*São Paulo, August 5th, 2026 – **TOTVS S.A.** (B3: TOTS3) announces its **results for the Second Quarter of 2026 (2Q26).***

EARNINGS RELEASE 2Q26

VIDEO CONFERENCE - August 6th, 2026 at 11:00 AM (BRT)

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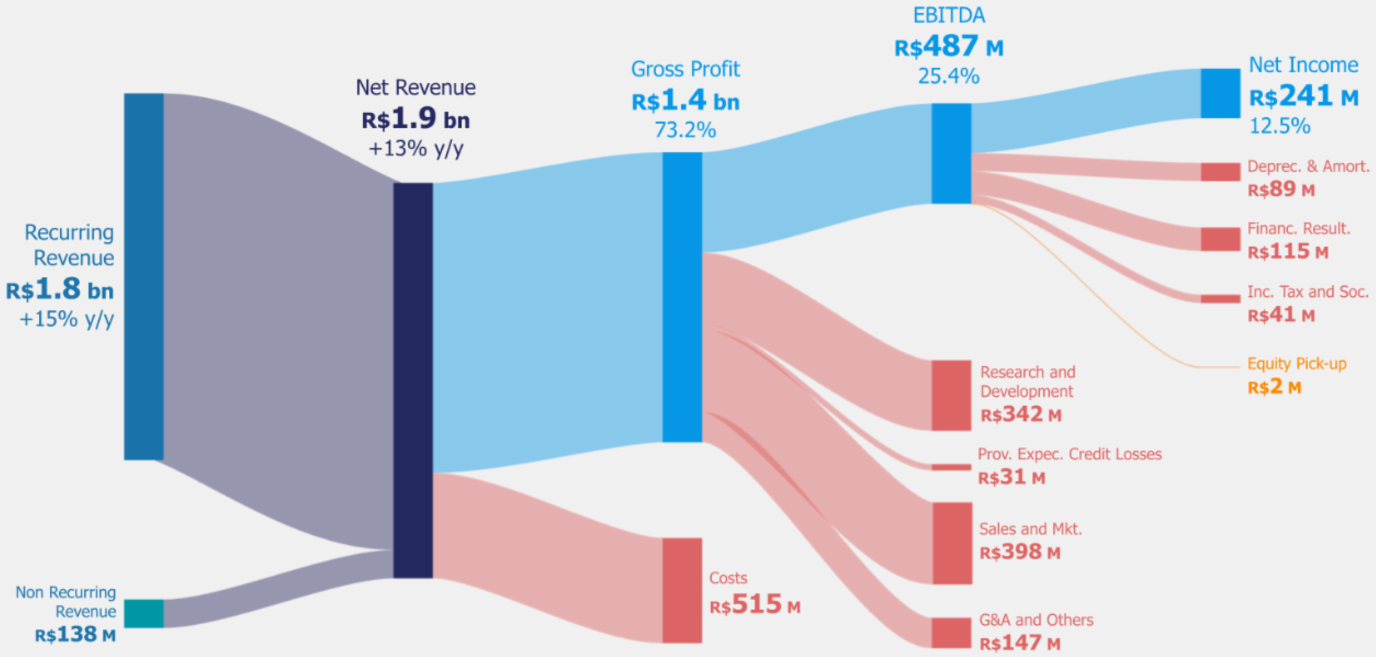
2Q26 EARNINGS

Financial and Operational Highlights[1]



30th
consecutive quarter of double-digit organic growth, with the last 21 between 15% and 25%

AI Enablers
1/3
of Incremental Recurring Revenue 2Q26 vs. 4Q25

ARR
R$7.7 bn +14% y/y

NOPLAT
R$317 M +31% y/y

ARR Gross Addition
+28% of Volume y/y

Free Cash Flow
R$295 M +50% y/y

ARR Organic Addition
R$208 M +8% y/y
excl. Transactional and TIT

Operat. Cash Gener./ Adjusted EBITDA
104% +1,440bp y/y

[1]Financial and operational highlights reflect pro forma results, including the full consolidation of Linx for comparability purposes, unless otherwise stated.

Message from the CEO

Land ho!

In the Age of Discovery, the sailor stationed in what was called the “crow´s nest” — the small basket perched atop the ship's mainmast — was known as the lookout. His task was to spend the day scanning the horizon; and his moment of glory was precisely the cry that gives this message its title: land ho! Well then, after a spell of fog that clouded others' vision but not ours, the lookout aboard the good ship TOTVS has called out loud and clear.

The positive impact of AI arrived at TOTVS. And, contrary to what a portion of the market believed, we are among the winners. A few months ago we saw the early signs. But, cautious as we have always been, our lookout preferred to wait for unmistakable ones. Today, we no longer have any doubt: we have discovered — and, more importantly, already made landfall in — a new world.

What are these signs? We have visibility into financial and operational results accelerating as far as the eye can see. Even more important, the major driver of this incremental acceleration is our AI enablers. As we will demonstrate throughout this earnings release, the indicators most closely tied to our ability to convert our competitive advantages into new sales — as well as to the robustness of customer demand — are precisely the ones that have accelerated the most in recent months. The most striking figure is that **AI enablers accounted for one-third of the enormous incremental Management Recurring Revenue between 4Q25 and 2Q26**. They also represented 28% of Net ARR Addition this quarter, a strong sequential acceleration from the 22% posted in 4Q25. But it is not only the enablers. We saw a major acceleration in Gross Volume ARR Addition, from 9% y/y in 2Q25 to 28% y/y in 2Q26. For 30 consecutive quarters, we have grown Recurring Revenue organically double digits, with the last 21 between 15% and 25%. In short, we are selling at a blistering pace — and selling the world of AI at a blistering pace.

We are also preparing a spectacular Universo TOTVS. In February, we launched LYNN, our foundation model. In October, we will unveil a portfolio of agents that execute tasks directly tied to the most integrated and sophisticated management processes, something no technology company offers, bringing the TaaS model to life along with the massive expansion of our TAM. This is merely a spoiler, as we will have other developments of enormous impact.

What explains our reaching the New World earlier than anyone expected? Although the market still labels us a software, or even a SaaS or ERP, company, TOTVS long ago ceased to be limited to that. **We are the SMB's trusted advisor**. Our strategy is for every TOTVS client to always perceive the value we are adding to their operation and, through this, for us to win more share of wallet, increasing our take rate and our relevance through the results delivered. Any solution powered by technology might be of interest to TOTVS. That is why, for instance, we moved into the front office and into Techfin, created T-Cloud, and launched LYNN. **This is the secret that much of the market has failed to grasp**.

Coincidentally, Morgan Stanley published proprietary research last month showing that AI adoption by the Brazilian SMB is still in its early stages. But, far more important, confirming that this adoption is happening through a trusted advisor; that is, through TOTVS. We are the vehicle through which the SMB consumes AI, exactly as it did in every prior technology cycle.

Against this backdrop, we see a unique opportunity. Our share price reflects a scenario utterly disconnected from reality — that is, the scenario of those still lost in the fog. As examples, the IGV is approximately 40% above its recent low, while TOTVS is only 20%, even with significantly superior financial and operational performance, compared to IGV´s average. That is why we not only executed the largest buyback program in our history in half the projected time, but are also announcing a new program 50% larger. **Considering the 2 programs already executed, of 2026 and 2024, and assuming full execution of the newly approved program, we will have repurchased and cancelled roughly 70 million shares, nearly 15% of our free float**. That places us among the technology companies worldwide with the highest level of buybacks over the past three years, which, given a stock price that is still in the fog, represents the most effective capital allocation to maximize value creation for shareholders who continue to believe in TOTVS' future.

Dennis Herszkowicz - CEO

Consolidated Financial and Operating Highlights

Evolution of the reporting structure and portfolio consolidation (Management + Linx and RD Station)

Last quarter, we recalled that TOTVS' entry into Business Performance in 2019, as well as the acquisition of RD Station in March 2021, represented a bet not only on eliminating the boundaries that separated the back office from the front office, but also on the conviction that merging them would generate major synergies and even greater, better outcomes for clients. Our strategic thesis has always been clear: advancing along the client's value chain (with a focus on increasing relevance and, consequently, the take rate) generates a virtuous cycle of growth and retention, especially in the SMB, where TOTVS has consolidated its position as the strategic partner (trusted advisor).

After five years of this strategic investment, we have reached a high level of product integration, with a strong bias toward segmentation by economic sector. This integration, combined with the unification of go-to-market (GTM) strategies — which pairs the scale of the digital/inbound model for smaller clients with the strength of field sales/outbound for larger clients — has allowed the Company to extract ever more value from this union, enhancing efficiency in capturing new revenue within the customer base.

In light of this, we are evolving our organizational structure to reflect the reality of a single cash-generating unit that operates multiple portfolios, ICPs (Ideal Customer Profiles), and GTMs (go-to-markets). Likewise, it became necessary to **evolve the results-reporting format**. Thus, beginning this quarter, we present results on a consolidated basis, providing financial and operational information on the different solution portfolios as needed.

Additionally, Linx's results now form part of the Company's consolidated figures. To ensure historical comparability and facilitate trend analysis for the market, the financial data presented in this document reflect the **pro forma effect of the Linx combination across all reported periods**.

One final point is that, as with RD, Management (including Linx) also carries some Recurring Revenue with **Transactional** characteristics. However, within consolidated Recurring Revenue this portion is very small, lacking sufficient materiality to warrant a specific breakout. In quarterly Net ARR Addition, though, its relevance may not be negligible, generating some degree of volatility. Whenever we deem it necessary, we will provide appropriate visibility into this component of the addition.

Consolidated Results (Pro forma)

The tables below present figures already adjusted for non-recurring items to facilitate the analysis of the Cost and Expense lines. The reconciliation of the adjusted results to GAAP can be found in **APPENDIX II and III**.

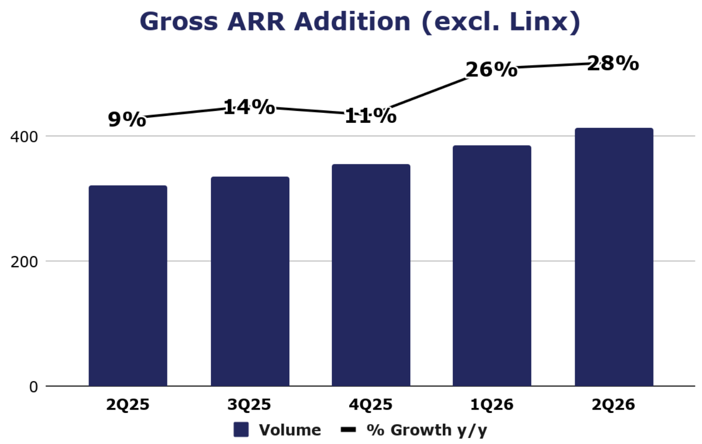
The Techfin Income Statement continues to be presented in the Techfin section, with its respective statements (condensed Balance Sheet and Cash Flow) available in **APPENDIX VII**.

Consolidated Result	2Q26	2Q25	Δ y/y	1Q26	Δ q/q	1H26	1H25	Δ y/y
(in R$ million, except %)								
Net Revenue	**1,919.7**	**1,694.8**	**13.3%**	**1,889.1**	**1.6%**	**3,808.8**	**3,368.5**	**13.1%**
Recurring Revenue	1,781.3	1,544.5	15.3%	1,736.4	2.6%	3,517.7	3,044.6	15.5%
Non-Recurring Revenue	138.4	150.3	(7.9%)	152.7	(9.4%)	291.1	323.9	(10.1%)
Costs	**(514.8)**	**(458.4)**	**12.3%**	**(499.7)**	**3.0%**	**(1,014.5)**	**(904.0)**	**12.2%**
Adjusted Gross Profit	**1,404.9**	**1,236.3**	**13.6%**	**1,389.4**	**1.1%**	**2,794.4**	**2,464.5**	**13.4%**
Adjusted Gross Margin	*73.2%*	*72.9%*	*30 bp*	*73.6%*	*-40 bp*	*73.4%*	*73.2%*	*20 bp*
Adjusted Operating Expenses	**(918.1)**	**(838.8)**	**9.5%**	**(892.3)**	**2.9%**	**(1,810.4)**	**(1,660.6)**	**9.0%**
% Net Revenue	*47.8%*	*49.5%*	*-170 bp*	*47.2%*	*60 bp*	*47.5%*	*49.3%*	*-180 bp*
Research and Development	(341.9)	(303.9)	12.5%	(341.9)	0.0%	(683.9)	(592.1)	15.5%
% Recurring Revenue	*19.2%*	*19.7%*	*-50 bp*	*19.7%*	*-50 bp*	*19.4%*	*19.4%*	*0 bp*
Provision for Expected Credit Losses	(31.3)	(18.4)	70.5%	(25.1)	24.9%	(56.4)	(37.6)	50.1%
% Net Revenue	*1.6%*	*1.1%*	*50 bp*	*1.3%*	*30 bp*	*1.5%*	*1.1%*	*40 bp*
Sales and Marketing Expenses	(397.8)	(385.2)	3.3%	(405.8)	(2.0%)	(803.6)	(748.8)	7.3%
% Net Revenue	*20.7%*	*22.7%*	*-200 bp*	*21.5%*	*-80 bp*	*21.1%*	*22.2%*	*-110 bp*
G&A Expenses and Others	(147.0)	(131.4)	11.9%	(119.5)	23.0%	(266.5)	(282.1)	(5.5%)
% Net Revenue	*7.7%*	*7.8%*	*-10 bp*	*6.3%*	*140 bp*	*7.0%*	*8.4%*	*-140 bp*
Adjusted EBITDA	**486.8**	**397.5**	**22.5%**	**497.1**	**(2.1%)**	**984.0**	**803.9**	**22.4%**
Adjusted EBITDA Margin	*25.4%*	*23.5%*	*190 bp*	*26.3%*	*-90 bp*	*25.8%*	*23.9%*	*190 bp*
Financial and Operational Indicators (in R$ million, except %)								
% Recurring Revenue	92.8%	91.1%	170 bp	91.9%	90 bp	92.4%	90.4%	200 bp
ARR	7,742.3	6,793.7	14.0%	7,533.7	2.8%	n/a	n/a	n/a
Retention Rate	97.3%	97.9%	-60 bp	97.8%	-50 bp	n/a	n/a	n/a
Recurring Revenue vs. ARR (1)	93.3%	92.5%	80 bp	94.3%	-100 bp	n/a	n/a	n/a

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

Annual Recurring Revenue (ARR)

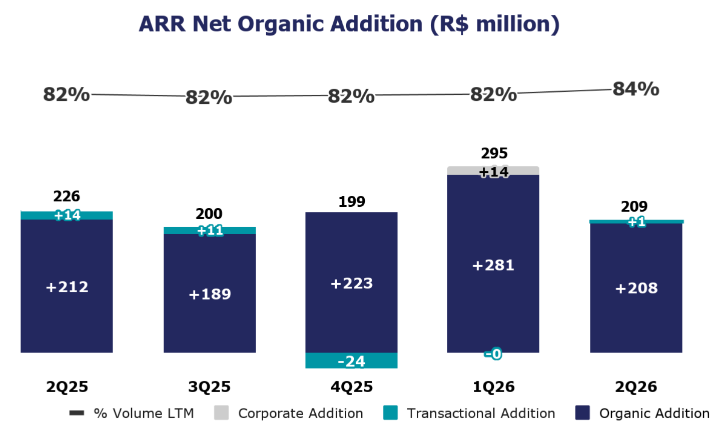
Beginning this quarter, we will include a dedicated reporting section for ARR, ahead of the Net Revenue detail. This metric is the best proxy for the future behavior of revenue. Net ARR Addition comprises three elements: (i) Gross Volume ARR Addition — the level of new sales, both to the existing and to new clients, directly reflecting the solidity of demand and the conversion capacity of TOTVS' sales machine; (ii) Retention Rate — which captures how much of the ARR at the start of the period was retained by its end;



and (iii) Gross Price Addition — which reflects the price adjustments applied, essentially tied to inflation indices.

In recent months, what has separated winners from losers, according to the market, is the ability to sustainably accelerate Gross Volume ARR Addition. That is, for demand to be incrementally robust. The chart above shows an incredible sequential acceleration since the end of 2025, all the more so because 2025 was a year of spectacular performance for TOTVS. It is therefore an acceleration off a very high bar. **We went from 9% y/y growth in 2Q25 to 28% y/y in 2Q26, reaching a record Volume above R$400 million of ARR in a single quarter**. In one quarter, we sold over 5% of the total ARR accumulated in 43 years of operation. And, unlike the creative vocabulary that some private U.S. companies have been using, here we are speaking of Annual RECURRING Revenues, not Annual RUN-RATE (which is, in reality, consumption and therefore quite volatile).

The incontrovertible proof of AI's positive impact for TOTVS is the weight of the enablers in this incremental performance. Tellingly, this occurred during the six months of the "SaaSpocalypse" narrative. It is no mere coincidence. It is the direct result of the launch of LYNN on February 11. It is AI reaching the Brazilian SMB, through TOTVS.



Net ARR Addition reached R$209 million. As already explained, the highlight was the all-time record in Gross Volume Addition, in particular the strong acceleration of the enablers, which represented 28% of this total. The result was not even higher only because we had a 60bps decline in the retention rate — reflecting the restrictive scenario of elevated interest rates over a prolonged period, with a slight deterioration in the financial capacity of some clients — as well as the lower share of the Price component (Volume rose to 84% of the total). Compared to 2Q25, we posted 8% growth once the effects of transactional volume and the TIT (TOTVS *Inteligência Tributária*) are stripped out. Against 1Q26, growth excluding the impact of the payroll tax surcharge and the Corporate Model was 26%.

Net Revenue (Pro forma)

We reached the 30th consecutive quarter of double-digit organic Recurring Revenue growth, with the last 21 between 15% and 25%. Over this seven-and-a-half-year period, we multiplied this revenue by 4.3x, at a 22% CAGR (5% per quarter). Its share rose from 74% to 93%. ARR Net Addition went from a level of R$40 million per quarter to R$200 million.

Beginning with the 4Q25 release, published in February 2026, with the start of the "SaaSpocalypse" narrative and the launch of LYNN, we began disclosing information on AI enablers. **This locomotive accounted for one-third of all incremental Management Recurring Revenue generated over these six months**, excluding Linx. Their share jumped from 17% of the total in 2025 to 19.0% in 1Q26 and 19.4% now in 2Q26. Some enablers are accelerating off already very high growth bases. For example, growth in API consumption, database organization, and systems updates went from 50% y/y in 1Q26 to 56% y/y in 2Q26. As stated in the CEO's message, TOTVS has made landfall in the New World.

The performance of Management and RD portfolios followed patterns similar to 1Q26 in terms of revenue growth. At Linx, now fully integrated, the dynamic is following a pattern quite familiar to TOTVS: first, an improvement in Gross Volume ARR Addition (new sales), which will lift Net ARR Addition and, subsequently, accelerate recurring revenue.

Our competitive differentials remain intact: (i) **NPS at the highest levels** in our long history (and well above the level of any global competitor); (ii) **the largest proprietary solutions portfolio** in the market (which keeps growing month after month); (iii) a **sales machine** with unmatched reach and market knowledge (reinforced in recent years with the largest and best digital/inbound machine in Brazil); and (iv) the **best cost-benefit ratio for the SMB**, with a TCO reduction of more than 50% in recent years.

Non-Recurring Revenue reached R$138 million in 2Q26, a 7.9% decrease versus 2Q25 and 9.4% q/q, in line with the strategy of reducing the client's TCO, with a focus on the continuous expansion of Recurring Revenues, which carry gross margins of around 80%.

Operating Expenses (Pro forma)

Operating expenses grew 3.8 p.p. less than the quarter's net revenue in the y/y comparison. This enormous operating leverage came even in an execution context from many simultaneous strategic fronts, as an example the integration challenges of a large acquisition (Linx), the broader use of AI, an even more accelerated launch cadence of solutions (LYNN, IaaS, among several others). Additionally, we note that we are experiencing the most restrictive credit environment of the last decade. TOTVS thus managed to perfectly balance its landfall in the New World with strong margin gains.

The integration of Management and RD portfolios, with the evolution of the organizational structure and unification into a single cash-generating unit operating multiple ICPs (Ideal Customer Profile), GTMs (go-to-markets), and so on, delivers significant optimization of structures, most notably in Sales and Marketing Expenses and in General and Administrative Expenses, which reduced their share of Net Revenue in the half-year to date by 110bps and 140bps, respectively. In Linx's case, we are already reaping concrete OPEX synergies.

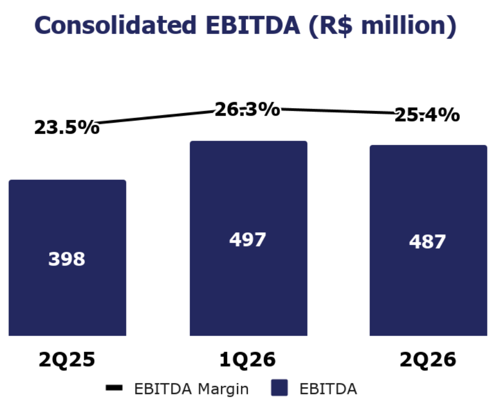
Still within the context of integrating the Management and RD portfolios, we have also consolidated the 2026 events calendar, with the RD Summit being incorporated into Universo TOTVS, which will be held in October. As a result, we will have only one event of this magnitude this year instead of two. For y/y comparability, the cost of Universo TOTVS in 2Q25 was R$14 million.

We are also among the greatest beneficiaries of the use of AI in internal processes. **Our preferred metric, Net Revenue/FTE, grew 11% y/y in 2Q26**, with major efficiency gains in R&D, customer support, implementation services, sales, and even in back-office functions.

As a result, OPEX as a share of Net Revenue fell 170bps y/y, from 49.5% in 2Q25 to 47.8% in 2Q26. The same behavior can be seen in the half-year to date, which reached 47.5% versus 49.3% in 1H25, and in the comparison with 1Q26, with a 60bps expansion.

These excellent results were not even better only because of a 71% y/y and 25% q/q increase in the Provision for Expected Losses. As noted in the comment on the decline in the Retention Rate, this reflects the impact of the current macroeconomic scenario. Nevertheless, despite this restrictive backdrop, Expected Loss as a percentage of Net Revenue remained close to its low historical levels (around 1.6% of Net Revenue), demonstrating the resilience of our differentiated client base.

EBITDA (Pro forma)



Adjusted EBITDA grew 22% y/y, with a 190bps expansion in the consolidated EBITDA Margin. As we said in the section above, this margin comes amid multiple fronts of strategic execution. For example, the successful integration of Linx has already turned it into a generator of incremental value, with an expansion of over than 2 p.p. in its 2Q26 margin versus March (a month that itself came in more than 3.5 p.p. above 1Q26), surpassing 20%. Likewise, in the RD portfolio the y/y expansion again exceeded 2 p.p. The gain in the consolidated margin was not even greater precisely because of the aforementioned increase in the provision for losses.

The consistent expansion of profitability is the direct result of the structural operating leverage of our Recurring Revenue, which has a gross margin above 80% and stems from the combination of: (i) our well-established discipline in managing selling and administrative expenses; (ii) the integration of the Management and RD structures; and (iii) the advancing adoption of AI. Indeed, we continue to advance in AI without losing discipline in the management of costs and expenses — very different from what we see around the world, with countless cases of token maxing and other excesses.

Why is TOTVS able to use AI at scale in internal processes and also in generating additional revenue, without waste? Because of LYNN. As we showed last quarter, our foundation model uses ASI (Artificial Specialized Intelligence). This brings specialized context, a sine qua non for the best cost-benefit ratio. Its agnosticism affords full flexibility to use different models for different tasks. The Enterprise and Agent Builder layers generate metadata on the usage and outcomes of each such application. This metadata is proprietary and extremely valuable. Combined with a down-to-earth approach, it generates the Net Revenue/FTE gain mentioned in the previous section.

Our lookout's cry of “Land ho!” is not confined to the ability to convert TAM expansion into accelerating Gross Volume ARR Addition in the Brazilian SMB; it also reflects the New World of our own internal efficiency.

Net Income (Pro forma)

Adjusted Net Income	2Q26	2Q25	Δ y/y	1Q26	Δ q/q	1H26	1H25	Δ y/y
Result (in R$ million, except %)								
Adjusted EBITDA	**486.8**	**397.5**	**22.5%**	**497.1**	**(2.1%)**	**984.0**	**803.9**	**22.4%**
Depreciation and Amortization	(88.7)	(83.9)	5.7%	(88.1)	0.7%	(176.7)	(162.5)	8.8%
Financial Result	(115.2)	(23.8)	383.0%	(57.7)	99.6%	(172.9)	(47.2)	266.3%
Income Tax and Social Contribution	(40.7)	(63.3)	(35.7%)	(80.6)	(49.5%)	(121.3)	(136.8)	(11.4%)
Adjusted Equity Pick-up - Techfin 50%	(1.7)	0.8	(313.3%)	(0.0)	>999%	(1.7)	4.4	(138.2%)
Adjusted Net Income	**240.6**	**227.3**	**5.9%**	**270.8**	**(11.1%)**	**511.4**	**461.8**	**10.8%**
Adjusted Net Margin	*12.5%*	*13.4%*	*-90 bp*	*14.3%*	*-180 bp*	*13.4%*	*13.7%*	*-30 bp*
Financial and Operational Indicators (in R$ million, except %)								
NOPLAT (1)	316.7	242.4	30.6%	308.9	2.5%	625.5	492.1	27.1%
EPS (LTM) (2)	1.83	1.58	15.8%	1.79	2.5%	n/a	n/a	n/a
ROIC (LTM) (3)	26.8%	20.4%	640 bp	20.9%	590 bp	n/a	n/a	n/a
ROE (LTM) (4)	27.1%	17.5%	960 bp	18.0%	910 bp	n/a	n/a	n/a

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

(2) EPS (LTM) = Adjusted Net Income (LTM) / (Total Outstanding Shares – Treasury Shares)

(3) ROIC = (GAAP NOPLAT LTM) / [last 4 quarters average (Shareholders' Equity) - (Net Debt or Cash)]. The metric includes the gain on the sale of Dimensa starting in 2Q26.

(4) ROE = (Consolidated Net Income LTM) / (last 4 quarters average Shareholders' Equity). The metric includes the gain on the sale of Dimensa starting in 2Q26.

The year-over-year growth in Adjusted Net Income of 5.9% in 2Q26 and 11% in 1H26 (surpassing the half-billion mark) entailed an expected compression in the Adjusted Net Margin (-90bp y/y and -30bp H/H), mostly associated with the 6th debenture issuance. This impact was partially offset by a reduction in the period's tax burden, which benefited from the higher proportional payment of Interest on Equity (IoE) and from greater tax utilization under the Lei do Bem (Brazil's R&D tax-incentive law).

When we analyze the operating metrics, our solid efficiency becomes even more evident. NOPLAT reached R$317 million in 2Q26, an impressive +31% y/y jump that significantly outstripped the pace of Adjusted EBITDA's own expansion (+22% y/y).

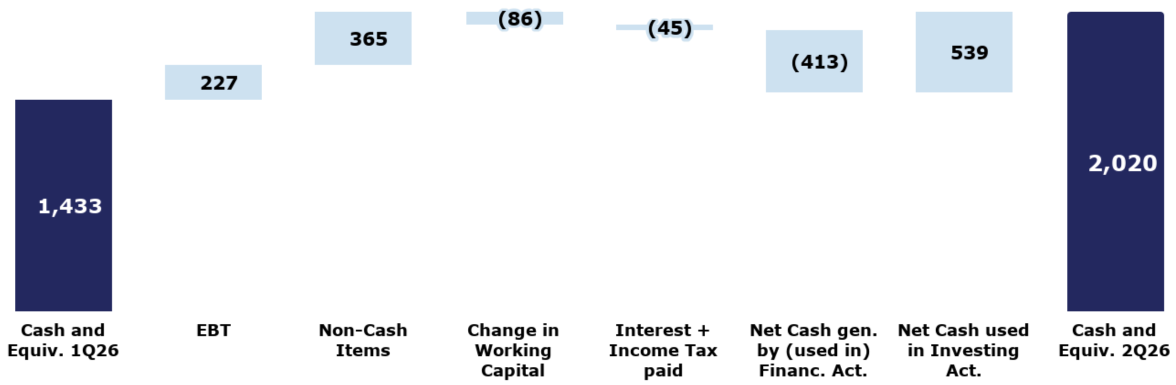
Free Cash Flow

Free Cash Flow	2Q26	2Q25	Δ y/y	1Q26	Δ q/q	1H26	1H25	Δ y/y
Result (in R$ million, except %)								
EBT	**227.3**	**219.3**	**3.7%**	**283.2**	**(19.7%)**	**510.5**	**456.0**	**12.0%**
Non-Cash Items	365.5	190.9	91.5%	311.0	17.5%	676.5	386.5	75.0%
Change in Working Capital	(86.4)	(53.9)	60.4%	(112.0)	(22.8%)	(198.4)	(166.2)	19.4%
Operating Cash Generation	**506.4**	**356.3**	**42.1%**	**482.2**	**5.0%**	**988.6**	**676.2**	**46.2%**
(–) Income Tax and Social Contribution paid	(39.7)	(22.8)	74.3%	(51.3)	(22.7%)	(91.1)	(95.6)	(4.7%)
(–) Invest. in Fixed and Intang. Assets	(84.8)	(68.9)	23.1%	(136.5)	(37.9%)	(221.4)	(141.2)	56.7%
(–) Payment of Principal of Lease Liabilities	(21.7)	(21.9)	(1.1%)	(12.7)	70.6%	(34.4)	(37.1)	(7.2%)
(–) Rev. from financial invest., net of Taxes	(65.6)	(45.6)	43.7%	(85.5)	(23.3%)	(151.0)	(87.5)	72.7%
Free Cash Flow to Firm (FCFF)	**294.6**	**197.0**	**49.5%**	**196.1**	**50.2%**	**490.7**	**314.9**	**55.9%**
Financial and Operational Indicators								
Op. Cash Generation / Adjusted EBITDA	104.0%	89.6%	1440 bp	97.0%	700 bp	100.5%	84.1%	1640 bp
Free Cash Flow / Adjusted Net Income	122.4%	86.7%	3570 bp	72.4%	5000 bp	96.0%	68.2%	2780 bp
FCFF LTM Margin	14.5%	11.6%	290 bp	13.5%	100 bp	n/a	n/a	n/a

The significant 50% y/y growth in Free Cash Flow to the Firm (FCFF), closing 2Q26 at R$295 million, was driven by **Operating Cash Generation, which reached R$506 million in the period**. This solid evolution in Cash Generation significantly outpaced the expansion in CAPEX (Investment in Fixed and Intangible Assets) in absolute terms, demonstrating the Company's ability to keep investing strategically in capturing new opportunities without sacrificing profitability, consolidating an important competitive differential in the sector.

Compared to the previous quarter, Free Cash Flow posted a strong +50% advance. This positive performance reflects the continued 5.0% growth in Operating Cash Generation quarter-over-quarter, combined with a lower intensity of CAPEX in the period (-38% q/q), following the heavy concentration of equipment investments we had made in 1Q26, ahead of the launch of the IaaS offering.

Cash Flow 2Q26 (R$ million)



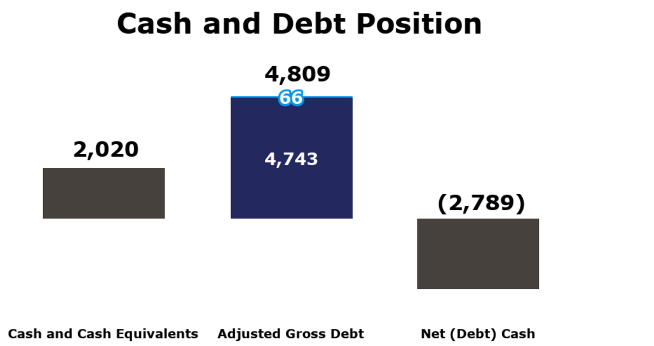
Gross and Net Debt

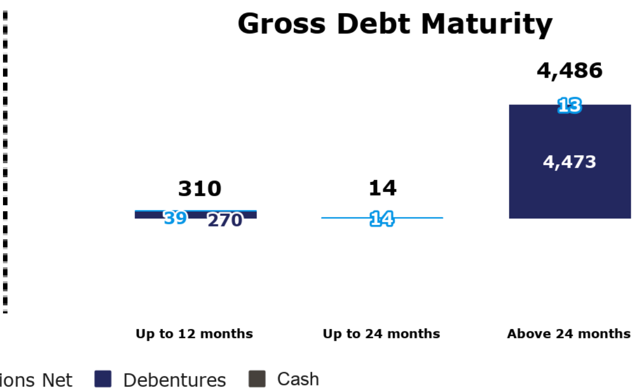
In R$ million	2Q26	2Q25	Δ y/y	1Q26	Δ q/q
Debentures	(4,743.1)	(1,562.9)	203.5%	(4,580.3)	3.6%
Obligations Related to Acquisitions, Net	(66.3)	(22.2)	198.2%	(51.7)	28.4%
Total Gross Debt	**(4,809.5)**	**(1,585.1)**	**203.4%**	**(4,631.9)**	**3.8%**
(+) Cash and Cash Equivalents	2,020.2	1,481.5	36.4%	1,432.8	41.0%
Net (Debt) Cash	**(2,789.3)**	**(103.6)**	**>999%**	**(3,199.1)**	**(12.8%)**

The 203% y/y increase in the Company's Total Gross Debt, and the 3.8% rise versus the previous quarter, is a direct reflection of the 6th Debenture Issuance associated with the Linx acquisition.

The major highlight of the period was the strong increase in Cash and Cash Equivalents, which jumped 41% sequentially and 36% y/y, reaching a robust R$2.0 billion. This increase was driven by excellent operating cash generation and by the inflow of proceeds from the sale of Dimensa. **Net Debt posted an important 13% reduction in the quarter**, easing from R$3.2 billion in 1Q26 to R$2.8 billion in 2Q26, even with the execution of the largest buyback program in TOTVS' history.

This sequential deleveraging demonstrates the speed with which the Company can convert its operating efficiency and portfolio recycling into an optimized capital structure, bringing greater security and financial soundness to investors post-integration.





Techfin

Techfin currently has two different narratives unfolding simultaneously. ERP Finance, which expands the TAM several times over and builds something unprecedented and unique, continues to accelerate on all fronts, but from a still-modest numerical base. On the other hand, the current credit cycle is the most challenging of at least the past decade, with the nominal and, above all, real Selic rates at very high levels for an extremely long period.

As we said a few quarters ago, using ERP data for credit modeling and approval delivers demonstrably better results than any other approach. Techfin recently demonstrated that **applying selected information that only the ERP provides improved the ability to distinguish good payers by 25%** compared to the best rating available in the market. Yet even the best models and approval policies do not make Techfin immune. They make it better.

The table presented below represents 100% of Techfin's results in the respective periods. The reconciliation of Techfin's Adjusted Profit, the Balance Sheet, the Cash Flow, and the Credit Rights by maturity are set out in **APPENDIX VII**.

	2Q26	2Q25	Δ y/y	1Q26	Δ q/q	**1H26**	1H25	Δ y/y
Result (in R$ million, except %)								
Revenue - Net of funding	**103.5**	**83.5**	**24.0%**	**98.5**	**5.1%**	**201.9**	**172.3**	**17.2%**
Net Revenue	152.2	126.4	20.4%	145.1	4.9%	297.3	255.2	16.5%
Funding Cost	(48.8)	(43.0)	13.5%	(46.6)	4.6%	(95.4)	(82.9)	15.1%
Provision for Expected Credit Losses	(26.7)	(13.5)	98.1%	(23.3)	14.6%	(50.1)	(24.0)	108.4%
OPEX	(81.7)	(67.5)	20.9%	(72.2)	13.2%	(153.8)	(133.3)	15.5%
Techfin Adjusted EBITDA	**(5.0)**	**2.4**	**(304.9%)**	**3.0**	**(266.7%)**	**(2.0)**	**15.0**	**(113.2%)**
% Techfin Adjusted EBITDA	*-4.8%*	*2.9%*	*-770 bp*	*3.0%*	*-780 bp*	*-1.0%*	*8.7%*	*-970 bp*
Below EBITDA	1.6	(0.9)	(289.8%)	(3.0)	(154.9%)	(1.4)	(6.2)	(78.4%)
Adjusted Net Income (Loss) from Techfin	**(3.3)**	**1.6**	**(313.3%)**	**(0.0)**	**>999%**	**(3.3)**	**8.7**	**(138.2%)**
% Net Income (Loss) from Techfin	*-3.2%*	*1.9%*	*-510 bp*	*0.0%*	*-320 bp*	*-1.7%*	*5.1%*	*-680 bp*
Financial and Operational Indicators (in R$ million, except%)								
Credit products								
Credit Production	3,441.6	3,237.9	6.3%	3,264.6	5.4%	6,706.2	6,446.8	4.0%
Average Term of Credit Production (days)	61.9	60.3	2.6%	63.5	(2.6%)	n/a	n/a	-
Credit Portfolio, Net	2,756.8	2,525.5	9.2%	2,921.2	(5.6%)	n/a	n/a	-
Average Term of On Due Portfolio (days)	69.4	68.8	0.8%	78.6	(11.7%)	n/a	n/a	-
Credit Operation Cash Position	212.7	167.1	27.3%	144.0	47.7%	n/a	n/a	n/a
Fee Products								
TPV - Techfin Pix	2,837.0	2,165.5	31.0%	2,753.4	3.0%	5,590.3	4,219.1	32.5%

Launch of Conta+

Techfin is launching Conta+. It is a strategic offering that brings ERP Finance to life, insofar as it establishes the foundation for Techfin's primacy in the financial relationship with TOTVS' clients. Conta+ is the pillar of the cash management offering, enabling a recurring relationship with clients and becoming the largest source of credit origination.

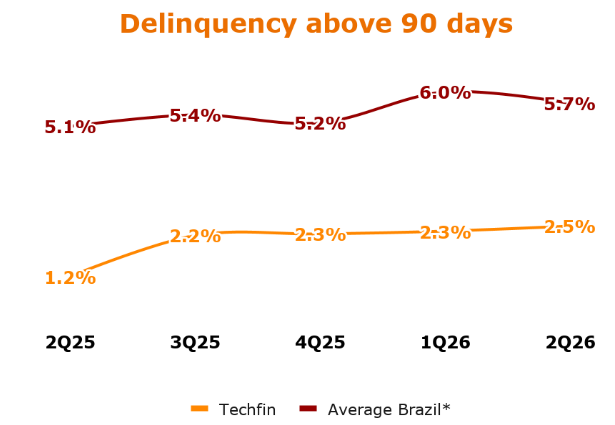
The product is a dynamic hub, natively integrated with TOTVS' ERPs, with unique differentials. It addresses matters such as a complete and integrated reconciliation — a major pain point for the SMB — greater agility and integration in cash-flow management, and full automation with the ERP. For example, the receivables collection offering, represented by Pix Techfin (Instant payment solution), is one of the greatest beneficiaries. Indeed, this transactional offering continues to scale. TPV reached R$2.8 billion in 2Q26 (+31% y/y). In May 2026, the platform reached an all-time record of **5.5 million transactions** processed in a single month, highlighting the increasing adoption of the solution by customers. Beyond centralizing financial management, Conta+ creates additional monetization opportunities associated with ***floating*** and the deepening of the financial relationship with the customer base. Conta+ will be one of the highlights of the next Universo TOTVS.

Net Funding Revenue and Operating Efficiency

Net Funding Revenue grew 24% y/y, reaching R$103 million in 2Q26. This significant advance was achieved through the combination of strong net revenue growth (+20% y/y) with a major efficiency gain in Funding Cost (which grew only 14% y/y), one of Techfin's competitive differentials.

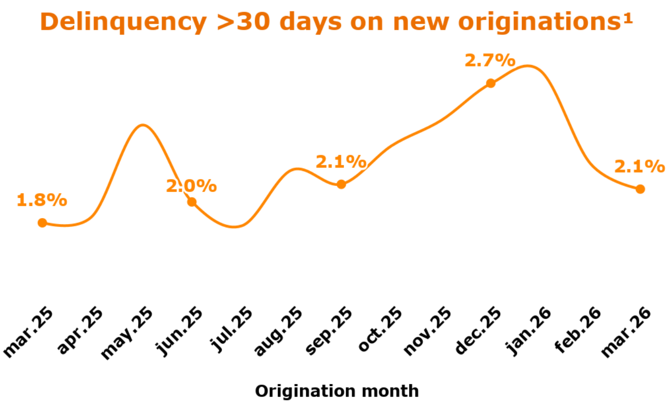
OPEX grew 21% y/y, reflecting our investments in building the new ERP Finance offerings. The important launch of Conta+ is the most recent example, but not the last.

As noted above, the use of ERP data makes Techfin's credit modeling and approval policy better than any other in the market. This allowed us to keep growing origination (credit production +6.3% y/y in 2Q26), the loan portfolio (+9.2% y/y), and net funding revenue, even in a scenario where others had to hit the brakes.



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

As we also said, better does not mean immune. That is why, this quarter, our performance was directly impacted by our historically prudent stance and rigorous risk management. In the face of the challenging Brazilian credit scenario, Techfin added R$13 million to the Provision for Expected Credit Losses in 2Q26. Given that the average term of Techfin's portfolio is quite short, with very rapid turnover that allows parameters to be changed every two months, the appropriate limits and approval policies adjustments have already been made. The new origination cohorts generated under these new parameters have already returned to healthy levels, in line with the highly profitable historical track record, as shown in the adjacent chart. We recall that Techfin has always operated — and, even with this increase in provisions, continued to operate — with delinquency and loss levels two to three times better than the market average.



[1] Refers to the over-30-day delinquency rate measured in the first 3 months post-origination for the +Vendas portfolio — Techfin's core product.

EBITDA and Adjusted Net Income

The Adjusted EBITDA ended 2Q26 at negative R$5 million and Adjusted Net Loss at R$3.3 million. This cyclical volatility, typical of severe credit cycles, does not alter the trajectory of very high structural profitability and commercial scale of the business, which will remain one of the most valuable pillars of TOTVS' union of technology and financial services.

Reinforcing the financial self-sufficiency of our joint venture (JV), the credit operation ended the quarter with a robust cash position of R$213 million.

APPENDIX I (Pro forma)

Consolidated Income Statement

The Consolidated results presented below combine Linx's results for periods prior to the closing of its acquisition. The reconciliation with the 1H26 Interim Financial Statements (ITR) is available in **APPENDIX II** of this document.

In R$ million	2Q26	2Q25	Δ y/y	1Q26	Δ q/q	1H26	1H25	Δ y/y
Net Revenue	**1,919.7**	**1,694.8**	**13.3%**	**1,889.1**	**1.6%**	**3,808.8**	**3,368.5**	**13.1%**
Operating Costs	**(515.3)**	**(460.7)**	**11.9%**	**(499.7)**	**3.1%**	**(1,015.0)**	**(906.6)**	**11.9%**
Gross Profit	**1,404.4**	**1,234.1**	**13.8%**	**1,389.4**	**1.1%**	**2,793.9**	**2,461.9**	**13.5%**
Operating Expenses	**(1,048.7)**	**(949.5)**	**10.5%**	**(1,025.8)**	**2.2%**	**(2,074.5)**	**(1,886.5)**	**10.0%**
Research and Development	(343.0)	(305.0)	12.5%	(341.9)	0.3%	(685.0)	(593.3)	15.5%
Sales and Marketing Expenses	(398.6)	(385.9)	3.3%	(405.8)	(1.8%)	(804.4)	(749.7)	7.3%
Provision for Expected Credit Losses	(31.3)	(18.4)	70.5%	(25.1)	24.9%	(56.4)	(37.6)	50.1%
General and Administrative Expenses	(151.4)	(133.9)	13.1%	(129.8)	16.6%	(281.2)	(275.7)	2.0%
Provision for Contingencies	(5.3)	(2.0)	167.3%	(9.6)	(44.9%)	(14.9)	(15.7)	(5.4%)
Depreciation and Amortization	(126.8)	(102.6)	23.6%	(115.3)	10.0%	(242.1)	(200.6)	20.7%
Other Net Revenues (Expenses)	7.7	(1.7)	(559.3%)	1.7	362.9%	9.4	(14.0)	(166.8%)
EBIT	**355.7**	**284.7**	**25.0%**	**363.7**	**(2.2%)**	**719.4**	**575.3**	**25.0%**
Financial Result	(126.1)	(35.1)	258.9%	(67.6)	86.6%	(193.7)	(67.7)	185.9%
Equity Pickup	(2.3)	0.2	<(999%)	(0.6)	259.4%	(2.9)	3.1	(193.3%)
Earnings Before Taxes (EBT)	**227.3**	**249.7**	**(9.0%)**	**295.4**	**(23.1%)**	**522.8**	**510.7**	**2.4%**
Income Tax and Social Contribution	(22.6)	(49.6)	(54.5%)	(61.8)	(63.5%)	(84.3)	(107.4)	(21.5%)
Net Income (Loss) from Discontinued Operations	483.7	17.3	>999%	8.2	>999%	491.9	33.3	>999%
Consolidated Net Income	**688.5**	**217.4**	**216.8%**	**241.9**	**184.7%**	**930.4**	**436.6**	**113.1%**
Non-Controlling Net Income	-	(6.4)	(100.0%)	(3.2)	(100.0%)	(3.2)	(12.3)	(74.2%)
GAAP Net Income	**688.5**	**211.0**	**226.3%**	**238.7**	**188.5%**	**927.2**	**424.3**	**118.5%**
Net Margin	*35.9%*	*12.4%*	*2350 bp*	*12.6%*	*2330 bp*	*24.3%*	*12.6%*	*1170 bp*

APPENDIX II

Reconciliation of the Consolidated Income Statement

	2Q26			1H26			
	GAAP Income Statement [1]	**Deprec. and Amort. Reclass.** [2]	**Consolidated Result**	**GAAP Income Statement** [1]	**Deprec. and Amort. Reclass.** [2]	**Linx Jan+Feb**	**Consolidate d Result**
In R$ million	**(a)**	**(b)**	**(a+b+c)**	**(a)**	**(b)**	**(c)**	**(a+b+c)**
Net Revenue	**1,919.7**	**-**	**1,919.7**	**3,616.8**	**0.0**	**192.1**	**3,808.8**
Costs	**(556.9)**	**41.5**	**(515.3)**	**(1,036.9)**	**79.2**	**(57.3)**	**(1,015.0)**
Gross Profit	**1,362.9**	**41.5**	**1,404.4**	**2,579.8**	**79.2**	**134.8**	**2,793.9**
Gross Margin	*71.0%*		*73.2%*	*71.3%*		70.2%	*73.4%*
Operating Expenses (Revenues)	**(1,007.2)**	**(41.5)**	**(1,048.7)**	**(1,872.6)**	**(79.2)**	**(122.7)**	**(2,074.5)**
Research and Development	(354.8)	11.8	(343.0)	(656.5)	25.6	(54.1)	(685.0)
Sales and Marketing Expenses	(411.9)	13.3	(398.6)	(772.0)	26.0	(58.4)	(804.4)
General and Administrative Expenses	(216.8)	60.2	(156.7)	(401.0)	99.0	5.9	(296.1)
Depreciation and Amortization	-	(126.8)	(126.8)	-	(229.8)	(12.3)	(242.1)
Provision for Expected Credit Losses	(31.3)	-	(31.3)	(54.5)	-	(1.9)	(56.4)
Other Net Revenues (Expenses)	7.7	-	7.7	11.3	-	(2.0)	9.4
EBIT	**355.7**	**-**	**355.7**	**707.3**	**-**	**12.1**	**719.4**
Financial Revenues	72.7	-	72.7	167.3	-	1.3	168.5
Financial Expenses	(198.8)	-	(198.8)	(361.1)	-	(1.1)	(362.2)
Equity Pickup	(2.3)	-	(2.3)	(2.9)	-	-	(2.9)
Earnings Before Taxes (EBT)	**227.3**	**-**	**227.3**	**510.5**	**-**	**12.3**	**522.8**
Income Tax and Social Contribution	(22.6)	-	(22.6)	(81.9)	-	(2.4)	(84.3)
Net Income (Loss) from Discont. Op.	483.7	-	483.7	491.9	-	-	491.9
Consolidated Net Income	**688.5**	**-**	**688.5**	**920.5**	**-**	**9.8**	**930.4**
Non-Controlling Net Income	-	-	-	(3.2)	-	-	(3.2)
GAAP Net Income	**688.5**	**-**	**688.5**	**917.4**	**-**	**9.8**	**927.2**
Net Margin	35.9%		*35.9%*	*25.4%*			*24.3%*

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

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

APPENDIX III (Pro forma)

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

In R$ million	2Q26	2Q25	Δ y/y	1Q26	Δ q/q	1H26	1H25	Δ y/y
Consolidated Net Income	**688.5**	**217.4**	**216.8%**	**241.9**	**184.7%**	**930.4**	**436.6**	**113.1%**
(–) Net Income (Loss) RJ and Dimensa	483.7	17.3	>999%	8.2	>999%	491.9	33.3	>999%
(+) Depreciation and Amortization	126.8	102.6	23.6%	115.3	10.0%	242.1	200.6	20.7%
(–) Financial Results	(126.1)	(35.1)	258.9%	(67.6)	86.6%	(193.7)	(67.7)	185.9%
(+) Income Tax and Social Contribution	22.6	49.6	(54.5%)	61.8	(63.5%)	84.3	107.4	(21.5%)
EBITDA GAAP	**480.2**	**387.4**	**24.0%**	**478.3**	**0.4%**	**958.5**	**779.0**	**23.0%**
(–) Equity Pickup	(2.3)	0.2	<(999%)	(0.6)	259.4%	(2.9)	3.1	(193.3%)
(+) Extraordinary Items	4.3	10.3	(57.7%)	18.2	(76.1%)	22.6	28.0	(19.4%)
M&A Adjustment at Fair Value	(3.0)	2.6	(215.0%)	-	-	(3.0)	16.1	(118.9%)
Adjustment from Oper. Restructuring	-	5.3	(100.0%)	(0.1)	(100.0%)	(0.1)	5.8	(102.2%)
Performance LTI program Payroll taxes	3.5	-	-	-	-	3.5	-	-
Expenses with M&A Transactions	3.9	0.6	539.6%	18.3	(78.7%)	22.2	1.8	>999%
Loss (Gain) with Disposed Assets	-	1.8	(100.0%)	-	-	-	4.2	(100.0%)
Adjusted EBITDA	**486.8**	**397.5**	**22.5%**	**497.1**	**(2.1%)**	**984.0**	**803.9**	**22.4%**

Adjusted Net Income Reconciliation

In R$ million	2Q26	2Q25	Δ y/y	1Q26	Δ q/q	1H26	1H25	Δ y/y
GAAP Net Income	**688.5**	**211.0**	**226.3%**	**238.7**	**188.5%**	**927.2**	**424.3**	**118.5%**
Discont. Op. Adjustment - RJ and Dimensa	(483.7)	(10.9)	>999%	(5.0)	>999%	(488.7)	(21.0)	>999%
Net Extraordinary Items [1]	2.9	6.8	(57.7%)	12.0	(76.1%)	14.9	18.3	(18.7%)
PVA of Call Option, Net [2]	7.2	7.4	(3.3%)	6.5	10.4%	13.7	13.7	0.1%
Net Effect of Amort. of Acquisitions' Intangibles [3]	25.8	13.0	99.1%	18.6	38.9%	44.4	26.4	68.0%
Adjusted Net Income	**240.6**	**227.3**	**5.9%**	**270.8**	**(11.1%)**	**511.4**	**461.8**	**10.8%**
Adjusted Net Margin [4]	*12.5%*	*13.4%*	*-90 bp*	*14.3%*	*-180 bp*	*13.4%*	*13.7%*	*-30 bp*

[1] Extraordinary items Net of Income Tax from: (i) EBITDA GAAP; (ii) Tax Credit arising from the constitution of Deferred Income Tax of RD Station; (iii) the Financial Result; and (iv) Techfin Result (50%)

[2] 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

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

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

Depreciation and Amortization Reconciliation

In R$ million	2Q26	2Q25	Δ y/y	1Q26	Δ q/q	1H26	1H25	Δ y/y
Depreciation	(52.1)	(46.8)	11.3%	(49.0)	6.2%	(101.1)	(92.4)	9.5%
Amortization	(36.6)	(37.1)	(1.4%)	(39.0)	(6.4%)	(75.6)	(70.1)	7.9%
Adjusted Depreciation and Amortization	**(88.7)**	**(83.9)**	**5.7%**	**(88.1)**	**0.7%**	**(176.7)**	**(162.5)**	**8.8%**
Intangibles Amortization from Acquisitions	(38.1)	(18.7)	104.1%	(27.2)	40.3%	(65.3)	(38.1)	71.4%
Depreciation and Amortization	**(126.8)**	**(102.6)**	**23.6%**	**(115.3)**	**10.0%**	**(242.1)**	**(200.6)**	**20.7%**

Financial Result Reconciliation

In R$ million	2Q26	2Q25	Δ y/y	1Q26	Δ q/q	1H26	1H25	Δ y/y
Financial Revenues	72.7	55.5	31.0%	95.8	(24.1%)	168.5	106.0	59.0%
Financial Expenses	(187.9)	(79.4)	136.8%	(153.5)	22.4%	(341.4)	(153.1)	122.9%
Adjusted Financial Result	**(115.2)**	**(23.8)**	**383.0%**	**(57.7)**	**99.6%**	**(172.9)**	**(47.2)**	**266.3%**
PVA of Call Option - Dimensa	(10.9)	(11.3)	(3.3%)	(9.9)	10.4%	(20.8)	(20.8)	0.1%
Extraordinary PVA - Earn-outs	-	-	-	-	-	-	0.2	(100.0%)
Financial Result	**(126.1)**	**(35.1)**	**258.9%**	**(67.6)**	**86.6%**	**(193.7)**	**(67.7)**	**185.9%**

Adjusted Income Tax Reconciliation

In R$ million	2Q26	2Q25	Δ y/y	1Q26	Δ q/q	1H26	1H25	Δ y/y
EBT	**227.3**	**249.7**	**(9.0%)**	**295.4**	**(23.1%)**	**522.8**	**510.7**	**2.4%**
(-) Equity Pickup - Techfin	(2.3)	0.2	<(999%)	(0.6)	259.4%	(2.9)	3.1	(193.3%)
EBT (excl. Techfin)	**229.6**	**249.5**	**(8.0%)**	**296.1**	**(22.4%)**	**525.7**	**507.6**	**3.6%**
Taxes at nominal rate (34%)	(78.1)	(84.8)	(8.0%)	(100.7)	(22.4%)	(178.7)	(172.6)	3.6%
Law 11,196/05 - R&D Incentive	14.0	8.1	73.3%	5.9	137.0%	19.9	16.2	22.7%
Interest on Equity	35.3	29.9	18.1%	35.5	(0.6%)	70.9	57.8	22.6%
Effect of Different Taxation in Subsidiaries	(1.7)	(2.2)	(21.2%)	(2.9)	(40.4%)	(4.6)	(4.7)	(1.6%)
Management Bonus	(1.2)	(1.1)	15.9%	(1.1)	14.8%	(2.3)	(2.2)	5.8%
Workers' Meal Program	0.8	0.4	104.6%	0.7	20.6%	1.5	1.3	8.7%
Gener. of tax loss and neg. bases	-	0,7	(1,0)	-	-	-	1,3	(1,0)
Other	8.3	(0.6)	<(999%)	0.8	991.9%	9.1	(4.6)	(298.3%)
Income Tax and Social Contribution	**(22.6)**	**(49.6)**	**(54.5%)**	**(61.8)**	**(63.5%)**	**(84.3)**	**(107.4)**	**(21.5%)**
Current Income Tax and Social Contribution	11.3	(32.5)	(134.9%)	(42.8)	(126.5%)	(31.5)	(96.4)	(67.3%)
Deferred Income Tax and Social Contribution	(33.9)	(17.1)	97.7%	(18.9)	78.9%	(52.8)	(11.0)	381.6%
% Total Effective Tax Rate	*9.8%*	*19.9%*	*-1010 bp*	*20.9%*	*-1110 bp*	*16.0%*	*21.2%*	*-520 bp*
Extraordinary Items Income Tax Adjustment (34%)	**(18.2)**	**(13.7)**	**32.6%**	**(18.8)**	**(3.4%)**	**(36.9)**	**(29.5)**	**25.4%**
Extraordinary Items - EBITDA	(1.5)	(3.5)	(57.7%)	(6.2)	(76.1%)	(7.7)	(9.5)	(19.4%)
Extraordinary Items - Depreciation and Amortization	(13.0)	(6.4)	104.1%	(9.2)	40.3%	(22.2)	(13.0)	71.4%
Extraordinary Items - Financial Result	(3.7)	(3.8)	(3.3%)	(3.4)	10.4%	(7.1)	(7.0)	1.2%
Adjusted Income Tax and Social Contribution	**(40.7)**	**(63.3)**	**(35.7%)**	**(80.6)**	**(49.5%)**	**(121.3)**	**(136.8)**	**(11.4%)**
% Adjusted Effective Tax Rate	*17.7%*	*25.4%*	*-770 bp*	*27.2%*	*-950 bp*	*23.1%*	*27.0%*	*-390 bp*

APPENDIX IV

Cash Flow

In R$ million	2Q26	2Q25	Δ y/y	1Q26	Δ q/q	1H26	1H25	Δ y/y
EBT	**227.3**	**219.3**	**3.7%**	**283.2**	**(19.7%)**	**510.5**	**456.0**	**12.0%**
Non-Cash Items	**365.5**	**190.9**	**91.5%**	**311.0**	**17.5%**	**676.5**	**386.5**	**75.0%**
Depreciation and Amortization	126.8	85.6	48.2%	103.0	23.1%	229.8	167.6	37.1%
Share-based Compensation	18.7	14.3	31.1%	27.6	(32.2%)	46.2	26.7	73.3%
Loss (Gain) with Disposed Assets	0.7	1.7	(56.1%)	(0.4)	(272.5%)	0.3	4.0	(92.2%)
Provision for Expected Credit Losses	31.3	13.8	126.6%	23.2	35.2%	54.5	27.8	96.2%
Equity Pickup	2.3	(0.2)	<(999%)	0.6	259.4%	2.9	(3.1)	(193.3%)
Prov. for Contingencies, Net of Reversals	5.3	2.0	164.7%	9.6	(45.0%)	14.8	15.6	(5.1%)
Provision (Reversal) for Other Obligations	(3.0)	4.2	(173.0%)	-	-	(3.0)	15.3	(119.8%)
Interest and Monet./FX variations, net	183.4	69.5	163.8%	147.5	24.4%	331.0	132.6	149.6%
Change in Working Capital	**(86.4)**	**(53.9)**	**60.4%**	**(112.0)**	**(22.8%)**	**(198.4)**	**(166.2)**	**19.4%**
Trade Receivables	(83.5)	(40.9)	104.3%	(77.5)	7.8%	(160.9)	(132.2)	21.7%
Recoverable Taxes	(9.1)	(20.5)	(55.7%)	(48.1)	(81.1%)	(57.2)	(43.6)	31.1%
Judicial Deposits	(0.3)	(0.9)	(67.3%)	(2.8)	(89.7%)	(3.0)	(3.8)	(19.8%)
Other Assets	(74.4)	(104.3)	(28.7%)	5.2	<(999%)	(69.2)	(129.7)	(46.6%)
Labor Liabilities	113.7	113.0	0.5%	(6.7)	<(999%)	107.0	122.5	(12.7%)
Trade and Other Payables	(5.2)	(8.1)	(35.0%)	35.4	(114.8%)	30.2	12.8	135.8%
Commissions Payable	16.1	3.5	359.2%	2.7	497.5%	18.8	(4.8)	(492.9%)
Taxes and Contributions Payable	(7.3)	17.7	(141.5%)	(18.6)	(60.6%)	(26.0)	27.5	(194.3%)
Other Accounts Payable	(36.4)	(13.5)	169.0%	(1.6)	>999%	(38.0)	(15.0)	153.4%
Operating Cash Generation	**506.4**	**356.3**	**42.1%**	**482.2**	**5.0%**	**988.6**	**676.2**	**46.2%**
Interest paid	(5.3)	(2.2)	137.2%	(121.2)	(95.7%)	(126.5)	(82.4)	53.5%
Tax Paid	(39.7)	(22.8)	74.3%	(51.3)	(22.7%)	(91.1)	(95.6)	(4.7%)
Net Cash from Operating Activities	**461.4**	**331.3**	**39.3%**	**309.6**	**49.0%**	**771.0**	**498.2**	**54.8%**
Acquisitions of Prop. Plant and Equip.	(59.5)	(41.7)	42.9%	(97.8)	(39.1%)	(157.4)	(93.5)	68.4%
Acquisition of Intangible Assets	(26.6)	(28.4)	(6.3%)	(40.2)	(33.8%)	(66.7)	(50.3)	32.6%
Franchises Loan	0.6	3.3	(81.5%)	0.6	1.0%	1.2	6.2	(80.5%)
Acquisition of Subsidiaries, Net of Cash	-	-	-	(3,183.2)	(100.0%)	(3,183.2)	-	-
Payments from Acquisitions of Subsidiaries	(685.8)	(26.7)	>999%	(4.3)	>999%	(690.2)	(114.2)	504.5%
Proceeds from Sale of Subsid., Net of Cash	-	14.3	(100.0%)	-	-	-	14.3	(100.0%)
Proceeds from Sale of Prop. Plant and Equip.	1.3	1.1	16.2%	1.4	(10.8%)	2.7	2.5	7.0%
CVC Fund Investments	(2.5)	(2.6)	(5.9%)	(33.7)	(92.6%)	(36.2)	(24.0)	50.5%
Cash generated from (used in) RJ e Dimensa	1,311.2	(0.1)	<(999%)	2.7	>999%			
Net Cash used in Investing Act.	**538.6**	**(80.8)**	**(767.0%)**	**(3,354.4)**	**(116.1%)**	**(2,815.8)**	**(258.4)**	**989.9%**
Payment of Princ. of Loans and Financing	-	-	-	(10.2)	(100.0%)	(10.2)	-	-
Payment of Principal of Lease Liabilities	(21.7)	(21.9)	(1.1%)	(12.7)	70.6%	(34.4)	(37.1)	(7.2%)
Proceeds from debentures, loans and finan.	(0.1)	-	-	2,991.5	(100.0%)	2,991.4	-	-
Dividends and Interest on Equity Paid	(119.5)	(81.9)	45.8%	-	-	(119.5)	(81.9)	45.8%
Net Treasury Shares	(271.5)	-	-	(276.6)	(1.9%)	(548.1)	-	-
Net Cash gen. by (used in) Financ. Act.	**(412.7)**	**(103.8)**	**297.4%**	**2,692.0**	**(115.3%)**	**2,279.3**	**(119.0)**	**<(999%)**
Incr. (Dec.) in Cash and Cash Eq.	**587.4**	**146.7**	**300.4%**	**(352.9)**	**(266.5%)**	**234.5**	**120.9**	**94.0%**
Cash and Equiv. Beginning of the Period	1,432.8	1,334.8	7.3%	1,785.7	(19.8%)	1,785.7	1,360.7	31.2%
Cash and Equiv. End of the Period	2,020.2	1,481.5	36.4%	1,432.8	41.0%	2,020.2	1,481.5	36.4%

APPENDIX V

Balance Sheet (GAAP)

In R$ million	2Q26	2Q25	Δ y/y	1Q26	Δ q/q
ASSETS					
Current Assets	**3,473.3**	**3,169.4**	**9.6%**	**3,437.4**	**1.0%**
Cash and Cash Equivalents	2,020.2	2,094.2	(3.5%)	1,255.9	60.9%
Trade Receivables	982.2	734.7	33.7%	770.8	27.4%
Provision for Expected Credit Losses	(103.0)	(68.3)	50.8%	(73.5)	40.1%
Recoverable Taxes	109.4	93.9	16.5%	104.5	4.7%
Escrow Account	48.2	19.2	151.5%	19.3	150.5%
Other Assets	364.2	238.2	52.9%	244.6	48.9%
Discont. Operations Assets	52.1	57.4	(9.2%)	1,115.9	(95.3%)
Non-current Assets	**9,521.0**	**5,793.2**	**64.3%**	**9,134.9**	**4.2%**
Long-term assets	**1,225.7**	**841.5**	**45.7%**	**906.3**	**35.2%**
Trade Receivables	38.8	15.1	156.4%	32.6	19.0%
Receivables from Related Parties	3.9	4.7	(17.6%)	5.1	(23.1%)
Deferred Tax Assets	314.3	245.1	28.2%	262.8	19.6%
Judicial Deposits	35.2	29.2	20.5%	31.1	13.0%
Investments at Fair Value	261.1	196.7	32.7%	258.1	1.2%
Escrow Account	114.6	184.0	(37.7%)	163.5	(29.9%)
Other Assets	457.8	166.6	174.8%	153.1	199.0%
Investments	287.3	324.9	(11.6%)	1,316.0	(78.2%)
Property, Plant and Equipment	694.2	423.1	64.1%	620.1	11.9%
Intangible	7,313.7	4,203.7	74.0%	6,292.4	16.2%
TOTAL ASSETS	**12,994.3**	**8,962.6**	**45.0%**	**12,572.3**	**3.4%**
LIABILITIES					
Current Liabilities	**1,887.3**	**1,343.3**	**40.5%**	**2,183.4**	**(13.6%)**
Labor Liabilities	671.1	547.0	22.7%	470.8	42.5%
Trade and Other Payables	370.0	224.3	64.9%	263.2	40.6%
Taxes and Contributions Liabilities	152.4	131.8	15.7%	131.7	15.7%
Debentures	270.3	88.2	206.5%	108.9	148.2%
Purchase of non-controlling interests	-	-	-	674.9	(100.0%)
Lease Liabilities	57.5	67.3	(14.5%)	49.7	15.8%
Dividends Payable	90.6	89.3	1.5%	106.2	(14.6%)
Accounts Payable from Acq. of Subsid.	87.5	43.5	101.3%	52.4	66.8%
Commissions Payable	95.8	64.5	48.5%	79.7	20.2%
Other Liabilities	87.9	77.6	13.4%	87.7	0.3%
Discont. Operations Liabilities	4.1	9.8	(57.9%)	158.2	(97.4%)
Non-current Liabilities	**5,649.1**	**2,404.0**	**135.0%**	**5,083.6**	**11.1%**
Lease Liabilities	226.4	62.5	262.3%	214.7	5.4%
Debentures	4,472.8	1,474.7	203.3%	4,471.4	0.0%
Accounts Payable from Acq. of Subsid.	141.7	218.7	(35.2%)	181.9	(22.1%)
Deferred Income Taxes	325.2	20.2	>999%	45.6	613.0%
Provision for Contingencies	148.5	100.8	47.4%	115.5	28.5%
Call Option of Non-controlling Interests	-	465.6	(100.0%)	-	-
Other Liabilities	334.5	61.6	442.9%	54.5	514.2%
Shareholders' Equity	**5,457.9**	**5,215.3**	**4.7%**	**5,305.3**	**2.9%**
Share Capital	2,962.6	2,962.6	0.0%	2,962.6	0.0%
Treasury Shares	(783.5)	(305.2)	156.7%	(581.1)	34.8%
Capital Reserves	264.0	252.1	4.7%	151.3	74.5%
Profit Reserve	2,957.9	1,928.8	53.4%	2,373.3	24.6%
Carrying Value Adjustments	57.0	59.0	(3.4%)	57.9	(1.6%)
Non-controlling Interest	-	318.1	(100.0%)	341.4	(100.0%)
TOTAL LIABILITIES AND EQUITY	**12,994.3**	**8,962.6**	**45.0%**	**12,572.3**	**3.4%**

APPENDIX VI

Amortization Aging of Acquisition Intangibles (Management + RD Station)

In R$ million	2Q26
Up to 12 months	167.8
from 13 to 24 months	166.6
from 25 to 36 months	158.7
from 37 to 48 months	147.8
over 48 months	919.4
Total	**1,560.4**

Amortization Aging of Acquisition Intangibles (Techfin 100%)

In R$ million	2Q26
Up to 12 months	7.4
from 13 to 24 months	6.6
from 25 to 36 months	6.6
from 37 to 48 months	6.6
over 48 months	16.9
Total	**44.0**

Amortization of Acquisition Goodwill

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

The goodwill related to acquisitions is not amortized for accounting purposes. As shown in the table below, total goodwill amounted to R$5.3 billion in 2Q26, of which R$1.7 billion has already been amortized for IR/CSLL tax purposes.

Acquisition Goodwill (R$ million)	2Q26
Total	**5,286.2**
Difference between the accounting and tax basis of goodwill	85.1
Used as a benefit until 06/30	(1,663.8)
Balance to be used	**3,707.4**
Balance of non-merged companies	3,219.1
Incorporated balance to be used	**488.3**
Up to 12 months	(207.0)
From 13 to 24 months	(138.6)
From 25 to 36 months	(135.0)
Over 36 months	(51.0)

APPENDIX VII

Adjusted Net Income Reconciliation Techfin (100%)

In R$ million	2Q26	2Q25	Δ y/y	1Q26	Δ q/q	1H26	1H25	Δ y/y
Adjusted Net Income (Loss) from Techfin	**(3.3)**	**1.6**	**(313.3%)**	**(0.0)**	**>999%**	**(3.3)**	**8.7**	**(138.2%)**
Net Effect of Amortization	(1.2)	(1.2)	0.0%	(1.2)	0.0%	(2.5)	(2.5)	0.0%
Net Income (Loss) from Techfin	**(4.6)**	**0.3**	**<(999%)**	**(1.3)**	**259.3%**	**(5.8)**	**6.3**	**(193.3%)**
Other Results [1]	(2.3)	0.2	<(999%)	(0.6)	259.2%	(2.9)	3.1	(193.2%)
Equity Pickup - TOTVS	(2.3)	0.2	<(999%)	(0.6)	259.4%	(2.9)	3.1	(193.3%)

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

Cash Flow Techfin (100%)

In R$ million	2Q26	2Q25	Δ y/y	1Q26	Δ q/q	1H26	1H25	Δ y/y
EBT	**(6.4)**	**2.1**	**(398.6%)**	**2.6**	**(346.2%)**	**(3.8)**	**13.4**	**(128.3%)**
Non-Cash Items	**(51.7)**	**57.9**	**(189.2%)**	**51.2**	**(201.0%)**	**(0.5)**	**107.2**	**(100.5%)**
Change in Working Capital	**49.8**	**(170.3)**	**(129.2%)**	**(240.2)**	**(120.7%)**	**(190.4)**	**(267.2)**	**(28.7%)**
Operating Cash Generation	**(8.3)**	**(110.3)**	**(92.5%)**	**(186.4)**	**(95.6%)**	**(194.7)**	**(146.6)**	**32.8%**
Interest paid	(0.0)	(0.0)	(62.5%)	(0.0)	(21.7%)	(0.0)	(0.1)	(60.6%)
Income Tax and Social Cont. paid	-	(0.0)	(100.0%)	(0.3)	(100.0%)	(0.3)	(1.3)	(79.1%)
Net Cash from Operating Activities	**(8.3)**	**(110.3)**	**(92.5%)**	**(186.7)**	**(95.6%)**	**(195.0)**	**(148.0)**	**31.8%**
Fixed Assets	(0.0)	(0.1)	(62.7%)	(0.7)	(93.8%)	(0.8)	(0.3)	175.1%
Intangibles	(7.4)	(0.2)	>999%	(7.3)	0.4%	(14.7)	(0.4)	>999%
Financial Rescues (Invest.)	(38.5)	52.3	(173.7%)	189.3	(120.4%)	150.8	32.7	360.8%
Net Cash used in Investing Act.	**(45.9)**	**51.9**	**(188.4%)**	**181.3**	**(125.3%)**	**135.3**	**32.0**	**322.6%**
Increase (Decrease) Gross Debt	(6.5)	69.6	(109.4%)	(81.3)	(91.9%)	(87.9)	(68.8)	27.7%
Payment of Principal of Lease Liabilities	(0.4)	(0.6)	(29.6%)	(0.4)	5.3%	(0.8)	(1.2)	(31.3%)
Red. (Inv.) of Senior Quotas	73.2	46.6	57.2%	(15.9)	(560.6%)	57.3	100.8	(43.1%)
Net Cash gen. by (used in) Financ. Act.	**66.2**	**115.6**	**(42.7%)**	**(97.6)**	**(167.9%)**	**(31.4)**	**30.8**	**(201.7%)**
Incr. (Dec.) in Cash and Cash Equivalent	12.0	57.2	(79.0%)	(103.1)	(111.7%)	(91.0)	(85.1)	7.0%
Cash and Equiv. Beginning of the Period	137.7	120.1	14.7%	240.8	(42.8%)	240.8	262.4	(8.2%)
Cash and Equiv. End of the Period	**149.8**	**177.3**	**(15.5%)**	**137.7**	**8.7%**	**149.8**	**177.3**	**(15.5%)**
Revenue from financial invest., net of Taxes	1.9	3.9	(51.0%)	3.2	(41.5%)	5.1	7.4	(30.3%)
Free Cash Flow to Firm [1]	**(18.0)**	**(115.1)**	**(84.4%)**	**(198.4)**	**(90.9%)**	**(216.4)**	**(157.1)**	**37.7%**

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

Balance Sheet Techfin (100%)

In R$ million	2Q26	2Q25	Δ y/y	1Q26	Δ q/q
ASSETS					
Current Assets	**3,059.1**	**2,827.7**	**8.2%**	**3,161.8**	**(3.2%)**
Cash and Cash Equivalents	149.8	177.3	(15.5%)	137.7	8.7%
Financial Investments	111.2	55.5	100.3%	69.0	61.1%
Trade Receivables	2,758.7	2,535.3	8.8%	2,921.2	(5.6%)
Other Assets	39.5	59.7	(33.8%)	33.8	16.7%
Non-current Assets	**211.4**	**210.8**	**0.3%**	**204.8**	**3.2%**
Long-term assets	27.0	34.5	(21.7%)	25.1	7.7%
Property, Plant and Equipment	4.8	5.6	(14.2%)	5.4	(11.5%)
Intangible	179.6	170.7	5.2%	174.3	3.0%
TOTAL ASSETS	**3,270.5**	**3,038.5**	**7.6%**	**3,366.6**	**(2.9%)**
LIABILITIES					
Current Liabilities	**2,679.4**	**2,377.6**	**12.7%**	**2,768.4**	**(3.2%)**
Loans and Financing	36.4	302.6	(88.0%)	42.7	(14.8%)
Business Partners Payable	1,164.2	698.9	66.6%	1,255.4	(7.3%)
Senior and Mezzanine Quotas	1,259.6	1,293.9	(2.7%)	1,265.4	(0.5%)
Other Liabilities	219.3	82.2	166.7%	205.0	7.0%
Non-current Liabilities	**16.5**	**11.3**	**45.2%**	**18.3**	**(10.2%)**
Loans and Financing	-	1.3	(100.0%)	-	-
Other Liabilities	16.5	10.1	63.3%	18.3	(10.2%)
Shareholders' Equity	**574.6**	**649.5**	**(11.5%)**	**579.8**	**(0.9%)**
TOTAL LIABILITIES AND EQUITY	**3,270.5**	**3,038.5**	**7.6%**	**3,366.6**	**(2.9%)**

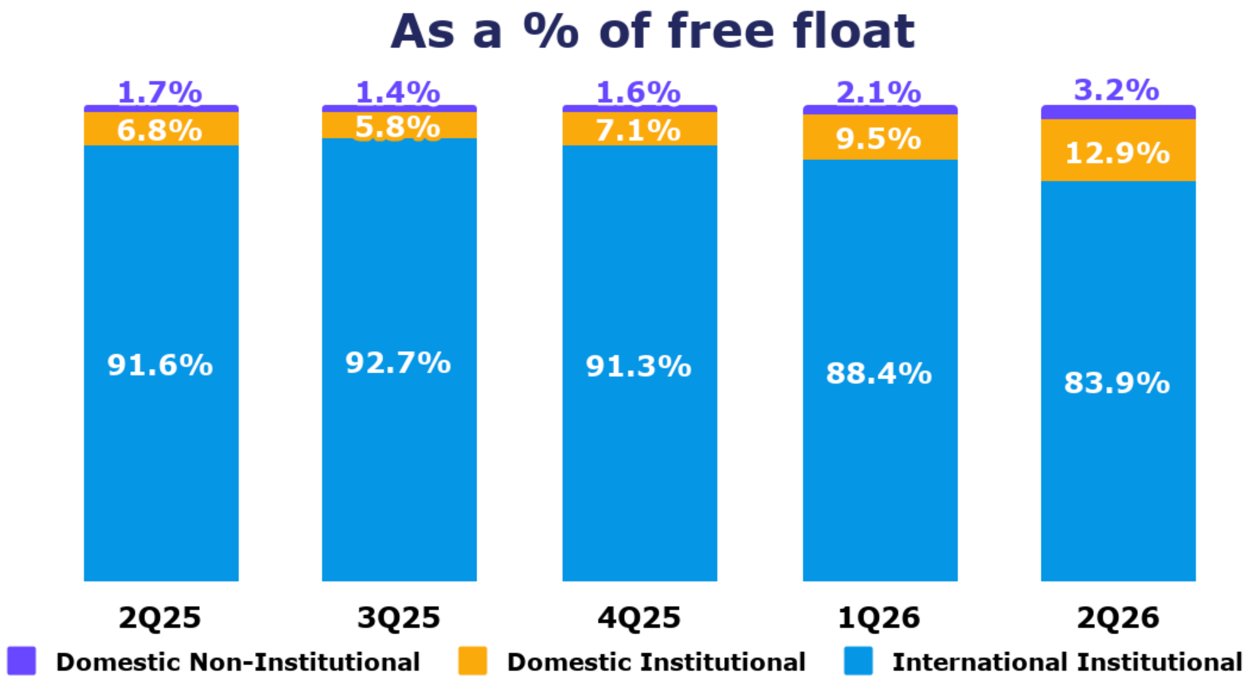
Techfin's Credit Rights by Maturity (100%)

In R$ million	2Q26	2Q25	Δ y/y	1Q26	Δ q/q
On Due	2,653.9	2,476.2	7.2%	2,850.5	(6.9%)
Notes overdue					
Up to 30 days	79.3	50.2	57.9%	40.1	97.6%
from 31 to 60 days	12.0	9.0	33.2%	14.9	(19.3%)
from 61 to 90 days	12.6	7.1	78.6%	10.3	23.2%
from 91 to 180 days	32.0	11.7	172.5%	30.2	6.0%
from 181 to 360 days	38.5	18.3	110.2%	39.9	(3.5%)
over 360 days	9.0	144.6	(93.8%)	170.3	(94.7%)
Gross Trade Receivables	**2,837.4**	**2,717.2**	**4.4%**	**3,156.2**	**(10.1%)**
Provision for Expected Credit Losses	(80.6)	(191.7)	(58.0%)	(235.0)	(65.7%)
Total	**2,756.8**	**2,525.5**	**9.2%**	**2,921.2**	**(5.6%)**

APPENDIX VIII

SHAREHOLDING COMPOSITION

TOTVS ended 2Q26 with share capital of approximately R$3 billion, comprising 599,401,581 common shares, of which 4.4% remained in treasury during the period. The free float stands at 87%, with the following breakdown:



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 annualized recurring revenue generated from recurring agreements. It is an important indicator of the company's revenue predictability.

[C]

- **CAC**: (Customer Acquisition Cost): it is an indicator that reveals the average expenditure a company incurs in acquiring a new customer. It is calculated by dividing the total marketing and sales investment by the number of customers acquired within a specific timeframe.
- **Corporate Model**: under this payment model for management software, customers receive unlimited access to contracted systems. Annual agreement fees are adjusted in the first quarter based on customer performance in the previous year, as determined by updated contractual metrics like gross revenue. The updated fees have an impact on both License Revenue and Recurring Revenues. With Licenses, the increase reflects only customers who expanded their business year after year, increasing to a higher range in the price list, while with Recurring Revenue the impact is the net balance between customers who “went up” and those who “went down” in the price list.

[D]

- **Digital/inbound model**: a commercial strategy grounded in attracting prospective clients through content marketing, automation, and digital channels, in which qualification and closing occur remotely and at scale.
- **DCF** (Discounted Cash Flow): a financial valuation methodology used to estimate the value of a company or project based on projections of its future cash flows, discounted to present value using a discount rate.

[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.
- **EV** (Enterprise Value): a metric representing a company's total market value, calculated as the sum of the market value of its equity (Market Cap) and its net debt, reflecting the theoretical cost of acquiring the business in full.

[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.
- **Field sales/outbound model**: a commercial structure in which sales executives carry out direct prospecting and in-person meetings with prospective clients.
- **Free-float**: the quantity of shares of a publicly held company in free circulation in the market, available for trading by investors in general, excluding shares held by controlling shareholders, officers, and shares in treasury.

[G]

- **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.
- **ICP** (Ideal Customer Profile): a detailed description of the type of institutional client that derives the greatest value from the solutions offered and that, consequently, generates the best financial return, higher retention, and lower acquisition cost for the company.
- **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.
- **IGV** (iShares Expanded Tech-Software Sector ETF): an exchange-traded fund listed in the U.S. market that tracks the performance of the leading global technology companies focused on the development of software and SaaS solutions. It is widely used by analysts and investors as the principal global benchmark for assessing the market valuation, multiples, and share-price behavior of software companies.
- **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, 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 are less than 5% of contracts that do not have automatic renewal and depend on commercial negotiation at each renewal. In the case of the RD Station, most annual adjustments to current contracts also occur on the anniversary of the contracts and take into account the last update of the price table. This table can be updated more than once a year and normally takes into account the inflation of the period (generally IPCA), added to other market effects, such as the price charged by competitors.

- **INPC** (National Consumer Price Index): a Brazilian inflation index that, like the IPCA, measures the price variation of a selection of goods and services consumed by Brazilian families. However, the major difference between the two is the target audience. The INPC monitors the price variation for families with an income of up to 5 minimum wages. The IPCA monitors the price variation for families with an income of up to 40 minimum wages.
- **Interest on Equity**: is a form of remuneration paid to the partners or shareholders of a company, calculated on the value of the equity. This remuneration is considered an expense for the company, which means it can be deducted from the net income before calculating the Corporate Income Tax (IRPJ) and the Social Contribution on Net Income (CSLL), thus reducing the company's tax burden while distributing dividends to shareholders. It is worth noting that the payment of Interest on Equity is limited to the lower value among: (i) 50% of the net income for the fiscal year; (ii) 50% of retained earnings and profit reserves; and (iii) the variation of the Long-Term Interest Rate (TJLP) on the equity.
- **IPCA** (Broad National Consumer Price Index): a Brazilian inflation index that measures the average variation of prices paid by urban consumers for goods and services that Brazilians consume on a daily basis, such as food, rent, transportation, etc. Comparable to the American CPI (Consumer Price Index), this indicator holds significant influence over key decisions in Brazil, particularly in determining the interest rate by the Central Bank.

[L]

- **Large Language Models** (LLM): deep neural networks trained on vast volumes of textual data to understand, generate, and process natural language. In the B2B environment, they are applied on an agnostic or proprietary basis to automate workflows, analyze data, and optimize the user experience.
- ***Lei do Bem***: Law 11.196/05, popularly known as Lei do Bem, was created to stimulate and encourage Brazilian companies to invest in Research, Development and Innovation (R&D). This law offers several tax benefits to companies that carry out R&D activities, aiming to boost innovation and competitiveness in the private sector in Brazil. In the case of TOTVS, the main benefit is the reduction of Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) obtained through the deduction of a portion of R&D expenses from the calculation basis of these taxes, thus reducing its tax burden.
- **LGDP**: is the Brazilian Law 13.709/2018, called the Brazilian General Data Protection Law.
- **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.
- **Logo Churn**: business metric that measures the percentage rate of customers (or "logos") who have canceled their contracts or stopped using a company's services within a specific period. Unlike Revenue Churn, which focuses on the financial impact (lost revenue), Logo Churn strictly quantifies the number of customers lost. This is a crucial metric for assessing customer retention, especially in subscription-based companies (such as SaaS), indicating the organization's ability to maintain its active customer base.

- **LYNN**: first B2B Artificial Intelligence foundation in Brazil, launched by TOTVS, being a proprietary and specific-purpose AI based on the Artificial Narrow Intelligence (ANI) concept. Its specialization and domain expertise will provide customers with higher accuracy, performance, governance, and data security, alongside lower costs—which TOTVS believes is the path for corporate AI adoption, particularly within the SMB segment. LYNN leverages the Company's structural assets, such as its customer base, functional expertise in management software, control over the System of Record, and its distribution platform. It honors the Theory of Endosymbiosis, created by scientist Lynn Margulis. She challenged the dogma that evolution occurred solely through competition ("survival of the fittest") by proving that life's greatest leaps on Earth happened through cooperation. Thus, complex cells emerged from simple organisms that fused together, one providing energy and the other protection, creating a new entity more capable and powerful than the sum of its parts. This is exactly the same concept we see at TOTVS, where HI + AI (Human Intelligence + Artificial Intelligence) is more capable and powerful. It is where the union of specialization brought by ANI generates significantly better results.

[M]

- **Management**: a segment of TOTVS' 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 (Social Security tax) on payroll for a rate of 4.5% of Social Security Contribution on Gross Revenue (CPRB).
- **PLG** (Product-Led Growth): is described as a scenario where the product's usage is the major factor driving users' acquisition, retention, and expansion. Thus, PLG can be considered both a growth strategy and an innovative business model. It is a growth model focused on the end user, based entirely on the product.

[R]

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

- **SaaSpocalypse**: (a portmanteau of SaaS, Software as a Service, and Apocalypse) an informal market term describing the sharp crisis, valuation reset, and slowdown experienced by subscription-based software companies.
- **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.
- **SMB** (Small and Medium-sized Businesses): the segment of small and medium-sized companies that is highly relevant to the economy and demands integrated, efficient, and quickly deployable management solutions.

[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.
- **TaaS**: Usage-based billing model driven by task volume executed via AI agents.
- **TAM** (Total Addressable Market): a metric representing the total revenue opportunity available for a product or service. It is used to gauge the potential for expansion and growth over a given period.
- **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**: TOTVS' financial services division, responsible for providing credit and financing solutions to customers, which is seamlessly incorporated into the company's management systems.
- **TOTVS Inteligência Tributária** (TOTVS Tax Intelligence - TIT): A cloud-native solution seamlessly integrated into the Company's portfolio, developed to simulate, plan, and automate operational, financial, and logistical impacts from the Tax Reform. The platform enables strategic scenario modeling for pricing, resource allocation, and continuous regulatory compliance, supporting decision-making throughout the transition and consolidation of the new tax system
- **TPV** (Total Payment Volume): is the total value of transactions processed by a particular company, payment platform, or financial institution.
- **Trusted Advisor**: a strategic concept defining the market positioning in which TOTVS acts beyond a mere technology provider, serving also as a trusted advisor and long-term business partner to its clients. This approach deepens the understanding of each market segment's pain points and operational processes, enabling it to steer decisions on efficiency, revenue expansion, and the integration of financial services.

[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.

[V]

- **Vibe Coding**: a programming approach in which the professional codes the desired features in natural language so that LLM-based agents handle the coding, testing, and technical refinement of the requested solution.

[W]

- **WACC** (Weighted Average Cost of Capital): the rate that calculates a company's financing cost, proportionally weighting the cost of equity and the cost of debt. It is frequently used as the discount rate in financial valuation models.

[Y]

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