

# **TOTVS S.A.**

Individual and consolidated financial statements for the year ended  
December 31, 2025

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

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# Management Report and Comments on the Company's Performance

Dear Shareholders, in compliance with the legal provisions, TOTVS S.A., hereby submits its Management Report and the corresponding Financial Statements, together with the audit report issued by the independent auditors, for the years ended December 31st, 2025 and 2024, noting that the Individual and Consolidated Financial Statements were prepared both under the accounting practices adopted in Brazil and the International Accounting Standards.

## MESSAGE FROM THE BOARD

In 2025, we reaffirmed our unique capacity for reinvention by adapting to complex scenarios. We maintained our focus on medium- and long-term opportunities, with a steadfast commitment to innovation. TOTVS's history is defined by a pioneering spirit that allows us not only to navigate change but to spearhead technological transformations in Brazil. As I often say, our role is to be "the same, while always being different": we uphold our core values of resilience and solidity while evolving at the speed required by digital transformation.

TOTVS combines three essential characteristics of long-standing companies: a long-term vision that anticipates trends, the ability to turn challenges into opportunities, and excellent execution capability. We look ahead to execute in the present. We began 2025 focused on evolving our IDeIA (Data Intelligence and AI) strategy and started the year with the consolidation of LYNN, Brazil's first AI foundation model. Consequently, we have moved beyond discussing AI's potential to delivering effective, applied productivity. Management, RD Station, and Techfin have reached unprecedented levels of integration, enabling technology to act ubiquitously throughout our customers' growth journeys. The efficiency we deliver today ensures the competitiveness of the "Brazil that performs" (Brasil que faz) in an increasingly demanding market.

In a globalized landscape where technological barriers are diminishing, I remain convinced that the true differentiator lies in people. Amidst technological disruption, our organization's core value will be driven by our employees. Being ranked among the giants in GPTW (Great Place to Work) and Top Employer allows us to attract "restless" talents—individuals who, with diverse backgrounds and a single voice, build the future of Brazilian technology daily across our operations and franchises.

Furthermore, we maintained a trajectory of financial soundness and an unblemished reputation, once again ranking among the country's most valuable and innovative brands. Beyond awards, we celebrate the highest NPS (Net Promoter Score) in our history and the strengthening of our employer brand.

TOTVS believes in the "Brazil that performs." Therefore, 2025 marked a milestone for digital inclusion through the Brazil Digital 2030+ Plan (BD30+), covering everything from data processing infrastructure to human capital and corporate development. Through BRASSCOM (Associação Brasileira das Empresas de Tecnologia da Informação e Comunicação e de

Tecnologias Digitais) and the BD30+, we continue to contribute to public policies that position digitalization as a pillar of national sovereignty.

In this same vein, the Instituto da Oportunidade Social (IOS) remains our greatest source of pride, training thousands of young people and ensuring that technological progress moves in tandem with social inclusion. For us, sustainability means ensuring ecosystem longevity by uniting ethics, governance, and responsible results.

Looking ahead, the challenges Brazil faces remain the fuel for our evolution, allowing us to deliver innovation with quality and permanence. Accelerating digital transformation has always been our commitment, both internally and for our customers. After all, the data-driven economy is not a future trend; it is the reality that TOTVS masters and simplifies for companies of all sizes. We are the trusted advisor that enables Brazilian entrepreneurs to focus on what they do best: innovating and creating value.

We believe and work to expand the understanding that software, processes, data, relationship ecosystems, AI platforms, and AI agents move together as the core strength of TOTVS.

I conclude this message by thanking our shareholders, customers, partners, and employees. Your trust allows us to continue leading this market. The name TOTVS—meaning "everything and everyone"—has never been more relevant. We remain vibrant and focused on a Brazil that produces, innovates, and performs. 2025 was a year of extraordinary evolution, and we are ready for the next chapters of this successful journey.

**Laércio Cosentino, Chairman**

## MESSAGE FROM THE CEO

We closed 2025 with the same momentum we started with: strong top- and bottom-line growth. As we noted in our Q3 message, we see no change in this scenario. At TOTVS, much of the following year is built on the previous year.

In recent weeks, beyond the debate between optimists and pessimists regarding the real impact of AI (Artificial Intelligence), the market has intensely discussed the thesis “Gen AI will kill software”. In its most radical version, the argument posits that software companies will be rendered extinct. In its more prevalent, moderate version so far, it predicts a relevant growth slowdown. The rationale is that AI makes software development accessible to any user via prompts; and by this way, clients would be allowed to build their own applications and significantly lower entry barriers for new competitors. The late-January launch of plugins on Anthropic’s Claude Cowork platform was considered a milestone in this regard.

Perhaps it is time to recall our 1Q25 message, when we discussed the concept of a “death hoax”—the deliberate report of a person’s death that is later revealed to be false. We believe that Mark Twain’s famous and humorous quote, “The report of my death was an exaggeration”, applies perfectly in this situation.

First and foremost, not all software is created equal. An ERP is much more than a SaaS app. Nor are the customer profiles served by software companies identical. There are those focused on large enterprises, on the SMB and on the small. Broadly speaking, we have observed that : 1) the more mission-critical and/or complex at software is, then slower is the adoption pace of any new technology, including AI; and 2) similarly, adoption pace among SMBs is also slower. Management software is the most critical and complex of all. And TOTVS is focused on the Brazilian SMB market. Even more importantly, the required level of accuracy, the risks associated with errors, among countless other factors, make the notion of replacing management systems - built by companies that have accumulated specialized data across hundreds of thousands of firms and dozens of different value chains in each segment of the economy - with apps created by user at SMB clients (for example, in a manufacturing or a retail store) space highly questionable. Moreover, the typical TOTVS customer allocates just over 0.2% of its revenue in management software. Therefore, even if such substitution were technically feasible one day, the cost/benefit equation does not appear compelling — especially given that AI currently carries costs that are substantially subsidized.

At TOTVS, pragmatism drives us to turn AI into our greatest opportunity. We have no doubt that generative AI changes the world. And it is certainly already changing TOTVS itself, so much so that these innovations were the highlights of everything we showcased at Universo TOTVS 2024 and 2025, placing AI at the core of everything we do.

Having clarity about our core assets and strengths: 1) a gigantic, diversified customer base spanning economic sectors, geographies, and company sizes; 2) expertise across back- and front-office processes, built into each sector’s value chain and combined with the data generated for more than 40 years in which 25% of the Brazilian GDP flowed through our systems, reflecting all the internal processes of hundreds of thousands of companies; 3) a distribution platform combining the largest and most effective field sales force in the market with a powerful digital inbound machine; 4) all of this wrapped in a culture of innovation and pioneering spirit.

Against this backdrop, we have defined our role in AI as delivering agents that execute tasks to improve our customers’ results. We are also convinced that the path to large-scale

AI adoption by our clients and prospects lies in Artificial Narrow Intelligence (ANI) rather than Artificial General Intelligence (AGI). By being specialized, ANI master specific contexts, delivering far superior accuracy and performance at significantly lower cost, in addition to better governance and security.

TOTVS is the best-prepared company in the world to lead ANI applied to SMBs. We dominate B2B technology in Brazil, and we are extending this leadership into AI as well. This message therefore marks the official launch of LYNN, the first AI foundation in the Brazilian market. This is a landmark announcement, though not without precedent for us: throughout our history, we have taken bold steps on several occasions: for example, by creating our own programming language, pioneering the franchise model in software, or building our own cloud. In fact, the concept behind LYNN is similar to our cloud success in cloud: a purpose-built AI. The diagram below shows where LYNN fits in and its core main components.



LYNN is already a reality! The foundational elements in this figure are already operational. The work of evolution and expansion is, and will remain, permanent. LYNN guarantees us the market's greatest capability for creating, deploying, and managing AI agents, with best-in-class performance, accuracy, cost efficiency, security, and model agnosticism. This approach is the most modern in the world, especially in a scenario of multiple AI model options. Investment in these developments will be intensified, particularly in software CAPEX. It's time to accelerate. We'll have an additional increase of about R\$75 million per year over the next four years, within a total R&D CAPEX of approximately R\$600 million during this period. By focusing on ANI and leveraging its assets and strengths, TOTVS has the unique ability to achieve far more in AI with significantly much smaller investment. It's an innovation mindset similar to the most efficient players in the market. Millions, instead of billions.

The main monetization will come through TaaS (Task as a Service), which requires parallel and complementary initiatives: 1) universalization of T-Cloud to ensure environmental control, governance, and security; 2) supporting customers in organizing and updating their

databases and system versions; 3) full control over our applications and their APIs, bringing visibility, measurement, performance, and precision; and 4) evolution of TOTVS' own back office to operate new business and billing models.

This currently represents our most significant opportunity. With T-Cloud universalization and TaaS rollout, the expansion of our addressable market is enormous. We believe this journey will span many years and significantly increase our relevance within our clients', reinforcing our role as trusted advisors. TOTVS has a massive capacity for reinvention throughout its 4-decade history. Our motto — being equal, while always being different — is more contemporary than ever.

**Dennis Herszkowicz - CEO**

## ECONOMIC SCENARIO

The year 2025 consolidated a path of resilience for the Brazilian economy, despite the maintenance of restrictive monetary conditions. The Gross Domestic Product (GDP) recorded an estimated growth of 2.3%, driven by the stability of the services sector and the positive performance of agribusiness in the first half of the year. In the global scenario, volatility was intensified by new US tariff policies, which implemented the largest increase in the effective average tariff in more than a century. This protectionism generated instability in global stock markets, interest rates, and currencies, forcing emerging markets to deal with unstable capital flows and uncertainties regarding international trade.

Inflation, measured by the IPCA, ended the fiscal year at 4.26%, within the tolerance range of the target. To contain residual pressures and anchor expectations for 2026, the Monetary Policy Committee (Copom) maintained the Selic rate at high levels, ending the period at 15% per year. This high-interest rate scenario continued to challenge the credit market, although the improvement in unemployment rates, which reached 5.1% in 2025, sustained the wage bill and household consumption.

On the regulatory front, the country made progress in the regulation of the Tax Reform, paving the way for the start of the transition model in 2026. The management of public accounts remains the point of greatest attention, with the government facing the challenge of ensuring the sustainability of the fiscal framework in the face of surplus targets and structural spending pressures. The 2026-2027 biennium will be marked by a severe fiscal challenge, with the return of court-ordered payment (precatórios) expenses to the target and the need for reforms to avoid the paralysis of essential services, added to the natural uncertainties of the 2026 presidential election cycle.



## Consolidated Financial and Operational Results

Consolidated Result (in R\$ million)	2025	2024	Δ y/y
<b>Net Revenue</b>	<b>5,771.9</b>	<b>4,914.7</b>	<b>17.4%</b>
<i>Recurring Revenue</i>	5,226.6	4,352.0	20.1%
<i>Non Recurring Revenue</i>	545.3	562.7	(3.1%)
<b>Adjusted Gross Profit</b>	<b>4,205.6</b>	<b>3,588.7</b>	<b>17.2%</b>
<i>Adjusted Gross Margin</i>	72.9%	73.0%	-10 bp
<b>Adjusted EBITDA</b>	<b>1,504.8</b>	<b>1,230.2</b>	<b>22.3%</b>
<i>Adjusted EBITDA Margin</i>	26.1%	25.0%	110 bp
<b>Adjusted Net Income</b>	<b>880.8</b>	<b>706.7</b>	<b>24.6%</b>
<i>Adjusted Net Margin</i>	15.3%	14.4%	90 bp

### Net Revenue

In fiscal year 2025, Consolidated Net Revenue totaled R\$5.8 billion, recording a growth of +17% y/y compared to R\$4.9 billion in 2024.

The performance was mainly driven by Recurring Revenue, which reached R\$5.2 billion, corresponding to an expansion of 20% compared to R\$4.4 billion in 2024. Conversely, Non-Recurring Revenue saw a retraction of 3.1% in the annual comparison, ending the period at R\$545 million.

### EBITDA

Adjusted EBITDA for the year totaled R\$1.5 billion, representing a 22% growth compared to the R\$1.2 billion recorded in 2024.

This performance resulted in an expansion of the Company's operational profitability. The Adjusted EBITDA Margin ended the period at 26.1%, an advance of 110 basis points compared to the 25% margin reported in the previous year.

The growth of EBITDA above the revenue expansion rate highlights the capture of operational leverage in the period, driven by the dilution of costs and expenses against the growth of Recurring Revenue.

## Net Income

In R\$ million	2025	2024	Δ y/y
<b>Net Income</b>	<b>920.7</b>	<b>735.4</b>	<b>25.2%</b>
Non-Controlling Net Income - Dimensa	(29.0)	(17.9)	61.7%
Techfin preferred dividends	(42.3)	-	-
Net Result from Discontinued Operation	(79.0)	(49.5)	59.6%
Extraordinary Items, net of income tax	34.4	(45.5)	(175.6%)
PVA of Call Option, Net of income tax	24.1	21.2	13.5%
Ef. of Amort. of Acq. Intang., net of Inc Tax	52.0	63.1	(17.7%)
<b>Adjusted Net Income</b>	<b>880.8</b>	<b>706.7</b>	<b>24.6%</b>
% Adjusted Net Margin	15.3%	14.4%	90 bp

Net Income for the fiscal year 2025 totaled R\$921 million, a 25% y/y growth compared to the R\$735 million reported in 2024.

For the calculation of Adjusted Net Income, the effects of non-recurring adjustments were considered. Among the main reconciliation items are the amortization of acquired intangibles, which totaled R\$52 million (+18% y/y), and the impact of R\$79 million regarding the Result from Discontinued Operations. Additionally, the calculation considered the deduction of R\$42 million related to Techfin Preferred Dividends.

After these adjustments, Adjusted Net Income ended the year at R\$881 million, representing an expansion of 25% compared to the R\$707 million recorded in the previous year. The Adjusted Net Margin reached 16%, a growth of 90bp versus 2024.

## EBITDA and Net Income Reconciliation

In R\$ million	2025	2024	Δ y/y
<b>Consolidated Net Income</b>	<b>920.7</b>	<b>735.4</b>	<b>25.2%</b>
(-) Net income from discont. operation	79.0	49.5	59.6%
(+) Depreciation and Amortization	341.1	313.3	8.9%
(-) Financial Results	(80.8)	(92.6)	(12.7%)
(+) Income Tax and Social Contribution	200.3	73.5	172.4%
<b>EBITDA<sup>1</sup></b>	<b>1,463.8</b>	<b>1,165.2</b>	<b>25.6%</b>
(-) Equity Pickup	11.4	(1.6)	(827.1%)
<b>(+) Extraordinary Items</b>	<b>52.4</b>	<b>63.4</b>	<b>(17.3%)</b>
M&A Adjustment at Fair Value	11.0	0.0	>999%
Adjustment from Oper. Restructuring	8.8	8.8	0.6%
Expenses with M&A Transactions	17.8	47.5	(62.6%)
Loss (Gain) with Disposed Assets	4.2	(7.2)	(158.3%)
Operational Restructuring Adjustment	(11.5)	(0.5)	>999%
Adj. - Payroll Tax Surcharge	22.1	14.6	51.1%
<b>Adjusted EBITDA<sup>1</sup></b>	<b>1,504.8</b>	<b>1,230.2</b>	<b>22.3%</b>

<sup>(1)</sup> EBITDA and Adjusted EBITDA are non-GAAP (unaudited) measures prepared by the Company and consist of net income for the year, plus income taxes, financial expenses net of financial income, discontinued operations, and depreciation and amortization.

Non-financial data included in this report—such as ARR, churn, and renewal rate, among others—are non-GAAP measures and have not been subject to audit by our independent auditors.

## Management

The Management segment encompasses enterprise management solutions across 12 economic verticals, including ERP (Enterprise Resource Planning) systems, productivity tools, analytics, financial management platforms, tax & compliance, HR, and specialized vertical solutions.

Management Result (in R\$ million)	2025	2024	Δ y/y
<b>Net Revenue</b>	<b>5,118.4</b>	<b>4,356.0</b>	<b>17.5%</b>
Recurring	4,594.4	3,813.2	20.5%
Non Recurring	524.0	542.7	(3.5%)
Costs	(1,399.7)	(1,191.7)	17.5%
<b>Gross Profit</b>	<b>3,718.7</b>	<b>3,164.3</b>	<b>17.5%</b>
Gross Margin	72.7%	72.6%	10 bp
<b>Operating Expenses</b>	<b>(2,333.4)</b>	<b>(2,017.7)</b>	<b>15.6%</b>
Research and Development	(828.8)	(715.5)	15.8%
Provision for Expected Credit Losses	(50.4)	(40.9)	23.4%
Sales and Marketing Expenses	(1,040.8)	(902.3)	15.4%
G&A Expenses and Others	(413.3)	(359.1)	15.1%
<b>Management EBITDA</b>	<b>1,385.3</b>	<b>1,146.5</b>	<b>20.8%</b>
% Management EBITDA	27.1%	26.3%	80 bp
<b>Extraordinary Items</b>	<b>40.7</b>	<b>29.2</b>	<b>39.4%</b>
Extraord. Adj. - Operatl. Restructuring	6.0	8.2	(27.1%)
M&A Adjustment at Fair Value	11.0	15.6	(29.2%)
Expenses (Earn) with M&A Transactions	11.1	(0.1)	<(999%)
Loss (Earn) in Disposed Assets	4.2	(7.2)	(158.3%)
Operational Restructuring Adjustment	(11.5)	(0.5)	>999%
Adjustment - Payroll Tax Reform	19.9	13.1	51.8%
<b>Management Adjusted EBITDA</b>	<b>1,425.9</b>	<b>1,175.7</b>	<b>21.3%</b>
% Management Adjusted EBITDA	27.9%	27.0%	90 bp

## Net Revenue

In fiscal year 2025, Net Revenue for the Management dimension totaled R\$5.1 billion, a growth of 18% compared to R\$4.4 billion in the previous year.

The Revenue composition demonstrates the predominance of the subscription model: Recurring Revenue reached R\$4.6 billion, an increase of 20% compared to R\$3.9 billion in 2024. Meanwhile, Non-Recurring Revenue saw a retraction of 3.5% in the period, ending the year at R\$524 million, compared to R\$543 million recorded in the previous year.

## Gross Margin

The Management Gross Margin reached 72.7% in 2025 (+10 bp y/y), which raised Gross Profit to R\$3.7 billion. This expansion reflects the business scalability and cost dilution, driven by the strong performance of Recurring Revenue.

## Operating Expenses

Operating Expenses totaled R\$2.3 billion in fiscal year 2025, a growth of 16% compared to the R\$2.0 billion recorded in 2024. The pace of expense expansion remained below the growth of Net Revenue (+18% y/y), resulting in operating dilution.

In the breakdown by line, Selling and Marketing expenses totaled R\$1.0 billion, an increase of 15% y/y. Research and Development (R&D) expenses reached R\$829 million, with a positive variation of 16% compared to the previous year.

General and Administrative (G&A) expenses ended the year at R\$413 million (+15% y/y), while the Allowance for Expected Credit Losses recorded an increase of 23%, totaling R\$50 million for the year.

## EBITDA

Management EBITDA totaled R\$1.4 billion in fiscal year 2025, recording a growth of 21% compared to the R\$1.1 billion reported in 2024. The corresponding EBITDA Margin was 27.1%, showing an expansion of 80 basis points in the annual comparison.

The reconciliation to adjusted results considered R\$41 million in Extraordinary Items in the period. The main impacts in this line were the Payroll Tax Reinstatement (R\$20 million) on the provision balances for labor and social security liabilities, M&A Transaction Expenses (R\$11 million), and M&A Fair Value Adjustments (R\$11 million).

Excluding these effects, Adjusted Management EBITDA reached R\$1.4 billion, a growth of 21% compared to the R\$1.2 billion in the previous year. The Adjusted EBITDA Margin ended the year at 27.9%, an increase of 90 basis points compared to the 27.0% recorded in 2024.

## RD Station

RD Station focuses on business performance solutions through Digital Marketing, Sales/Digital Commerce, and CX - Customer Experience solutions, aiming to support companies in customer acquisition and conversion. Its main product, RD Station Marketing, is a SaaS platform widely recognized in Brazil and Latin America, targeted at small and medium-sized enterprises seeking to increase their digital presence and improve business results. RD Station stands out for its high scalability potential with positive unit economics, being one of TOTVS's strategic pillars in advancing digital solutions for commercial productivity and customer relationship.

RD Station Result (in R\$ million)	2025	2024	Δ y/y
<b>Net Revenue</b>	<b>653.5</b>	<b>558.8</b>	<b>16.9%</b>
Recurring	632.2	538.8	17.3%
Non Recurring	21.3	20.0	6.6%
Costs	(176.8)	(139.6)	26.6%
<b>Gross Profit</b>	<b>476.7</b>	<b>419.2</b>	<b>13.7%</b>
Gross Margin	73.0%	75.0%	-200 bp
<b>Operating Expenses</b>	<b>(409.6)</b>	<b>(398.9)</b>	<b>2.7%</b>
Research and Development	(122.9)	(110.3)	11.4%
Provision for Expected Credit Losses	(9.2)	(13.8)	(33.5%)
Sales and Marketing Expenses	(208.3)	(180.0)	15.7%
G&A Expenses and Others	(69.2)	(94.7)	(26.9%)
<b>RD Station EBITDA</b>	<b>67.1</b>	<b>20.3</b>	<b>230.9%</b>
% RD Station EBITDA	10.3%	3.6%	670 bp
<b>Extraordinary Items</b>	<b>11.7</b>	<b>34.2</b>	<b>(65.8%)</b>
M&A Adjustment at Fair Value	6.6	32.1	(79.3%)
G&A and Others from Oper. Restructuring	2.9	0.6	404.8%
Adjustment - Payroll Tax Reform	2.2	1.5	45.1%
<b>RD Station Adjusted EBITDA</b>	<b>78.8</b>	<b>54.5</b>	<b>44.7%</b>
% RD Station Adjusted EBITDA	12.1%	9.8%	230 bp

## Net Revenue

In fiscal year 2025, RD Station's Net Revenue totaled R\$653 million, recording a 17% growth compared to the R\$559 million reported in the previous year.

The Revenue composition maintained the predominance of the subscription line: Recurring Revenue totaled R\$632 million, an expansion of 17% compared to R\$539 million recorded in 2024. Non-Recurring Revenue showed an increase of 7%, reaching R\$21 million in the period, compared to R\$20 million observed in the previous fiscal year.

## Gross Margin

RD Station's Costs totaled R\$177 million in 2025, a 27% growth compared to R\$140 million recorded in 2024. Gross Margin ended the year at 73%, a retraction of 200 basis points in the year-over-year comparison.

## Operating Expenses

RD Station's Operating Expenses totaled R\$410 million in 2025, a 2.7% growth compared to the R\$399 million reached in 2024. The low increase in expenses compared to the expansion revenue (+17%) highlights the strong operating leverage achieved in the period.

In the breakdown by nature, Selling and Marketing expenses totaled R\$208 million, a 16% increase in the annual comparison. Research and Development (R&D) expenses reached R\$123 million, a positive variation of 11% compared to the previous year.

Conversely, General and Administrative and Other expenses showed a significant reduction of 27%, ending the fiscal year at R\$69 million. The Allowance for Expected Credit Losses also recorded a retraction, totaling R\$9 million, a 33% drop compared to 2024.

## EBITDA

RD Station's EBITDA reported in 2025 was R\$67 million, a growth of 231% compared to R\$20 million recorded in 2024. The corresponding EBITDA Margin reached 10.3%, an expansion of 670 bp y/y.

Excluding the effects of extraordinary items, RD Station's Adjusted EBITDA totaled R79million, representing an increase of 45% compared to the R\$54 million obtained in 2024. Adjusted EBITDA Margin ended 2025 at 12.1%, an advance of 230 basis points compared to the 9.8% reported in 2024.

## Techfin

Techfin is a joint venture with Itaú Unibanco dedicated to offering financial solutions in a digital format and integrated into the Companies' management systems (ERP Banking), focusing on increasing the efficiency of clients' financial operations.

Techfin's proposal is to democratize access to credit and financial services, especially for small and medium-sized enterprises, using data intelligence and automation integrated into the ERP to reduce risks, improve decision-making, and generate convenience.

With the announcement of the closing of the transaction with Itaú, TOTVS began to hold a 50% interest in the TOTVS Techfin operation as of August 2023. The results of this operation are not consolidated in the Company's Cash Flow and Balance Sheet, with the result of the TOTVS Techfin operation being added in a 50% proportion to the Equity Result line.

Techfin Results (in R\$ million)	2025	2024	Δ y/y
<b>Revenue - Net of funding</b>	<b>175.1</b>	<b>153.8</b>	<b>13.9%</b>
Credit Products Revenue	264.5	215.5	22.7%
Funding Cost	(95.9)	(69.5)	38.0%
Fee Revenue	6.6	7.7	(15.4%)
Provision for Expected Credit Losses	(16.0)	(15.3)	4.8%
Adjusted OPEX	(135.7)	(122.1)	11.1%
<b>Techfin Adjusted EBITDA</b>	<b>23.4</b>	<b>16.3</b>	<b>43.3%</b>
% Techfin Adjusted EBITDA	13.4%	10.6%	280 bp
Adjusted Below EBITDA	(12.0)	(16.1)	(25.5%)
Net Effect of Amortization	2.5	10.5	(76.1%)
<b>Techfin Adjusted Net Income</b>	<b>13.9</b>	<b>10.7</b>	<b>29.9%</b>
% Net Income	7.9%	7.0%	90 bp
Extraordinary Items, Net	-	(1.8)	(100.0%)
Net Effect of Amortization	(2.5)	(10.5)	(76.1%)
<b>Techfin Net Income (Loss)</b>	<b>11.4</b>	<b>(1.6)</b>	<b>(827.1%)</b>
Equity-accounted Investees Result - TOTVS	11.4	(1.6)	(827.1%)

### Revenue - Net of Funding

Revenue Net of Funding Revenue ended in 2025 at R\$175 million, a 14% growth compared to R\$154 million in 2024. This advance was driven by the performance of Credit Product Revenue, which grew 23% in the period, totaling R\$265 million. Funding Cost ended the fiscal year at R\$96 million, a 38% growth compared to R\$70 million in 2024.

Fee Revenue recorded R\$7 million in 2025, a 15% reduction compared to R\$8 million in 2024. This line represents the smallest portion of Techfin's total revenue composition. The negative variation reflects the mix of products and financial services provided in the period.



The Allowance for Expected Credit Losses remained stable, totaling R\$16 million in 2025, which represents a 5% increase compared to R\$15 million recorded in 2024.

### **Operating Expenses (OPEX)**

Techfin's Adjusted OPEX totaled R\$136 million in 2025, an 11% increase compared to R\$122 million in the previous year. It is important to note that the growth in operating expenses remained below the growth in Net Funding Revenue. This dynamic highlights gains in operating leverage and efficiency.

### **EBITDA**

Adjusted Techfin EBITDA totaled R\$23 million in 2025, an increase of 43.3% compared to R\$16 million recorded in 2024. The unit's adjusted EBITDA margin went from 10.6% to 13.4%, representing an expansion of 280 bp in the period.

The Adjusted Below EBITDA line ended the fiscal year at a negative R\$12.0 million, a 25% reduction compared to the negative R\$16 million in 2024.

### **Net Income**

Techfin showed a historical reversal in results, moving from a loss of R\$1.6 million in 2024 to a Net Income of R\$11 million in 2025, an 827% growth which is fully reflected in TOTVS's equity result line. This performance was driven by the growth in Net Funding Revenue combined with the operation's efficiency gains, allowing the profit margin to rise from 7.0% to 7.9% (+90 bp). In the adjusted view, Techfin's Profit reached R\$14 million (+30% y/y), reinforcing the consistent trajectory of profitability evolution and the quality of the credit portfolio, which maintained low delinquency levels in the period.

## STOCK MARKET

TOTVS ended the year with a capital stock of R\$2.963 billion, composed of 599,401,581 common shares, 89% of which are free-float shares, of which 8.7% are composed of domestic investors and 91.3% of foreign investors. The calculation of the free float shares is based on all the Company shares, excluding the interests held by Management members and related persons, as well as treasury shares.

In 2025, TOTVS's shares (B3:TOTS3) had a positive variation of 57%, while the IBOVESPA index had a valorization of 34%. The average financial volume in 2025 was R\$131.7 million/day, versus R\$109.9 million/day recorded in 2024.

**Interest on Equity (IoE) for the fiscal year 2025:** On March 18th, 2025, the payment of interest on stockholders' equity for the first quarter of the fiscal year 2025 was approved, in the total amount of R\$82.026 million. All shareholders holding shares issued by the Company on the base date of March 24th, 2025 were entitled to interest on equity. Such interest on equity was paid on April 4th, 2025.

On June 16th, 2025, the payment of interest on equity for the second quarter of the fiscal year 2025 was approved, in the total gross amount of R\$88.144 million. All shareholders holding shares issued by the Company on the base date of June 23rd, 2025 were entitled to interest on equity. Such interest on equity was paid on July 7th, 2025.

On September 17th, 2025, the payment of interest on equity for the third quarter of the fiscal year 2025 was approved, in the total gross amount of R\$88.144 million. All shareholders holding shares issued by the Company on the base date of September 23rd, 2025 were entitled to interest on equity. Such interest on equity was paid on October 6th, 2025.

On December 10th, 2025, the payment of interest on equity for the fourth quarter of the fiscal year 2025 was approved, in the total gross amount of R\$99.899 million. All shareholders holding shares issued by the Company on the base date of December 15th, 2025 were entitled to interest on stockholders' equity. Such interest on equity was paid on December 30th, 2025. The amounts of interest on equity for the year 2025 were allocated to the mandatory dividends.

**Interest on Equity (IoE) for the fiscal year 2024:** On August 1st, 2024, the payment of interest on stockholders' equity for the first half of the fiscal year 2024 was approved, in the total amount of R\$136.811 million. All shareholders holding shares issued by the Company on the base date of August 6th, 2024 were entitled to interest on equity. Such interest on equity was paid on August 26th, 2024.

On November 25th, 2024, the payment of interest on equity in the total gross amount of R\$128.893 million was approved. All shareholders holding shares issued by the Company on the base date of December 3rd, 2024 were entitled to interest on stockholders' equity. Such interest on equity was paid on December 27th, 2024. The amounts of interest on equity for the year 2024 were allocated to the mandatory dividends.

# CORPORATE GOVERNANCE

**Novo Mercado:** TOTVS was the first Brazilian software company to join this segment, which meets the best corporate governance practices of B3 S.A. - Brasil, Bolsa, Balcão.

**Management:** TOTVS's Board of Directors is composed of 7 members, 6 of whom are independent, meeting the Novo Mercado definitions. The Company's Executive Board is composed of 8 officers. The list with the names, job descriptions, and brief resumes of the board members and officers can be found in the Company's Reference Form and on the Investor Relations website (<https://ri.totvs.com/>).

**Statutory Audit Committee:** this is a support body for the Board of Directors whose mission is to monitor, evaluate, and ensure the best operationalization of processes, the management of internal and external auditing, the mechanisms and controls related to risk management, and the consistency of financial policies with strategic guidelines and the business risk profile. Currently, the Statutory Audit Committee is composed of 4 independent members, one of whom is an external independent member and Financial Expert, all elected by the Board of Directors.

**People and Compensation Committee:** assists the Board of Directors in defining the compensation and benefits policies for board members and officers. The People and Compensation Committee is composed of 3 members, 2 of whom are independent, elected by the Board of Directors. The Company's CEO and Vice President of Human Relations and Marketing participates as a permanent guest in the meetings without voting rights.

**Governance and Nomination Committee:** composed of 3 members of the Board of Directors, 2 of whom are independent, its main duties are to promote evolutions in the Company's corporate governance, evaluate the adoption of good practices, and select and nominate members for the Board of Directors.

**Strategy Committee:** composed of 3 members of the Board of Directors, 2 of whom are independent. The Company's CEO participates as a permanent guest in the meetings without voting rights. This Committee's main duties are to analyze and discuss topics that enable the construction of the Vision of the Future, Strategic Planning, and to evaluate the Company's actual capacity to deliver them.

**Equity and Diversity:** in compliance with Law No. 15,177/2025, the Company reaffirms its commitment to promoting an equitable work environment at all levels. Within the Board of Directors, the Company has female representation of over 43% (3 female directors out of a total of 7 members).

**Arbitration:** according to the Novo Mercado Regulations and the Company's Bylaws, the controlling shareholder, management, the Company itself, and the members of the Fiscal Council must commit to resolving any and all disputes or controversies related to or arising from these Novo Mercado Regulation rules, the Novo Mercado Participation Agreement, and the Arbitration Clauses—specifically regarding their application, validity, effectiveness, interpretation, violation, and effects—through arbitration. Disagreements regarding the disposal of Company Control will also be resolved through arbitration.

**Management Statement:** in accordance with Article 27, § 1st, item VI of CVM Resolution No. 80/22, the officers of TOTVS declare that they have reviewed, discussed, and agree with the individual and consolidated financial statements for the fiscal year ended December 31,

2025. In accordance with Article 27, § 1st, item V of CVM Resolution No. 80/22, as amended by CVM Resolution No. 59/21, the officers of TOTVS declare that they have discussed, reviewed, and agreed with the opinions expressed in the independent auditors' report on the individual and consolidated financial statements for the fiscal year ended December 31, 2025.

## **RELATIONSHIP WITH INDEPENDENT AUDITORS**

The Company's policy for contracting non-audit services from independent auditors is based on principles that preserve their independence. These principles consist of internationally accepted standards, where: (a) the auditor must not audit their own work; (b) the auditor must not perform management functions for their client; and (c) the auditor must not create conflicts of interest with their clients.

Procedures adopted by the Company, according to item 9.3, Article 17, of CVM Resolution No. 162/22: The Company and its subsidiaries adopt as a formal procedure, prior to hiring professional services other than those related to external audit, consulting the independent auditors to ensure that the provision of these other services will not affect their independence and objectivity, which are necessary for the performance of independent audit services, as well as obtaining approval from its Audit Committee. Additionally, formal declarations are required from these same auditors regarding their independence in performing non-audit services.

Other services were provided in addition to those related to the audit of the financial statements in 2025, mainly related to the ISAE - International Standards for Assurance Engagements report, assurance of the Integrated Report, and various advisory services. The fees for these services totaled R\$463.7 thousand, representing 12.9% of the total fees related to the external audit.

## **ACKNOWLEDGEMENTS**

We extend our gratitude to everyone who contributed to TOTVS' success in 2025, especially our clients, participants, partners, and shareholders.

## **Independent auditors' report on the individual and consolidated financial statements**

**To the Shareholders and Management of  
TOTVS S.A.  
São Paulo – SP**

### **Opinion**

We have examined the individual and consolidated financial statements of TOTVS S.A. ("the Company"), respectively, referred to as Individual and Consolidated, which comprise the statement of financial position as at December 31, 2025 and the statements of profit or loss and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying individual and consolidated financial statements present fairly, in all material respects, the consolidated financial position of TOTVS S.A. as at December 31, 2025 and its individual and consolidated financial performance and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

### **Basis for opinion**

We conducted our audit in accordance with Brazilian and international Standards on Auditing. Our responsibilities, under those standards, are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries, in accordance with the relevant ethical requirements established in the Brazilian Accountant's Code of Professional Ethics and in the professional standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key audit matters**

The key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the individual and consolidated financial statements of the current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Non recurring software revenue recognition</b>	
See Notes 2.4 h) and 28 to the individual and consolidated financial statements	
Key audit matters	How our audit addressed this matter
<p>The revenue of the Company and its subsidiaries includes services called recurring software and nonrecurring software.</p> <p>Nonrecurring software revenues include implementation and customization services that require the use of estimates regarding the total costs necessary to satisfy the performance obligations under each customer contract.</p> <p>The performance obligation of this type of revenue is over time when it is provided, based on the hours incurred, the estimated margins and prices practiced in the respective contracts with its clients. According to each contract, such revenues may or may not have been invoiced.</p> <p>Nonrecurring services occur in a high volume and rely on controls that determine the correct hours incurred, the appropriateness of the margins applies and as well controls which ensure the correct measurement and recording of this revenue at the time the performance obligations of the contracts are satisfied.</p> <p>For the reasons mentioned above, we considered this matter as a significant for our audit.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>i. Understanding of the design and effectiveness evaluation process of the relevant internal controls used by the Company and its subsidiaries considered as significant, during the audit, related to the nonrecurring software revenue recognition;</li> <li>ii. Tests on a sample basis of nonrecurring software revenue, in order to verify the contractual terms of the proposal of service rendered, the hours incurred in the projects the measurement of these hours and the estimated margin, in order to conclude on the adequate revenue recognition, including in relation of the correct period of competence (cut-off);</li> <li>iii. Assessment of whether the disclosures in individual and consolidated financial statements include all relevant information, particularly in relation to the Company's accounting policies for recognition of revenue.</li> </ul> <p>Based on the audit evidence obtained through above-summarized audit procedures, we consider the amounts and disclosures related to nonrecurring software revenue recognition are acceptable, in the context of the individual and consolidated financial statements as a whole.</p>

<b>Impairment of Goodwill</b>	
See Notes 2.4 d) and 15 to the individual and consolidated financial statements	
Key audit matters	How our audit addressed this matter
<p>The consolidated financial statements include the amount of R\$ 1,825,883 thousand related to the goodwill allocated to the cash generating unit (CGU) of RD from business combination, whose realization is supported by future profitability expectation, according to the business plan prepared by the Company.</p>	<ul style="list-style-type: none"> <li>i. Our audit procedures included, among others:</li> <li>ii. Understanding of the preparation and review of business plan process, budgets and impairment analysis of cash generating unit of RD available by the Company;</li> <li>iii. Evaluation of reasonability for the determination of cash generating unit (CGU) of RD for impairment test;</li> </ul>

<p>For the annual assessment of the recoverability of such assets, the Company evaluates the probability of occurrence of future earnings and assumptions and judgments used in determining the estimates of future earnings of cash generating units, which include revenue growth, cash flows projections and discount rate.</p> <p>Due to the relevance and degree of judgment involved in the process of determining the Company's estimates of future profitability, inherent to the process of determining the estimates of future cash flows, we considered this matter as significant for our audit.</p>	<p>iv. With the assistance of our corporate finance specialists, for the RD's CGU, we evaluated the criteria and assumptions adopted by the Company, especially those related to business growth rates, cash flow projections and the respective discount rates, inflation assumptions and comparison of the assumptions used by the Company, when available, with data obtained from external sources, such as projected economic growth and discount rates;</p> <p>v. Assessment of whether the disclosures in the consolidated financial statements include all relevant information.</p> <p>Based on the audit procedures performed on impairment test of RD's CGU goodwill and on the results obtained, we consider them acceptable, in the context of the individual and consolidated financial statements as a whole.</p>
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#### **Other matters - Statements of value added (DVA)**

The individual and consolidated statements of value added (DVA) for the year ended December 31, 2025, prepared under responsibility of Company's management, and presented as supplementary information for IFRS purposes, were submitted to audit procedures performed with the audit of Company's financial statements. In order to form our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in CPC 09 Technical Pronouncement - Statement of Value Added. In our opinion, these statements of value added have been fairly prepared, in all material respects, in accordance with the criteria defined in the Technical Pronouncement and are consistent with the individual and consolidated financial statements taken as a whole.

#### **Other information accompanying individual and consolidated financial statements and the auditors' report**

Management is responsible for the other information comprising the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of audit conclusion thereon.

In connection with our audit of individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is, materially inconsistent with the financial statements or our knowledge obtained in the audit or, otherwise, appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of management and those charged with governance for the individual and consolidated financial statements**

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with Accounting Practices Adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

## **Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assess the risks of material misstatement in the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion.



Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

- Evaluated the overall presentation, structure and content of financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, February 10, 2026

KPMG Auditores Independentes Ltda.  
CRC 2SP014428/O-6

*Original report in Portuguese signed by*

Wagner Bottino  
Accountant CRC 1SP196907/O-7

**TOTVS S.A.**  
**Individual and Consolidated Statement of Financial Position**  
**For the year ended December 31, 2025 and 2024**  
(In thousands of reais)

	Note	Individual		Consolidated	
		2025	2024	2025	2024
<b>Assets</b>					
<b>Current assets</b>		<b>2,688,747</b>	<b>1,617,998</b>	<b>3,875,770</b>	<b>2,763,558</b>
Cash and cash equivalents	7	1,412,901	991,050	1,785,703	1,942,162
Escrow account	20	889	7,554	20,983	13,974
Trade accounts and other receivable	8	466,880	366,378	639,136	563,328
Recoverable taxes	9	30,024	54,152	53,840	83,519
Other assets	12	212,741	198,864	249,998	160,575
Assets held for sale	5	565,312	-	1,126,110	-
<b>Non-current assets</b>		<b>5,673,546</b>	<b>5,849,673</b>	<b>5,576,401</b>	<b>5,768,163</b>
<b>Achievable in the long term</b>		<b>431,159</b>	<b>308,173</b>	<b>828,204</b>	<b>785,927</b>
Escrow account	20	-	-	153,790	188,845
Trade accounts and other receivable	8	15,586	9,634	22,784	13,796
Receivables from related parties	11	8,282	7,675	6,875	5,050
Investments at fair value	6.2	142,018	85,508	228,254	179,830
Deferred tax assets	10	107,681	81,511	243,775	253,511
Judicial deposits	21	25,474	25,296	28,085	28,373
Other assets	12	132,118	98,549	144,641	116,522
Equity-accounted investees	13	4,176,172	4,639,945	290,754	321,796
Property, plant and equipment	14	479,594	327,911	553,190	399,215
Intangible assets	15	586,621	573,644	3,904,253	4,261,225
<b>Total assets</b>		<b>8,362,293</b>	<b>7,467,671</b>	<b>9,452,171</b>	<b>8,531,721</b>

	Note	Individual		Consolidated	
		2025	2024	2025	2024
<b>Liabilities and equity</b>					
<b>Current liabilities</b>		<b>1,461,536</b>	<b>683,879</b>	<b>1,978,222</b>	<b>1,144,197</b>
Labor liabilities	16	291,564	246,404	462,060	438,679
Trade and other payable		178,333	158,437	220,761	211,971
Taxes and contributions liabilities	17	95,151	80,058	133,820	122,612
Commissions payable		58,746	56,714	76,968	69,126
Dividends payable	24	1,652	1,222	1,652	1,222
Lease liabilities	18	33,840	45,663	42,493	58,133
Debentures	19	100,079	62,845	100,079	62,845
Accounts payable from acquisition of subsidiaries	20	978	7,643	28,636	115,659
Call option of non-controlling interests	22	651,384	-	651,384	-
Other liabilities		49,809	24,893	84,146	63,950
Liabilities held for sale	5	-	-	176,223	-
<b>Non-current liabilities</b>		<b>1,795,477</b>	<b>2,102,440</b>	<b>2,030,492</b>	<b>2,400,403</b>
Lease liabilities	18	189,756	52,427	216,440	68,285
Debentures	19	1,477,270	1,472,286	1,477,270	1,472,286
Provision for contingencies	21	92,180	84,358	106,763	106,272
Accounts payable from acquisition of subsidiaries	20	-	-	158,852	228,249
Call option of non-controlling interests	22	-	444,771	-	444,771
Other liabilities		36,271	48,598	71,167	80,540
<b>Shareholders' equity</b>	23	<b>5,105,280</b>	<b>4,681,352</b>	<b>5,443,457</b>	<b>4,987,121</b>
Share Capital		2,962,585	2,962,585	2,962,585	2,962,585
Treasury shares		(304,714)	(350,163)	(304,714)	(350,163)
Capital reserves		137,369	281,801	137,369	281,801
Profit Reserves		2,248,964	1,715,436	2,248,964	1,715,436
Carrying value adjustments		61,076	71,693	61,076	71,693
Non-controlling interests		-	-	338,177	305,769
<b>Total shareholders' equity and liabilities</b>		<b>8,362,293</b>	<b>7,467,671</b>	<b>9,452,171</b>	<b>8,531,721</b>

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

**TOTVS S.A.****Individual and Consolidated Statements of Profit or Loss****For the year ended December 31, 2025 and 2024**

(In thousands of reais, except for earnings per share)

	Note	Individual		Consolidated	
		2025	2024 (Reclassified)	2025	2024 (Reclassified)
Net revenue	28	3,789,057	3,162,602	5,771,867	4,914,747
Cost of software	29	(1,174,987)	(981,992)	(1,716,326)	(1,458,672)
<b>Gross profit</b>		<b>2,614,070</b>	<b>2,180,610</b>	<b>4,055,541</b>	<b>3,456,075</b>
<b>Operating income (expenses)</b>					
Research and development expenses	29	(665,872)	(577,151)	(1,005,236)	(877,330)
Selling and marketing expenses	29	(791,939)	(658,108)	(1,300,048)	(1,114,656)
Impairment loss on trade and other receivables	29	(37,607)	(30,007)	(59,622)	(54,669)
Administrative expenses	29	(408,852)	(332,438)	(584,717)	(537,922)
Other operating income/ (expenses)	29	19,120	17,636	5,387	(17,944)
<b>Operating profit</b>		<b>728,920</b>	<b>600,542</b>	<b>1,111,305</b>	<b>853,554</b>
Finance income	30	184,264	135,854	270,087	218,221
Finance expenses	30	(306,226)	(244,153)	(350,837)	(310,771)
Share of profit/ (loss) of equity-accounted investees	13	283,662	250,920	11,423	(1,571)
<b>Profit before income and social contribution taxes</b>		<b>890,620</b>	<b>743,163</b>	<b>1,041,978</b>	<b>759,433</b>
Income tax and social contribution - current		(75,255)	(50,844)	(202,779)	(175,747)
Income tax and social contribution - deferred		26,357	(6,392)	2,523	102,241
<b>Total of Income tax and social contribution taxes</b>	10	<b>(48,898)</b>	<b>(57,236)</b>	<b>(200,256)</b>	<b>(73,506)</b>
<b>Net profit from continuing operations</b>		<b>841,722</b>	<b>685,927</b>	<b>841,722</b>	<b>685,927</b>
<b>Net profit from discontinued operation</b>	5	<b>50,019</b>	<b>31,586</b>	<b>79,020</b>	<b>49,516</b>
<b>Net profit for the year</b>		<b>891,741</b>	<b>717,513</b>	<b>920,742</b>	<b>735,443</b>
<b>Net profit attributable to shareholders of the Company</b>		<b>891,741</b>	<b>717,513</b>	<b>891,741</b>	<b>717,513</b>
Net profit from continued operation		841,722	685,927	841,722	736,528
Net profit from discontinued operation		50,019	31,586	50,019	31,586
<b>Net profit attributable to non-controlling</b>		-	-	<b>29,001</b>	<b>17,930</b>
Net profit from discontinued operation		-	-	29,001	17,930
Basic earnings per share	27	-	-	1.51902	1.20589
Diluted earnings per share	27	-	-	1.49079	1.18612
Basic earnings per share - continuing operations	27	-	-	1.43381	1.15280
Diluted earnings per share - continuing operations	27	-	-	1.40717	1.13391

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

**TOTVS S.A.****Individual and Consolidated Statements of Comprehensive Income  
For the year ended December 31, 2025 and 2024**

(In thousands of Reais )

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>Net profit for the year</b>	<b>891,741</b>	<b>717,513</b>	<b>920,742</b>	<b>735,443</b>
<b>Items that are or may be reclassified subsequently to profit or loss</b>				
Foreign operations - foreign currency translation adjustments	(10,981)	34,617	(10,981)	34,617
<b>Items that will not be reclassified to profit or loss</b>				
Gain (loss) post-employment benefit	364	(376)	364	(376)
<i>Post-employment benefit</i>	<i>551</i>	<i>(569)</i>	<i>551</i>	<i>(569)</i>
<i>Income tax and social contribution post-employment benefit</i>	<i>(187)</i>	<i>193</i>	<i>(187)</i>	<i>193</i>
<b>Other comprehensive income</b>	<b>(10,617)</b>	<b>34,241</b>	<b>(10,617)</b>	<b>34,241</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>881,124</b>	<b>751,754</b>	<b>910,125</b>	<b>769,684</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Company	881,124	751,754	881,124	751,754
Non-controlling interests	-	-	29,001	17,930

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

**TOTVS S.A.**  
**Individual and Consolidated Statements of Changes in Shareholders' Equity**  
**For the year ended December 31, 2025 and 2024**  
(In thousands of reais)

	Note	Capital	Treasury shares	Capital Reserves		Profit reserves			Carrying value adjustments	Total Equity	Non-controlling interests	Total shareholders' equity
				Transaction between shareholders	Capital Reserve	Legal Reserve	Retaining earnings	Retained earnings	Other comprehensive income			
<b>Balances at January 1, 2025</b>		<b>2,962,585</b>	<b>(350,163)</b>	<b>(24,323)</b>	<b>306,124</b>	<b>228,189</b>	<b>1,487,247</b>	<b>-</b>	<b>71,693</b>	<b>4,681,352</b>	<b>305,769</b>	<b>4,987,121</b>
<b>Capital transactions with shareholders</b>		<b>-</b>	<b>45,449</b>	<b>-(144,432)</b>	<b>-</b>	<b>-</b>	<b>-(358,213)</b>	<b>-</b>	<b>(457,196)</b>	<b>-</b>	<b>3,407</b>	<b>(453,789)</b>
Share-based compensation plan	25	-	-	-	71,184	-	-	-	-	71,184	-	71,184
Interest on shareholders' equity	24	-	-	-	-	-	-(358,213)	-	-(358,213)	-	-	-(358,213)
Reversal of dividends		-	-	-	-	-	-	-	-	-	3,407	3,407
Disposal of treasury shares	23	-	45,449	-	(45,449)	-	-	-	-	-	-	-
Call option of non-controlling interests	22	-	-	-	(170,167)	-	-	-	-(170,167)	-	-	(170,167)
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>891,741</b>	<b>(10,617)</b>	<b>881,124</b>	<b>29,001</b>	<b>910,125</b>
Net profit for the year		-	-	-	-	-	-	891,741	-	891,741	29,001	920,742
Cumulative adjustment for currency exchange		-	-	-	-	-	-	-	(10,981)	(10,981)	-	(10,981)
Post-employment benefit		-	-	-	-	-	-	-	364	364	-	364
<b>Appropriation of retained earnings</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,587</b>	<b>488,941</b>	<b>(533,528)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balances at December 31, 2025</b>		<b>2,962,585</b>	<b>(304,714)</b>	<b>(24,323)</b>	<b>161,692</b>	<b>272,776</b>	<b>1,976,188</b>	<b>-</b>	<b>61,076</b>	<b>5,105,280</b>	<b>338,177</b>	<b>5,443,457</b>

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

	Capital	Treasury shares	Capital Reserves		Profit reserves		Retained earnings	Carrying value adjustments	Total Equity	Non-controlling interests	Total shareholders' equity
			Transaction between shareholders	Capital Reserve	Legal Reserve	Accumulated profits		Other comprehensive income			
<b>Balances at January 1, 2024</b>	<b>2,962,585</b>	<b>(283,445)</b>	<b>(24,323)</b>	<b>762,616</b>	<b>192,313</b>	<b>1,070,406</b>	<b>-</b>	<b>40,422</b>	<b>4,720,574</b>	<b>292,097</b>	<b>5,012,671</b>
<b>Capital transactions with shareholders</b>	-	<b>(66,718)</b>	-	<b>(456,492)</b>	-	<b>911</b>	<b>(265,707)</b>	-	<b>(788,006)</b>	<b>(4,258)</b>	<b>(792,264)</b>
Share-based compensation plan	-	-	-	48,158	-	-	-	-	48,158	-	48,158
Disposal of treasury shares	-	51,591	-	(51,591)	-	-	-	-	-	-	-
Purchase of treasury shares	-	(571,368)	-	-	-	-	-	-	(571,368)	-	(571,368)
Treasury shares cancelled	-	453,059	-	(453,059)	-	-	-	-	-	-	-
Interest on shareholders' equity	-	-	-	-	-	-	(265,707)	-	(265,707)	-	(265,707)
Held for sale	-	-	-	-	-	-	-	-	-	(4,258)	(4,258)
Dividends and interest on shareholders' equity reversion	-	-	-	-	-	911	-	-	911	-	911
<b>Total comprehensive income</b>	-	-	-	-	-	-	<b>717,513</b>	<b>31,271</b>	<b>748,784</b>	<b>17,930</b>	<b>766,714</b>
Net profit for the year	-	-	-	-	-	-	717,513	-	717,513	17,930	735,443
Cumulative adjustment for currency exchange	-	-	-	-	-	-	-	31,647	31,647	-	31,647
Post-employment benefit	-	-	-	-	-	-	-	(376)	(376)	-	(376)
<b>Appropriation of retained earnings</b>	-	-	-	-	<b>35,876</b>	<b>415,930</b>	<b>(451,806)</b>	-	-	-	-
<b>Balances at December 31, 2024</b>	<b>2,962,585</b>	<b>(350,163)</b>	<b>(24,323)</b>	<b>306,124</b>	<b>228,189</b>	<b>1,487,247</b>	<b>-</b>	<b>71,693</b>	<b>4,681,352</b>	<b>305,769</b>	<b>4,987,121</b>

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

**TOTVS S.A.**  
**Individual and Consolidated Statement of Cash Flows**  
**For the year ended December 31, 2025 and 2024**  
(In thousands of Reais)

	Note	Individual		Consolidated	
		2025	2024 (Reclassified)	2025	2024 (Reclassified)
<b>Cash flow from operating activities</b>					
<b>Profit before income and social taxes</b>		<b>890,620</b>	<b>743,163</b>	<b>1,041,978</b>	<b>759,433</b>
<b>Adjustments for:</b>					
Depreciation and amortization	14/ 15	232,995	203,263	341,084	313,263
Share-based payments transactions	25	82,603	45,817	82,603	46,390
(Gain) Losses on write-off/ sale of property, plant and equipment and intangible assets		(9,159)	(9,185)	(5,041)	(9,612)
Impairment loss on trade and other receivables	8	37,607	30,007	59,622	54,669
Share of profit/ (losses) of equity-accounted investees	13	(283,662)	(250,920)	(11,423)	1,571
Provision for contingencies	21	35,954	20,262	37,495	19,977
(Reversion) provision on other obligations and others		(795)	(24,067)	14,005	(6,450)
Interest and monetary variations and exchange variations differences, net		279,833	222,365	282,140	257,947
		<b>1,265,996</b>	<b>980,705</b>	<b>1,842,463</b>	<b>1,437,188</b>
<b>Changes in operating assets and liabilities</b>					
Trade and other receivables		(144,061)	(27,335)	(182,460)	(67,157)
Recoverable taxes		(13,549)	(40,121)	(24,896)	(46,402)
Judicial deposits		(3,740)	1,152	(3,816)	1,675
Other assets		(118,660)	(78,539)	(130,349)	(82,215)
Labor liabilities		71,095	45,366	84,513	79,873
Trade and other payables		19,896	45,160	10,456	49,922
Commissions payable		2,032	3,747	7,808	3,872
Taxes and contributions payable		(10,997)	14,789	(24,876)	2,569
Other liabilities		(19,471)	(7,802)	(27,432)	(20,653)
<b>Cash generated from operating activities</b>		<b>1,048,541</b>	<b>937,122</b>	<b>1,551,411</b>	<b>1,358,672</b>
Interest paid		(195,152)	(175,885)	(198,614)	(177,828)
Tax paid		(39,065)	(39,118)	(149,614)	(147,859)
<b>Net cash from operating activities</b>		<b>814,324</b>	<b>722,119</b>	<b>1,203,183</b>	<b>1,032,985</b>
<b>Cash flow (used in)/ generated by investing activities</b>					
Capital increase in subsidiaries/ associates	13.2	(34,505)	(150,209)	-	-
Dividends received		322,494	105,196	35,493	-
Acquisition of property, plant and equipment	14	(133,967)	(100,983)	(159,804)	(117,275)
Acquisition of intangible assets	15	(88,299)	(108,036)	(97,824)	(117,023)
Franchises loan		2,858	11,895	15,883	(589)
Acquisitions of subsidiaries, net of cash acquired		-	-	(8,117)	(512,207)
Payments from acquisitions of subsidiaries		-	-	(97,068)	(449,415)
Proceeds from sale of subsidiaries, net of cash		-	21,144	-	41,809
Proceeds from sale of property, plant and equipment and intangibles		8,557	10,286	11,252	10,822
Fundo CVC investment		(60,325)	(47,025)	(60,325)	(47,025)
Cash (used in)/ generated from RJ Participações and Dimensa	5	1,419	-	(578,823)	(62,570)
<b>Net cash (used in)/ generated by investing activities</b>		<b>18,232</b>	<b>(257,732)</b>	<b>(939,333)</b>	<b>(1,253,473)</b>
<b>Cash flow (used in)/ generated by financing activities</b>					
Payment of principal of loans		-	(32,083)	-	(40,372)
Payment of principal of debentures		-	(1,500,000)	-	(1,505,000)
Payment of principal of lease liabilities		(52,210)	(48,003)	(62,526)	(59,402)
Proceeds from debentures and loans		-	1,474,982	-	1,474,982
Receivables from related companies		(712)	2,166	-	-
Dividends and interest on shareholders' equity paid		(357,783)	(265,352)	(357,783)	(265,352)
Repurchase of shares		-	(571,368)	-	(571,368)
<b>Net cash used in the financing activities</b>		<b>(410,705)</b>	<b>(939,658)</b>	<b>(420,309)</b>	<b>(966,512)</b>
<b>Net (Decrease) Increase in cash and cash equivalents</b>		<b>421,851</b>	<b>(475,271)</b>	<b>(156,459)</b>	<b>(1,187,000)</b>
Cash and cash equivalents at beginning of the year		991,050	1,466,321	1,942,162	3,129,162
Cash and cash equivalents at the end of the year		1,412,901	991,050	1,785,703	1,942,162

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

**TOTVS S.A.****Individual and Consolidated Statements of Value Added****For the year ended December 31, 2025 and 2024**

(In thousands of Reais)

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2025</b>	<b>2024 (Reclassified)</b>	<b>2025</b>	<b>2024 (Reclassified)</b>
<b>1 – REVENUES</b>	<b>4,222,255</b>	<b>3,564,672</b>	<b>6,353,573</b>	<b>5,482,219</b>
1.1 Revenues of contract with customer	4,242,650	3,577,403	6,429,224	5,525,394
1.2 Other revenue	17,212	17,276	(16,029)	11,494
1.3 Impairment loss on trade and other receivables (recording)	(37,607)	(30,007)	(59,622)	(54,669)
<b>2 - RAW MATERIALS ACQUIRED FROM THIRD-PARTIES (including ICMS and IPI taxes)</b>	<b>(1,122,419)</b>	<b>(940,708)</b>	<b>(1,495,223)</b>	<b>(1,318,420)</b>
2.1 Cost of goods and services sold	(129,992)	(119,378)	(163,999)	(143,016)
2.2 Materials, energy, outsourced services and other	(1,042,446)	(852,916)	(1,412,771)	(1,183,287)
2.3 Loss of active amounts	-	-	2,527	(41,633)
2.4 Other	50,019	31,586	79,020	49,516
<b>3 - GROSS VALUE ADDED (1+2)</b>	<b>3,099,836</b>	<b>2,623,964</b>	<b>4,858,350</b>	<b>4,163,799</b>
<b>4 - DEPRECIATION AND AMORTIZATION</b>	<b>(232,995)</b>	<b>(203,263)</b>	<b>(341,084)</b>	<b>(313,263)</b>
<b>5 - NET VALUE ADDED PRODUCED BY THE COMPANY (3+4)</b>	<b>2,866,841</b>	<b>2,420,701</b>	<b>4,517,266</b>	<b>3,850,536</b>
<b>6 - VALUE ADDED RECEIVED THROUGH TRANSFERS</b>	<b>467,926</b>	<b>386,774</b>	<b>281,510</b>	<b>216,650</b>
6.1 Share of profit/ (losses) of equity-accounted investees	283,662	250,920	11,423	(1,571)
6.2 Finance income	184,264	135,854	270,087	218,221
<b>7 - TOTAL VALUE ADDED TO DISTRIBUTE (5+6)</b>	<b>3,334,767</b>	<b>2,807,475</b>	<b>4,798,776</b>	<b>4,067,186</b>
<b>8 - VALUE ADDED DISTRIBUTION</b>	<b>3,334,767</b>	<b>2,807,475</b>	<b>4,798,776</b>	<b>4,067,186</b>
<b>8.1 Personnel</b>	<b>1,489,537</b>	<b>1,305,736</b>	<b>2,424,124</b>	<b>2,195,223</b>
8.1.1 Direct Compensation	1,214,539	1,070,357	1,993,596	1,814,352
8.1.2 Benefits	180,743	158,117	279,472	249,537
8.1.3 FGTS (Unemployment fund)	94,255	77,262	151,056	131,334
<b>8.2 Taxes and contributions</b>	<b>646,829</b>	<b>539,554</b>	<b>1,099,567</b>	<b>818,460</b>
8.2.1 Federal	532,976	443,443	932,573	673,657
8.2.2 State	231	179	3,708	3,894
8.2.3 Local	113,622	95,932	163,286	140,909
<b>8.3 Capital remuneration from third parties</b>	<b>306,660</b>	<b>244,672</b>	<b>354,343</b>	<b>318,060</b>
8.3.1 Interest	306,226	244,153	350,836	310,771
8.3.2 Rents	434	519	3,507	7,289
<b>8.4 Equity remuneration</b>	<b>891,741</b>	<b>717,513</b>	<b>920,742</b>	<b>735,443</b>
8.4.1 Interest on shareholders' equity	358,213	265,707	358,213	265,707
8.4.3 Retained profit for the year	533,528	451,806	533,528	451,806
8.4.4 Non-controlling interest in retained profits	-	-	29,001	17,930

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



## **TOTVS S.A.**

### **Notes to the Individual and Consolidated Financial Statements**

(In thousands of Reais, unless otherwise stated)

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## **1. The Company and its operations**

### **1.1 Reporting entity**

TOTVS S.A. (“TOTVS”, “Company” or “Individual”) is a publicly held corporation headquartered at Av. Braz Leme, 1.000, in the city and state of São Paulo, whose shares are traded on the Novo Mercado of B3 S.A. – Brasil, Bolsa, Balcão (“B3”), under the code TOTS3.

### **1.2 Operations**

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

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

## **2. Basis of preparation and presentation of the financial statements**

### **2.1. Statement of compliance**

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

The financial statements presented in this document were approved at the Board of Directors’ Meeting held on February 10, 2026, after a recommendation by the Statutory Audit Committee at a meeting held on February 06, 2026.

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

## **2.2. Basis of preparation and presentation**

The individual and consolidated financial statements are expressed in thousands of Reais, unless otherwise indicated and were prepared on the historical cost basis, except for the valuation of certain assets and liabilities, such as from business combinations and financial instruments, which are measured at their fair value.

The main material accounting policies adopted in preparing these financial statements have been consistently applied to the previous periods presented.

## **2.3. Consolidation basis**

The individual and consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at December 31, 2025. Control is achieved when the Company and its subsidiaries are exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses such control. Assets, liabilities and profit or loss of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date it ceases to control it.

Investments in associates are accounted for under the equity method and are, initially, recognized at cost. Associates are those entities in which the Group, directly or indirectly, has significant influence, but not control or joint control, over financial and operational policies.

Profit or loss and each component of Other Comprehensive Income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies. All intercompany assets and liabilities, profit or loss, income, expenses and cash flows relating to transactions between members of the Company and its subsidiaries are eliminated in full in the consolidation.

### **Non-controlling interests (NCI)**

Non-controlling interests are measured, by the Company and its subsidiaries, initially at their proportionate share of the acquirer's identifiable net assets at the date of acquisition.

Changes in the Company's interest in a subsidiary that do not result in a loss of control are recorded as shareholders' equity transactions.

Loss of control

When the entity loses control over a subsidiary, the Company and its subsidiaries derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. If the Company and its subsidiaries retain any interest in the former subsidiary, this interest is measured at fair value at the date when control is lost.

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

Corporate Names	Head office	Interest	Main activity	% Interest	
				2025	2024
Soluções em Software e Serviços TTS Ltda. ("TTS")	BRA	Direct	Software operation	100.00%	100.00%
TOTVS Tecnologia em Software de Gestão Ltda. ("TOTVS Gestão") (v)	BRA	Direct	Software operation	-	100.00%
VarejOnline Tecnologia e Informática Ltda. ("VarejOnline")	BRA	Indirect	Software operation	100.00%	100.00%
Feedz Tecnologia S.A. ("Feedz") (ii)	BRA	Indirect	Software operation	-	60.00%
TOTVS Argentina S.A. ("TOTVS Argentina")	ARG	Direct	Software operation	100.00%	100.00%
TOTVS México S.A. ("TOTVS México")	MEX	Direct	Software operation	100.00%	100.00%
TOTVS Colômbia SAS ("TOTVS Colômbia")	COL	Indirect	Software operation	100.00%	100.00%
TOTVS Incorporation ("TOTVS Inc.")	EUA	Direct	Software operation	100.00%	100.00%
Dimensa S.A. ("Dimensa")	BRA	Direct	Software operation	62.50%	62.50%
Quiver Desenvolvimento e Tecnologia Ltda. ("Quiver Desenvolvimento")	BRA	Indirect	Software operation	62.50%	62.50%
Quiver Soluções de Tecnologia Ltda. ("Quiver Soluções")	BRA	Indirect	Software operation	62.50%	62.50%
RBM Web - Sistemas Inteligentes LTDA ("RBM Web")	BRA	Indirect	Software operation	62.50%	62.50%
Agger S.A. ("Agger") (vii)	BRA	Indirect	Software operation	62.50%	-
TOTVS Serviços de Desenvolvimento e Consultoria em Tecnologia da Informação Ltda. ("Eleve")	BRA	Direct	Software operation	100.00%	100.00%
Datasul S.A. de CV. ("Datasul México") (vi)	MEX	Direct	Software operation	100.00%	100.00%
TOTVS Hospitality Ltda. ("TOTVS Hospitality")	BRA	Direct	Software operation	73.12%	74.50%
TOTVS Hospitality Technology Argentina S.A (former CM Soluciones Informatica S.A.) ("TOTVS Hospitality Argentina")	ARG	Indirect	Software operation	100.00%	100.00%
TOTVS Reservas Ltda. ("TOTVS Reservas")	BRA	Indirect	Software operation	100.00%	100.00%
TOTVS Hospitality Chile SpA ("TOTVS Chile")	CHL	Indirect	Software operation	100.00%	100.00%
TOTVS Large Enterprise Tecnologia S.A. ("TOTVS Large")	BRA	Direct	Software operation	100.00%	100.00%
Lexos Solução em Tecnologia Ltda. ("Lexos")	BRA	Indirect	Software operation	100.00%	100.00%
RJ Participações S.A. ("RJ Participações") (i)	BRA	Indirect	Holding - participation in other companies	80.00%	80.00%
R.J. Consultores en Sistemas de Información S.C. ("RJ México") (i)	MEX	Indirect	Software operation	80.00%	80.00%
R.J. Consultores e Informática Ltda. ("RJ Consultores") (i)	BRA	Indirect	Software operation	80.00%	80.00%
Wealth Systems Informática Ltda. ("WS") (iii)	BRA	Indirect	Software operation	-	100.00%
CMNet Participações S.A. ("CMNet Participações") (iv)	BRA	Indirect	Holding - participation in other companies	-	100.00%
TOTVS Hospitality Ltda. ("TOTVS Hospitality")	BRA	Indirect	Software operation	-	25.50%
RD Gestão e Sistemas S.A. ("RD Station")	BRA	Indirect	Software operation	100.00%	100.00%
Exact Desenvolvimento e Programação de Software Ltda. ("Exact Sales")	BRA	Indirect	Software operation	100.00%	100.00%
DTS Consulting Partner, SA de CV ("Partner") (vi)	MEX	Indirect	Software operation	100.00%	100.00%
Bematech Argentina S.A. ("Bematech Argentina") (vi)	ARG	Indirect	Software operation	100.00%	100.00%
TOTVS Renda Fixa Crédito Privado Fundo de Investimento em Cotas de Fundos de Investimento ("Fundo Restrito")	BRA	Direct	Restricted investment fund	100.00%	100.00%
CV Idexo Fundo de Investimento em Participações Multiestratégia	BRA	Direct	Private equity fund	100.00%	100.00%

#### Investimento no Exterior ("Fundo CV Idexo")

- (i) On March 13, 2025, the direct subsidiary TOTVS Large sold the totality of interests in RJ Participações, corresponding to 80% of total ordinary shares. This transaction depends on the approval of competition authorities and the verification of other usual conditions for this type of transaction, according to note 5;
- (ii) On March 25, 2025, TOTVS Gestão acquired 40% of remaining interests from Feedz, holding 100% of shares. On May 1st, 2025, Feedz was merged by TOTVS Gestão for the net assets of R\$5,346 in which were evaluated by experts who issued the evaluation report of the Shareholders' equity in the base date on March 31, 2025. The variations in the accounts occurred after the base date until the data of effective merger were absorbed by the TOTVS Gestão;
- (iii) On June 1st, 2025, the indirect subsidiary Wealth Systems was merged by the, also direct subsidiary TOTVS Large for the net assets of R\$14,041 in which were evaluated by experts who issued the evaluation report of the Shareholders' equity in the base date on April 30, 2025. The variations in the accounts occurred after the base date until the data of effective merger were absorbed by the TOTVS Large;
- (iv) On October 31, 2025, the indirect subsidiary CMNet Participações was merged by the, also direct subsidiary TOTVS Large for the net assets of R\$512 in which were evaluated by experts who issued the evaluation report of the Shareholders' equity in the base date on September 30, 2025. The variations in the accounts occurred after the base date until the data of effective merger were absorbed by the TOTVS Large;
- (v) On December 31, 2025, the direct subsidiary TOTVS Gestão was merged by the, also direct subsidiary TTS for the net assets of R\$383,089 in which were evaluated by experts who issued the evaluation report of the Shareholders' equity in the base date on October 31, 2025. The variations in the accounts occurred after the base date until the data of effective merger were absorbed by the TTS;
- (vi) Dormant companies that will be closed;
- (vii) Companies acquired in 2025 in accordance with note 4.

All balances and transactions between subsidiaries were eliminated in the consolidation. Comparing the consolidated profit or loss between 2025 and 2024, must be considered the acquisition date of each subsidiary. Thus, the financial statements for the year ended on December 31, 2024 does not include the profit or loss of subsidiary VarejOnline which was included in the consolidation from the date of its respective acquisitions.

## **2.4. Significant accounting practices**

Follow a summary of key accounting practices adopted by the Company and its subsidiaries, highlighting only information considered relevant by Management.

### **a) Functional currency and presentation currency**

The Financial Statements are presented in Reais, which is the functional currency of the Company and its subsidiaries domiciled in Brazil, the same currency used in the preparation and presentation of the individual and consolidated financial statements. All balances have been rounded to the nearest thousand, unless otherwise indicated.

Regarding subsidiaries located abroad considered independent by the Management as they have administrative, financial and operating autonomy, and therefore, their assets and liabilities are translated into Brazilian Real at the foreign exchange rate on statement of financial position closing dates and their profit or loss are translated into Brazilian Real at the average monthly rates of the periods. Adjustments to investments arising from foreign exchange are recognized as cumulative translation adjustments under equity.

### **b) Fair value measurement**

The Company and its subsidiaries measure financial instruments at fair value on each reporting date of the Statement of Financial Position. Fair value is the price that would be received for the

sale of an asset or paid for the transfer of a liability through an unforced transaction between market players on the measurement date.

Fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liabilities will take place: (i) in the main market for the asset or liability; or (ii) In the absence of a main market, in the most advantageous market for the asset or the liability. The main or most advantageous market must be accessible by the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the following fair value hierarchy, based on the lowest-level information that is significant for the measurement of the fair value as a whole:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs, other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);
- Level 3 – inputs, for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities recognized at fair value in the financial statements on a recurring basis, the Company and its subsidiaries determine whether transfers have occurred between levels of the hierarchy of fair value, at the end of the period of financial statements in which the changes occurred.

## **c) Financial Instruments**

### **(i) Financial assets**

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model of the Company and its subsidiaries for managing them. A financial asset (unless it is a trade and other receivables without a significant financing component) or financial liability is initially measured at fair value, more or less, for an item not measured at fair value through profit or loss, the transaction costs which are directly attributable to its acquisition or issue. A trade and other receivables without a significant financing component is measured initially at the operation price, as disclosed in note 8.

The business model of the Company and its subsidiaries for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business plan with the objective of holding financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and also with selling purpose.

Purchases or sales of financial assets that require delivery of assets within a time limit established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company and its subsidiaries commit to purchase or sell the asset.

### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortized cost (debt instruments); and
- Financial assets at fair value through profit or loss.

### **Financial assets at amortized cost**

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The financial assets of the Company and its subsidiaries at amortized cost includes cash and cash equivalents and bank balances, escrow account, trade and other receivables, franchises loan and receivables from investments disposed of included in other current assets (note 12).

### **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss. TOTVS holds investments in companies, whose interest is held indirectly through venture capital organization and which are measured at fair value through profit or loss.

### **Derecognition**

A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Company and its subsidiaries have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company and its subsidiaries have transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, the Company and its subsidiaries evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all risks and rewards of the asset, nor transferred control of the asset, the Company and its subsidiaries continue to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company and its subsidiaries also recognize an

associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company and its subsidiaries have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying: (i) amount of the asset; and (ii) the maximum amount of consideration that the Company could be required to repay (guarantee amount).

## **Impairment**

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions – note 3; and
- Trade and other receivables – note 8.

The Company and its subsidiaries recognize an impairment loss on trade and other receivables for all debt instruments not held at fair value through profit or loss. Impairment loss on trade and other receivables are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company and its subsidiaries expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of guarantees held or other credit enhancements that are integral to the contractual terms.

For trade and other receivables and contract assets, the Company and its subsidiaries apply a simplified approach in calculating impairment loss on trade and other receivables. Therefore, the Company and its subsidiaries do not track changes in credit risk, but instead recognize a loss allowance based on lifetime impairment loss on trade and other receivables at each reporting date. The Company and its subsidiaries have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

## **ii) Financial liabilities**

All financial liabilities are recognized initially at fair value and, more or less, in the case of a financial liability other than at fair value through profit or loss, transaction costs that are directly attributable to the issuance of the financial liability. The financial liabilities of the Company and its subsidiaries include trade and other payables, loans and financing, lease liabilities, debentures and accounts payable from acquisition of subsidiaries.

## **Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortized cost; and,
- Financial liabilities at fair value through profit or loss.

### **Financial liabilities at amortized cost**

This is the most relevant category for the Company and its subsidiaries. After initial recognition, the loans and debentures borrowed and landed are subject to interest are measured, subsequently, at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate method. The amortization of effective interest rate is included as finance expense in the statement of profit or loss. This category usually applies to loans and financing, debentures and leases borrowed and landed, subject to interest. For more information see notes 18 and 19.

### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in CPC 48/ IFRS 9 - Financial instruments are satisfied. The Company and its subsidiaries have designated some accounts payable from acquisition of subsidiaries (see note 20) of financial liability at fair value through profit or loss.

### **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective book value is recognized in the statement of profit or loss.

### **iii) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the individual and consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### **d) Provision for impairment of assets**

Management annually reviews the net book values of assets with a view to evaluating the impact of events or economic, operational and technological changes that may indicate deterioration or impairment. When such evidence is identified and the net book value exceeds the recoverable



amount, a provision is established for the impairment, adjusting the net book value to the recoverable amount.

Goodwill paid for expected future profitability is assessed annually for impairment or when circumstances indicate a loss due to the depreciation of its book value (see note 15.2).

**e) Leases**

The Company and its subsidiaries apply a single approach for recognition and measurement of all leases, except for short-term leases and low-value assets. On the initial date of the lease, the lessee recognizes the lease liabilities measured at present value of the payments to be made over the term of the lease and the right-of-use assets representing the right to use the underlying asset.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets and also are subject to impairment.

At the commencement date of the lease, the Company and its subsidiaries recognize lease liabilities measured at the present value of lease payments to be made over the lease term and include fixed and variable payments less any lease incentives receivable.

In calculating the present value of lease payments, the Company and its subsidiaries use their incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the book value of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company and its subsidiaries's lease liabilities are included in "Lease liabilities" (see Note 18).

**f) Adjustment to present value of assets and liabilities**

Long-term monetary assets and liabilities are monetarily restated and therefore adjusted to their present value. The adjustment to present value of short-term monetary assets and liabilities is calculated, and only recorded, if it is considered relevant in relation to the financial statements taken as a whole. Based on the analysis made and Management's best estimates, the Company and its subsidiaries concluded that the adjustment to present value of current monetary assets and liabilities is immaterial in relation to the financial statements taken as a whole and, therefore, did not record any adjustments.

## **g) Intangible assets and Goodwill**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. After the initial recognition, intangible assets are carried at cost, less any accumulated amortization and accumulated impairment losses. Intangibles internally generated, when not capitalized, are recognized as an expense in profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the period or amortization method, as appropriate, and are treated as changes in accounting estimates. The amortization of intangible assets with finite lives is recognized in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are assessed for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognized upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

## **Business combination and goodwill**

The Company and its subsidiaries account the business combinations using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured in the acquisition date at fair value, and the amount of any non-controlling interests in the acquire. For each business combination, the acquirer should measure the non-controlling interests in the acquire at fair value or at the proportionate share of the acquirer's identifiable net assets. Acquisition related costs are recorded as expenses when incurred.

When the Company and its subsidiaries acquire a business, they assess the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration considered an asset or liability are recognized pursuant to CPC 48/ IFRS 9 - Financial instruments in the statement of profit or loss.

Goodwill is initially measured as the excess of the consideration transferred in relation to net assets acquired (net identifiable assets acquired and liabilities assumed). If the consideration is lower than the fair value of net assets acquired (bargain purchase), the difference is recognized as a gain in the profit or loss.

After initial recognition, goodwill is measured at cost, less any accumulated impairment losses. For the purpose of assessing the recoverable amount, the goodwill acquired in a business combination is, from the acquisition date, allocated to each cash-generating units of the Company and its subsidiaries that are expected to benefit from the combination's synergies, regardless of other assets or liabilities of the acquiree to be attributed to these units.

When goodwill is part of a cash-generating unit and a portion of that unit is disposed of, the goodwill associated with the disposed portion must be included in the cost of the operation when determining the gain or loss on the disposal. The goodwill sold in these circumstances is calculated based on the proportional values of the portion sold in relation to the cash-generating unit maintained.

## **Research and development**

Research and development costs are recognized in the profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and if the Company and its subsidiaries intend to and have sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. After initial recognition, capitalized development expenditure is measured at cost, less accumulated amortization and any impairment losses.

Amortization begins when the development is complete and the asset is available for use over the period of future economic benefit. The useful life of research and development assets reflects the financial return period for each project. During the development period, the asset is assessed for impairment on an annual basis.

The capitalized development expenditures, when the criteria described above are met, include the cost of labor that are directly attributable to preparation of the asset. Development activities involve a plan or project for the production of new products for sale or the intention to complete the asset to figure it out.

The activity of the Company and its subsidiaries presuppose continuous development, and in this context, projects are being developed, mostly focused on the business units: TOTVS Management and RD Station.

## **h) Revenues and expenses**

Revenues are recognized when there is a contract with the customer, the performance obligations are identified, the transaction price is reliably measurable and allocated, and when the control of the goods or services are transferred to the customer. Revenues are presented net of taxes, returns, allowances and discounts, when applicable. Revenues can be presented net of commission costs

when the Company is the agent in software partnerships, in accordance with Technical Pronouncement CPC 47/ IFRS 15 - Revenue from Contracts with Customers.

The Company and its subsidiaries segregate revenues in recurring revenues and non-recurring revenues as following:

### **Recurring revenue**

Recurring revenue comprises revenue from: (i) software subscription, in which customers have access to the software on multiple devices simultaneously in its latest version; (ii) maintenance, including technical support and software upgrade; and (iii) services, including cloud computing and customer service.

Recurring revenue is recognized in the statement of profit or loss over time, on a monthly basis, as the services are provided, starting on the date on which services and software are made available to the client and all other revenue recognition criteria are met.

The Company and its subsidiaries capitalize the cost of variable compensation and franchise commissions for obtaining contracts paid in the sale of recurring revenue and amortize this cost based on the average period customers remain with the company.

### **Non-recurring revenue**

Non-recurring revenue comprises revenue from: (i) software licensing fees, which transfers to the right of use of software by undetermined time; and (ii) implementation and customization services, consulting services and training.

(i) Revenue from software licensing fee is recognized at the point in time when all risks and rewards inherent in the license are transferred to the customer, upon software delivery, and the amount can be reliably measured and it is likely that economic benefits will be generated for the Company and its subsidiaries.

(ii) Revenues from implementation and customization services represent a performance obligation distinct from other services, billed separately and recognized over time, in accordance with input method, as costs are incurred in relation to the total expected costs, realized according to the performance schedule and when there is a valid expectation of receipt from the customer. Billed revenues that do not meet the recognition criteria are not included in the respective revenue accounts and accounts receivable. Revenue from advisory and training services is recognized as the services are provided.

### **Costs and expenses**

Software costs consist mainly by salaries of consulting, support, and includes costs of acquisition of databases and the price of licenses paid to third parties, for resold software, as well depreciation and amortization of assets related to the software costs.

Expenses with research and development incurred by the software development area, related to new software versions and upgrades of existing software, that do not meet the capitalization criteria, are recognized as expenses, for the year in which they are incurred and stated separately from selling and marketing expenses, administrative expenses and other expenses in the operating expenses's group.

## **i) Taxation**

### **Sales taxes**

Revenues from sales and services are subject to the following taxes and contributions at the following basic rates:

- Contribution tax on Gross Revenue for Social Integration Program (PIS) 0.65% and 1.65%;
- Contribution tax on Gross Revenue for Social Security Financing (COFINS) 3.0% and 7.6%;
- Service Tax (ISS) between 2% and 5%;
- Pension Contribution on Gross Income (CPRB) of 4.5% in 2024 and 3.6% in 2025 (i); and
- State value-added tax (ICMS) between 4% and 12%.

(i) On September 16, 2024, was published the Federal Law nº 14.973/ 2024, foreseeing the maintenance of payroll tax relief until December 31, 2024 with collection of CPRB in replacement to the Employer's Social Security Contribution (CPP). On the other hand, in the period from 2025 to 2027, will occur the gradual transition of the payroll re-taxation, with gradually reduction of CPRB tax rate, until its extinction in 2028. Consequently, there will be gradual increase of the CPP tax rate.

These charges are accounted for as sales deductions in the statement of profit or loss.

### **Income and social contribution taxes – current and deferred**

The taxation on income includes Income Tax and Social Contribution, which stand at the nominal rate of 34% on taxable profit, recognized using the accrual basis of accounting. Income taxes are recognized in the statement of profit or loss, except if related to items directly recognized in shareholders' equity or comprehensive income. In this case, the tax is also recognized in shareholders' equity or comprehensive income.

Deferred tax assets and/ or liabilities are recognized only in proportion to the expectation that future taxable income is available and against which temporary differences can be used.

## **j) Hyperinflationary economy in Argentina**

The Company has subsidiaries in Argentina, a country with hyperinflationary economy and pursuant to CPC 42/ IAS 29 - Accounting in a hyperinflationary economy, non-monetary assets and liabilities, shareholders' equity items and the statements of profit or loss of subsidiaries in Argentina, whose functional currency is the Argentine Peso, are being restated for the change in the general purchasing power of the functional currency, applying the Consumer Price Index (IPC) of the local market.

For the purposes of converting the foreign currency to a non-hyperinflationary economy such as the Real, the comparative amounts are presented as current year amounts in the financial statements for the prior year.

The effects of hyperinflation resulting from changes in the general purchasing power from January 1st, 2025 and 2024, were reported in the statements of profit or loss in a specific account for hyperinflation adjustment, in financial income (expenses). The effect in net losses for the year ended December 31, 2025 was R\$4,018 (net loss of 8,717 on December 31, 2024).

#### **k) Share-based compensation plan**

Executives, members of the Board of Directors and some employees of the Company and its subsidiaries receive compensation in the form of share-based payments, whereby employees render services in exchange for equity instruments (equity-settled transactions). The compensation expense of share-based payments to employees is based on the fair value of the award at the grant date using an appropriate valuation model, further details of which are given in note 25.

This cost is recognized as expenses with employee benefits together with the corresponding increase in shareholders' equity (in capital reserves), over the period in which the service is rendered and, when applicable, the performance conditions are fulfilled (acquisition period or vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the best estimate of the Company and its subsidiaries on the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for the period represents the changes in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest because non-market performance and/ or service conditions have not been met. When awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, since all other performance and/ or service conditions are satisfied.

When the terms of an equity-settled award are modified (due to changes in the plan, for instance), the minimum expense recognized is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. When an award is canceled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

#### **l) Assets held for sale**

Non-current assets which are classified as held for sale have high probability to be recovered through the sale instead of their continued use. Assets, or groups of assets, held for sale are generally measured at the lower of their carrying amount and their fair value less selling expenses. The losses by impairment determined in the initial classification as held for sale or for distribution and gains and losses from subsequent remeasurements are recognized in profit or loss, if there is.

**m) New standards in effect from January 01, 2025**

Following we present new or revised standards for annual periods beginning on January 01, 2025, which do not have significant impact in the Financial Statements from the Company and its subsidiaries:

- Amendments to IAS 21/ CPC 02 (R2) - The effect of changes in foreign exchange rates and financial statements conversion (titled “lack of exchangeability”) and CPC 37 (R1) - First-time adoption of international financial reporting standards;
- Amendments to CPC 18 (R3) - Investments in associates and joint ventures and ICPC 09 - Individual financial statements, separate financial statements, consolidated financial statements, and application of the equity method;
- OCPC 10 - Carbon credits (tCO<sub>2</sub>e), emission allowances and decarbonization credits (CBIO).

The Company and its subsidiaries have decided to not early adopt any other standard, interpretation or amendment that has been issued, but not yet in force.

**n) New Laws, standards, amendments and interpretations to standards issued but not yet in force**

Laws, standards, amendments and interpretations of standards issued, but not yet in force until the issue of these financial statements, in which the Company and its subsidiaries:

- Do not expect significant impacts in the application of these amendments or do not apply:
  - IFRS 19 - Subsidiaries without public accountability: Disclosures;
  - Amendments to IFRS 9 e à IFRS 7 - Amendments to the classification and measurement of financial instruments;
  - Amendments to IFRS 9 e à IFRS 7 - Contracts referencing nature-dependent electricity;
  - Annual Improvements to IFRS Accounting Standards - Volume 11.
- Expect significant impacts in the application of the new standard/ Law:
  - IFRS 18/ CPC 51 - Presentation and disclosures in financial statements. The standard will replace the IAS 1 (CPC 26 (R1) - Presentation of financial statements) and propose, among others, new requirements for Statement of profit or loss presentation, as news totals and subtotals and classification of revenues and expenses distributed between categories: operating, investing, financing, income tax and discontinued operations; in addition to disclosure of Management-defined performance measures in notes;
  - Accounting standards revision nº 28/2025 - Amendments due to CPC 51 accounting standard.

The Company and its subsidiaries are acting in the identification of impacts that the changes will bring in the financial statements and notes.

- Complementary Law nº 214/2025: published on January 16, 2025, regulates the Tax Reform on Consumption, with transition period from 2026 to 2033, establishing:
  - (i) Tax on goods and services (IBS), which will replace ICMS and ISS;
  - (ii) Social contribution on goods and services (CBS), which will unify PIS and COFINS.

In 2026 will begin the charge of CBS (initial percentage of 0.9%) and CBS (initial percentage of 0.1%). The CBS will be offset with PIS/ COFINS owed by taxpayers, therefore, initially, for 2026, do not have impacts in the financial statements. The ICMS and ISS charges will begin to reduce by 10% per year until its extinction in 2033.

- Law nº 15.270/2025: introduces, among other things, starting in the calendar year of 2026, the mandatory withholding of income tax at source on profits and dividends distributed by legal entities, which will be applied when the amount paid to the same individual residing in Brazil exceeds R\$50 in a single month, with a rate of 10%, considered an advance payment of the beneficiary's personal income tax.

There are no other Laws, standards, amendments and interpretations for standards issued by the IASB and CPC but not effective, in Management's opinion, may have a significant impact in the individual and consolidated financial statements disclosed by the Company and its subsidiaries.

### **3. Significant accounting judgments, estimates and assumptions**

The preparation of individual and consolidated financial statements requires the use of certain critical accounting estimates and the exercise of judgment by Company Management in applying the accounting policies of TOTVS S.A. and its subsidiaries.

#### **3.1 Judgments**

In the process of applying consolidated accounting policies, Management made the following judgements that could have a significant effect on the amounts recognized in the individual and consolidated financial statements:

- (i) Revenue recognition: judgments in identifying the performance obligations for sales of software, which include licensing fees, monthly software services and implementation/ customization services, that can have significant effects while recognizing revenue from contracts with customers. The Company and its subsidiaries have concluded that such performance obligations are distinct as they are sold separately, furthermore, the implementation and customization services are offered by other suppliers.
- (ii) Lease term: the Company and its subsidiaries determines the lease term as the non-cancelable contractual term, together with the periods included in a possible option for renewal as this renewal is assessed as reasonably likely to occur and with periods covered by a contract rescission option as it can also be determined as reasonably likely to occur.



### 3.2 Estimates and assumptions

The estimates and assumptions that represent a significant risk and which need a greater level of judgment and complexity for the financial statements of the Company and its subsidiaries are:

(i) **Impairment loss on trade and other receivables** - the Company and its subsidiaries use a provision matrix based on the historical loss rates observed by the Company and its subsidiaries to calculate the impairment loss on trade and other receivables. The evaluation of the correlation between the observed historical loss rates, the projected economic conditions and the expected credit losses represents a significant estimate. The volume of impairment loss on trade and other receivables is sensitive to changes in the predicted economic conditions and circumstances. The Company and its subsidiaries' historical experience of credit loss and the projection of economic conditions may also not reflect the customer's real situation in the future. Information on expected credit losses on accounts receivables is described in note 8.

(ii) **Recoverable amount of tangible and intangible assets, including goodwill** – an impairment loss exists when the book value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher between the net fair value of selling expenses and the value in use. The main assumptions used to determine the recoverable amount of cash generating units, are detailed in note 15.2.

(iii) **Fair value measurement of financial instruments** – when the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. Contingent consideration, resulting from business combinations, is measured at fair value on the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently revalued at fair value at each reporting date. The fair value is based on the discounted cash flow. The main assumptions consider the probability of reaching each objective and the discount factor (see note 20 for more details).

(iv) **Deferred taxes** – deferred tax assets are recognized for all tax losses not used to the extent that it is probable that there is taxable income available to allow the use of said losses. Significant judgment from Management is required to determine the value of the deferred tax asset that may be recognized, based on the probable period and level of future taxable income, coupled with future tax planning strategies. For more details, see note 10.3.

(v) **Provision for contingencies** – the evaluation of probability of loss includes assessing the available evidence, hierarchy of laws, available case law, the most recent court rulings and their relevance in the legal system, as well as the opinion of external counsel. Provisions are reviewed and adjusted to account for changes in circumstances, such as applicable limitation periods, conclusion of tax audits or additional exposures identified based on new matters or court rulings. Further details in note 21.

(vi) **Non-recurrent service revenue** – the recognition of revenue from software implementation and customization services requires the use of estimates to projection the total costs required to comply with the contractual performance obligation with the client. The Company

and its subsidiaries periodically reassess these estimates and re-plan the contractual margins whenever necessary.

Settlement of the transactions involving these estimates could result in amounts that differ significantly from those recorded in the financial statements due to uncertainties inherent in the estimate process. The Company and its subsidiaries review their estimates at least annually.

More information on the estimates and assumptions used in the items mentioned above is provided in the respective notes.

## **4. Business combination**

The acquisitions of the Company and its subsidiaries reinforce the software strategy to develop an ecosystem represented by three business units: (i) Management - ERP, HR systems, vertical solutions and specialized systems which serves 12 sectors of the economy; (ii) RD Station - solutions focused on increasing the sales, competitiveness and customer performance, through digital marketing platform, sales/ digital commerce and customer experience; e (iii) TOTVS Techfin - offers credit solutions, payments and personalized financial services, bringing profitability and liquidity for companies.

### **4.1 Business combination concluded in 2025 and 2024**

#### IP acquisition

On October 30, 2023 the subsidiary TTS, entered into an Agreement for the Sale and Purchase to acquire IP São Paulo Sistemas de Gestão Empresarial Ltda. franchise. The amount paid in cash, including price adjustment was R\$139,613, including the withheld amount of R\$7,000 for eventual indemnities. The closing of the acquisition was concluded on January 31, 2024. On July 1st, 2024, IP SP was merged by the direct subsidiary TTS.

#### Ahgora acquisition

On November 30, 2023 the subsidiary TTS, entered into an Agreement for the Sale and Purchase to acquire Ahgora HCM S.A. and Webtraining Ltda.. The amount paid in cash was R\$372,000, which includes the withheld amount of R\$10,000 for eventual indemnities. The closing of this transaction was concluded on March 28, 2024. On October 31, 2024, Ahgora and Webtraining were merged by the direct subsidiary TTS.

#### VarejOnline acquisition

On December 30, 2024, the subsidiary TOTVS Gestão concluded the acquisition of VarejOnline Tecnologia e Informática Ltda., after the approval from Conselho Administrativo de Defesa Econômica (CADE) and other precedents conditions, by the amount of R\$47,000, including the withheld amount of R\$7,000 for eventual compensation. In addition, the Agreement provides for the payment of complementary purchase price, subject to the fulfillment of other conditions.

With Varejonline, TOTVS will take another step in building a complete "Retail Suite," focused on transforming the management of retailers through the integration of cutting-edge technologies.

#### Linx acquisition

On July 22, 2025, TOTVS entered into an Agreement for the Sale and Purchase to acquire all shares of Linx Participações S.A., by the amount of R\$3,050,000, subject to adjustment based on the net cash/ debt position at the time of the transaction closing and with no provision for earn-out payments.

Linx is recognized as one of the leading providers of retail management solutions, with a strong track record of customer retention. The transaction is aligned with TOTVS' strategy of increasing its relevance within its client base and reinforcing its positioning as a trusted advisor for retail customers, with a value proposition focused on enhancing business performance.

The closing of the transaction is subject to the approval of the Brazilian Antitrust Authority (CADE) and other customary precedent conditions, including the approval of the transaction by TOTVS shareholders at a general meeting.

#### Chatbot Maker (Suri) acquisition

On November 27, 2025, the subsidiary TOTVS Large entered into an Agreement for the Sale and Purchase to acquire the entire social capital of Chatbot Maker Tecnologia da Informação S.A. (Suri), by the amount of R\$28 million. In addition, the Agreement provides for the payment of complementary purchase price (earn-out), subject to the fulfillment of other conditions.

The closing of this transaction depends on approval of competition authorities and the verification of other usual conditions for this type of operation and until the approval of these financial statements, it had not been completed.

Suri specializes in conversational commerce solutions, automating and humanizing interactions on WhatsApp, Facebook, Instagram, and Webchat through a single interface, with automatic routing and categorization, to enable the entire digital sales and after-sales process for products and services.

#### TBDC acquisition

On December 19, 2025, the subsidiary TTS entered into an Agreement for the Sale and Purchase to acquire TBDC Desenvolvimento de Software Ltda. (TBDC), by the amount of R\$80.000. In addition, the Agreement provides for the payment of complementary purchase price (earn-out), subject to the fulfillment of other conditions. The closing of this transaction was subject to the fulfillment of usual conditions precedent for this type of operation and was concluded on January 5, 2026.

TBDC specializes in agribusiness solutions, covering the entire production chain, from input manufacturers to the rural producer and consultancies.

Follow a summary of the fair value at the acquisition date of the transferred consideration:

<i>In thousands of Reais</i>	Note	2025	Acquired companies in 2024			
		VarejOnline (ii)	IP	Ahgora	VarejOnline	Total
Cash payment		-	127,800	362,000	40,000	529,800
Contingent consideration	20	-	-	-	6,015	6,015
Amount withheld	20	-	7,000	10,000	7,000	24,000
Price adjustment		6,117	4,813	11,376	2,000	18,189
<b>Total consideration</b>		<b>6,117</b>	<b>139,613</b>	<b>383,376</b>	<b>55,015</b>	<b>578,004</b>

<b>Acquisition cash flow analysis</b>	2025	Acquired companies in 2024			
	VarejOnline (ii)	IP	Ahgora	VarejOnline	Total
Cash paid amount in December 2024	-	139,613	372,000	47,000	558,613
Price adjustment payment in May 2025	8,117	-	-	-	-
Net (cash) acquired from subsidiary	-	(9,636)	(28,640)	(8,130)	(46,406)
<b>Acquisition net cash flow</b>	<b>8,117</b>	<b>129,977</b>	<b>343,360</b>	<b>38,870</b>	<b>512,207</b>

#### Identifiable intangible assets acquired and Goodwill

The following is the information related to identified assets acquired and preliminary liabilities assumed at fair value, goodwill and cost of the interest held that affected the consolidated financial statements position as at December 31, 2025 and 2024:

	2025	Acquired companies in 2024			
	VarejOnline (ii)	IP	Ahgora	VarejOnline	Total
<i>At acquisitions date</i>	<i>Adjustments 2025</i>	<i>1/31/2024</i>	<i>3/28/2024</i>	<i>12/30/2024</i>	
<b>Current assets</b>	<b>(600)</b>	<b>22,736</b>	<b>39,064</b>	<b>9,637</b>	<b>71,437</b>
Cash and cash equivalents	(1)	9,636	28,640	8,130	46,406
Trade accounts and other receivable	(506)	8,005	8,613	1,167	17,785
Other current assets	(93)	5,095	1,811	340	7,246
<b>Non-current assets</b>	<b>(1,111)</b>	<b>83,173</b>	<b>77,249</b>	<b>7,356</b>	<b>167,778</b>
Property, plant and equipment	-	-	3,285	572	3,857
Software	(258)	-	41,911	4,921	46,832
R&D	-	-	-	423	423
Client portfolio	-	70,397	29,563	-	99,960
Trademark	65	-	1,093	442	1,535
Non-compete	(918)	268	261	998	1,527
Goodwill	-	8,317	-	-	8,317
Other non-current assets	-	4,191	1,136	-	5,327
<b>Current liabilities</b>	<b>352</b>	<b>30,160</b>	<b>27,574</b>	<b>1,582</b>	<b>59,316</b>
Labor liabilities	23	8,882	10,345	979	20,206
Other liabilities	329	21,278	17,229	603	39,110
<b>Non-current liabilities</b>	<b>-</b>	<b>408</b>	<b>3,547</b>	<b>-</b>	<b>3,955</b>
<b>Net assets and liabilities</b>	<b>(2,063)</b>	<b>75,341</b>	<b>85,192</b>	<b>15,411</b>	<b>175,944</b>
Cash payment	-	127,800	362,000	40,000	529,800
Short-term portion	6,117	4,813	11,376	2,000	18,189
Long-term portion (i)	-	7,000	10,000	13,015	30,015
<b>Goodwill</b>	<b>8,180</b>	<b>64,272</b>	<b>298,184</b>	<b>39,604</b>	<b>402,060</b>

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

(ii) VarejOnline was acquired on December 30, 2024 and the intangibles calculation was updated in 2025.

The goodwill calculated in 2025 of R\$8,180 (R\$402,060 on December 31, 2024) comprises the value of future economic benefits of synergies arising from the acquisition and aligned with the strategy of the Company and its subsidiaries.

Contingent considerations were recorded at fair value on the acquisition date and are presented in note 20.

In the individual and consolidated financial statements in the year ended on December 31, the company VarejOnline was included in the TOTVS Management business unit in line with the TOTVS's strategy and contributed with a net consolidated revenue from services and sales of R\$16,831 and consolidated net profit of R\$2,412, considering the period after each acquisition date mentioned above.

The transaction cost involving the acquisition of this company for the year ended December 31, 2025 was R\$741, recognized in profit or loss as general and administrative expenses.

## **5 Discontinued operations**

### **5.1 Sale of RJ Participações**

On March 13, 2025, the direct subsidiary TOTVS Large celebrated Agreement for the Sale and Purchase to sell entire shares of its participation, corresponding to 80% of total ordinary shares from RJ Participações to Bus Serviços de Agendamento S.A., by the amount of R\$49,600, subject to adjustments.

The transaction closing depends on the approval of the competition authorities and the verification of other usual conditions for this type of transaction.

### **5.2 Sale of Dimensa**

Considering the agreement celebrated between TOTVS S.A. and Evertec Brasil Informática S.A. for disposal of total shares from subsidiary Dimensa as mentioned in the note 33, the assets and liabilities are being classified as held for sale.

The closing of this transaction depends on the approval of the competition authorities and the verification of other usual conditions for this type of transaction.

### **5.2 Assets and liabilities held for sale composition**

We present following the assets and liabilities involved disclosed in segregated lines in the Statement of Financial Position and results from RJ Participações and Dimensa disclosed as "Net profit from discontinued operation" in the Statements of Profit or Loss from the Company regarding the years ended on December 31, 2025 and 2024, in which in accordance with CPC 31/ IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations, met the criteria of hold for sale. For

better comparability, the balances of the year ended on December 31, 2024 from Statements of Profit or Loss, Statement of Cash Flows and Statements of value added were reclassified.

	2025				2025		
	RJ	Dimensa	Consolidated		RJ	Dimensa	Consolidated
<b>Assets</b>				<b>Liabilities</b>			
<b>Current assets</b>	<b>8,384</b>	<b>494,303</b>	<b>502,687</b>	<b>Current liabilities</b>	<b>9,576</b>	<b>88,724</b>	<b>98,300</b>
Cash and cash equivalents	2,836	414,739	417,575	Labor liabilities	2,627	37,773	40,400
Escrow account	-	32,264	32,264	Trade and other payable	628	7,310	7,938
Trade accounts and other receivable	4,298	38,242	42,540	Taxes and contributions liabilities	712	8,286	8,998
Recoverable taxes	918	3,797	4,715	Lease liabilities	-	689	689
Other assets	332	5,261	5,593	Accounts payable from acquisition of subsidiaries	5,403	32,750	38,153
				Other liabilities	206	1,916	2,122
<b>Non-current assets</b>	<b>49,274</b>	<b>574,149</b>	<b>623,423</b>	<b>Non-current liabilities</b>	<b>-</b>	<b>77,923</b>	<b>77,923</b>
Escrow account	-	30,932	30,932	Accounts payable from acquisition of subsidiaries	-	71,939	71,939
Deferred tax assets	5,485	9,167	14,652	Other liabilities	-	5,984	5,984
Other assets	-	1,946	1,946				
Property, plant and equipment and Intangible assets	43,789	532,104	575,893				
<b>Total Assets held for sale</b>	<b>57,658</b>	<b>1,068,452</b>	<b>1,126,110</b>	<b>Total Liabilities held for sale</b>	<b>9,576</b>	<b>166,647</b>	<b>176,223</b>

	2025			2024		
	RJ	Dimensa	Consolidated	RJ	Dimensa	Consolidated
Net revenue	26,887	351,244	378,131	26,258	284,564	310,822
Recurring revenue	21,141	336,429	357,570	19,766	262,171	281,937
Nonrecurring revenue	5,746	14,815	20,561	6,492	22,393	28,885
Cost of software	(11,453)	(124,753)	(136,206)	(11,183)	(125,372)	(136,555)
<b>Gross profit</b>	<b>15,434</b>	<b>226,491</b>	<b>241,925</b>	<b>15,075</b>	<b>159,192</b>	<b>174,267</b>
<b>Operating income (expenses)</b>						
Research and development expenses	(9,624)	(79,605)	(89,229)	(9,248)	(58,680)	(67,928)
Selling and marketing expenses	(405)	(28,358)	(28,763)	(490)	(21,476)	(21,966)
Impairment loss on trade and other receivables	(800)	(1,936)	(2,736)	(727)	(3,960)	(4,687)
Administrative expenses	(2,780)	(66,773)	(69,553)	(2,260)	(52,482)	(54,742)
Other operating income/ (expenses)	46	4,494	4,540	256	86	342
<b>Operating profit</b>	<b>1,871</b>	<b>54,313</b>	<b>56,184</b>	<b>2,606</b>	<b>22,680</b>	<b>25,286</b>
Finance income	209	72,374	72,583	193	59,892	60,085
Finance expenses	(178)	(22,504)	(22,682)	(102)	(16,759)	(16,861)
<b>Profit before income and social contribution taxes</b>	<b>1,902</b>	<b>104,183</b>	<b>106,085</b>	<b>2,697</b>	<b>65,813</b>	<b>68,510</b>
Income tax and social contribution - current	(27)	(25,817)	(25,844)	-	(16,039)	(16,039)
Income tax and social contribution - deferred	(191)	(1,030)	(1,221)	90	(1,960)	(1,870)
<b>Total of Income tax and social contribution taxes</b>	<b>(218)</b>	<b>(26,847)</b>	<b>(27,065)</b>	<b>90</b>	<b>(17,999)</b>	<b>(17,909)</b>
<b>Net profit from RJ Participações consolidated</b>	<b>1,684</b>	-	<b>1,684</b>	<b>2,787</b>	-	<b>2,787</b>
<b>Net profit from Dimensa consolidated</b>	-	<b>77,336</b>	<b>77,336</b>	-	<b>47,814</b>	<b>47,814</b>
<b>Net (Loss) from TOTVS Techfin business unit (i)</b>	-	-	-	-	-	<b>(1,085)</b>
<b>Net profit from discontinued operation</b>	<b>1,684</b>	<b>77,336</b>	<b>79,020</b>	<b>2,787</b>	<b>47,814</b>	<b>49,516</b>
Net profit attributable to shareholders of the Company (ii)	1,684	48,335	50,019	2,787	29,884	31,586
Net profit attributable to non-controlling	-	29,001	29,001	-	17,930	17,930

(i) Net loss from TOTVS Techfin business unit due to price adjustment in the transaction for joint venture (JV) creation with Itaú Unibanco S.A.;

(ii) Includes in 2024, the loss from Techfin explained in the reference (i).

Follow, we present the summary of the Statements of Cash Flows from RJ Participações and Dimensa:

	2025		
	RJ	Dimensa	Consolidated
Operating activities	1,993	113,771	115,764
Investing activities	(29)	(240,815)	(240,844)
Financing activities	(1,422)	(37,426)	(38,848)
<b>Net cash generated by (used in) discontinued operations</b>	<b>542</b>	<b>(164,470)</b>	<b>(163,928)</b>

## 6. Financial instruments and sensitivity analysis of financial assets and liabilities

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

## 6.1. Financial instruments by category

The following table compares the financial instruments of the Company and its subsidiaries by class, as presented in the financial statements:

Consolidated	Note	Classification by category	2025	2024
Cash and cash equivalents	7	Fair Value through profit or loss	1,758,702	1,900,270
Cash and cash equivalents	7	Amortized cost	27,001	41,892
Escrow account	20	Amortized cost	174,773	202,819
Trade accounts and other receivable	8	Amortized cost	661,920	577,124
Franchises loan	12	Amortized cost	2,744	16,806
Investments at fair value	6.2	Fair Value through profit or loss	228,254	179,830
<b>Financial Instruments assets</b>			<b>2,853,394</b>	<b>2,918,741</b>
Debentures	19	Amortized cost	1,577,349	1,535,131
Trade accounts and other payable (i)		Amortized cost	299,381	282,319
Accounts payable from acquisition of subsidiaries	20	Fair Value through profit or loss	10,386	106,517
Accounts payable from acquisition of subsidiaries	20	Amortized cost	177,102	237,391
Call option of non-controlling interests (ii)	22	Fair Value through profit or loss	651,384	444,771
Other liabilities		Amortized cost	118,035	21,008
<b>Financial liabilities</b>			<b>2,833,637</b>	<b>2,627,137</b>

(i) Includes "Trade and other payables", "Commissions payable" and "dividends payable";

(ii) Represents the call option of interest in Dimensa belonging to B3.

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

- Escrow accounts, trade and other receivables, trade and other payables and other short-term liabilities approximate their respective carrying amounts mainly due to the short-term maturities of these instruments;
- Financial assets at fair value not traded in an active market are estimated using a valuation technique, such as discounted cash flow or multiple revenues, considering the reasonableness of the range of values indicated thereby (note 6.2);
- Loans and debentures are initially recognized at fair value, net of costs incurred in the transaction and are subsequently, stated at amortized cost. The values recognized in the statement of financial position of loans and debentures do not differ significantly from their fair values;
- Accounts payable from acquisition of subsidiaries, includes contingent payments relating to business combinations and their fair value is estimated based on the performance of operations applied to the multiples defined in the contract (note 20).

## 6.2. Investments at fair value

We present, the composition of investments at fair value and respective balances on December 31, 2025 and 2024:



	Individual		Consolidated	
	2025	2024	2025	2024
CV Idexo Fundo de Investimento	142,018	85,508	142,018	85,508
GoodData	-	-	86,236	94,298
Other	-	-	-	24
<b>Total</b>	<b>142,018</b>	<b>85,508</b>	<b>228,254</b>	<b>179,830</b>

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

Follow the detail of each group:

#### **a) CV Idexo Fundo de Investimento em Participações**

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

#### **b) GoodData**

TOTVS' investments in startups are made within a medium-term strategy, with output planned for when the expected financial returns are achieved, and are recognized as financial instruments. Furthermore, this investment is composed by shares with liquidation preference.

The fair value of this investment on December 31, 2025 is R\$86,236, impacted by exchange variation from the period, which was partially off-set with the positive fair value adjustment of R\$2,527 (negative fair value adjustment of R\$11,012 on December 31, 2024). The fair value adjustment was recorded in the consolidated profit or loss in the rubric "Other operating income/expenses" (see note 29).

### **6.3. Sensitivity analysis of financial assets and liabilities**

The financial instruments of the Company and its subsidiaries are represented by trade and other receivables, trade and other payables, loans and debentures, which are recorded at cost plus income or charges incurred, or at fair value, where applicable, as at December 31, 2025 and 2024.

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

#### **a) Financial assets**

In order to check the sensitivity of the index in the short-term investments to which the Company and its subsidiaries are exposed to risk in interest rate movement as of December 31, 2025, three

different scenarios were defined. Based on projections disclosed by financial institutions, the average rate for CDI is 14.31% p.a., which was defined as a probable scenario (scenario I). Based thereon, variations of 25% (scenario II) and 50% (scenario III) were calculated.

For each of these scenarios the “gross finance income” was estimated, with taxes on investment returns not included. The reference date for the portfolio was December 31, 2025, with a one-year projection to check the sensitivity of CDI to each scenario.

Operation	Note	Balances in 2025	Risk	Probable Scenario I	Scenario II	Scenario III
Consolidated financial investments	7	1,768,928	Reduction CDI	14.31%	10.73%	7.16%
<b>Estimated finance income</b>				<b>253,134</b>	<b>189,806</b>	<b>126,655</b>

#### b) Financial liabilities

To evaluate the sensitivity of the indexes to which the Company and its subsidiaries are exposed when estimating the debts as at December 31, 2025, three different scenarios were created. Based on CDI rates in force on this date, the most probable scenario (scenario I) was determined for 2025 and, from this, variations of 25% (scenario II) and 50% (scenario III) were calculated.

For each scenario, the gross financial expense was calculated, without the related tax impacts and the maturity flow of each contract scheduled for 2025. The reference date used for the debentures was December 31, 2025, projecting the rates for one year and checking their sensitivity in each scenario.

Operation	Note	Balances in 2025	Risk	Probable Scenario I	Scenario II	Scenario III
Debentures	19	1,577,349	Increase CDI	14.31%	17.89%	21.47%
<b>Estimated finance expense</b>				<b>225,719</b>	<b>282,188</b>	<b>338,657</b>

#### 6.4. Changes in liabilities from financing activities

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

The following is a breakdown of liabilities arising from financing activities for the year ended on December 31, 2025 and 2024:

Consolidated	Note	2024	Payments of principal and interests (i)	Non-cash items			2025
				Addition/ Remeasurement (Write off)	Interest incurred	Liability held for sale	
Lease liabilities and loans	18	126,418	(75,822)	200,434	9,929	(2,026)	258,933
Debentures	19	1,535,131	(185,318)	-	227,536	-	1,577,349
Dividends and Interest on shareholders' equity payable	24	1,222	(357,783)	358,213	-	-	1,652
<b>Total</b>		<b>1,662,771</b>	<b>(618,923)</b>	<b>558,647</b>	<b>237,465</b>	<b>(2,026)</b>	<b>1,837,934</b>

Consolidated	Note	2023	Payments of principal and interests (i)	Proceeds (ii)	Non-cash items				2024
					Addition/ Remeasurement (Write off)	Interest incurred	Liability held for sale	Business combination	
Loans	18	32,083	(40,372)	-	-	-	8,289	-	-
Lease liabilities	18	165,281	(67,150)	-	19,165	8,578	300	244	126,418
Debentures	19	1,546,703	(1,675,073)	1,474,982	-	183,118	-	5,401	1,535,131
Dividends and Interest on shareholders' equity payable	24	1,781	(265,352)	-	264,793	-	-	-	1,222
<b>Total</b>		<b>1,745,848</b>	<b>(2,047,947)</b>	<b>1,474,982</b>	<b>283,958</b>	<b>191,696</b>	<b>8,589</b>	<b>5,645</b>	<b>1,662,771</b>

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

(ii) The 5th issue debentures amount is present net of funding costs.

## 6.5. Financial risk management

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

### a. Liquidity Risk

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

The following table analyzes non-derivative financial liabilities of the Company and its subsidiaries, by maturity corresponding to the remaining period between the statement of financial position date and the contractual maturity date. The amounts disclosed in the table represent the contractual undiscounted cash flows.

	Consolidated			
	Less than one year (i)	Between one and two years (i)	Between two and five years (i)	More than 5 years
<b>As at December 31, 2025</b>				
Trade accounts and other payable	220,761	-	-	-
Lease liabilities	59,010	108,665	80,198	72,221
Accounts payable from acquisition of subsidiaries	28,768	68,809	90,950	-
Debentures	110,048	12,761	755,005	754,965
Finance liabilities	651,384	-	-	-
Other liabilities	84,146	53,918	-	-
<b>As at December 31, 2024</b>				
Trade accounts and other payable	211,971	-	-	-
Loans and lease liabilities	63,744	48,449	21,639	3,228
Accounts payable from acquisition of subsidiaries	101,243	50,067	128,363	3,067
Debentures	67,889	-	750,000	750,000
Finance liabilities	-	-	444,771	-
Other liabilities	63,950	66,762	-	-

(i) As the amounts included in the table are the undiscounted cash flows, these amounts will not be reconcilable with the amounts disclosed in the balance sheet for loans, debentures and accounts payable from acquisition of subsidiaries.

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

## **b. Credit risk**

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

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

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

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

## **c. Market risk**

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

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

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

The Company and its subsidiaries ensure that its net exposure is maintained at an acceptable level in accordance with the policies and limits defined by Management and economics and political factors in each of these companies, being the position in the year ended on December 31, 2025 and 2024, the assets exceeds to the negative balances from liabilities exposed, as follows:

2025						
Company	Trade and other payables	Cash and cash equivalents	Trade and other receivables	Other assets (i)	Net exposure	Currency exposure
TOTVS Chile	(32)	838	100	23	927	Peso (CLP)
TOTVS Hospitality Argentina	(298)	503	355	13	573	Peso (ARS)
TOTVS S.A.	(10,042)	89	2,366	-	(7,588)	USD
TOTVS México	(683)	-	4,386	-	3,703	Peso (MXN)
TOTVS Argentina	(2,491)	-	634	-	(1,857)	Peso (ARS)
TOTVS Colômbia	(1,393)	-	2,284	-	892	Peso (COP)
TOTVS Incorporation	(151)	-	-	86,236	86,085	USD
Other	(29)	-	32	-	2	
<b>Total</b>	<b>(15,119)</b>	<b>1,430</b>	<b>10,157</b>	<b>86,272</b>	<b>82,737</b>	

2024						
Company	Trade and other payables	Cash and cash equivalents	Trade and other receivables	Other assets (i)	Net exposure	Currency exposure
RJ Consultores México	(39)	1,804	1,915	88	3,768	Peso (MXN)
CMNet Participações	(24)	467	116	18	577	Peso (CLP)
TOTVS Hospitality Argentina	(129)	732	594	6	1,203	ARS
TOTVS S.A.	(101)	96	1,962	-	1,957	USD
TOTVS Large	-	-	29	-	29	USD
TOTVS México	(3,802)	3,110	7,113	737	7,158	Peso (MXN)
TOTVS Argentina	(4,687)	12,699	13,131	368	21,511	Peso (ARS)
TOTVS Colômbia	(1,731)	5,613	4,866	545	9,293	Peso (COP)
TOTVS Incorporation (Labs)	(950)	389	522	94,326	94,287	USD
RD Station	(255)	-	-	-	(255)	USD
Feedz	-	-	8	-	8	USD
<b>Total</b>	<b>(11,718)</b>	<b>24,910</b>	<b>30,256</b>	<b>96,088</b>	<b>139,536</b>	

(i) Includes in the column "Other assets" the amount of R\$86,236 on December 31, 2025 (R\$94,298 on December 31, 2024) regarding to financial investments described in note 6.2.

#### d. Derivatives

The Company and its subsidiaries did not maintain financial derivative transactions in the reported periods, except by the investment fund described in note 7.

#### 6.6. Capital management

The capital management of the Company is intended to ensure a strong credit rating with

institutions and an optimal capital ratio in order to drive the businesses of the Company and maximize value for shareholders.

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

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

	Note	Individual		Consolidated	
		2025	2024	2025	2024
Debentures	19	1,577,349	1,535,131	1,577,349	1,535,131
Accounts payable from acquisition of subsidiaries	20	978	7,643	187,488	343,908
(-) Cash and cash equivalents	7	(1,412,901)	(991,050)	(1,785,703)	(1,942,162)
(-) Escrow account	20	(889)	(7,554)	(174,773)	(202,819)
<b>Net debt/ (cash)</b>		<b>164,537</b>	<b>544,170</b>	<b>(195,639)</b>	<b>(265,942)</b>
Shareholders' equity		5,105,280	4,681,352	5,105,280	4,681,352
Non-controlling interests		-	-	338,177	305,769
<b>Shareholders' equity and net debt</b>		<b>5,269,817</b>	<b>5,225,522</b>	<b>5,247,818</b>	<b>4,721,179</b>

## 7. Cash and cash equivalents

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

	Individual		Consolidated	
	2025	2024	2025	2024
Cash and banks	255	343	16,775	21,285
<b>Cash equivalents</b>	<b>1,412,646</b>	<b>990,707</b>	<b>1,768,928</b>	<b>1,920,877</b>
Investment fund	1,404,105	979,827	1,758,702	1,900,270
CDB	8,541	10,880	8,541	19,762
Others	-	-	1,685	845
	<b>1,412,901</b>	<b>991,050</b>	<b>1,785,703</b>	<b>1,942,162</b>

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

The Company and its subsidiaries concentrate its investments in an exclusive investment fund. The fund is composed of investment fund shares whose portfolio is made up of highly-liquid fixed-income assets. The eligible assets in the portfolio structure are mainly government debt securities, which present low credit risk and volatility. The investments of the Company and its subsidiaries are substantially remunerated by reference to the CDI variation, which averaged 100.04% of the CDI for the year ended on December 31, 2025 (100.28% as of December 31, 2024).

The following is the breakdown of the exclusive investment fund portfolio:

	2025	2024
<b>Post interest</b>		
Cash and CPR (i)	43.34%	51.87%
Private credit	5.02%	5.46%
Public titles	51.37%	42.35%
Derivatives	0.27%	0.32%
<b>Pre interest</b>		
Private credit	0.24%	0.32%
Public titles	0.03%	0.00%
Derivatives	-0.27%	-0.32%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

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

## 8. Trade accounts and other receivable

Trade accounts and other receivable amounts in the domestic and foreign market are as follows:

	Individual		Consolidated	
	2025	2024	2025	2024
Domestic market	522,394	410,663	708,345	623,000
Foreign market	3,044	1,962	14,756	16,474
<b>Trade of domestic and foreign market</b>	<b>525,438</b>	<b>412,625</b>	<b>723,101</b>	<b>639,474</b>
(-) Impairment loss on trade and other receivables	(42,972)	(36,613)	(61,181)	(62,350)
<b>Total trade accounts and other receivable</b>	<b>482,466</b>	<b>376,012</b>	<b>661,920</b>	<b>577,124</b>
Current assets	466,880	366,378	639,136	563,328
Non-current assets (i)	15,586	9,634	22,784	13,796

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

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

	Individual		Consolidated	
	2025	2024	2025	2024
<b>Opening balance</b>	<b>36,613</b>	<b>41,772</b>	<b>62,350</b>	<b>62,203</b>
Additional allowance	37,607	30,007	59,622	54,669
Write-off of impairment loss	(31,248)	(35,166)	(55,357)	(60,967)
Acquisition of subsidiaries	-	-	512	3,253
Assets held for sale	-	-	(6,052)	3,804
Exchange variation	-	-	106	-
Write-off by alienation of company	-	-	-	(612)
<b>Ending balance</b>	<b>42,972</b>	<b>36,613</b>	<b>61,181</b>	<b>62,350</b>

### 8.1. Aging list of domestic and foreign market

Aging list of amounts trade accounts and other receivable at December 31, 2025 and 2024, are as follows:

	Individual		Consolidated	
	2024	2024	2025	2024
Falling due	349,973	277,607	477,893	417,839
Unbilled	88,584	64,505	115,146	103,317
<b>Overdue</b>				
1 to 30 days	22,694	20,039	35,714	32,939
31 to 60 days	9,320	7,381	14,921	11,912
61 to 90 days	6,802	4,856	10,828	9,810
91 to 180 days	14,237	9,315	23,448	16,297
181 to 360 days	13,566	12,149	17,449	22,032
More than 361 days	20,262	16,773	27,702	25,328
<b>Gross trade and other receivables</b>	<b>525,438</b>	<b>412,625</b>	<b>723,101</b>	<b>639,474</b>
(-) Impairment loss on trade and other receivables	(42,972)	(36,613)	(61,181)	(62,350)
<b>Net trade and other receivables</b>	<b>482,466</b>	<b>376,012</b>	<b>661,920</b>	<b>577,124</b>

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

## 9. Recoverable taxes

The amounts of recoverable taxes for the year ended on December 31, 2025 and 2024 are as follows:

	Individual		Consolidated	
	2025	2024	2025	2024
Income tax to offset (i)	10,620	31,528	25,016	48,178
Social contribution tax to offset (i)	9,092	13,200	13,753	19,800
Others (ii)	10,312	9,424	15,128	15,541
	<b>30,024</b>	<b>54,152</b>	<b>53,897</b>	<b>83,519</b>
Current assets	30,024	54,152	53,840	83,519
Noncurrent assets	-	-	57	-

(i) Refers to withholding income and social contribution tax credits in the current year and income tax and social contribution credits to offset from previous years, as well as payments of estimated taxes in the current year;

(ii) Contemplates extemporaneous credit of PIS and COFINS that are expected to be offset in the next 12 months.

## 10. Income taxes

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

### 10.1. Reconciliation of income tax expenses

The reconciliation of expenses calculated by applying the income tax and social contribution rates is as follows:



	Individual		Consolidated	
	2025	2024	2025	2024
<b>Income before taxes</b>	<b>890,620</b>	<b>743,163</b>	<b>1,041,978</b>	<b>759,433</b>
Income tax and social contribution at combined nominal rate of 34%	(302,811)	(252,675)	(354,273)	(258,207)
<b>Adjustments for the statement of effective rate</b>				
Share of profit/ (losses) of equity-accounted investees	99,456	88,323	3,884	(534)
Law No. 11.196/05 (Incentive for research and development)	21,671	21,168	29,613	29,166
Interest on shareholders' equity (i)	121,792	90,164	121,792	90,164
Effect of subsidiaries subject to special rates	-	-	(12,609)	(14,219)
Participation of administrators	(4,239)	(3,484)	(4,292)	(3,484)
Workers' Meal Program (PAT)	1,382	935	3,291	2,463
Constitution of deferred tax (ii)	-	-	-	90,908
Others (iii)	13,851	(1,667)	12,338	(9,763)
<b>Income tax and social contribution expense</b>	<b>(48,898)</b>	<b>(57,236)</b>	<b>(200,256)</b>	<b>(73,506)</b>
Current income taxes	(75,255)	(50,844)	(202,779)	(175,747)
Deferred income taxes	26,357	(6,392)	2,523	102,241
<b>Effective rate</b>	<b>5.5%</b>	<b>7.7%</b>	<b>19.2%</b>	<b>9.7%</b>

- (i) Income tax and social contribution regarding deliberation of interest on shareholders' equity in accordance to note 24;  
(ii) On September 30, 2024, after the merger of the subsidiary Tallos and update of deferred tax recoverability study over the next years from RD Station, the Company recorded the deferred income tax and social contribution balance on accumulated tax loss, social contribution negative base and temporary differences;  
(iii) On December 31, 2025, the balance contemplates, majority, the distribution of preferred dividends deliberated by the indirect subsidiary Supplier.

## 10.2. Breakdown of deferred income tax and social contribution

	Individual		Consolidated	
	2025	2024	2025	2024
<b>Income tax losses</b>	-	-	<b>79,801</b>	<b>68,149</b>
<b>Deriving from temporary differences:</b>				
Difference between tax and accounting bases of goodwill (i)	32,198	29,887	162,219	144,247
Tax benefit from goodwill amortization	(112,144)	(111,289)	(313,409)	(257,538)
Provision for commissions	9,813	11,618	15,117	15,677
Deferred income or revenues and/or to be invoice	(5,894)	1,457	1,937	6,868
Impairment loss on trade and other receivables	14,610	12,448	19,192	19,424
Provision for contingencies and other obligations	31,341	28,682	36,221	36,058
Provision for trade and other payables	36,833	28,775	45,138	37,074
Provision for share-based payments	66,843	46,665	80,599	57,493
Present value adjustment	796	380	46,944	58,419
Participation in profits and results	17,538	14,909	26,532	21,664
Others (ii)	15,747	17,979	26,235	32,236
<b>Net deferred income and social contribution taxes</b>	<b>107,681</b>	<b>81,511</b>	<b>226,526</b>	<b>239,771</b>
Deferred tax assets	107,681	81,511	243,775	253,511
Deferred tax liabilities (iii)	-	-	17,249	13,740

- (i) Contemplates deferred income tax and social contribution by the fiscal base difference from the subsidiary Tallos, merged by the, also, subsidiary RD Station;  
(ii) Contemplates deferred income and social taxes of temporary differences from variable compensation, taxes and impairment, among others;  
(iii) Included in "other liabilities" in the non-current liability.

The Company and its subsidiaries are presenting the deferred income tax and social contribution as net in the non-current asset or non-current liability by legal entity.

On December 31, 2025 there was a deferred tax asset of R\$18,775 (R\$16,526 on December 31, 2024) regarding to the tax loss and negative basis of social contribution, in addition to temporary differences from the subsidiaries Exact and Lexos, which are not reflected in the Statement of Financial Position, given that these companies do not have a historical of taxable profits.

Changes in deferred income taxes are as follows:

	Individual		Consolidated	
	2025	2024	2025	2024
<b>Opening balance</b>	<b>81,511</b>	<b>87,710</b>	<b>239,771</b>	<b>138,779</b>
Expense in statement of profit or loss	26,357	(6,392)	2,523	102,241
Other comprehensive income	(187)	193	(187)	193
Acquisitions of subsidiary	-	-	-	472
Companies sold/ closed (i)	-	-	-	(250)
Assets held for sale (ii)	-	-	(15,637)	(1,870)
Others	-	-	56	206
<b>Ending balance</b>	<b>107,681</b>	<b>81,511</b>	<b>226,526</b>	<b>239,771</b>

(i) The amount is regarding VT Comércio, closed on April 30, 2024.

(ii) Asset held for sale, regarding Dimensa and RJ Participações operations, in accordance to note 5.

### 10.3. Realization of deferred taxes

The deductible temporary differences and accumulated tax loss do not expire in accordance with current tax legislation. Deferred tax assets were recognized in relation to these items, as it is probable that future taxable profits will be available so that the Company and its subsidiaries can use the related benefits.

The use of the tax loss and negative base balances are limited to 30% of the taxable profit for the year in which it will be used.

## 11. Related party balances and transactions

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

### 11.1. Trade and other receivables and payable with subsidiaries and joint arrangements

As of December 31, 2025 and 2024, the main balances of assets, liabilities, revenues and costs are as follows:

Company	2025				
	Trade and other receivables	Other Assets (iv)	Trade and other payables	Revenues	Costs
<b>Subsidiaries</b>					
Held for sale - Dimensa	-	1,969	-	-	-
Exact	-	-	-	78	1,191
RD Station	144	-	1,041	3,090	1,027
Other (v)	18	1,407	367	787	2,807
<b>Total transactions with subsidiaries</b>	<b>162</b>	<b>3,376</b>	<b>1,408</b>	<b>3,955</b>	<b>5,025</b>
<b>Joint arrangements</b>					
Techfin S.A. (ii)	-	4,906	-	13,514	-
Supplier (iii)	-	-	-	2,593	-
<b>Total transactions with joint arrangements</b>	<b>-</b>	<b>4,906</b>	<b>-</b>	<b>16,107</b>	<b>-</b>
<b>Total</b>	<b>162</b>	<b>8,282</b>	<b>1,408</b>	<b>20,062</b>	<b>5,025</b>

Company	2024					
	Trade and other receivables	Other Assets (iv)	Trade and other payables	Other liabilities	Revenues	Expenses
<b>Subsidiaries</b>						
IP (v)	-	-	-	-	112	9,559
Dimensa (i)	8	1,899	812	-	23,720	2,121
Exact	-	-	-	-	1	999
RD Station	456	-	31	-	2,143	1,091
Wealth Systems	-	-	-	-	168	68
RJ Consultores	218	-	82	-	2,571	370
Other	218	726	-	33	1,650	2,229
<b>Total transactions with subsidiaries</b>	<b>900</b>	<b>2,625</b>	<b>925</b>	<b>33</b>	<b>30,365</b>	<b>16,437</b>
<b>Joint arrangements</b>						
Techfin S.A. (ii)	-	5,050	-	-	17,536	-
Supplier (iii)	-	-	-	-	2,435	-
<b>Total transactions with joint arrangements</b>	<b>-</b>	<b>5,050</b>	<b>-</b>	<b>-</b>	<b>19,971</b>	<b>-</b>
<b>Total</b>	<b>900</b>	<b>7,675</b>	<b>925</b>	<b>33</b>	<b>50,336</b>	<b>16,437</b>

- (i) Refers to contract of sharing costs and expenses and of partnership for commercialization of solutions from Dimensa;  
(ii) Refer to contract for the sale of Techfin solutions and of sharing costs and expenses;  
(iii) Refer to partnership contract between Supplier and TOTVS for the sale of Techfin solutions, software licenses and of sharing costs and expenses;  
(iv) "Other assets" refers to share-based compensation plans;  
(v) The amount of 2024, majority refers to the remnants commission from IP acquisition, previous to the merger date.

## 11.2. Transactions or relationships with shareholders and key Management personnel

Relationship company	Classification	Individual		Consolidated	
		2025	2024	2025	2024
VIP IV Empreendimentos e Participações (i)	Expense	1,712	1,632	1,712	1,632
GoodData Corporation (ii)	Expense	8,912	7,666	8,912	7,666
Instituto da Oportunidade Social (IOS) (iii)	Expense	5,760	4,918	9,151	8,466
Shipay Tecnologia S.A. (iv)	Expense	4	-	4	-
Mendelics Análise Genômica S.A.	Expense	84	167	84	167
Other revenues (v)	Revenue	241	161	275	192

(i) Property lease agreements with companies, in which some of the shareholders are key management members and also hold TOTVS shares, directly or indirectly. All lease agreements with related parties are subject to adjustments by reference to the IGP-M inflation rate, each 12 months. On December 31, 2025, this lease agreement was finished with the delivery of the property;

(ii) Through its subsidiary TOTVS Inc., the Company holds a minority interest in the capital, and representative on the board of GoodData, which represents a related party from TOTVS Group, being this investment classified as fair value through profit or loss as note 6.2. On December 31, 2025, the current contracts are: (i) commercial partnership for distribution of GoodData solutions in the amount of R\$8,720 (R\$7,311 on December 31, 2024); and (ii) software licenses contract in the amount of R\$192 (R\$355 on December 31, 2024);

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

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

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

Some of the Company's shareholders and key management personnel directly or indirectly hold 8.95% of the Company's shares as of December 31, 2025 (9.08% as of December 31, 2024), being the indirect interest held through LC12 Participações e Empreendimentos Ltda.

## 11.3. Key management personal compensation

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

	Individual and Consolidated	
	2025	2024
Management compensation		
Salaries, fees and payroll charges	19,133	16,689
Direct and Indirect benefits (i)	2,650	2,649
Variable bonus	19,811	16,829
Share-based payments	28,370	26,692
<b>Total</b>	<b>69,964</b>	<b>62,859</b>

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

## 12. Other assets

Breakdown of other assets at December 31, 2025 and 2024 are follows:

	Individual		Consolidated	
	2025	2024	2025	2024
Prepaid expenses (i)	250,909	188,945	262,926	200,272
Franchises loan (ii)	488	3,159	2,744	16,806
Advances to employees (iii)	34,134	22,812	54,574	39,776
Advances to suppliers	8,020	6,244	19,280	15,417
Dividends receivable (iv)	49,151	75,372	49,151	-
Other assets	2,157	881	5,907	4,826
<b>Total</b>	<b>344,859</b>	<b>297,413</b>	<b>394,582</b>	<b>277,097</b>
Current assets	212,741	198,864	249,998	160,575
Non-current assets	132,118	98,549	144,584	116,522

(i) Includes the amounts of taxes paid and renewals of contracts with suppliers referring to expenses that will be incurred during next years;

(ii) Franchise loans are adjusted monthly, mostly by Interbank Deposit Certificate (CDI);

(iii) Represents advances from vacations and other advances for employees.

(iv) Balance of dividends to receive from TOTVS Large and TOTVS Gestão. In addition, the indirect subsidiary Supplier, which is a joint arrangement investment, deliberates preferred dividends for TOTVS S.A. and therefore, reflects in the consolidated.

## 13. Equity-accounted investees

The investments of the Company and its subsidiaries are assessed under the equity method.

Breakdown of equity-accounted investees in subsidiaries and joint arrangements is shown follow:

### 13.1. Equity-accounted investees in subsidiaries and joint arrangements

	Individual		Consolidated	
	2025	2024	2025	2024
Equity-accounted investees in subsidiaries and joint arrangements	4,170,885	4,625,802	290,754	321,796
Appreciation of assets	5,287	14,143	-	-
	<b>4,176,172</b>	<b>4,639,945</b>	<b>290,754</b>	<b>321,796</b>

### 13.2. Equity-accounted investees changes

Changes in equity-accounted investees for the year ended December 31, 2025 and 2024 were as follows:

	2024	Additions/ (Reductions)	Dividends	Equity pick-up			Total	Foreign exchange/ Inflation (i)	Restructuring/ Held for sale	2025
				Equity pick-up	Amortization of PPA (ii)	Discontinued operation (iii)				
TOTVS Large	2,516,124	(125)	(95,527)	128,666	(8,856)	(1,684)	118,126	(34)	-	2,538,564
TOTVS Gestão	256,340	27,470	(81,308)	125,585	-	-	125,585	-	(328,087)	-
TOTVS Techfin	321,796	-	(42,322)	11,423	-	-	11,423	(143)	-	290,754
TTS	852,972	3,739	(33,302)	39,670	-	-	39,670	-	328,087	1,191,166
TOTVS Inc.	94,663	14,892	-	(11,522)	-	-	(11,522)	(10,536)	-	87,497
TOTVS Hospitality	50,697	-	(28,594)	19,963	-	-	19,963	148	(294)	41,920
TOTVS México	12,223	6,851	-	(8,979)	-	-	(8,979)	352	-	10,447
TOTVS Argentina	15,751	7,174	-	(13,021)	-	-	(13,021)	(768)	-	9,136
Dimensa	509,616	-	-	48,335	-	(48,335)	-	-	(509,616)	-
Eleve	9,763	419	(5,911)	2,417	-	-	2,417	-	-	6,688
<b>Total</b>	<b>4,639,945</b>	<b>60,420</b>	<b>(286,964)</b>	<b>342,537</b>	<b>(8,856)</b>	<b>(50,019)</b>	<b>283,662</b>	<b>(10,981)</b>	<b>(509,910)</b>	<b>4,176,172</b>

	2023	Additions	Dividends	Equity pick-up			Total	Foreign exchange/ Inflation (i)	Restructuring/ Held for sale	2024
				Equity pick-up	Amortization of PPA (ii)	Discontinued operation (iii)				
Large	2,285,364	112,729	(38,901)	163,792	(8,855)	(2,787)	152,150	2,049	2,733	2,516,124
TOTVS Gestão	250,609	960	(102,147)	106,918	-	-	106,918	-	-	256,340
TOTVS Techfin	323,367	-	-	(1,571)	-	-	(1,571)	-	-	321,796
TTS	846,709	2,352	(10,653)	14,564	-	-	14,564	-	-	852,972
TOTVS Inc.	85,514	14,224	-	(26,218)	-	-	(26,218)	21,143	-	94,663
TOTVS Hospitality	49,415	-	(12,400)	12,340	-	-	12,340	682	660	50,697
VT Digital (iv)	5,424	-	(4,948)	(315)	-	-	(315)	-	(161)	-
TOTVS México	4,585	9,859	-	(4,221)	-	-	(4,221)	2,000	-	12,223
TOTVS Argentina	6,296	7,137	-	(6,272)	-	-	(6,272)	8,590	-	15,751
Dimensa	486,829	-	(7,097)	29,884	-	(29,884)	-	-	29,884	509,616
Eleve	7,747	2,546	(4,422)	3,892	-	-	3,892	-	-	9,763
Hospitality										
Argentina (Former CMNet Argentina)	398	402	-	(347)	-	-	(347)	153	(606)	-
<b>Total</b>	<b>4,352,257</b>	<b>150,209</b>	<b>(180,568)</b>	<b>292,446</b>	<b>(8,855)</b>	<b>(32,671)</b>	<b>250,920</b>	<b>34,617</b>	<b>32,510</b>	<b>4,639,945</b>

(i) Includes the inflation adjustments from Argentine subsidiaries. On December 31, 2025, includes the exchange variation from swap contract of Techfin;

(ii) The goodwill and intangibles balances in the value of R\$5,287 (R\$14,143 on December 31, 2024) from TOTVS Large are presented in the investment composition of the individual. The amortization in the year of 2025 was R\$8,856 (R\$8,855 in 2024);

(iii) Discontinued operation from RJ Participações and Dimensa detailed in note 5;

(iv) On April 30, 2024, VT Digital was closed.

### 13.3. Direct subsidiaries and joint arrangements information

Summarized financial statements as at December 31, 2025					
	Assets	Liabilities	Shareholders' Equity	Net revenue	Profit or loss of the year
TOTVS Large	2,651,434	116,473	2,534,961	323,015	128,666
TOTVS Gestão	-	-	-	345,540	125,585
TOTVS Techfin (i)	636,439	54,931	581,508	13,299	(61,798)
TTS	1,487,648	296,482	1,191,166	433,019	39,670
TOTVS Inc.	88,566	1,069	87,497	4,137	(11,522)
TOTVS Hospitality	70,801	13,470	57,331	85,938	27,069
TOTVS México	19,527	9,080	10,447	34,225	(8,979)
TOTVS Argentina	25,279	16,143	9,136	72,044	(13,021)
Eleve	8,150	1,462	6,688	8,499	2,417

Summarized financial statements as at December 31, 2024					
	Assets	Liabilities	Shareholders' Equity	Net revenue	Profit or loss of the year
TOTVS Large	2,667,842	165,861	2,501,981	310,257	163,792
TOTVS Gestão	435,531	179,191	256,340	270,333	106,918
TOTVS Techfin	669,999	26,408	643,591	15,488	(3,142)
TTS	1,040,099	187,127	852,972	262,412	14,564
TOTVS Inc.	97,034	2,371	94,663	3,441	(26,218)
TOTVS Hospitality	81,371	13,316	68,055	76,013	16,581
VT Digital (iii)	-	-	-	266	(315)
TOTVS México	22,559	10,336	12,223	34,597	(4,221)
TOTVS Argentina	30,590	14,839	15,751	72,331	(6,272)
Dimensa	943,011	127,626	815,385	224,191	47,814
Eleve	11,474	1,711	9,763	11,731	3,892
TOTVS Hospitality Argentina (ii)	-	-	-	431	(347)

(i) The difference between equity pick-up from joint arrangement TOTVS Techfin is regarding preferred dividends distribution deliberation from Supplier (integral subsidiary from TOTVS Techfin), which generates differences due to interest of 50% that TOTVS holds;

(ii) On February 29, 2024, direct subsidiary TOTVS Hospitality Argentina became an indirect subsidiary;

(iii) On April 30, 2024, the Joint Operation VT Digital was closed.

## 14. Property, plant and equipment

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

	Individual							Total
	Computers and electronic equipment	Vehicles	Furniture and fixtures	Facilities machinery and equipment	Leasehold improvements	Rights of use (i)	Others	
<b>Cost</b>								
<b>Balances in 2023</b>	<b>397,723</b>	<b>19,501</b>	<b>27,645</b>	<b>28,549</b>	<b>104,751</b>	<b>315,965</b>	<b>12,036</b>	<b>906,170</b>
Additions	86,177	12,362	296	290	90	7,034	1,768	108,017
Contract remeasurement (v)	-	-	-	-	-	(5,250)	-	(5,250)
Transfers	149	-	(149)	164	(164)	-	-	-
Write-offs	(9,696)	(6,912)	(458)	(138)	(520)	(12,780)	(112)	(30,616)
<b>Balances in 2024</b>	<b>474,353</b>	<b>24,951</b>	<b>27,334</b>	<b>28,865</b>	<b>104,157</b>	<b>304,969</b>	<b>13,692</b>	<b>978,321</b>
Additions (vi)	109,906	11,202	667	4,654	7,502	185,349	36	319,316
Contract remeasurement (v)	-	-	-	-	-	28,441	-	28,441
Write-offs (vi)	(30,485)	(7,672)	(593)	(3,631)	(15,034)	(244,670)	(3,301)	(305,386)
<b>Balances in 2025</b>	<b>553,774</b>	<b>28,481</b>	<b>27,408</b>	<b>29,888</b>	<b>96,625</b>	<b>274,089</b>	<b>10,427</b>	<b>1,020,692</b>
<b>Depreciation</b>								
<b>Balances in 2023</b>	<b>(226,191)</b>	<b>(9,490)</b>	<b>(22,887)</b>	<b>(23,548)</b>	<b>(73,729)</b>	<b>(182,925)</b>	<b>(9,146)</b>	<b>(547,916)</b>
Depreciation for the year (iii)	(59,542)	(6,874)	(1,697)	(1,671)	(10,635)	(46,916)	(2,224)	(129,559)
Transfers	(2)	-	2	-	-	-	-	-
Write-offs	9,174	5,806	437	137	520	10,927	64	27,065
<b>Balances in 2024</b>	<b>(276,561)</b>	<b>(10,558)</b>	<b>(24,145)</b>	<b>(25,082)</b>	<b>(83,844)</b>	<b>(218,914)</b>	<b>(11,306)</b>	<b>(650,410)</b>
Depreciation for the year (iii)	(77,718)	(8,046)	(1,117)	(1,269)	(9,227)	(46,528)	(1,453)	(145,358)
Write-offs	29,649	6,975	553	3,611	12,968	197,855	3,059	254,670
<b>Balances in 2025</b>	<b>(324,630)</b>	<b>(11,629)</b>	<b>(24,709)</b>	<b>(22,740)</b>	<b>(80,103)</b>	<b>(67,587)</b>	<b>(9,700)</b>	<b>(541,098)</b>
<b>Net amount</b>								
<b>Balances in 2025</b>	<b>229,144</b>	<b>16,852</b>	<b>2,699</b>	<b>7,148</b>	<b>16,522</b>	<b>206,502</b>	<b>727</b>	<b>479,594</b>
<b>Balances in 2024</b>	<b>197,792</b>	<b>14,393</b>	<b>3,189</b>	<b>3,783</b>	<b>20,313</b>	<b>86,055</b>	<b>2,386</b>	<b>327,911</b>
Weighted average annual depreciation rate	20.19%	33.33%	11.84%	15.02%	18.53%	14.65%	49.30%	
Average useful life (years)	4 to 5	3 to 5	8 to 10	8 to 10	5	5	2 to 5	



	Consolidated						
	Computers and electronic equipment	Vehicles	Furniture and fixtures	Facilities machinery and equipment	Leasehold improvements	Rights of use (i)	Others
<b>Cost</b>							
<b>Balances in 2023</b>	<b>444,931</b>	<b>25,132</b>	<b>36,062</b>	<b>34,349</b>	<b>134,195</b>	<b>353,065</b>	<b>14,185</b>
Additions	97,189	14,677	983	805	1,399	22,560	2,222
Contract remeasurement (v)	-	-	-	-	-	(902)	-
Additions due to business combination	2,855	-	562	286	2,243	1,793	275
Transfers	649	-	(159)	(164)	(292)	-	(52)
Exchange variation (ii)	3,927	270	518	117	1,303	1,366	152
Write-offs	(10,771)	(7,682)	(2,129)	(506)	(1,798)	(14,602)	(212)
Assets held for sale (iv)	1,119	113	307	228	707	2,692	-
<b>Balances in 2024</b>	<b>539,899</b>	<b>32,510</b>	<b>36,144</b>	<b>35,115</b>	<b>137,757</b>	<b>365,972</b>	<b>16,570</b>
Additions (vi)	118,650	13,920	2,244	5,264	19,449	191,439	277
Contract remeasurement (v)	-	-	-	-	-	43,435	-
Transfers	(23)	-	(8)	(12)	(75)	(669)	3
Exchange variation (ii)	(1,598)	(123)	(269)	(38)	(459)	(1,096)	(121)
Write-offs (vi)	(35,376)	(9,522)	(1,448)	(4,319)	(22,199)	(251,636)	(3,819)
Assets held for sale (iv)	(6,259)	(2,878)	(960)	(172)	(1,111)	(6,311)	(190)
<b>Balances in 2025</b>	<b>615,293</b>	<b>33,907</b>	<b>35,703</b>	<b>35,838</b>	<b>133,362</b>	<b>341,134</b>	<b>12,720</b>
<b>Depreciation</b>							
<b>Balances in 2023</b>	<b>(253,853)</b>	<b>(11,617)</b>	<b>(28,568)</b>	<b>(26,898)</b>	<b>(93,911)</b>	<b>(203,051)</b>	<b>(10,535)</b>
Depreciation for the year (iii)	(67,413)	(7,876)	(2,198)	(2,002)	(14,782)	(57,119)	(2,925)
Additions due to business combination	(1,613)	-	(286)	(156)	(437)	(1,556)	(109)
Transfers	(39)	-	(58)	(10)	39	-	86
Exchange variation (ii)	(2,773)	(66)	(474)	(100)	(1,303)	(755)	(142)
Write-offs	10,100	6,384	1,628	336	1,079	12,680	141
Assets held for sale (iv)	(1,373)	(229)	(249)	(146)	(502)	(2,101)	-
<b>Balances in 2024</b>	<b>(316,964)</b>	<b>(13,404)</b>	<b>(30,205)</b>	<b>(28,976)</b>	<b>(109,817)</b>	<b>(251,902)</b>	<b>(13,484)</b>
Depreciation for the year (iii)	(86,869)	(9,555)	(1,691)	(1,763)	(13,505)	(58,304)	(1,959)
Transfers	-	-	38	34	46	668	(1)
Exchange variation (ii)	1,474	40	256	35	460	635	103
Write-offs	34,115	8,123	1,210	4,267	14,412	204,546	3,529
Assets held for sale (iv)	3,312	1,036	395	95	554	4,147	102
<b>Balances in 2025</b>	<b>(364,932)</b>	<b>(13,760)</b>	<b>(29,997)</b>	<b>(26,308)</b>	<b>(107,850)</b>	<b>(100,210)</b>	<b>(11,710)</b>
<b>Net amount</b>							
<b>Balances in 2025</b>	<b>250,361</b>	<b>20,147</b>	<b>5,706</b>	<b>9,530</b>	<b>25,512</b>	<b>240,924</b>	<b>1,010</b>
<b>Balances in 2024</b>	<b>222,935</b>	<b>19,106</b>	<b>5,939</b>	<b>6,139</b>	<b>27,940</b>	<b>114,070</b>	<b>3,086</b>
Weighted average annual depreciation rate	20.35%	33.28%	12.54%	14.38%	18.01%	14.79%	48.82%
Average useful life (years)	4 to 5	3 to 5	8 to 10	8 to 10	5	5	3 to 5

(i) The Company and its subsidiaries applied exceptions to the standard for short-term and low value contracts, recorded in lease expenses on December 31, 2025 in the amount of R\$434 (R\$519 on December 31, 2024) in Individual and R\$3,507 (R\$7,289 on December 31, 2024) in Consolidated. The write-offs from right of use of real estate and equipment are related to contracts whose validity was concluded;

(ii) Includes the inflation adjustments of Argentina subsidiaries;

(iii) Depreciation and amortization amounts in the Statements of Cash Flows and Statements of Value Added are presented net of PIS/ Cofins credits on depreciation of property, plant and equipment, in the value of R\$5,975 (R\$4,608 on December 31, 2024);

(iv) Asset held for sale regarding Dimensa and RJ Participações, in accordance with note 5;

(v) Contract remeasurement represents the annual update of the leases applied to the right of use real estate according to the indexes established in contracts;

(vi) In December 2025 a new lease agreement for TOTVS S.A. property (Sêneca) was set, resulting in contract modification, write-off of previous agreement and recognition of the new agreement in the right of use real estate.

Annually, the Company and its subsidiaries evaluate indicators that may impact the estimated useful lives of its assets, being in the year ended on December 31, 2025 and 2024 there were no signs of significant changes.

Breakdown of right of use and lease liabilities for the year ended December 31, 2025 and 2024 are as follows:

	Consolidated		
	Right to use real estate	Right of use computers and equipment	Total assets
<b>Balances in 2023</b>	<b>137,483</b>	<b>12,531</b>	<b>150,014</b>
Additions/ Contract remeasurement (v)	14,422	7,236	21,658
Write-offs	(1,886)	(36)	(1,922)
Additions due to business combination	237	-	237
Depreciation	(51,189)	(5,930)	(57,119)
Interest incurred and exchange variation	575	36	611
Assets held for sale (iv)	591	-	591
<b>Balances in 2024</b>	<b>100,233</b>	<b>13,837</b>	<b>114,070</b>
Additions/ Contract remeasurement (v) (vi)	198,470	36,404	234,874
Write-offs	(45,544)	(1,546)	(47,090)
Transfers	(182)	182	-
Depreciation	(49,544)	(8,760)	(58,304)
Interest incurred and exchange variation	(462)	1	(461)
Assets held for sale (iv)	(2,165)	-	(2,165)
<b>Balances in 2025</b>	<b>200,806</b>	<b>40,118</b>	<b>240,924</b>

## 15. Intangible assets

Intangible assets and changes in balances of this group are as follows:

	Individual							
	Software	Trademarks & patents	Customer portfolio	R&D (i)	Right of use software licenses (iv)	Others (ii)	Goodwill	Total
<b>Cost</b>								
<b>Balances in 2023</b>	<b>548,632</b>	<b>67,841</b>	<b>302,358</b>	<b>85,878</b>	<b>-</b>	<b>19,786</b>	<b>292,873</b>	<b>1,317,368</b>
Additions	41,759	-	21,332	48,608	-	-	-	111,699
Write-offs	-	(1)	298	-	-	-	-	297
<b>Balances in 2024</b>	<b>590,391</b>	<b>67,840</b>	<b>323,988</b>	<b>134,486</b>	<b>-</b>	<b>19,786</b>	<b>292,873</b>	<b>1,429,364</b>
Additions	25,869	9,941	2,579	49,910	20,834	-	-	109,133
Write-offs	-	-	(276)	(2,677)	-	-	-	(2,953)
<b>Balances in 2025</b>	<b>616,260</b>	<b>77,781</b>	<b>326,291</b>	<b>181,719</b>	<b>20,834</b>	<b>19,786</b>	<b>292,873</b>	<b>1,535,544</b>
<b>Amortization</b>								
<b>Balances in 2023</b>	<b>(423,778)</b>	<b>(63,150)</b>	<b>(249,531)</b>	<b>(21,164)</b>	<b>-</b>	<b>(19,786)</b>	<b>-</b>	<b>(777,409)</b>
Amortization for the year	(43,957)	-	(22,710)	(11,645)	-	-	-	(78,312)
Write-offs	-	1	-	-	-	-	-	1
<b>Balances in 2024</b>	<b>(467,735)</b>	<b>(63,149)</b>	<b>(272,241)</b>	<b>(32,809)</b>	<b>-</b>	<b>(19,786)</b>	<b>-</b>	<b>(855,720)</b>
Amortization for the year	(46,810)	-	(24,785)	(18,111)	(3,906)	-	-	(93,612)
Write-offs	-	-	142	267	-	-	-	409
<b>Balances in 2025</b>	<b>(514,545)</b>	<b>(63,149)</b>	<b>(296,884)</b>	<b>(50,653)</b>	<b>(3,906)</b>	<b>(19,786)</b>	<b>-</b>	<b>(948,923)</b>
<b>Net amount</b>								
<b>Balances in 2025</b>	<b>101,715</b>	<b>14,632</b>	<b>29,407</b>	<b>131,066</b>	<b>16,928</b>	<b>-</b>	<b>292,873</b>	<b>586,621</b>
<b>Balances in 2024</b>	<b>122,656</b>	<b>4,691</b>	<b>51,747</b>	<b>101,677</b>	<b>-</b>	<b>-</b>	<b>292,873</b>	<b>573,644</b>
Weighted average annual amortization rate	20.14%	-	17.39%	26.51%	25.00%	-	-	
Average useful life (years)	4 to 20	15	2 to 20	2 to 6	4	2 to 10	-	

	Consolidated							
	Software	Trademarks & patents	Customer portfolio	R&D (i)	Right of use software licenses (iv)	Others (ii)	Goodwill	Total
Cost								
Balances in 2023	882,726	142,517	635,882	110,423	-	82,098	2,952,405	4,806,051
Additions	42,087	-	25,610	57,267	-	-	-	124,964
Additions due to business combination	47,698	1,535	101,458	726	-	1,527	410,377	563,321
Exchange variation (iii)	104	-	-	-	-	2	-	106
Write-offs	(772)	(334)	(9,088)	(6,193)	-	-	(42,385)	(58,772)
Asset held for sale (v)	17,275	(11)	52,414	5,431	-	-	61,398	136,507
Balances in 2024	989,118	143,707	806,276	167,654	-	83,627	3,381,795	5,572,177
Additions	27,633	9,941	2,580	67,611	20,834	-	-	128,599
Additions due to business combination	94	63	-	(345)	-	(917)	8,180	7,075
Exchange variation (iii)	(95)	-	-	-	-	-	-	(95)
Write-offs	-	-	(277)	(3,056)	-	-	-	(3,333)
Asset held for sale (v)	(37,076)	-	(71,725)	(8,200)	-	(1,373)	(222,836)	(341,210)
Balances in 2025	979,674	153,711	736,854	223,664	20,834	81,337	3,167,139	5,363,213
Amortization								
Balances in 2023	(543,022)	(95,641)	(402,649)	(35,968)	-	(57,544)	-	(1,134,824)
Amortization for the year	(77,444)	(5,819)	(61,393)	(14,245)	-	(4,655)	-	(163,556)
Additions due to business combination	(866)	-	(1,498)	(303)	-	-	-	(2,667)
Exchange variation (iii)	(207)	-	-	-	-	-	-	(207)
Write-offs	542	15	497	841	-	-	-	1,895
Asset held for sale (v)	(6,591)	-	(4,787)	(17)	-	(198)	-	(11,593)
Balances in 2024	(627,588)	(101,445)	(469,830)	(49,692)	-	(62,397)	-	(1,310,952)
Amortization for the year	(75,812)	(5,471)	(64,042)	(19,816)	(3,906)	(4,367)	-	(173,414)
Additions due to business combination	-	(1)	-	(5)	-	-	-	(6)
Exchange variation (iii)	76	-	-	-	-	-	-	76
Write-offs	-	-	142	616	-	-	-	758
Asset held for sale (v)	13,505	-	7,865	2,625	-	583	-	24,578
Balances in 2025	(689,819)	(106,917)	(525,865)	(66,272)	(3,906)	(66,181)	-	(1,458,960)
Net amount								
Balances in 2025	289,855	46,794	210,989	157,392	16,928	15,156	3,167,139	3,904,253
Balances in 2024	361,530	42,262	336,446	117,962	-	21,230	3,381,795	4,261,225
Weighted average annual amortization rate	13.30%	8.57%	12.42%	26.76%	25.02%	20.09%		
Average useful life (years)	4 to 20	2 to 25	2 to 20	2 to 7	4	2 to 5		

(i) The development capitalization totaled R\$67,611 during the year ended December 31, 2025 (R\$57,267 on December 31, 2024), that majority, are related to the strategic plan of the Company and its subsidiaries. R&D amortization starts when development is completed and the asset is available for internal use or commercialization;

(ii) Includes, primarily, non-compete rights arising from the purchase price allocation from business combinations;

(iii) Includes the inflation adjustments of Argentina subsidiaries;

(iv) Right of use for software licenses recognized as leases in accordance with CPC 06 (R2)/ IFRS 16 - Leases;

(v) Asset held for sale regarding Dimensa and RJ Participações, in accordance with note 5.

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

### 15.1. Changes in goodwill

The breakdown of goodwill as of December 31, 2025 and 2024 are as follows:

	2023	Business combination (iii) (v)	(-) Write-off due to sale (i)	Impairment provision	2024 (Reclassified) (vi)	Business combination (iii)	Assets held for sale (iv)	2025
Feedz	89,241	-	-	-	89,241	-	-	89,241
IP (ii)	-	72,589	(11,766)	-	60,823	-	-	60,823
Ahgora	-	298,184	-	-	298,184	-	-	298,184
VarejOnline	-	39,604	-	-	39,604	8,180	-	47,784
Other goodwill	888,597	-	-	-	888,597	-	(43,373)	845,224
<b>CGU Management</b>	<b>977,838</b>	<b>410,377</b>	<b>(11,766)</b>	<b>-</b>	<b>1,376,449</b>	<b>8,180</b>	<b>(43,373)</b>	<b>1,341,256</b>
<b>CGU Dimensa</b>	<b>118,065</b>	<b>61,398</b>	<b>-</b>	<b>-</b>	<b>179,463</b>	<b>-</b>	<b>(179,463)</b>	<b>-</b>
<b>CGU RD Station</b>	<b>1,856,502</b>	<b>-</b>	<b>-</b>	<b>(30,619)</b>	<b>1,825,883</b>	<b>-</b>	<b>-</b>	<b>1,825,883</b>
<b>Total</b>	<b>2,952,405</b>	<b>471,775</b>	<b>(11,766)</b>	<b>(30,619)</b>	<b>3,381,795</b>	<b>8,180</b>	<b>(222,836)</b>	<b>3,167,139</b>

(i) IP Sorocaba and Neopenso sale;

(ii) In IP and Quiver, contemplate the goodwill from their subsidiaries;

(iii) Acquisitions from the years 2025 and 2024 in accordance with note 4;

(iv) Asset held for sale regarding Dimensa and RJ Participações, in accordance with note 5;

(v) The amounts of business combination from CGU Dimensa were reclassified for held for sale, so do not compose note 4;

(vi) The balances regarding 2024 were reclassified as held for sale for better comparability.

### 15.2. Impairment of assets analysis

The Cash Generated Units (CGU) from TOTVS' Group are defined from the business vision in which the Management makes decisions, aligned with the vision of the smallest cash generated unit, considering the companies acquisitions over the year.

On December 31, 2025, the CGUs are defined for each business unit as follows:

For Management business unit:

- **CGU Management** - Software operation that comprehends TOTVS and its subsidiaries TOTVS Large, TTS, TOTVS Hospitality, TOTVS Gestão, Ahgora and International Market operation (MI), composed by TOTVS Argentina and Mexico; which are software operations and with synergies of costs from back office and sales areas.
- **CGU Dimensa** - includes the subsidiary Dimensa in 2024. From 2025, investments linked to this CGU were classified as "held for sale" in the Statement of financial position and "Discontinued Operation" in the Statement of profit or loss for 2025 and 2024 on a comparative basis.

For RD Station business unit:

- **CGU RD** - In addition to RD Station operations, Lexos and Exact became part of, which in the previous year were tested on an individual basis.

For Techfin business unit:

- **CGU Techfin** - represents the investment controlled in joint arrangements in the credit operations through JV Techfin.

For impairment testing purposes, the premises adopted for future cash flow projections are based on the business plan of the Company and its subsidiaries, approved annually by Management, as well as on comparable market information, and represent Management's best estimates of the economic conditions that will exist during the useful life of these assets for different cash generating units. Future cash flows were discounted based on the representative rate of cost of capital.

Consistently with the economic valuation techniques, value in use is determined by a period of 5 to 10 years, of which for projection periods of longer than 5 years are justified by strong revenue growth in the first years of projections for these CGUs. From then on, considering the perpetuity of assumptions, in view of the ability to continue as a going concern for an indefinite period. Flow growth projections were made in nominal terms.

The main premise used in the estimate of value in use are:

- **Discount rate** – represents the assessment of risks in the current market, specific to each cash generating unit, considering the value of money over time and the individual risks of related assets that were not incorporated into the premise included in the cash flow model. Calculation of the discount rate is based on the specific circumstances of each CGU. Estimated future cash flows were discounted at a nominal rate of 13.66% p.a. and 14.42% p.a. (between 13.52% p.a. to 21.11% p.a. on December 31, 2024).
- **Perpetuity** – the growth rates used to extrapolate the projections was 5.6% p.a. (between 5.0% p.a. and 5.6% p.a. on December 31, 2024).

The impairment test of intangible assets and goodwill of the Company and its subsidiaries, performed annually, did not result in provision for loss (impairment) in the consolidated financial statements on December 31, 2025, given that the estimated recoverable value of each cash-generating unit was greater than the net book value. On December 31, 2024, the Company recorded a provision for loss in the amount of R\$30,619 in the UGC Exact, now consolidated in the UGC RD.

## 16. Labor liabilities

On December 31, 2025 and 2024 the balances of salaries and charges payable are broken down as follows:

	Individual		Consolidated	
	2025	2024	2025	2024
<b>Labor liabilities</b>				
Salaries payable	42,188	33,758	71,410	71,127
Vacation payable	123,133	106,590	194,387	191,489
Profit sharing and bonus	56,416	47,125	83,927	70,162
Withholding Income Tax (IRRF) payable	31,949	27,748	51,867	51,198
Actuarial liabilities due to health care plan and retirement benefits (i)	3,178	3,178	3,178	3,178
Others (ii)	5,176	5,866	7,867	8,963
	<b>262,040</b>	<b>224,265</b>	<b>412,636</b>	<b>396,117</b>
<b>Payroll liabilities</b>				
FGTS (Unemployment Compensation Fund) payable	9,335	8,201	15,337	15,275
INSS (Social Security Tax) payable (iii)	20,189	13,938	34,087	27,287
	<b>29,524</b>	<b>22,139</b>	<b>49,424</b>	<b>42,562</b>
<b>Total</b>	<b>291,564</b>	<b>246,404</b>	<b>462,060</b>	<b>438,679</b>

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

(ii) Includes union contribution and unapproved dispute provision;

(iii) Includes the Employer's Social Security Contribution (CPP) provision regarding the partial re-taxation of payroll on vacation and salary provision..

## 17. Taxes and contributions liabilities

On December 31, 2025 and 2024 the balances of taxes and contributions liabilities are broken down as follows:

	Individual		Consolidated	
	2025	2024	2025	2024
Federal Social Security Tax on Gross Revenue (CPRB) (i)	24,232	23,928	30,874	32,787
Service Tax (ISS) payable	10,860	9,034	15,407	13,935
PIS and COFINS payable	54,876	44,224	70,697	59,298
IRPJ and CSLL payable	-	-	12,199	12,753
Withholding IR and CSLL	1,636	1,478	1,894	1,816
Other taxes	3,547	1,394	2,749	2,061
<b>Total</b>	<b>95,151</b>	<b>80,058</b>	<b>133,820</b>	<b>122,650</b>
Current liabilities	95,151	80,058	133,820	122,612
Non-current liabilities (ii)	-	-	-	38

(i) Social security contribution on gross revenue;

(ii) Correspond to the installment payment of federal taxes of the acquired and are inserted in the rubric "other liabilities" in statement of financial position.

## 18. Loans and lease liabilities

Lease liability, at the commencement date, is measured at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease.

The lease liabilities transactions are as follows:

	Annual financial charges	Individual		Consolidated	
		2025	2024	2025	2024
Lease liabilities	(i)	223,596	98,090	258,933	126,418
Current liabilities		33,840	45,663	42,493	58,133
Non-current liabilities		189,756	52,427	216,440	68,285

(i) Weighted average nominal interest rate for the lease of real property right of use is 13.58% p.a. (10.09% p.a. on December 31, 2024), 14.36% p.a. for lease of the right to use electronic equipment (13.59% p.a. on December 31, 2024) and 15.35% p.a. for the lease of right of use of software licenses.

Amounts recorded in non-current liabilities as at December 31, 2025 and 2024 have the following maturity schedule:

	Individual		Consolidated	
	2025	2024	2025	2024
2026	-	40,340	-	46,069
2027	42,354	9,070	49,734	11,317
2028	33,409	2,017	40,586	3,954
2029	32,132	1,000	38,684	2,763
2030	25,202	-	27,872	4,182
2031 onwards	56,659	-	59,564	-
<b>Non-current liabilities</b>	<b>189,756</b>	<b>52,427</b>	<b>216,440</b>	<b>68,285</b>

Follow is the breakdown of lease liabilities as of December 31, 2025 and 2024:

	Individual		Consolidated	
	2025	2024	2025	2024
<b>Opening balance</b>	<b>98,090</b>	<b>178,705</b>	<b>126,418</b>	<b>197,364</b>
Additions/ remeasurement from right of use leases	234,625	1,784	255,708	21,658
Addition due to business combination	-	-	-	8,533
Interest incurred	7,876	6,213	9,929	8,578
Write-offs of right of use leases	(54,951)	(2,313)	(55,274)	(2,493)
Liability held for sale	-	-	(2,026)	300
Interest amortization	(9,834)	(6,213)	(13,296)	(7,748)
Principal amortization	(52,210)	(80,086)	(62,526)	(99,774)
<b>Closing balance</b>	<b>223,596</b>	<b>98,090</b>	<b>258,933</b>	<b>126,418</b>

#### a) Lease liabilities

Lease obligations are guaranteed by chattel mortgage of leased assets. The table below shows gross liabilities of finance leases as of December 31, 2025 and 2024:



	Individual		Consolidated	
	2025	2024	2024	2024
<b>Gross lease liabilities – minimum lease payments</b>				
Less than one year	48,214	49,822	59,010	63,744
More than one year and less than five years	161,727	51,651	188,863	60,602
More than five years	68,847	3,154	72,221	12,714
	<b>278,788</b>	<b>104,627</b>	<b>320,094</b>	<b>137,060</b>
Future financing charges on finance leases	(55,192)	(6,537)	(61,161)	(10,642)
<b>Present value of lease liabilities</b>	<b>223,596</b>	<b>98,090</b>	<b>258,933</b>	<b>126,418</b>
Current liabilities	33,840	45,663	42,493	58,133
Non-current liabilities	189,756	52,427	216,440	68,285

## 19. Debentures

On July 19, 2024, the Company approved the 5th issue of simple debentures, non-convertible, unsecured debentures, in a single series for public distribution, exclusively destined for professional investors, in the total amount of R\$1,500,000, at face value of R\$1. The Unit Face Value or the Unit Face Value balance, as the case may be, remuneratory interest incurred corresponding to 100.00% of the accumulated variation of the average daily rates of the DI Interbank Deposits – DI, “over extra-group”, plus an exponential spread equivalent to 0.95% per year, on a 252 Business Day basis.

### 19.1. Composition

At December 31, 2025 and 2024, the balances were broken down as follows:

Description	Debentures	Unit Price	Annual financial charges	Maturity	Individual and Consolidated	
					2025	2024
5th Issue of Debentures - Single Series	1,500,000	1	100% from CDI + Spread 0.95% p.a.	07/19/2031	1,577,349	1,535,131
Current liabilities					100,079	62,845
Non-current liabilities					1,477,270	1,472,286

### 19.2. Changes

	Individual		Consolidated	
	2025	2024	2025	2024
<b>Opening Balance</b>	<b>1,535,131</b>	<b>1,546,703</b>	<b>1,535,131</b>	<b>1,546,703</b>
Business combinations	-	-	-	5,401
Issuance of debentures	-	1,500,000	-	1,500,000
(-) Funding costs	-	(25,018)	-	(25,018)
Interest incurred	227,536	183,118	227,536	183,118
(-) Interest amortization	(185,318)	(169,672)	(185,318)	(170,073)
(-) Principal payment	-	(1,500,000)	-	(1,505,000)
<b>Ending balance</b>	<b>1,577,349</b>	<b>1,535,131</b>	<b>1,577,349</b>	<b>1,535,131</b>

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

	<b>Individual and Consolidated</b>	
	<b>2025</b>	<b>2024</b>
<b>Maturity</b>		
2028	365,031	360,047
2029	370,015	370,015
2030	369,956	369,955
2031	372,268	372,269
<b>Non-current liabilities</b>	<b>1,477,270</b>	<b>1,472,286</b>

### 19.3. Covenants

The debentures have redeemed in advance clauses ("covenants") normally applicable to these types of operations related to compliance with economic-financial ratios. The financial index applied to this deed derives from the coefficient of dividing the net debt by the Adjusted EBITDA, which must be equal to or less than 4 times. This indicator does not consider for the debt and EBITDA, the effects arising from IFRS 16, as well as the liabilities, EBITDA and cash and cash equivalents from TOTVS Techfin S.A. and its subsidiaries are not being considered.

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

## 20. Accounts payable from acquisition of subsidiaries

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

	<b>Individual</b>					
	<b>2025</b>			<b>2024</b>		
	<b>Contingent payments</b>	<b>Other amounts payable</b>	<b>Total</b>	<b>Contingent payments</b>	<b>Other amounts payable</b>	<b>Total</b>
Datasul MG	-	-	-	-	6,761	6,761
Seventeen	-	358	358	-	329	329
Other	-	620	620	-	553	553
<b>Total</b>	-	<b>978</b>	<b>978</b>	-	<b>7,643</b>	<b>7,643</b>
Current liabilities	-	978	978	-	7,643	7,643

	Consolidated					
	2025			2024		
	Contingent payments	Other amounts payable	Total	Contingent payments	Other amounts payable	Total
RD Station (ii)	-	30,695	30,695	-	30,891	30,891
Feedz (i)	-	9,719	9,719	72,044	8,498	80,542
Quiver	-	-	-	23,300	16,297	39,597
Supplier	-	23,593	23,593	-	20,866	20,866
IP	-	36,306	36,306	-	39,657	39,657
Exact	3,398	5,937	9,335	-	5,192	5,192
Vadu	-	-	-	-	19,060	19,060
TRS	-	22,306	22,306	-	21,205	21,205
Ahgora	-	13,111	13,111	-	17,989	17,989
VarejOnline	6,988	7,863	14,851	6,015	9,000	15,015
Gesplan	-	5,842	5,842	-	5,592	5,592
Other	-	21,730	21,730	5,158	43,144	48,302
<b>Total</b>	<b>10,386</b>	<b>177,102</b>	<b>187,488</b>	<b>106,517</b>	<b>237,391</b>	<b>343,908</b>
Current liabilities	3,398	25,238	28,636	87,230	28,429	115,659
Non-current liabilities	6,988	151,864	158,852	19,287	208,962	228,249

(i) On March 25, 2025, TOTVS Gestão acquired 40% of remaining interests from Feedz, holding 100% of shares, as mentioned in note 2.3;

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

On December 31, 2025, the fair value of contingent payments resulted in a net complement of R\$18,329 over the year (on December 31, 2024, the impact was R\$24,198 of reversion), due to the performance analysis from acquired companies regarding the business plan initially elaborated. The fair value of contingent payments was recorded in the rubric "Other operating income (expenses)" (see note 29).

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

Year	Consolidated	
	2025	2024
2026	-	31,881
2027	64,190	45,954
2028	29,424	29,593
2029 onwards	65,238	120,821
<b>Non-current liabilities</b>	<b>158,852</b>	<b>228,249</b>

Following we present the retained amounts of accounts payable from acquisition of subsidiaries on December 31, 2025 and 2024, which are updated by the CDI (see note 7) until the release date or its offset as defined in the contract:

	Individual		Consolidated	
	2025	2024	2025	2024
Escrow account - current	889	7,554	20,983	13,974
Escrow account - non-current	-	-	153,790	188,845
<b>Total</b>	<b>889</b>	<b>7,554</b>	<b>174,773</b>	<b>202,819</b>

## 21. Provision for contingencies

### 21.1. Ongoing proceedings with recorded provision for contingencies and legal liabilities related to legal proceedings

The Company and its subsidiaries, in the ordinary course of their operations, are parties to various legal proceedings relating to tax, social security, labor and civil matters. The Management, supported by its legal counsel and analysis of judicial proceedings pending judgment, constituted provision at an amount considered sufficient to cover probable losses in the outcome of ongoing lawsuits. The provisioned amount reflects the best current estimate of the Company's Management and its subsidiaries.

The amount of constituted provisions as at December 31, 2025 and 2024 are as follows:

	Individual		Consolidated	
	2025	2024	2025	2024
Tax	6,972	6,672	9,016	9,397
Labor	39,913	46,252	48,975	62,427
Civil	45,295	31,434	48,772	34,448
	<b>92,180</b>	<b>84,358</b>	<b>106,763</b>	<b>106,272</b>

Following we present the mainly natures of the lawsuits from the Company and its subsidiaries:

- **Tax:** Regarding to collection of tax credits (city/ state/ federal) that the Company and its subsidiaries consider undue.
- **Labor:** Regarding lawsuits filed by former employees of the Company and its subsidiaries seeking labor dues, as well as service provider companies, seeking recognition of both employment relationship and other labor dues.
- **Civil:** Regarding, mainly, lawsuits filed by customers alleging certain problems with the delivery of products and/ or services, application of the default increment, grace period in terminated contracts and undue collections.

#### Civil

Civil lawsuit filed by a customer alleging problems resulting from the product implemented, which would have caused material damages. The process is currently in the investigation phase, and a defense has been presented. The risk of probable loss on December 31, 2025 is R\$6,238.

The other lawsuits in the consolidated classified as probable losses of tax, labor and civil nature in the total amount of R\$106,763 on December 31, 2025 (R\$106,272 as of December 31, 2024): do not have any process of value individually relevant.

#### a) Change in provisions

Change in provisions for the years ended December 31, 2025 and 2024 is as follows:

	Individual				Consolidated			
	Tax	Labor	Civil	Total	Tax	Labor	Civil	Total
<b>Balances in 2023</b>	<b>8,025</b>	<b>48,819</b>	<b>32,396</b>	<b>89,240</b>	<b>10,206</b>	<b>64,673</b>	<b>37,111</b>	<b>111,990</b>
(+) Additional provision	41	18,643	14,677	<b>33,361</b>	636	19,226	15,552	<b>35,414</b>
(+) Monetary adjustment	131	3,539	621	<b>4,291</b>	294	4,554	993	<b>5,841</b>
(-) Reversal of provision	(885)	(5,813)	(6,401)	<b>(13,099)</b>	(888)	(7,383)	(7,166)	<b>(15,437)</b>
(-) Write-off due to payment	(640)	(18,936)	(9,859)	<b>(29,435)</b>	(851)	(19,590)	(12,042)	<b>(32,483)</b>
(-) Held for sale (i)	-	-	-	-	-	947	-	<b>947</b>
<b>Balances in 2024</b>	<b>6,672</b>	<b>46,252</b>	<b>31,434</b>	<b>84,358</b>	<b>9,397</b>	<b>62,427</b>	<b>34,448</b>	<b>106,272</b>
(+) Additional provision	-	10,904	35,228	<b>46,132</b>	-	12,310	36,254	<b>48,564</b>
(+) Monetary adjustment	300	4,160	3,839	<b>8,299</b>	459	4,902	4,124	<b>9,485</b>
(-) Reversal of provision	-	(2,669)	(7,509)	<b>(10,178)</b>	(52)	(3,327)	(7,690)	<b>(11,069)</b>
(-) Write-off due to payment	-	(18,734)	(17,697)	<b>(36,431)</b>	(788)	(26,390)	(18,364)	<b>(45,542)</b>
(-) Held for sale (i)	-	-	-	-	-	(947)	-	<b>(947)</b>
<b>Balances in 2025</b>	<b>6,972</b>	<b>39,913</b>	<b>45,295</b>	<b>92,180</b>	<b>9,016</b>	<b>48,975</b>	<b>48,772</b>	<b>106,763</b>

(i) Liability held for sale, in accordance with note 5.

The provisions reflect Management's best current estimate, and its continuous review is the result of monitoring and risk control from TOTVS. The provision is based on information, external counsel, validated by the legal of the Company and its subsidiaries, and experience acquired related to the outcomes of previous legal proceedings in which the Company and its subsidiaries were defendants.

## b) Judicial deposits

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

	Individual				Consolidated			
	Tax	Labor	Civil	Total	Tax	Labor	Civil	Total
<b>Balances in 2023</b>	<b>14,000</b>	<b>6,036</b>	<b>9,387</b>	<b>29,423</b>	<b>15,055</b>	<b>8,552</b>	<b>10,225</b>	<b>33,832</b>
(+) Addition in guarantees	-	1,012	3,386	<b>4,398</b>	-	1,079	3,400	<b>4,479</b>
(+) Monetary adjustment	881	(266)	(51)	<b>564</b>	965	(324)	(28)	<b>613</b>
(-) Write-off for loss	-	(2,249)	(1,290)	<b>(3,539)</b>	-	(3,277)	(1,315)	<b>(4,592)</b>
(-) Reversion by devolution	-	(794)	(4,756)	<b>(5,550)</b>	-	(1,337)	(4,817)	<b>(6,154)</b>
(-) Held for sale (i)	-	-	-	-	-	13	9	<b>22</b>
(+) Acquisition of subsidiaries	-	-	-	-	173	-	-	<b>173</b>
<b>Balances in 2024</b>	<b>14,881</b>	<b>3,739</b>	<b>6,676</b>	<b>25,296</b>	<b>16,193</b>	<b>4,706</b>	<b>7,474</b>	<b>28,373</b>
(+) Addition in guarantees	300	1	4,011	<b>4,312</b>	550	20	4,023	<b>4,593</b>
(+) Monetary adjustment	1,148	34	(406)	<b>776</b>	1,166	(142)	(364)	<b>660</b>
(-) Write-off for loss	-	(474)	(3,864)	<b>(4,338)</b>	(112)	(766)	(3,864)	<b>(4,742)</b>
(-) Reversion by devolution	-	(164)	(408)	<b>(572)</b>	-	(353)	(424)	<b>(777)</b>
(-) Held for sale (i)	-	-	-	-	-	(13)	(9)	<b>(22)</b>
<b>Balances in 2025</b>	<b>16,329</b>	<b>3,136</b>	<b>6,009</b>	<b>25,474</b>	<b>17,797</b>	<b>3,452</b>	<b>6,836</b>	<b>28,085</b>

(i) Asset held for sale, in accordance with note 5.

## 21.2. Contingent liabilities

The Company and its subsidiaries are parties to other lawsuits whose risk of loss, in accordance to the assessment of its legal advisors, validated by internal legal and Management of the Company is classified as possible, for which no provision has been recognized, as follows:

Nature	Individual		Consolidated	
	2025	2024	2025	2024
Tax	173,059	156,284	222,947	208,652
Labor	36,169	55,764	45,511	78,749
Civil	158,332	178,098	171,289	207,994
	<b>367,560</b>	<b>390,146</b>	<b>439,747</b>	<b>495,395</b>

The summary of main proceedings ongoing is presented as follows:

### Tax

In 2015, the Company received a tax enforcement notice to pay excise tax (ISS) in the period between 1996 and 2001. Embargoes were filed alleging prescription of collection and the records are awaiting for the completion of the expert phase for judgment at the first administrative level. The amount involved on December 31, 2025 is R\$19,817 (R\$18,019 on December 31, 2024).

In 2021, the Company received a communication from Receita Federal informing the non-approval of requests for compensation made with a negative balance of IRPJ for the period of 2015. It was presented the impugnation alleging that the withholdings incurred by the Company compose the totality of the negative balance of the period, which is insufficient to pay the debts. The case is awaiting judgment at the first administrative level. The amount involved on December 31, 2025 is R\$24,774 (R\$22,597 on December 31, 2024).

In 2021, the Company received a communication from Receita Federal informing the non-approval of requests for compensation made with a negative balance of IRPJ for the period of 2016. It was presented the impugnation alleging that the withholdings incurred by the Company compose the totality of the negative balance of the period, which is insufficient to pay the debts. The case is awaiting judgment at the first administrative level. The amount involved on December 31, 2025 is R\$18,382 (R\$17,080 on December 31, 2024).

The remaining tax cases assessed as possible losses deal with tax credits (city/ state/ federal) collection, which the Company and its subsidiaries consider them to be undue. The values of these lawsuits totalling R\$159,974 on December 31, 2025 (R\$150,956 on December 31, 2024), there being no other process of value individually relevant.

### Labor

The labor lawsuits classified as possible losses totaled R\$45,511 on December 31, 2025 (R\$78,749 on December 31, 2024), there being no other process of value individually relevant.

## Civil

The civil proceedings classified as possible loss are individually relevant:

(i) Civil lawsuit filed by a customer alleging problems resulting from the product implemented, which would have caused material damages. The case is in the appeal phase of a partial decision on the merits, given after the presentation of the defense. The amount pleaded on December 31, 2025 was R\$15,151 (R\$14,671 on December 31, 2024).

The other lawsuits totaled R\$156,138 on December 31, 2025 (R\$193,323 on December 31, 2024), there being no other individually significant cases.

## 22 Call option of non-controlling interests

It is regarding the call option by the Company and put option from B3 S.A. - Brasil, Bolsa, Balcão refers to a minority interest of 37,5% from the subsidiary Dimensa S.A.. In the year ended on December 31, 2025, the amount was R\$651,384 ((R\$444,771 on December 31, 2024).

	<b>Individual and Consolidated</b>
<b>Balance in 2023</b>	<b>412,655</b>
Present value adjustment	32,116
<b>Balance in 2024 (i)</b>	<b>444,771</b>
Fair value adjustment (ii)	170,167
Held for sale	36,446
<b>Balance in 2025 (i)</b>	<b>651,384</b>

(i) The balance from 2024 recognized in the non-current liability was reclassified in 2025 for current liability due to expectation of option exercise and consequently sale of Dimensa as commented in note 5;

(ii) The fair value in the balance sheet date in accordance with market approach applied in the more probable scenery of realization of the option. The counterparty was recorded in capital reserves because it's a transaction between shareholders.

## 23. Shareholders' equity

### a) Share Capital

As at December 31, 2024 the Company's share capital was composed of 599.401.581 registered common shares issued and fully paid, with no par value, as follows:

Shareholder	2025		2024	
	Shares	%	Shares	%
LC12 Participações e Empreendimentos Ltda.	50,682,639	8.46%	50,682,639	8.46%
Canada Pension Plan	32,754,201	5.46%	32,754,201	5.46%
BlackRock	31,632,336	5.28%	31,632,336	5.28%
Massachusetts Financial Services Company	30,425,980	5.08%	16,640,800	2.78%
Laércio José de Lucena Cosentino	612,531	0.10%	1,050,306	0.18%
CSHG Senta Pua Fia	144,800	0.02%	144,800	0.02%
Other	441,390,594	73.64%	452,984,178	75.57%
<b>Outstanding shares</b>	<b>587,643,081</b>	<b>98.04%</b>	<b>585,889,260</b>	<b>97.75%</b>
Treasury shares	11,758,500	1.96%	13,512,321	2.25%
<b>Total in units</b>	<b>599,401,581</b>	<b>100.00%</b>	<b>599,401,581</b>	<b>100.00%</b>

### b) Capital reserves

The balance of capital reserves at December 31, 2025 and 2024 was broken down as follows:

	2025	2024
Goodwill reserve (i)	665,676	665,676
Premium on acquisition of non-controlling interests	(24,323)	(24,323)
Debentures converted into shares	44,629	44,629
Share-based compensation plan	(300,202)	(325,937)
Share issue expenses	(69,396)	(69,396)
Dilution of interest	352,540	352,540
Call option of non-controlling interests (ii)	(531,555)	(361,388)
	<b>137,369</b>	<b>281,801</b>

(i) Goodwill reserve is composed of R\$31,557 regarding to capital increase occurred in 2005 and R\$67,703 regarding corporate structure changes with Bematech. In 2019 had an increase of goodwill reserve of R\$725,220 regarding to the amount of capital increase to capital reserve. In 2022, in accordance with the guidance Brazilian SEC (CVM 78/2022) was constituted a provision for Supplier goodwill due to corporate structure changes of Techfin Business in the amount of R\$173,134. The amount of R\$14,330 refers to goodwill reserve by merger occurred in 2008;

(ii) Call option of non-controlling interests from Dimensa, in accordance with note 22.

### c) Treasury shares

As at December 31, 2025 and 2024, the account "Treasury Shares" had the following changes:

	Number of shares (Units)	Value (in Thousand)	Average price per share (in Reais)
<b>Balance on January 1, 2024</b>	<b>13,376,899</b>	<b>R\$ 283,445</b>	<b>R\$ 21.19</b>
Repurchase	20,037,100	R\$ 571,368	R\$ 28.52
Used	(2,120,078)	R\$ (51,591)	R\$ 24.33
Canceled	(17,781,600)	R\$ (453,059)	R\$ 25.48
<b>Balance on January 31, 2024</b>	<b>13,512,321</b>	<b>R\$ 350,163</b>	<b>R\$ 25.91</b>
Used	(1,753,821)	R\$ (45,449)	R\$ 25.91
<b>Balance on December 31, 2025</b>	<b>11,758,500</b>	<b>R\$ 304,714</b>	<b>R\$ 25.91</b>

On November 6, 2024 the Board of Directors approved the share buyback program for the shares issued by the Company up to the limit of 18.000.000 common shares, to maximize the generation of



shareholder value, promote the efficient allocation of capital; may be held in treasury, canceled or sold in accordance with the law. The share buyback program started on November 8, 2024 and was finished on November 7, 2025. In the year ended on December 31, 2025, no shares were repurchased (2,255,500 shares on December 31, 2024).

During the year ended on December 31, 2025, 1,753,821 (2,120,078 on December 31, 2024) treasury shares were used by the restricted share plans, which consumed R\$45,449 (R\$51,591 on December 31, 2024) from capital reserve.

## 24. Dividends and interest on shareholders' equity

	Individual	
	2025	2024
Net income for the year - Individual company	891,741	717,513
Accrual of legal reserve (article 193 of Law nº 6.404/76)	(44,587)	(35,876)
<b>Net income after legal reserve allocation</b>	<b>847,154</b>	<b>681,637</b>
Mandatory minimum dividend – 25%	211,789	170,409
Dividends paid in excess of the mandatory minimum	146,424	95,298
<b>Total paid dividends</b>	<b>358,213</b>	<b>265,707</b>
<b>Payment:</b>		
Interest on Shareholders' Equity	358,213	265,707
	<b>358,213</b>	<b>265,707</b>
Number of outstanding shares at December 31	587,643,081	585,889,260
<b>Dividends and Interest on Shareholders' Equity per share - in Reais</b>	<b>0.61</b>	<b>0.45</b>

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

	Individual and consolidated
<b>Balance of dividends payable on December 31, 2023</b>	<b>1,781</b>
(+) Deliberation interest on shareholders' equity - 08/01/2024	136,811
(+) Deliberation interest on shareholders' equity - 11/25/2024	128,893
(-) Dividends prescription and interest on shareholders' equity - Article 287 Law 6.404/76	(911)
(-) Payments	(265,352)
<b>Balance of dividends payable on December 31, 2024</b>	<b>1,222</b>
(+) Deliberation interest on shareholders' equity - 03/18/2025	82,026
(+) Deliberation interest on shareholders' equity - 06/16/2025	88,144
(+) Deliberation interest on shareholders' equity - 09/17/2025	88,144
(+) Deliberation interest on shareholders' equity - 12/10/2025	99,899
(-) Payments	(357,783)
<b>Balance of dividends payable on December 31, 2025</b>	<b>1,652</b>

Over the year of 2025, the Board of Directors approved the deliberation and payment of Interest on shareholders' equity (JCP) in accordance with values and dates presented in the table above.

Interest on shareholders' equity is part of dividends, which is deductible for purposes of Brazilian tax law. Therefore, reported in different lines in order to show the income tax effect.

Mandatory minimum dividends are shown in the statement of financial positions as legal obligations in the rubric "dividends payable".

## 24.1 Profit reserves

The capital budget proposed for 2026 to be submitted to the Annual Shareholders Meeting, allocates the balance in the amount of R\$488,941 from retained earnings to the following:

	<b>2026</b>
<b>Investments:</b>	
Investments in property, plant and equipment and intangible assets	276,084
Investments in development of software solutions projects	140,000
Investments in strategic projects	72,857
<b>Total investments</b>	<b>488,941</b>

## 25. Share-based compensation plan

The Company and its subsidiaries measure the cost of transactions settled with shares to its employees based on the fair value of the shares on the grant date.

The Incentive Plan based on Shares of the Company and its subsidiaries established rules for certain employees and directors of TOTVS or other companies under its control so they can acquire shares of the Company through the grant of shares, thereby aligning over the medium and long terms, interests of the beneficiaries and shareholders' interests, broaden the sense of ownership and commitment of the executives through the concept of investment and risk. The Plan is administered by the Board of Directors of the Company, which establishes grant programs annually, and according to the rules of the Code of Ethics of the Company and its subsidiaries, the managers do not participate in the decisions of the plan that directly benefit them.

The current plan of restrict shares are divided in four types of program:

- (i) ILP Destaques Program
- (ii) ILP Master Program
- (iii) ILP Performance Program

For the three programs listed above, the eligibles will have rights to receive the restricted shares to the end of the grace period and during the grace period, the participants will not be entitled to receive dividends, nor interest on shareholders' equity, related to the restricted shares. The definition of each program is available in the website from RI TOTVS (<https://ri.totvs.com/esg/estatuto-politicas-e-regimento/>).

(iv) Discretionary Bonus in Restricted Shares: this plan enables the Board, within the established limit for dilution of shares, in order to attract and retain certain key personnel of the Company and/

or its subsidiaries, at its sole discretion, to use any remaining balance of Restricted Shares under this Plan for additional grants to participants.

The fair value of restricted shares is the market value of each one on the grant date.

The main events relating to plans in force, the variables used in the calculations and the results are:

Date	Plans	Number of restrict shares	Fair value of shares	Fair Value Assumptions	
				Expectation:	
				Dividends	Term maturity
04/29/2022	Destaques	637,338	R\$ 31.67	1.23%	3 years
04/29/2022	Master	399,283	R\$ 30.90	1.23%	5 years
04/29/2022	Performance	1,776,226	R\$ 31.67	1.23%	3 years
05/5/2023	Conselho	20,180	R\$26.84	1.10%	3 years
05/5/2023	Destaques	1,350,716	R\$26.84	1.10%	3 years
05/5/2023	Master	467,455	R\$26.21	1.13%	5 years
05/5/2023	Performance	2,363,319	R\$26.84	1.10%	3 years
05/3/2024	Conselho	70,514	R\$ 28.19 to \$ 28.64	1.10% to 1.22%	3 to 4 years
05/3/2024	Destaques	1,161,893	R\$ 28.64	1.10%	3 years
05/3/2024	Master	441,573	R\$ 27.78	1.27%	5 years
05/3/2024	Performance	2,296,550	R\$ 29.34	1.10%	3 years
04/30/2025	Conselho	42,333	R\$ 37.16	1.21%	3 to 4 years
04/30/2025	Destaques	1,273,889	R\$ 36.20	1.27%	3 years
04/30/2025	Master	449,788	R\$ 35.37	1.23%	5 years
04/30/2025	Performance	2,821,903	R\$ 40.02	1.52%	3 years

Changes in restricted shares are as follows:

	Individual and Consolidated	
	December 31, 2025	December 31, 2024
	Number (in units)	
<b>Opening balance</b>	<b>9,946,760</b>	<b>9,536,381</b>
<b>Transactions:</b>		
Exercised	(2,402,010)	(2,902,979)
Granted	4,587,913	3,970,530
Cancelled	(861,074)	(657,172)
Added	250,931	-
<b>Closing balance</b>	<b>11,522,520</b>	<b>9,946,760</b>

The cumulative effect on Shareholders' Equity in the year ended December 31, 2025 was R\$71,181 (R\$48,158 as of December 31, 2024), recorded as share-based payment expenses.

## 26. Operating Segments

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

**TOTVS Management segment:** represents TOTVS software operation, focused on business management, including all solutions of ERP, HR and Vertical.

**RD Station segment:** includes solutions focused on generating opportunities and converting customer sales, such as sales, digital marketing and customer experience.

**TOTVS Techfin segment:** includes the business of providing financial services, such as technology products aimed at financial services, partnerships, products which have some degree of credit risk and/ or the definition and/ or application of credit policies through the joint venture TOTVS Techfin. In this segment are also consolidated the results of the subordinated shares of Supplier FIDC I, II and III to which Supplier, subsidiary of TOTVS Techfin, currently assigns the originated credits.

The statement of profit or loss for the year ended December 31, 2025 and 2024 for these three reportable segments is as follows:

Statement of profit or loss	TOTVS Management		RD Station		TOTVS Techfin		Consolidated	
	2025	2024 (Reclassified)	2025	2024	2025	2024	2025	2024 (Reclassified)
Net revenue	5,118,400	4,355,954	653,467	558,793	271,016	223,272	6,042,883	5,138,019
(-) Costs	(1,399,727)	(1,191,684)	(176,759)	(139,602)	(111,711)	(91,874)	(1,688,197)	(1,423,160)
<b>Gross profit</b>	<b>3,718,673</b>	<b>3,164,270</b>	<b>476,708</b>	<b>419,191</b>	<b>159,305</b>	<b>131,398</b>	<b>4,354,686</b>	<b>3,714,859</b>
(-) Research and development expenses	(828,836)	(715,512)	(122,863)	(110,321)	(19,612)	(19,928)	(971,311)	(845,761)
(-) Selling and marketing expenses	(1,040,817)	(902,295)	(208,331)	(180,049)	(25,130)	(22,553)	(1,274,278)	(1,104,897)
(-) Impairment loss on trade and other receivables	(50,449)	(40,881)	(9,173)	(13,788)	(16,038)	(15,304)	(75,660)	(69,973)
(-) Administrative expenses	(424,770)	(373,772)	(63,140)	(62,082)	(75,906)	(58,279)	(563,816)	(494,133)
Other operating income (expenses)	11,467	14,720	(6,080)	(32,664)	779	(1,780)	6,166	(19,724)
<b>Result before depreciation, amortization and financial results and income tax and social contribution</b>	<b>1,385,268</b>	<b>1,146,530</b>	<b>67,121</b>	<b>20,287</b>	<b>23,398</b>	<b>13,554</b>	<b>1,475,787</b>	<b>1,180,371</b>
(-) Depreciation and amortization	-	-	-	-	-	-	(347,466)	(332,313)
(-) Finance income (expenses)	-	-	-	-	-	-	(75,833)	(85,720)
(-) Income tax expenses	-	-	-	-	-	-	(210,766)	(76,411)
<b>Net profit from continuing operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>841,722</b>	<b>685,927</b>
<b>Net profit from discontinued operation</b>							<b>79,020</b>	<b>49,516</b>
<b>Net profit for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>920,742</b>	<b>735,443</b>

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

The following table conciliate the segments model presented above with the Statement of Profit or Loss for the year ended on December 31, 2025 and 2024:

2025				
Statement of profit or loss	Consolidated Statement of Profit or Loss	Reclassification (i)	TOTVS Techfin Profit or loss (ii)	Consolidated segments
Net revenue	5,771,867	-	271,016	6,042,883
(-) Costs	(1,716,326)	139,840	(111,711)	(1,688,197)
<b>Gross profit</b>	<b>4,055,541</b>	<b>139,840</b>	<b>159,305</b>	<b>4,354,686</b>
(-) Research and development expenses	(1,005,236)	53,537	(19,612)	(971,311)
(-) Selling and marketing expenses	(1,300,048)	50,900	(25,130)	(1,274,278)
(-) Impairment loss on trade and other receivables	(59,622)	-	(16,038)	(75,660)
(-) Administrative expenses	(584,717)	96,807	(75,906)	(563,816)
Other operating income (expenses)	5,387	-	779	6,166
<b>Result before depreciation, amortization and financial results and income tax and social contribution</b>	<b>1,111,305</b>	<b>341,084</b>	<b>23,398</b>	<b>1,475,787</b>
(-) Depreciation and amortization	-	(341,084)	(6,382)	(347,466)
(-) Share of profit / (loss) of equity-accounted investees	11,423	(11,423)	-	-
(-) Finance income (expenses)	(80,750)	-	4,917	(75,833)
(-) Income tax expenses	(200,256)	-	(10,510)	(210,766)
<b>Net profit from continuing operations</b>	<b>841,722</b>	<b>(11,423)</b>	<b>11,423</b>	<b>841,722</b>
<b>Net profit from discontinued operation</b>	<b>79,020</b>	<b>-</b>	<b>-</b>	<b>79,020</b>
<b>Net profit for the year</b>	<b>920,742</b>	<b>(11,423)</b>	<b>11,423</b>	<b>920,742</b>

2024				
Statement of profit or loss	Consolidated Statement of Profit or Loss (Reclassified)	Reclassification (i)	TOTVS Techfin Profit or loss (ii)	Consolidated segments (Reclassified)
Net revenue	4,914,747	-	223,272	5,138,019
(-) Costs	(1,458,672)	127,386	(91,874)	(1,423,160)
<b>Gross profit</b>	<b>3,456,075</b>	<b>127,386</b>	<b>131,398</b>	<b>3,714,859</b>
(-) Research and development expenses	(877,330)	51,497	(19,928)	(845,761)
(-) Selling and marketing expenses	(1,114,656)	32,312	(22,553)	(1,104,897)
(-) Impairment loss on trade and other receivables	(54,669)	-	(15,304)	(69,973)
(-) Administrative expenses	(537,922)	102,068	(58,279)	(494,133)
Other operating income (expenses)	(17,944)	-	(1,780)	(19,724)
<b>Result before depreciation, amortization and financial results and income tax and social contribution</b>	<b>853,554</b>	<b>313,263</b>	<b>13,554</b>	<b>1,180,371</b>
(-) Depreciation and amortization	-	(313,263)	(19,050)	(332,313)
(-) Share of profit / (loss) of equity-accounted investees	(1,571)	1,571	-	-
(-) Finance income (expenses)	(92,550)	-	6,830	(85,720)
(-) Income tax expenses	(73,506)	-	(2,905)	(76,411)
<b>Net profit from continuing operations</b>	<b>685,927</b>	<b>1,571</b>	<b>(1,571)</b>	<b>685,927</b>
<b>Net profit from discontinued operation</b>	<b>49,516</b>	<b>-</b>	<b>-</b>	<b>49,516</b>
<b>Net profit for the year</b>	<b>735,443</b>	<b>1,571</b>	<b>(1,571)</b>	<b>735,443</b>

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

(ii) Statement of the Share of profit/ (loss) of equity-accounted investees balance from TOTVS Techfin by rubric.

## 27. Earnings per share

Basic earnings per share is calculated by dividing net income for the year, attributed to the Individual's common shareholders, by the weighted average number of common shares outstanding during the year.

Diluted earnings per share is calculated by dividing net income, attributed to the holders of the Individual's common shares, by the weighted average number of common shares available during the year, plus the weighted average number of common shares that would be issued if all the potentially diluted common shares are converted into common shares.

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

Basic earnings per share	2025	2024
<b>Profit or loss for the year</b>		
Continuing operations	841,722	685,927
Discontinued operations (i)	50,019	31,586
<b>Profit attributable to the owners of the Company</b>	<b>891,741</b>	<b>717,513</b>
<b>Denominator (in thousands of shares)</b>		
Weighted average number of common shares outstanding	587,051	595,007
<b>Basic earnings per share (in Reais)</b>	<b>1.51902</b>	<b>1.20589</b>
<b>Basic earnings per share - continuing operations (in Reais)</b>	<b>1.43381</b>	<b>1.15280</b>
<b>Diluted earnings per share</b>	<b>2025</b>	<b>2024</b>
<b>Profit or loss for the year</b>		
Continuing operations	841,722	685,927
Discontinued operations (i)	50,019	31,586
<b>Profit attributable to the owners of the Company</b>	<b>891,741</b>	<b>717,513</b>
<b>Denominator (in thousands of shares)</b>		
Weighted average number of common shares outstanding	587,051	595,007
Weighted average number of restricted shares	11,117	9,916
<b>Weighted average number of common shares adjusted according to dilution effect</b>	<b>598,168</b>	<b>604,923</b>
<b>Diluted earnings per share (in Reais)</b>	<b>1.49079</b>	<b>1.18612</b>
<b>Diluted earnings per share - continuing operations (in Reais)</b>	<b>1.40717</b>	<b>1.13391</b>

(i) Contemplates discontinued operation profit (loss) from RJ Participações and Dimensa and net loss from TOTVS Techfin business unit due to price adjustment in the transaction for joint venture (JV) creation with Itaú Unibanco S.A... See the details in the note 5.

## 28. Gross sales revenue

Gross revenue and deductions used for the calculation of net revenue presented in the statement of profit and loss of the Company and its subsidiaries for the year ended December 31, 2025 and 2024, were as follows:

	Individual		Consolidated	
	2025	2024 (Reclassified)	2025	2024 (Reclassified)
<b>Recurring software</b>	<b>3,884,386</b>	<b>3,211,552</b>	<b>5,863,175</b>	<b>4,914,905</b>
<b>Nonrecurring software</b>	<b>397,576</b>	<b>384,900</b>	<b>618,220</b>	<b>640,855</b>
License fees	168,875	173,104	223,887	246,119
Nonrecurring services	228,701	211,796	394,333	394,736
<b>Operating revenue</b>	<b>4,281,962</b>	<b>3,596,452</b>	<b>6,481,395</b>	<b>5,555,760</b>
Sales canceled	(36,633)	(18,191)	(50,504)	(29,204)
Sales taxes	(456,272)	(415,659)	(659,024)	(611,809)
<b>Deductions</b>	<b>(492,905)</b>	<b>(433,850)</b>	<b>(709,528)</b>	<b>(641,013)</b>
<b>Total net revenue</b>	<b>3,789,057</b>	<b>3,162,602</b>	<b>5,771,867</b>	<b>4,914,747</b>

## 29. Costs and expenses by nature

The Company and its subsidiaries present information about operating costs and expenses by nature for the year ended December 31, 2025 and 2024.

Nature	Individual		Consolidated	
	2025	2024 (Reclassified)	2025	2024 (Reclassified)
Salaries, benefits and payroll charges	1,633,621	1,373,079	2,655,858	2,323,466
Outsourced services and other inputs	864,564	720,004	1,188,392	1,023,792
Commissions	271,920	232,028	350,883	284,096
Depreciation and amortization	232,995	203,263	341,084	313,263
Provision for contingencies	35,954	20,262	37,495	19,977
Impairment loss on trade and other receivables	37,607	30,007	59,622	54,669
Others (i) (ii) (iii)	(16,524)	(16,583)	27,228	41,930
<b>Total</b>	<b>3,060,137</b>	<b>2,562,060</b>	<b>4,660,562</b>	<b>4,061,193</b>

Occupation	Individual		Consolidated	
	2025	2024 (Reclassified)	2025	2024 (Reclassified)
Cost of softwares	1,174,987	981,992	1,716,326	1,458,672
Research and development expenses	665,872	577,151	1,005,236	877,330
Selling and marketing expenses	791,939	658,108	1,300,048	1,114,656
Impairment loss on trade and other receivables	37,607	30,007	59,622	54,669
Administrative expenses	408,852	332,438	584,717	537,922
Other operating revenues/ (expenses) (i) (ii) (iii)	(19,120)	(17,636)	(5,387)	17,944
<b>Total</b>	<b>3,060,137</b>	<b>2,562,060</b>	<b>4,660,562</b>	<b>4,061,193</b>

- (i) In the year ended on December 31, 2025 the consolidated includes the call option and/ or earn-out complement from the subsidiaries Feedz and Exact due to the performance achievement in the amount of R\$18,329 (on December 31, 2024 includes the accounts payable from acquisition of subsidiaries reversal in the amount of R\$24,198) in accordance with CPC 15/ IFRS 3 - Business combinations.
- (ii) On July 1st, 2024, IP Sorocaba and Neopenso was sold, whose net gain of the operation recorded in other operating revenues was in the amount of R\$24,943;
- (iii) The fair value of the GoodData investment generated a revenue of R\$2,527 in the consolidated profit or loss in 2025, as mentioned in note 6.2 (b) (expense of R\$11,012 on December 31, 2024).

The item "Salaries, benefits and charges" includes the impact of the partial Payroll Tax Surcharge, according to Law nº 14.973/ 2024, providing for a gradual transition between 2025 and 2027, with a gradual reduction in the CPRB rate, until its complete extinction in 2028.

The provision of the effects from partial payroll tax surcharge in the payment of inventory of open labor provision in the final of the year generates impact in the consolidated profit or loss of the Company on December 31, 2025 of R\$22,206 (R\$14,734 on December 31, 2024).

### 30. Finance income and expenses

Finance income and expenses incurred for the year ended December 31, 2025 and 2024 were as follows:

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2025</b>	<b>2024 (Reclassified)</b>	<b>2025</b>	<b>2024 (Reclassified)</b>
<b><u>Finance income</u></b>				
Short-term investment yield	127,086	120,678	203,994	194,842
Interest received	4,499	5,219	8,453	10,736
Monetary gains	7,716	4,288	10,259	7,839
Adjustment to present value	2,443	2,094	4,032	3,715
Foreign exchange gains	154	3,489	926	829
Supplier dividends (i)	42,322	-	42,322	-
Other finance income	44	86	101	260
	<b>184,264</b>	<b>135,854</b>	<b>270,087</b>	<b>218,221</b>
<b><u>Finance expenses</u></b>				
Interest expense	(238,756)	(189,865)	(261,972)	(204,326)
Monetary losses	(19,422)	(12,546)	(22,635)	(17,142)
Bank expenses	(1,576)	(1,420)	(2,338)	(2,553)
Adjustment to present value of liabilities	(36,960)	(32,555)	(41,364)	(62,862)
Foreign exchange losses	(271)	(108)	(4,029)	2,133
Other finance expenses (ii)	(9,241)	(7,659)	(18,499)	(26,021)
	<b>(306,226)</b>	<b>(244,153)</b>	<b>(350,837)</b>	<b>(310,771)</b>
<b>Net finance results</b>	<b>(121,962)</b>	<b>(108,299)</b>	<b>(80,750)</b>	<b>(92,550)</b>

- (i) In 2025, the indirect subsidiary Supplier deliberates the distribution of preferred dividends in the total amount of R\$84,644, being 50% regarding the interest in Techfin allocated in investment, and the rest in finance income;
- (ii) Includes inflation adjustments of Argentina subsidiaries.



### 31. Private pension plan – defined contribution

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

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

Private pension expenses for the year ended December 31, 2025 were R\$10,195 in the individual (R\$8,948 on December 31, 2024) and R\$12,918 in the consolidated (R\$11,148 on December 31, 2024).

### 32. Insurance coverage

Based on the opinions of their advisors, the Company and its subsidiaries maintain insurance coverage at amounts deemed sufficient to cover risks on their own, rent and leased assets, and civil liability risks. Insured assets include owned and leased vehicles, and the buildings where the Company and its subsidiaries operate.

On December 31, 2025, the main insurance coverage contracted are:

Type	Insurance Company	Effective		Maximum limit of Responsibility
		From	To	
Business Comprehensive	Mitsui	July 2025	July 2026	259,282
General Liability	Chubb Seguros	July 2025	July 2026	8,000
Vehicles (i)	Porto Seguro	January 2025	January 2026	(*) FIPE
D&O Directors and Officers Liability (ii)	Chubb Seguros	July 2025	July 2026	200,000
E&O – Errors and Omissions	AIG Seguros	September 2025	July 2026	8,750
Cyber - Comprehensive Cyber Risks (iii)	AIG Seguros/Tokio Marine	September 2025	September 2026	70,000

(i) Market amount determined by FIPE - Fundação Instituto de Pesquisas Econômicas;

(ii) For Mexico, Argentina and United States operations, TOTVS S.A. has the local insurance policy issued in each country with a coverage amount of USD1,000,000.00;

(iii) Coverage contracted for TOTVS S.A. and subsidiary RD will effective until September 2026;

### **33. Subsequent events**

#### TBDC acquisition conclusion

On January 5, 2026, the subsidiary TTS completed, after all the applicable precedent conditions have been met, the acquisition of entire capital stock of TBDC, for the amount of R\$80.000, subject to adjustments.

#### Issuance of debentures

On January 6, 2026, the Board of Directors of the Company approved the 6th issuance of simple, non-convertible, unsecured debentures, in a single series, for public distribution and under the automatic registration process, intended exclusively to professional investors, in the total amount of R\$3,000,000 and will mature on January 29, 2033.

The debentures will have a unit face value of R\$1 on the issuance date. The unit face value, as the case may be, will bear interest corresponding to 100% of the accumulated variation of the average daily rates of the DI, "over extra-group", expressed as a percentage per year, on a 252 business day basis, calculated and published by B3 S.A. in the daily newsletter, plus an exponential spread equivalent to 0.59% p.a. on a 252 business day basis.

#### Disposal of Dimensa subsidiary

On February 02, 2026, the Company celebrated the agreement for purchase and sale for disposal of the totality of shares from subsidiary Dimensa S.A. for Evertec Brasil Informática S.A. for the approximate amount of R\$1.4 billion (Equity Value), resulting from the net cash position as of December 31st, 2025 and the base value of R\$950 million (Enterprise Value). On this same date, in act immediately precedent, TOTVS celebrated with B3 S.A. - Brasil, Bolsa, Balcão an agreement for acquisition of representative shares of 37.5% of share capital from Dimensa, by the amount of R\$665 million, due the exercise, by B3, of put option in the agreement term from shareholders to consolidate the TOTVS's interest as only shareholder from Dimensa and, continuous act, to possibility the sale of totality interest hold in the Dimensa to Evertec.

The closings of the two transactions shall occur jointly and are subject to approval by the antitrust authority and the verification of other usual preceding conditions for transactions of this nature. The closing of the B3 transaction is a preceding condition for the closing of the transaction. Additionally, the agreement includes clauses for price adjustment due to changes in working capital and net cash/debt, as well as indemnity provisions and non-compete and non-solicitation obligations, as is customary in operations of this nature.

## Report from the Statutory Audit Committee

### Introduction

TOTVS has had an Audit Committee since May 28<sup>th</sup>, 2007, and the committee was included in the Bylaws on April 5<sup>th</sup>, 2018. Subsequently, on November 4<sup>th</sup>, 2021, the Board of Directors approved the change of its name to Statutory Audit Committee (“CAE”), in addition to new Internal Regulations, exclusively for the Committee, which meet the requirements established in CVM Resolution No. 23, dated February 25<sup>th</sup>, 2021.

The CAE's current Internal Regulations establish the Committee's duties, which, in summary, are: to ensure the proper operation of the Internal and Independent Audit management processes, the mechanisms and controls related to Risk Management, and the consistency of the Financial and Governance Policies with the strategic guidelines and risk profile of the business. The CAE is also responsible for ensuring the quality and integrity of the Company's Financial Statements, making recommendations to Management regarding the approval of financial reports and any actions aimed at improving the environment of Internal Controls and Priority Risk Management. The CAE's assessments are based on information provided by Management, internal audit, independent auditors, those responsible for risk management and internal controls at the Company, as well as on its own analyses resulting from direct observations.

Currently, the CAE is composed of Gilberto Mifano (Coordinator), Ricardo Grosvenor Breakwell, Tania Sztamfater Chocolat, elected by the Board of Directors on April 23<sup>rd</sup>, 2024, and Edson Georges Nassar, elected by the Board of Directors on April 30<sup>th</sup>, 2025, all independent members, with a term of office until the first meeting of the Board of Directors following the Company's 2026 Annual General Meeting. Ricardo Grosvenor Breakwell is an external member and has knowledge and experience in external auditing and controllership of publicly traded companies, as well as those regulated by the Central Bank.

Under the terms of the Internal Regulations, the CAE must meet at least once every two months. During the 2025 fiscal year, the Committee met 12 (twelve) times, including 11 (eleven) previously scheduled ordinary meetings and one extraordinary meeting, with 100% (one hundred percent) of the members attending all meetings.

On February 6<sup>th</sup>, 2026, the Committee reviewed and recommended that the Board of Directors approve the financial statements for the fiscal year ended December 31<sup>st</sup>, 2025.

Throughout the meetings, representatives from the Executive Board and other areas participated in further discussions. In addition, the CAE held exclusive quarterly sessions with the Independent Audit and exclusive sessions among its members only, without the presence of guests. At each regular meeting of the Board, the Coordinator presented the recommendations and the report on activities.

### Topics Discussed

Following its annual schedule of meetings and topics to be addressed, the CAE analyzed, monitored, discussed, gave opinions, and issued recommendations, the main topics of which were:

**(i) Independent Audit:** discussion of the independent auditors' service agreement, addressing the required scope and culminating in a recommendation to the Board of Directors to renew the agreement with the audit firm in 2025; discussion of the planning, scope, and main conclusions obtained in the quarterly reviews ("ITRs") and the opinion for the issuance of the 2025 financial statements ("2025 FS"); discussion of the recommendations outlined in the Internal Controls Letter, as well as the respective action plans proposed by the internal areas for the correction or improvement of these points; knowledge of the results of the ISAE 3402/2025<sup>[1]</sup> report; discussion and approval of the Independent Audit Work Plan; and discussions on the notes made by the Independent Audit regarding general information technology controls ("ITGC"); and evaluation of the performance of the Independent Audit and holding of a feedback session with its professionals. **(ii) Internal Audit:** evaluation and discussion of Internal Audit reports issued for the main processes of the Company, its subsidiaries, and companies that are part of the TOTVS Franchise System, results of special investigations, including identified deficiencies, justifications, and corrective actions; monitoring of corrective actions for audit points identified in the Internal Audit work; presentation of the Annual Internal Audit Plan for the 2025 fiscal year; discussion of the Company's risk matrix applied to Internal Audit activities for the 2025 fiscal year; monitoring of recurring indicators defined by the CAE, related to Internal Audit, Internal Controls, Risk Management, Compliance, and Whistleblowing Channel, with the definition of attention levels for each indicator and reporting to the Board of Directors; assessment and recommendations regarding the 2024 Internal Audit Activity Report ("AIAR"); and annual evaluation cycle of the area, compliance with the fiscal year's goals, based on the evidence presented, and the performance of the head of the Internal Audit department, as well as approval of the proposed goals for fiscal year 2025. The Committee also validated the goals of the Internal Audit team, which reports to the Chief Audit Executive. **(iii) Internal Controls, Corporate Risk Management, and Compliance:** assessment and discussion of the Company's Prioritized Risk Matrix, for possible description of risk factors in the updated Reference Form, with monitoring of risk mitigation plans together with those responsible for their execution; monitoring of the risk management cycle, suggesting improvements in processes, establishing points of contact between the Executive Board and the Board of Directors; scheduling and monitoring the implementation of action plans to comply with the Integrity Program established by the Company for the year 2025; analysis of the conditions for contracting or renewing Directors and Officers Liability Insurance ("D&O"); monitoring the Business Continuity Plan, including the Business Impact Analysis (BIA); monitoring recurring indicators defined by the CAE in the areas of Internal Controls, Risk Management, Compliance, and Whistleblowing Channel, defining levels of attention for each indicator and reporting to the Board of Directors; results of risk environment and internal control tests and presentation of the tool used in the tests; and presentation of the financial results of the franchises and indicators for the channels area. **(iv) Financial Management, Provisions, and Indicators:** assessment and opinion for deliberation by the Board of Directors on the quarterly and annual Financial Statements, including monitoring the content of the respective Earnings Releases and the Company's capital budget; assessment of the proposed allocation of results for the fiscal year ending in 2025; monitoring of the Financial Results of the subsidiary Dimensa S.A. and co-subsidiary TOTVS Techfin S.A.; assessment and recommendation for approval of proposals for declaration and distribution of interest on equity capital; results of the procedures adopted for reviewing the annual impairment tests and assessment of the proposal for the recoverability of deferred tax assets; monitoring of the capitalization of investments in research and development ("R&D"); monitoring of the activities and topics discussed by the Tax Affairs Committee and the Labor Affairs Committee; monitoring and assessment of the impacts of tax reform on the Company; monitoring of materialized and non-materialized risks from civil, labor, and

tax litigation, and the respective provisions for contingencies; monitoring and recommendations to the Board of Directors and Executive Board on the hiring of auditors, due diligence reports, valuation assumptions, and risks of operations involving mergers and acquisitions (M&A); monitoring the progress of payments related to acquired companies (earn-outs); discussions on structuring for the issuance of debentures; and monitoring the results of the Net Promoter Score (“NPS”) survey, economic churn indicators, and actions to retain and improve customer satisfaction with the services provided, considering possible financial impacts on the Company. **(v) Information Security and Data Privacy:** monitoring action plans to mitigate weaknesses and improve general information technology controls (“ITGC”); monitoring and discussing information security, data privacy, cybersecurity, and cloud events, as well as the development and implementation of action plans related to strengthening the security of the environment and identified weaknesses; monitoring of risks associated with Information Security; monitoring and renewal of Cybersecurity insurance; and monitoring and discussion of issues involving the General Data Protection Law and projects to comply with the requirements of the Law. **(vi) Corporate Governance:** discussion and monitoring of the annual processes for updating the Reference Form, the Integrated Report for the base year 2024-2025, the Report on the Brazilian Corporate Governance Code, and the Carbon Inventory in the Carbon Disclosure Project (“CDP”) model for recommendation for approval by the Board; monitoring of the process of preparing the 2025 Ordinary and Extraordinary General Meetings, with analysis and recommendations on the documents convening the meetings to be submitted for deliberation by the shareholders; monitoring of the Monthly Report on Regulatory Agency Official Letters; discussion and recommendation regarding the deliberation and disclosure by the Board of Directors of the revision of the following regulatory documents: Indemnity Policy; Policy on Business and Institution Relations with Public Entities; Policy on Transactions between Related Parties; Jurisdiction Policy; Contributions, Policy of Donations, and Sponsorship; Policy on the Preparation and Publication of Standards; and Corporate Information Security Policy; recommendation for approval of the Committee's annual budget for the 2026 fiscal year, covering the CAE's expenses, expenses related to Independent Audit services, and Internal Audit expenses; regular monitoring and evaluation of reports received through the Whistleblowing Channel, the activities of the Ethics and Conduct Committee, investigations conducted, and measures taken by Management, with reports to the Board of Directors; participation of the CAE Coordinator in the Ordinary General Meeting to answer any questions from shareholders; evaluation and recommendation to the Board regarding transactions with related parties; conducting the Committee's annual self-assessment process and evaluating the areas linked to the CAE; and preparing the CAE's annual activity report for 2024.

## Statement of the Statutory Audit Committee

### 2025 Annual Financial Statements:

The members of the Statutory Audit Committee of TOTVS S.A., in the exercise of their duties and legal responsibilities, as provided for in the Internal Regulations of the Statutory Audit Committee, examined and analyzed the financial statements, accompanied by the preliminary opinion of the independent auditors and the annual report of Management for the fiscal year ended December 31<sup>st</sup>, 2025 (“2025 Annual Financial Statements”) and, considering the information provided by the Company's Management and KPMG Auditores Independentes Ltda., as well as the proposed allocation of the 2025 fiscal year results, unanimously opined that they adequately reflect, in all material respects, the Company's financial position and results of operations, and recommended the

approval of the documents by the Company's Board of Directors for submission to the Annual Shareholders' Meeting, in accordance with the Brazilian Corporation Law.

**São Paulo, February 6<sup>th</sup>, 2026 .**

**Gilberto Mifano**

Coordinator of the Statutory Audit Committee and member of the Governance and Nomination Committee and the Board of Directors

**Edson Georges Nassar**

Member of the Statutory Audit Committee, Coordinator of the Governance and Nomination Committee, member of the People and Compensation Committee and the Board of Directors

**Ricardo Grosvenor Breakwell**

External Member of the Statutory Audit Committee, with recognized experience in corporate accounting matters

**Tania Sztamfater Chocolat**

Member of the Statutory Audit Committee and Board of Directors

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<sup>[1]</sup>The Independent Auditor declared the absence of conflicts or compromises to its independence regarding the activities performed in the scope of the audit of the Company's financial statements, in accordance with CVM Resolution No. 23, dated February 25<sup>th</sup>, 2021.