26.8%**	**622.5**	**548.0**	**13.6%**
Adjustments:	**164.9**	**177.9**	**(7.3%)**	**147.3**	**11.9%**	**519.9**	**545.0**	**(4.6%)**
Depreciation and Amortization	86.9	71.5	21.4%	84.3	3.0%	244.7	209.5	16.8%
Share-based Payments Expense	21.6	20.5	5.5%	0.1	>999%	47.7	43.2	10.4%
Loss (Earns) in Disposed Assets	(11.2)	(0.2)	>999%	(6.5)	73.0%	(18.3)	0.5	<(999%)
Provision for Expected Credit Losses	13.1	10.4	26.4%	16.4	(19.7%)	42.7	28.1	52.2%
Equity Pickup	(2.1)	(4.4)	(53.2%)	3.6	(157.8%)	5.8	(4.4)	(230.9%)
Prov. for Contingencies, Net of Reversals	4.5	3.5	29.6%	6.0	(24.9%)	11.0	10.7	2.6%
Provision (Reversal) for Other Obligations	(20.1)	8.0	(351.1%)	(15.6)	28.8%	(21.7)	35.2	(161.8%)
Net Inter. Monet. and Exchange Var.	72.2	68.6	5.3%	59.1	22.2%	208.1	222.2	(6.3%)
Changes in Op. Assets and Liabilities:	**(64.7)**	**(12.5)**	**417.4%**	**21.0**	**(407.6%)**	**(124.6)**	**(71.7)**	**73.8%**
Trade Receivables	(9.0)	(28.6)	(68.5%)	(21.3)	(57.8%)	(76.5)	(83.3)	(8.2%)
Recoverable Taxes	(16.5)	11.2	(246.8%)	(16.1)	2.0%	(35.5)	4.0	(977.9%)
Judicial Deposits	(1.1)	0.2	(576.1%)	(0.3)	247.1%	(0.0)	(4.2)	(100.0%)
Other Assets	(23.1)	(0.7)	>999%	(53.0)	(56.4%)	(110.3)	(89.9)	22.8%
Labor Liabilities	3.8	27.2	(86.0%)	96.0	(96.0%)	107.1	131.4	(18.5%)
Trade and Other Payables	(24.1)	(6.2)	291.7%	23.2	(204.0%)	11.7	(0.6)	<(999%)
Commissions Payable	11.2	(3.0)	(473.1%)	(8.8)	(227.2%)	(1.6)	(0.5)	195.3%
Taxes and Contributions Payable	2.9	(21.0)	(113.8%)	1.2	139.7%	(4.2)	(40.3)	(89.7%)
Other Accounts Payable	(8.8)	8.3	(205.8%)	0.3	<(999%)	(15.5)	11.5	(233.8%)
Operating Cash Generation	**331.3**	**379.9**	**(12.8%)**	**350.6**	**(5.5%)**	**1,017.8**	**1,021.2**	**(0.3%)**
Interest paid	(76.2)	(111.6)	(31.8%)	(2.4)	>999%	(176.4)	(222.5)	(20.7%)
Tax Paid	(33.4)	(63.4)	(47.2%)	(41.9)	(20.1%)	(129.2)	(143.4)	(9.9%)
Net Cash from Operating Activities	**221.7**	**204.9**	**8.2%**	**306.3**	**(27.6%)**	**712.2**	**655.3**	**8.7%**
Acquisitions of Prop. Plant and Equip.	(20.3)	(37.3)	(45.4%)	(37.3)	(45.5%)	(81.1)	(97.9)	(17.2%)
Acquisition of Intangible Assets	(20.1)	(83.5)	(75.9%)	(41.9)	(52.0%)	(98.2)	(133.6)	(26.5%)
Franchises Loan	(18.8)	(2.5)	655.4%	3.8	(591.0%)	(11.4)	9.2	(223.1%)
Dividends Received	-	9.1	(100.0%)	-	-	-	9.1	(100.0%)
Acquisition of Subsidiaries, Net of Cash	-	(44.5)	(100.0%)	(12.7)	(100.0%)	(583.6)	(83.2)	601.4%
Payments from Acquisitions of Subsidiaries	-	(5.3)	(100.0%)	(289.3)	(100.0%)	(315.0)	(42.8)	636.1%
Proceeds from Sale of Subsid., Net of Cash	22.0	-	-	-	-	43.2	0.1	>999%
Proceeds from Sale of Prop. Plant and Equip.	1.6	0.5	207.3%	1.3	27.3%	9.9	1.7	469.3%
CVC Fund Investments	(15.4)	0.4	<(999%)	-	-	(41.4)	(4.1)	898.5%
Net cash Received (Invested) Techfin Dim.	-	410.0	(100.0%)	-	-	-	405.2	(100.0%)
Net Cash used in Investing Act.	**(51.0)**	**247.0**	**(120.6%)**	**(376.2)**	**(86.4%)**	**(1,077.6)**	**63.6**	**<(999%)**
Payment of Princ. of Loans and Financing	-	-	-	(4.7)	(100.0%)	(40.4)	(11.0)	268.5%
Payment of Principal of Lease Liabilities	(16.8)	(15.2)	10.5%	(15.0)	11.5%	(46.9)	(43.9)	6.7%
Receivables from Related Companies	-	6.3	(100.0%)	-	-	-	(0.0)	(100.0%)
Proceeds from debentures, loans and finan.	1,475.0	32.1	>999%	-	-	1,475.0	32.1	>999%
Payment of Principal of Debentures	(1,500.0)	-	-	(5.0)	>999%	(1,505.0)	-	-
Investments from Non-controlling Interest	-	-	-	-	-	-	4.2	(100.0%)
Dividends and Interest on Equity Paid	(136.6)	(138.7)	(1.5%)	-	-	(136.6)	(269.9)	(49.4%)
Net Treasury Shares	(42.7)	-	-	(248.3)	(82.8%)	(355.1)	(109.4)	224.6%
Net Cash gen. by (used in) Financ. Act.	**(221.1)**	**(115.5)**	**91.4%**	**(273.0)**	**(19.0%)**	**(609.0)**	**(398.0)**	**53.0%**
Incr. (Dec.) in Cash and Cash Eq.	**(50.4)**	**336.4**	**(115.0%)**	**(342.9)**	**(85.3%)**	**(974.3)**	**321.0**	**(403.6%)**
Cash and Equiv. Beginning of the Period	2,205.2	2,720.3	(18.9%)	2,548.1	(13.5%)	3,129.2	2,735.8	14.4%
Cash and Equiv. End of the Period	2,154.8	3,056.7	(29.5%)	2,205.2	(2.3%)	2,154.8	3,056.7	(29.5%)

APPENDIX V

Balance Sheet (GAAP)

In R$ million	3Q24	3Q23	Δ	2Q24	Δ
ASSETS					
Current Assets	**3,058.5**	**3,849.9**	**(20.6%)**	**3,070.9**	**(0.4%)**
Cash and Cash Equivalents	2,154.8	3,056.7	(29.5%)	2,205.2	(2.3%)
Trade Receivables	647.8	617.0	5.0%	643.5	0.7%
Provision for Expected Credit Losses	(65.8)	(60.0)	9.8%	(59.3)	11.0%
Recoverable Taxes	80.3	39.2	105.0%	73.8	8.8%
Escrow Account	13.7	13.2	4.0%	19.6	(30.1%)
Other Assets	227.8	183.8	23.9%	188.1	21.1%
Non-current Assets	**5,721.8**	**4,905.3**	**16.6%**	**5,632.0**	**1.6%**
Long-term assets	**733.0**	**467.8**	**56.7%**	**600.6**	**22.0%**
Trade Receivables	16.5	19.0	(13.2%)	19.7	(16.3%)
Recoverable Taxes	-	1.2	(100.0%)	-	-
Receivables from Related Parties	5.2	2.5	108.7%	4.9	7.3%
Deferred Tax Assets	231.2	123.0	87.9%	136.1	69.8%
Judicial Deposits	31.9	39.7	(19.5%)	32.8	(2.5%)
Investments at Fair Value	163.5	110.9	47.5%	149.0	9.8%
Escrow Account	181.6	114.1	59.1%	179.1	1.4%
Other Assets	103.0	57.3	79.7%	79.1	30.3%
Investments	317.6	324.6	(2.1%)	315.5	0.7%
Property, Plant and Equipment	397.5	424.4	(6.3%)	400.4	(0.7%)
Intangible	4,273.7	3,688.5	15.9%	4,315.4	(1.0%)
TOTAL ASSETS	**8,780.4**	**8,755.2**	**0.3%**	**8,702.9**	**0.9%**
LIABILITIES					
Current Liabilities	**1,254.0**	**1,297.2**	**(3.3%)**	**1,280.1**	**(2.0%)**
Labor Liabilities	473.3	414.2	14.3%	479.0	(1.2%)
Trade and Other Payables	170.4	133.1	28.0%	194.6	(12.4%)
Taxes and Contributions Liabilities	113.9	110.2	3.4%	119.8	(4.9%)
Debentures	18.5	7.3	152.2%	48.6	(62.0%)
Loans and Financing	-	32.1	(100.0%)	-	-
Lease Liabilities	58.2	58.4	(0.4%)	57.5	1.2%
Dividends Payable	1.1	1.6	(35.2%)	1.8	(40.8%)
Accounts Payable from Acq. of Subsid.	244.9	377.3	(35.1%)	238.1	2.9%
Commissions Payable	63.6	65.0	(2.1%)	52.4	21.4%
Other Liabilities	110.0	97.9	12.4%	88.3	24.6%
Non-current Liabilities	**2,418.3**	**2,446.5**	**(1.2%)**	**2,434.5**	**(0.7%)**
Lease Liabilities	78.2	120.4	(35.1%)	77.3	1.2%
Debentures	1,471.0	1,490.7	(1.3%)	1,493.0	(1.5%)
Accounts Payable from Acq. of Subsid.	255.0	265.5	(4.0%)	252.4	1.0%
Tax Obligations	0.0	0.2	(81.9%)	0.6	(93.0%)
Deferred Income Taxes	15.6	5.7	172.4%	14.2	9.7%
Provision for Contingencies	100.9	115.0	(12.3%)	112.6	(10.4%)
Call Option of Non-controlling Interests	435.3	404.3	7.7%	424.6	2.5%
Other Liabilities	62.3	44.6	39.5%	59.8	4.0%
Shareholders' Equity	**5,108.1**	**5,011.6**	**1.9%**	**4,988.2**	**2.4%**
Share Capital	2,962.6	2,962.6	0.0%	2,962.6	0.0%
Treasury Shares	(606.6)	(283.6)	113.9%	(545.1)	11.3%
Capital Reserves	730.8	716.0	2.1%	709.2	3.0%
Profit Reserve	1,659.3	1,272.0	30.5%	1,504.2	10.3%
Carrying Value Adjustments	56.6	45.5	24.3%	56.6	(0.1%)
Non-controlling Interest	305.5	299.1	2.1%	300.7	1.6%
TOTAL LIABILITIES AND EQUITY	**8,780.4**	**8,755.2**	**0.3%**	**8,702.9**	**0.9%**

APPENDIX VI

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

In R$ million	3Q24
Up to 12 months	83.4
from 13 to 24 months	81.1
from 25 to 36 months	79.4
from 37 to 48 months	71.1
over 48 months	229.6
Total	**544.7**

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

In R$ million	3Q24
Up to 12 months	15.3
from 13 to 24 months	6.6
from 25 to 36 months	6.6
from 37 to 48 months	6.6
over 48 months	28.4
Total	**63.4**

APPENDIX VII

Techfin's Cash Flow (100%)

In R$ million	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
EBT	**2.7**	**17.9**	**(84.6%)**	**(5.3)**	**(151.7%)**	**(11.0)**	**(1.2)**	**801.1%**
Non-Cash Items	**51.0**	**58.5**	**(12.9%)**	**59.0**	**(13.5%)**	**160.4**	**183.2**	**(12.4%)**
Change in Working Capital	**(249.6)**	**(368.8)**	**(32.3%)**	**447.2**	**(155.8%)**	**(55.8)**	**(300.1)**	**(81.4%)**
Operating Cash Generation	**(195.9)**	**(292.4)**	**(33.0%)**	**500.9**	**(139.1%)**	**93.6**	**(118.1)**	**(179.2%)**
Interest paid	(0.5)	(0.1)	693.8%	(0.4)	38.8%	(0.9)	(0.1)	556.7%
Income Tax and Social Cont. paid	(0.1)	(0.0)	177.8%	0.0	(420.5%)	(0.5)	(0.0)	915.6%
Net Cash from Operating Activities	**(196.5)**	**(292.5)**	**(32.8%)**	**500.6**	**(139.3%)**	**92.2**	**(118.3)**	**(177.9%)**
Fixed Assets	0.3	(0.6)	(155.5%)	(0.1)	(316.8%)	(0.1)	(0.7)	(86.6%)
Intangibles	(0.1)	(0.5)	(83.3%)	(2.0)	(96.0%)	(3.2)	(0.7)	390.2%
Financial Rescues (Invest.)	83.2	508.1	(83.6%)	(235.2)	(135.4%)	(1.1)	347.3	(100.3%)
Net Cash used in Investing Act.	**83.5**	**507.0**	**(83.5%)**	**(237.3)**	**(135.2%)**	**(4.3)**	**345.9**	**(101.3%)**
Increase (Decrease) Gross Debt	240.7	350.0	(31.2%)	(92.6)	(359.9%)	248.1	600.0	(58.7%)
Payment of Principal of Lease Liabilities	(0.4)	(0.4)	0.5%	(0.5)	(24.2%)	(1.4)	(1.0)	39.6%
Red. (Inv.) of Senior Quotas	(113.0)	(581.0)	(80.6%)	(178.4)	(36.7%)	(333.5)	(876.4)	(61.9%)
Capital Increase, Net of Expenses	-	199.9	(100.0%)	-	-	-	204.7	(100.0%)
Receivables from Related Companies	-	(6.3)	(100.0%)	-	-	-	-	-
Shareholders Remuneration	-	(12.1)	(100.0%)	-	-	-	(12.1)	(100.0%)
Net Cash gen. by (used in) Financ. Act.	**127.3**	**(49.9)**	**(355.2%)**	**(271.6)**	**(146.9%)**	**(86.8)**	**(84.8)**	**2.3%**
Incr. (Dec.) in Cash and Cash Equivalent	14.3	164.7	(91.3%)	(8.3)	(271.9%)	1.1	142.8	(99.2%)
Cash and Equiv. Beginning of the Period	186.0	142.9	30.2%	194.3	(4.3%)	194.3	164.8	17.9%
Cash and Equiv. End of the Period	**200.2**	**307.5**	**(34.9%)**	**186.0**	**7.7%**	**195.4**	**307.5**	**(36.5%)**
Revenue from financial investment, net of Taxes	3.8	5.0	(22.7%)	3.8	1.9%	12.7	5.9	113.7%
Free Cash Flow to Firm *	**(200.0)**	**(298.9)**	**(33.1%)**	**494.5**	**(140.4%)**	**75.8**	**(126.4)**	**(160.0%)**

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

APPENDIX VIII

Techfin's Balance Sheet (100%)

In R$ million	3Q24	3Q23	Δ	2Q24	Δ
ASSETS					
Current Assets	**2,686.8**	**2,450.1**	**9.7%**	**2,721.2**	**(1.3%)**
Cash and Cash Equivalents	200.2	307.5	(34.9%)	186.0	7.7%
Financial Investments	299.0	139.2	114.8%	376.3	(20.5%)
Trade Receivables	2,138.4	1,975.4	8.3%	2,108.4	1.4%
Other Assets	49.2	28.0	75.6%	50.6	(2.7%)
Non-current Assets	**234.8**	**286.4**	**(18.0%)**	**248.6**	**(5.6%)**
Long-term assets	**46.2**	**60.7**	**(23.9%)**	**50.6**	**(8.7%)**
Other Assets	46.2	60.7	(23.9%)	50.6	(8.7%)
Property, Plant and Equipment	4.7	6.9	(32.2%)	5.9	(21.2%)
Intangible	183.9	218.8	(16.0%)	192.1	(4.3%)
TOTAL ASSETS	**2,921.6**	**2,736.6**	**6.8%**	**2,969.9**	**(1.6%)**
LIABILITIES					
Current Liabilities	**2,277.0**	**2,078.7**	**9.5%**	**2,329.4**	**(2.2%)**
Loans and Financing	251.4	620.2	(59.5%)	9.1	>999%
Business Partners Payable	764.0	506.7	50.8%	988.1	(22.7%)
Senior and Mezzanine Quotas	1,200.6	904.0	32.8%	1,275.3	(5.9%)
Other Liabilities	61.0	47.9	27.4%	56.8	7.3%
Non-current Liabilities	**9.4**	**8.7**	**7.7%**	**9.4**	**(0.4%)**
Loans and Financing	0.9	2.1	(58.7%)	1.1	(22.3%)
Provision for Contingencies	1.7	2.5	(32.0%)	2.6	(35.7%)
Other Liabilities	6.8	4.1	65.6%	5.7	20.5%
Shareholders' Equity	**635.2**	**649.1**	**(2.1%)**	**631.1**	**0.7%**
TOTAL LIABILITIES AND EQUITY	**2,921.6**	**2,736.6**	**6.8%**	**2,969.9**	**(1.6%)**

APPENDIX IX

Techfin's Credit Rights by Maturity

Credit Rights by Maturity (In R$ million)	3Q24	3Q23	Δ	2Q24	Δ
On Due	2,125.3	1,964.8	8.2%	2,088.8	1.7%
Notes overdue					
Up to 30 days	14.3	13.1	9.6%	18.6	(22.9%)
from 31 to 60 days	5.1	4.5	12.3%	6.4	(21.1%)
from 61 to 90 days	3.3	3.8	(12.4%)	4.2	(22.1%)
from 91 to 180 days	10.4	8.5	22.0%	11.1	(6.9%)
from 181 to 360 days	17.2	24.4	(29.6%)	18.3	(6.3%)
over 360 days	131.1	93.1	40.9%	122.4	7.2%
Gross Trade Receivables	**2,306.7**	**2,112.1**	**9.2%**	**2,269.9**	**1.6%**
Provision for Expected Credit Losses	(164.2)	(134.0)	22.5%	(157.0)	4.6%
Total	**2,142.5**	**1,978.1**	**8.3%**	**2,112.9**	**1.4%**

APPENDIX X

Amortization of goodwill from acquisition

Acquisition goodwill represents the difference between the amount paid for the acquisition of a company and the fair value of its net assets. In Brazil, the amortization of this goodwill can generate a significant tax benefit, allowing the deduction of the amortized value from the calculation basis for Income Tax (IRPJ) and Social Contribution on Net Profit (CSLL), thus reducing the tax burden of the acquiring company.

The goodwill relating to acquisitions is not amortized in accounting. As shown in the table below, the goodwill totaled **R$3.4billion** in 3Q24, of which R$644 million was already amortized for IRPJ/CSLL purposes.

Goodwill (R$ million)	
Total	**3,403.5**
Used as a benefit until 09/30	(644.3)
Balance to be used:	**2,759.3**
Balance of unincorporated companies:	2,411.5
Built-in balance to be used:	**347.8**
4Q24	(25.0)
2025	(99.1)
2026	(97.4)
2027	(69.9)
>2027	(56.4)

APPENDIX XI

Reconciliation of the reclassification of costs from revenue derived from partnership solutions

In R$ million	3Q24	3Q23	Δ	2Q24	Δ	9M24	9M23	Δ
Baseline result								
Net Revenue	1,346.4	1,153.4	(59.3%)	1,295.1	4.0%	2,542.8	3,305.5	(23.1%)
Costs	(393.4)	(351.8)	(60.3%)	(408.3)	(3.6%)	(788.8)	(991.4)	(20.4%)
Gross Profit	953.0	801.6	(58.8%)	886.9	7.5%	1,754.0	2,314.1	(24.2%)
Reclassification								
Net Revenue	(16.6)	(14.2)	(60.1%)	(16.3)	1.7%	(49.0)	(41.5)	18.0%
Costs	16.6	14.2	(60.1%)	16.3	1.7%	49.0	41.5	18.0%
Gross Profit	-	-	-	-	-	-	-	-
Result after reclassification								
Net Revenue	1,329.8	1,139.2	(59.3%)	1,278.8	4.0%	2,493.8	3,264.0	(23.6%)
Costs	(376.8)	(337.6)	(60.3%)	(392.0)	(3.9%)	(739.8)	(949.9)	(22.1%)
Gross Profit	953.0	801.6	(58.8%)	886.9	7.5%	1,754.0	2,314.1	(24.2%)

GLOSSARY

A

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

ADTV Average Daily Trading Volume of shares.

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

B

Business Performance Dimension: a division of TOTVS that offers solutions for enhancing business performance, such as digital marketing, customer management, and automation tools.

C

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

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

E

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

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

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

F

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

G

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

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

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

I

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

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

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

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

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

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

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

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

L

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

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

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

M

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

N

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

P

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

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

R

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

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

S

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

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

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

T

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

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

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

U

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