

**Individual and Consolidated Interim
Financial Information**

**Livotech da Bahia Indústria e Comércio
S.A.**

March 31, 2025
with Independent Auditor's Review Report on Quarterly Information

Livetech da Bahia Indústria e Comércio S.A.

Individual and consolidated interim financial information

March 31, 2025

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São Paulo Corporate Towers
Av. Presidente Juscelino Kubitschek, 1,909
6º ao 10º andar - Vila Nova Conceição
04543-011 - São Paulo - SP - Brazil
Phone: +55 11 2573-3000
ey.com.br

A free translation from Portuguese into English of Independent Auditor's Review Report on quarterly information prepared in Brazilian currency in accordance with CPC 21 and IAS 34 - Interim Financial Reporting and the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR)

Independent auditor 's review report on quarterly information

To the Shareholders

Livotech da Bahia Indústria e Comércio S.A.

Ilhéus - Bahia

Introduction

We have reviewed the individual and consolidated interim financial information of Livotech da Bahia Indústria e Comércio S.A. (the "Company"), contained in the Quarterly Information Form (ITR) for the quarter ended March 31, 2025, which comprises the statement of financial position as at March 31, 2025 and the statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the three-month period then ended, and notes to interim financial information.

The executive board is responsible for the preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement CPC 21 and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), currently referred to by the IFRS Foundation as "IFRS Accounting Standards", as well as for the fair presentation of this information in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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



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Conclusion on the individual and consolidated interim financial information

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

Other matters

Statements of value added

The quarterly information referred to above includes the individual and consolidated Statement of Value Added (SVA) for the three-month period ended March 31, 2025, prepared under the responsibility of the Company's executive board and presented as supplementary information for purposes of IAS 34. This statement has been subject to review procedures performed together with the review of the quarterly information, in order to determine whether it is reconciled with the interim financial information and accounting records, as applicable, and whether its form and content comply with the criteria defined in Accounting Pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that this statement of value added was not prepared, in all material respects, in accordance with the criteria set forth by this Standard and consistently with the individual and consolidated interim financial information taken as a whole.

São Paulo, May 8, 2025.

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC SP-034519/O


Lazaro Angelim Serruya
Accountant CRC 1DF-015801/O

A free translation from Portuguese into English of Quarterly Information prepared in Brazilian currency in accordance with CPC 21 and IAS 34 - Interim Financial Reporting and the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR)

Livotech da Bahia Indústria e Comércio S.A.

Statements of financial position
March 31, 2025 and December 31, 2024
(In thousands of reais)

	Note	Individual		Consolidated	
		03/31/2025	12/31/2024	03/31/2025	12/31/2024
Assets					
Current assets					
Cash and cash equivalents	3	134,331	99,881	144,607	102,030
Accounts receivable	4	319,113	289,540	334,291	317,745
Taxes recoverable	5,1	12,131	13,346	15,148	24,918
Derivative financial instruments	25	181	749	181	749
Inventories	6	169,191	141,635	199,721	169,601
Advance to suppliers	10	29,680	24,066	35,552	27,941
Transactions with related parties	20	956	1,001	-	-
Prepaid expenses		367	328	374	356
Total current assets		665,950	570,546	729,874	643,340
Noncurrent assets					
Long-term receivables					
Accounts receivable	4	240,458	259,559	240,458	259,559
Judicial deposits		109	109	109	109
Taxes recoverable	5,1	6,063	7,148	6,063	7,148
Deferred taxes	5,2	43,097	42,792	43,418	43,012
Investment	7	57,349	60,033	-	-
Property, plant and equipment (PPE)	8	373,861	387,691	374,337	388,070
Intangible assets	9	100,872	104,789	100,876	104,792
Right-of-use asset	15	8,448	9,405	8,448	9,405
Total noncurrent assets		830,257	871,526	773,709	812,095
Total assets					
		1,496,207	1,442,072	1,503,583	1,455,435

	Note	Individual		Consolidated	
		03/31/2025	12/31/2024	03/31/2025	12/31/2024
Liabilities and equity					
Current liabilities					
Trade accounts payable	11	101,782	100,810	105,832	108,786
Payroll, social charges and benefits	12	8,330	7,500	8,582	7,895
Taxes payable	13	23,493	21,794	25,336	30,645
Loans, financing and debentures	14	232,305	185,219	232,305	185,219
Dividends payable		12,059	3,015	12,059	3,015
Lease liabilities	15	3,064	3,110	3,064	3,110
Transactions with related parties	20	-	3,405	-	-
Other obligations	16	24,800	26,674	26,628	26,838
		405,833	351,527	413,806	365,508
Noncurrent liabilities					
Loans, financing and debentures	14	397,976	394,818	397,976	394,818
Provisions for contingencies	17	1,930	1,924	1,930	1,924
Lease liabilities	15	6,247	7,266	6,247	7,266
Provision for investment losses	7	597	618	-	-
Other obligations	16	20,769	20,073	20,769	20,073
		427,519	424,699	426,922	424,081
Equity					
Capital	18,1	292,861	301,397	292,861	301,397
Treasury shares	18	-	(8,536)	-	(8,536)
Capital reserves	18	236,632	236,632	236,632	236,632
Income reserves	18,6	121,456	130,500	121,456	130,500
Net income for the period	18	8,149	-	8,149	-
Other comprehensive income	18	3,757	5,853	3,757	5,853
		662,855	665,846	662,855	665,846
Total liabilities and equity		1,496,207	1,442,072	1,503,583	1,455,435

See accompanying notes.

Livotech da Bahia Indústria e Comércio S.A.

Statements of profit or loss
Three-month periods ended March 31, 2025 and 2024
(In thousands of reais)

	Note	Individual		Consolidated	
		03/31/2025	03/31/2024	03/31/2025	03/31/2024
Net revenue	21	207,274	186,960	213,555	209,541
Cost of sales and services	22	(141,804)	(136,842)	(146,683)	(155,410)
Gross profit		65,470	50,118	66,872	54,131
Operating income (expenses)					
Selling expenses	23	(12,251)	(16,594)	(12,355)	(17,039)
General and administrative expenses	23	(19,898)	(16,540)	(21,485)	(17,369)
Other operating income (expenses), net	23	(3,986)	(1,561)	(5,681)	(1,811)
Equity pickup	7	(1,720)	1,252	-	-
		(37,855)	(33,443)	(39,521)	(36,219)
Income before finance income (costs) and income and social contribution taxes		27,615	16,675	27,351	17,912
Finance income		12,952	17,099	13,237	17,249
Finance costs		(28,594)	(28,138)	(28,615)	(28,644)
Finance income (costs)	24	(15,642)	(11,039)	(15,378)	(11,395)
Income before income and social contribution taxes		11,973	5,636	11,973	6,517
Current income and social contribution taxes	20	(4,129)	(1,823)	(4,129)	(2,704)
Deferred income and social contribution taxes	20	305	925	305	925
Net income for the period		8,149	4,738	8,149	4,738
Basic earnings per share	18			0.1293	0.0738
Diluted earnings per share	18			0.1293	0.0751

See accompanying notes.

Livetech da Bahia Indústria e Comércio S.A.

Statements of comprehensive income
Three-month periods ended March 31, 2025 and 2024
(In thousands of reais)

	Individual		Consolidated	
	03/31/2025	03/31/2024	03/31/2025	03/31/2024
Net income for the period	8,149	4,738	8,149	4,738
Cumulative translation adjustment	(2,096)	849	(2,096)	849
Comprehensive income for the period	6,053	5,587	6,053	5,587

See accompanying notes.

Livotech da Bahia Indústria e Comércio S.A.

Statements of changes in equity
 Three-month periods ended March 31, 2025 and 2024
 (In thousands of reais)

Note	Capital reserve			Income reserve				Other comprehensive income	Retained earnings/accumulated losses	Total equity
	Capital	Share issue costs	Treasury shares	Goodwill - subscription	Legal reserve	Investment grant	Retained profits reserve			
Balances at December 31, 2023	317,891	(16,494)	(8,536)	236,632	11,144	93,714	-	760	-	635,111
Income for the period	-	-	-	-	-	-	-	-	4,738	4,738
Cumulative translation adjustment	-	-	-	-	-	-	-	849	-	849
Balance at March 31, 2024	317,891	(16,494)	(8,536)	236,632	11,144	93,714	-	1,609	4,738	640,698
Balances at December 31, 2024	317,891	(16,494)	(8,536)	236,632	12,577	108,878	9,045	5,853	-	665,846
Income for the period	-	-	-	-	-	-	-	-	8,149	8,149
Treasury shares canceled	(8,536)	-	8,536	-	-	-	-	-	-	-
Distribution of additional dividends	-	-	-	-	-	-	(9,044)	-	-	(9,044)
Cumulative translation adjustment	-	-	-	-	-	-	-	(2,096)	-	(2,096)
Balance at March 31, 2025	309,355	(16,494)	-	236,632	12,577	108,878	1	3,757	8,149	662,855

See accompanying notes.

Livotech da Bahia Indústria e Comércio S.A.

Statements of cash flows Three-month periods ended March 31, 2025 and 2024 (In thousands of reais)

	Individual		Consolidated	
	03/31/2025	03/31/2024	03/31/2025	03/31/2024
Cash flow from operating activities				
Income (loss) for the period	8,149	4,738	8,149	4,738
Depreciation and amortization	50,827	50,264	50,847	50,278
Allowance for doubtful accounts	2,445	7,134	2,445	7,185
Provision for obsolete inventories	874	(1,918)	874	(1,918)
Provision for contingencies and other, net	6	3	6	3
Mark-to-market of derivatives	481	(367)	481	(367)
Equity pickup	1,720	(1,252)	-	-
Expenses with interest and foreign exchange differences on loans, financing and debentures	19,952	21,024	19,952	21,352
Charges on leases	124	-	124	-
Expenses with present value adjustment	2,519	1,822	2,519	1,822
Write-off of PPE and intangible assets	4,788	73	4,924	78
Current income and social contribution taxes	4,129	1,823	4,129	2,704
Deferred income and social contribution taxes	(305)	(925)	(305)	(925)
<u>Decrease (increase) in assets:</u>				
Accounts receivable	(15,436)	(22,614)	(2,409)	(44,342)
Taxes recoverable	2,300	(2,427)	10,855	(6,341)
Inventories	(28,430)	(23,282)	(30,994)	(26,373)
Advances to suppliers and judicial deposits	(5,614)	(449)	(7,611)	(1,101)
Prepaid expenses	(38)	157	(18)	157
Increase (decrease) in liabilities:				
Trade accounts payable	972	18,983	(2,954)	28,900
Taxes payable	(2,430)	(1,111)	(9,540)	4,731
Payroll, social charges and benefits	830	1,606	687	1,544
Transactions with related parties	-	(7)	-	(7)
Other obligations	(1,178)	2,188	486	3,004
Payment of interest on loans, financing and debentures	(2,241)	(711)	(2,241)	(711)
Net cash flow from operating activities:	44,444	54,752	50,406	44,411
Investing activities:				
Intercompany loans receivable	45	(7,509)	-	-
Acquisition of PPE and intangible assets	(37,011)	(32,432)	(37,263)	(32,449)
Capital increase in investee	(1,153)	-	-	-
Net cash flow used in investing activities:	(38,119)	(39,941)	(37,263)	(32,449)
Financing activities:				
New loans and leases taken out	33,508	-	33,508	-
Repayment of loans, financing and debentures (principal)	(4,098)	(22,559)	(4,098)	(22,559)
Repayment of intercompany loans taken out	(3,405)	-	-	-
Vendor operations	3,123	5,888	3,123	5,888
Settlement of derivatives	87	(1,996)	87	(1,996)
Payment of lease liabilities	(1,090)	(393)	(1,090)	(393)
Net cash flow from (used in) financing activities:	28,125	(19,060)	31,530	(19,060)
Changes in cash	34,450	(4,249)	44,673	(7,098)
Effect of foreign exchange difference on cash and cash equivalents	-	-	(2,096)	849
Changes in the Company's net cash	34,450	(4,249)	42,577	(6,249)
Cash and cash equivalents at beginning of period	99,881	92,343	102,030	101,959
Cash and cash equivalents at end of period	134,331	88,094	144,607	95,710

See accompanying notes.

Livotech da Bahia Indústria e Comércio S.A.

Statements of value added
Three-month periods ended March 31, 2025 and 2024
(In thousands of reais)

	Individual		Consolidated	
	03/31/2025	03/31/2024	03/31/2025	03/31/2024
Revenues				
Sales of goods, products and services	239,172	213,422	245,467	236,003
Other revenues	-	-	-	63
(Reversal of) Allowance for doubtful accounts	(2,445)	(7,134)	(2,445)	(7,185)
Bought-in inputs	236,727	206,288	243,022	228,881
Cost of goods, products and services sold	(85,974)	(86,027)	(90,837)	(104,591)
Materials, power, third-party services and other	(14,229)	(14,638)	(14,720)	(15,838)
Loss/recovery of assets	(874)	1,918	(874)	1,918
Other	(2,069)	50	(3,638)	(48)
	(103,146)	(98,697)	(110,069)	(118,559)
Gross value added	133,581	107,591	132,953	110,322
Retentions				
Depreciation and amortization	(50,827)	(50,264)	(50,846)	(50,278)
Net value added produced	82,754	57,327	82,107	60,044
Value added received in transfer				
Equity pickup	(1,720)	1,252	-	-
Finance income	12,953	17,099	13,227	17,249
Other	-	119	-	119
Total value added to be distributed	93,987	75,797	95,334	77,412
Distribution of value added				
Personnel				
Direct compensation	10,176	8,249	10,523	8,384
Benefits	1,749	2,453	2,502	2,959
Unemployment Compensation Fund (FGTS)	848	598	844	598
Other	555	783	599	801
	13,328	12,083	14,468	12,742
Taxes, charges and contributions				
Federal	37,058	25,357	37,037	26,239
State	3,922	2,074	3,922	2,074
Local	5,823	4,070	5,817	4,070
	46,803	31,501	46,776	32,383
Debt remuneration				
Interest and foreign exchange differences	25,625	27,376	25,628	27,383
Rent	82	99	313	166
	25,707	27,475	25,941	27,549
Equity remuneration				
Retained profits/(losses) for the period	8,149	4,738	8,149	4,738
	8,149	4,738	8,149	4,738
Distribution of value added	93,987	75,797	95,334	77,412

See accompanying notes.

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information
March 31, 2025
(In thousands of reais)

1. Operations

Livotech da Bahia Indústria e Comércio S.A. (the “Company”), also known as WDC Networks, is listed on the Novo Mercado (New Market) of B3 S.A. under ticker symbol LVTC3. The Company’s head office is in the city of Ilhéus, State of Bahia, at Rodovia BA-262, Ilhéus x Uruçuca, s/nº, Km 2.8, Quadra A, Bairro Iguape, Polo de Informática de Ilhéus, CEP 45658-335, and it is duly enrolled with the Brazilian IRS Registry of Legal Entities (CNPJ/MF) under No. 05.917.486/0001-40. Livotech is a technology company that imports, manufactures and sells Telecommunications products (fiber optics, FTTH), Data Centers, Professional Audio and Video, Electronic Security, Unified Communications, Information Security, Solar Photovoltaic Energy Systems, among others.

The Company has been operating in Brazil since 2004, selling niche market products with high growth rates. It has an innovative business model known as TaaS - Technology as a Service, which entails providing any of its technologies in a rental format (OPEX).

In addition to its head office in the city of Ilhéus, State of Bahia (BA), the Company has a distribution center in Salvador (BA), a commercial office in the city of São Paulo and an international presence in Bogotá, Colombia; Panama City, Panama; and Miami, United States.

The individual and consolidated interim financial information of Livotech da Bahia Indústria e Comércio S.A. and its subsidiaries (the “Group”) for the period ended March 31, 2025, was authorized for issue by the Board of Directors on May 8, 2025.

2. Basis of preparation and presentation of interim financial information

The interim financial information for the three-month period ended March 31, 2025 (the “interim financial information”) is being presented in accordance with IAS 34 - Interim Financial Reporting and accounting pronouncement CPC 21 - Interim Financial Reporting and does not include all the information required for annual financial statements. Therefore, they should be read in conjunction with the annual financial statements as of December 31, 2024 (the “annual financial statements”) prepared in accordance with the IFRS issued by the IASB and in accordance with the accounting practices adopted in Brazil. Furthermore, the interim financial information is presented in accordance with the rules issued by the CVM applicable to the preparation of Quarterly Information (“ITR”) and with the provisions contained in the Brazilian Corporation Law.

The Group prepared the individual and consolidated interim financial information on a going-concern basis.

Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

(In thousands of reais)

2. Basis of preparation and presentation of interim financial information (Continued)

The Company management states that all significant information of the interim financial information, and only such information, is being disclosed and corresponds to the information used for management purposes.

The Parent Company's interim financial information, hereinafter referred to as individual interim financial information, is disclosed together with the consolidated interim financial information and presented side by side in a single set of financial information. The interim financial information is presented in thousands of Brazilian reais (unless otherwise stated), which is the Company's functional currency as well as the presentation currency of the individual and consolidated interim financial information.

The individual and consolidated interim financial information was prepared on a historical cost basis, except for the acquisition of assets and liabilities through business combination and derivative financial instruments measured at fair value.

The accounting practices have been applied consistently in the current period, are in line with the prior periods presented, and are common to the Parent Company and its subsidiaries. When necessary, the interim financial information of the subsidiaries is adjusted to meet this criterion.

Statement of value added

This statement aims to disclose the wealth created by the companies and its distribution over a specific period. It is presented as required by the Brazilian Corporation Law, prepared based on information obtained from the accounting records that serve as the basis for the preparation of the interim financial information, supplementary records, and in accordance with the provisions of Accounting Pronouncement CPC 09 - Statement of Value Added ("SVA").

2.1. Basis of consolidation

Subsidiaries are all those entities over which the Company has the power to govern the financial and operating policies generally accompanying an equity interest of more than 50% of the voting rights. The existence and effect of potential voting rights currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. Consolidation is discontinued from the date on which control ends.

Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

(In thousands of reais)

2. Basis of preparation and presentation of interim financial information (Continued)

2.1. Basis of consolidation (Continued)

The individual and consolidated interim financial information comprises the financial information of the Company and its subsidiaries as of March 31, 2025.

In the Parent Company's individual interim financial information, the financial information of the subsidiaries is accounted for under the equity method.

Accounting practices were consistently applied in all consolidated entities and the fiscal year of these subsidiaries is the same as that of the Parent Company.

The consolidated interim financial information includes the operations of the Company and its subsidiaries, as follows:

Subsidiaries	03/31/2025	03/31/2024
Livotech Colombia, S.A.S ("WDC Colombia")	100%	100%
Wdcnet Usa, Corp ("WDC US")	100%	100%
Livotech Panamá, S.A ("WDC Panamá")	100%	100%
Livotech Franchising Administração Ltda ("Livotech Franchising")	100%	100%
Matheus R A Plastino e Cia S.A. ("Infinite")	51%	0%

The main consolidation procedures are:

- Elimination of asset and liability balances between consolidated companies;
- Elimination of equity interests in capital, reserves and retained earnings of the consolidated companies; and
- Elimination of revenues, expenses and unrealized income from intercompany transactions.

2.2. New standards, interpretations and amendments to standards

New standards, interpretations and amendments to standards in force

In the period ended March 31, 2025, no new standards or pronouncements became effective, impacting the Company's interim financial information.

Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

(In thousands of reais)

3. Cash and cash equivalents

	Individual		Consolidated	
	03/31/2025	12/31/2024	03/31/2025	12/31/2024
Cash and cash equivalents	39,046	16,981	49,322	19,130
Short-term investments (a)	95,285	82,900	95,285	82,900
Total	134,331	99,881	144,607	102,030

(a) As of March 31, 2025, short-term investments in Bank Deposit Certificates (CDBs) yielded a rate of 92% of the CDI (92% of the CDI as of December 31, 2024), readily redeemable with the issuer, without significant loss of value.

4. Accounts receivable, net

	Individual		Consolidated	
	03/31/2025	12/31/2024	03/31/2025	12/31/2024
Accounts receivable - sales of goods	328,579	323,236	343,757	351,441
Accounts receivable - rental	335,999	324,298	335,999	324,298
Accounts receivable - vendor (a)	17,163	21,290	17,163	21,290
Gross accounts receivable	681,741	668,824	696,919	697,029
Allowance for expected credit losses	(122,170)	(119,725)	(122,170)	(119,725)
Total	559,571	549,099	574,749	577,304
Current	319,313	289,540	334,291	317,745
Noncurrent	240,458	259,559	240,458	259,559

(a) Characteristics and other conditions described in Note 14(d).

Changes in allowances for expected credit losses:

	Individual	Consolidated
At December 31, 2023	(96,202)	(100,603)
Additions	(8,783)	(8,834)
Write-offs	1,649	1,649
March 31, 2024	(103,336)	(107,788)
At December 31, 2024	(119,725)	(119,725)
Additions	(2,445)	(2,445)
Write-offs	-	-
March 31, 2025	(122,170)	(122,170)

Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

(In thousands of reais)

4. Accounts receivable, net (Continued)

The aging list of individual and consolidated amounts receivable as of March 31, 2025 and December 31, 2024 is as follows:

	Individual		Consolidated	
	03/31/2025	12/31/2024	03/31/2025	12/31/2024
Falling due	468,554	472,197	483,732	500,402
Overdue from 0 to 30 days	15,685	22,928	15,685	22,928
Overdue from 31 to 90 days	22,638	21,905	22,638	21,905
Overdue from 91 to 180 days	28,201	17,074	28,201	17,074
Overdue from 181 to 270 days	15,516	16,865	15,516	16,865
Overdue from 271 to 365 days	17,024	12,710	17,024	12,710
Overdue for more than 365 days	114,123	105,145	114,123	105,145
Total	681,741	668,824	696,919	697,029

The Company's business line is the lease of equipment. Such leases have an average term of 60 months, and the minimum rents are fixed, subject to annual adjustment according to the inflation index.

The minimum future receipts from such leases, which will be recognized in the statements of profit or loss for future periods according to the lease term, are shown below:

<u>Individual and consolidated</u>	
<u>Minimum lease receipts</u>	
2025	252,723
2026	249,045
2027	140,892
2028	62,630
2029	28,356
Total	733,646

For the period ended March 31, 2025, these lease agreements generated revenues amounting to R\$92,845 (R\$86,657 as of March 31, 2024), which are disclosed in Note 21.

Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

(In thousands of reais)

5. Taxes recoverable and deferred taxes

5.1. Taxes recoverable

	Individual		Consolidated	
	03/31/2025	12/31/2024	03/31/2025	12/31/2024
Withholding Income Tax (IRRF) recoverable	527	1,072	527	1,072
Federal VAT (IPI) to be offset	357	498	357	498
State VAT (ICMS) to be offset	17,130	18,444	17,130	18,444
Value Added Tax (IVA)	-	-	3,000	8,733
Other	180	480	197	3,319
Total	18,194	20,494	21,211	32,066
Current	12,131	13,346	15,148	24,918
Noncurrent	6,063	7,148	6,063	7,148

5.2. Deferred taxes

	Individual and consolidated			
	03/31/2025	12/31/2024	03/31/2025	12/31/2024
Allowance for doubtful accounts	22,699	24,382	22,699	24,382
Present value adjustment of accounts receivable	14,546	13,601	14,546	13,601
Provision for impairment of inventory	2,200	1,903	2,200	1,903
Provision for discount on the sale of accumulated ICMS credit	1,280	1,280	1,280	1,280
Provision for tax contingencies	656	665	656	665
Other (IFRS 16, Tax on Financial Transactions (IOF) and other)	2,108	2,260	2,429	2,480
Tax assets	43,489	44,091	43,810	44,311
Present value adjustment of accounts payable	(392)	(271)	(392)	(271)
Derivatives - SWAP	-	(255)	-	(255)
Tax amortization of goodwill from acquisition of Munddo	-	(773)	-	(773)
Tax liabilities	(392)	(1,299)	(392)	(1,299)
Deferred tax asset, net	43,097	42,792	43,418	43,012

Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

(In thousands of reais)

5. Taxes recoverable and deferred taxes (Continued)

5.2. Deferred taxes (Continued)

5.2.1. Estimated realization of deferred tax assets

	Deferred taxes and social contributions	
	Individual	Consolidated
2025	10,151	10,472
2026	10,202	10,202
2027	8,601	8,601
2028	5,778	5,778
2029	8,365	8,365
Total	43,097	43,418

6. Inventories

	Individual		Consolidated	
	03/31/2025	12/31/2024	03/31/2025	12/31/2024
Raw materials	5,567	5,332	5,567	5,332
Goods	91,469	84,264	106,567	101,289
Inventory in transit	13,626	10,038	29,223	21,144
Finished products	20,260	19,186	20,260	19,186
Software for resale (a)	44,740	28,413	44,740	28,413
Estimated impairment losses	(6,471)	(5,598)	(6,636)	(5,763)
Total	169,191	141,635	199,721	169,601

(a) The software consists of operating systems for the hardware presented in the line item "Goods".

	Individual	Consolidated
Estimated impairment losses (b)		
At December 31, 2023	(11,796)	(11,961)
Additions	(2,769)	(2,769)
Reversals	4,687	4,687
At March 31, 2024	(9,878)	(10,043)
At December 31, 2024	(5,598)	(5,763)
Additions	(2,494)	(2,494)
Reversals	1,621	1,621
At March 31, 2025	(6,471)	(6,636)

(b) These refer to estimated impairment losses and inventory obsolescence. The amounts of additions and reversals are included in the costs of goods sold in the statement of profit or loss.

Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

(In thousands of reais)

7. Investment and provision for investment losses

	Individual	
	03/31/2025	12/31/2024
Wdc Us	7,631	8,007
Wdc Colombia	48,506	52,026
Infinite	1,212	-
Total (a)	57,349	60,033
Panama	(481)	(503)
Franchising	(116)	(115)
Total (b)	(597)	(618)
Net (a) + (b)	56,752	59,415

(a) Investments classified in assets.

(b) Investments classified in liabilities.

Significant financial information of the subsidiaries is as follows:

Subsidiaries	03/31/2025			
	Equity interest percentage	Equity	Net revenue	Net income (loss) for the period
Wdc Us	100%	7,631	4,649	225
Colombia	100%	48,506	6,040	(1,994)
Panama	100%	(481)	-	(10)
Franchising	100%	(116)	-	-
Infinite	51%	1,212	548	55
Total		56,752	11,237	(1,720)

Subsidiaries	03/31/2024			
	Equity interest percentage	Equity	Net revenue	Net income (loss) for the period
Wdc Us	100%	3,614	3,866	(434)
Colombia	100%	23,699	21,568	1,635
Panama	100%	(359)	-	45
Franchising	100%	(137)	8	6
Total		26,817	25,442	1,252

Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

(In thousands of reais)

7. Investment and provision for investment losses (Continued)

Changes in investments	Wdc Usa	Wdc Colombia	Wdc Panama	Wdc Franchising	Wdc Infinite (b)	Total
Balances at December 31, 2023	3,925	21,326	(392)	(143)	-	24,716
P&L for the period	(434)	1,635	45	6	-	1,252
Foreign exchange differences - investment (a)	123	738	(12)	-	-	849
Balance at March 31, 2024	3,614	23,699	(359)	(137)	-	26,817
Balance at December 31, 2024	8,007	52,026	(503)	(115)	-	59,415
Capital increase (b)	-	-	-	-	1,153	1,153
P&L for the period	225	(1,993)	(10)	(1)	59	(1,720)
Foreign exchange differences - investment (a)	(601)	(1,527)	32	-	-	(2,096)
Balance at March 31, 2025	7,631	48,506	(481)	(116)	1,212	56,752

(a) In the period ended March 31, 2025, an amount of R\$2,096 (R\$849 as of March 31, 2024) was generated related to the effects of foreign exchange differences arising from the translation to Brazilian reais of the interim financial information of foreign subsidiaries, originally prepared in United States dollars (USD) and Colombian pesos (COP). These effects are recorded as "Other comprehensive income" in Equity.

(b) Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is assessed based on the fair value at the date of acquisition, and the amount of any noncontrolling interests in the acquiree. Costs directly attributable to the acquisition are accounted for as an expense, as incurred.

When acquiring a business, the Company assesses the financial assets and liabilities assumed so that they may be classified and allocated according to the contractual terms, economic circumstances, and relevant conditions at the date of acquisition. Goodwill is initially measured as the excess consideration transferred at fair value in relation to net assets acquired (net identifiable assets acquired and liabilities assumed). If the consideration is lower than the fair value of the net assets acquired, the difference shall be recognized as a gain in the statement of profit or loss. Any contingent consideration to be transferred by the acquiring party will be recognized at fair value at the date of acquisition. Subsequent changes in the fair value of the contingent consideration considered as an asset or a liability will be recognized in accordance with Accounting Pronouncement CPC 48 (IFRS 09) - Financial Instruments, in the statement of profit or loss.

After initial recognition, goodwill is measured at cost, less any accumulated impairment losses. For impairment testing purposes, goodwill acquired in a business combination is, from acquisition date, allocated to each Cash-Generating Unit (CGU) of the Company. Where goodwill forms part of a cash-generating unit and a portion of that unit is disposed of, the goodwill associated with the portion disposed of is included in the cost of the operation when determining the respective gain or loss thereon. Goodwill disposed of on this operation is calculated based on the relative values of the portion disposed of in relation to the cash-generating unit maintained.

The net assets acquired are accounted for in the financial statements based on fair value assessments conducted by an independent appraiser engaged by the Company.

The acquired companies operate in the same segment as the Company, thereby complementing and expanding the portfolio of products and customers.

Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)
March 31, 2025
(In thousands of reais)

7. Investment and provision for investment losses (Continued)

In 2025, the Company acquired Infinite:

	<u>Infinite</u>
Date of acquisition	02/26/2025
Percentage of voting capital acquired	51%
	<u>Infinite</u>
Total net assets	<u>(4)</u>
Consideration transferred at fair value	<u>1,153</u>
Identified intangible assets	
Customer portfolio	<u>817</u>
Total identifiable intangible assets	<u>817</u>
Goodwill on expected future profitability	<u>340</u>

The Company incurred costs related to the acquisitions amounting to R\$197 for attorney's fees and due diligence costs, recorded as Administrative expenses in the statement of profit or loss.

Infinite was founded on January 31, 2013, with its main office located in the city of Paulo de Faria, State of São Paulo (SP).

The Company is engaged in the provision of IT consulting services; on-demand software development; and the specialized retail trade of computer equipment and supplies.

Infinite also offers 24/7 support with specialized labor, primarily in optical transmission (XPON, DWDM/OTN, and SDH technologies). In 2018/2019/2020, IP/MPLS was added to the portfolio, allowing for international reach. In 2021/2022, investments were directed towards NOC/SOC and a certification laboratory. In 2023, the focus was on network automation and SDN technology.

The estimated useful lives of assets are as follows:

	<u>Customer portfolio</u>
Infinite	12 months

The net assets acquired were accounted for based on a preliminary assessment of fair value, as the assessment of the identified assets acquired and liabilities assumed in the business combination still requires the analyses by the acquirer to be completed, which will occur within 12 months from the date of acquisition, as permitted by the accounting standard. As at March 31, 2025, the call option was being adjusted in the measurement period, in accordance with the conditions previously agreed upon in the Share Purchase Agreement (SPA).

8. Property, plant and equipment

As of March 31, 2025, the Company has no pledged or frozen assets, nor assets given as collateral for loans and financing.

The Company concluded that there are no significant adjustments or changes to be recognized at the end of the period, as there were no significant changes in the estimates and assumptions used in the previous period.

Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

(In thousands of reais)

8. Property, plant and equipment (Continued)

Changes in the Company's property, plant and equipment are as follows:

	Individual							Total
	Furniture and fixtures	IT equipment	Vehicles	Products for lease	Machinery and equipment	Buildings	Other	
Annual depreciation rate (%)	10%	20%	20%	20%	10%	4%	10%	
At December 31, 2023	492	719	-	409,883	612	316	461	412,483
Additions	37	49	-	27,744	-	1,133	-	28,963
Write-offs	-	-	-	(73)	-	-	-	(73)
Depreciation	(27)	(92)	-	(40,864)	(22)	(5)	(72)	(41,082)
At March 31, 2024	502	676	-	396,690	590	1,444	389	400,291
At December 31, 2024	657	2,762	-	380,978	542	2,196	556	387,691
Additions	46	30	-	29,164	-	-	-	29,240
Write-offs	-	(902)	-	(1,596)	-	(72)	-	(2,570)
Depreciation	(32)	(124)	-	(40,150)	(22)	(122)	(50)	(40,500)
At March 31, 2025	671	1,766	-	368,396	520	2,002	506	373,861

	Consolidated							Total
	Furniture and fixtures	IT equipment	Vehicles	Products for lease	Machinery and equipment	Buildings	Other	
Annual depreciation rate (%)	10%	20%	20%	20%	10%	4%	10%	
At December 31, 2023	743	843	-	409,883	612	316	461	412,858
Additions	46	57	-	27,744	-	1,133	-	28,980
Write-offs	-	-	-	(73)	-	-	-	(73)
Depreciation	(30)	(108)	-	(40,864)	(22)	(5)	(72)	(41,101)
At March 31, 2024	759	792	-	396,690	590	1,444	389	400,664
At December 31, 2024	938	2,860	-	380,978	542	2,196	556	388,070
Additions	46	96	-	29,164	-	187	-	29,493
Write-offs	(192)	(895)	-	(1,547)	-	(72)	-	(2,706)
Depreciation	(34)	(142)	-	(40,150)	(22)	(122)	(50)	(40,520)
At March 31, 2025	758	1,919	-	368,445	520	2,189	506	374,337

Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

(In thousands of reais)

9. Intangible assets

Individual	Software licenses	Software for lease	Goodwill on merger (a)	Trademarks and patents	Total
Annual amortization rate (%)	20%	20%	Indefinite	20%	
At December 31, 2023	318	105,803	2,275	12	108,408
Additions	-	3,469	-	-	3,469
Amortization	(87)	(8,190)	-	(1)	(8,278)
At March 31, 2024	231	101,082	2,275	11	103,599
At December 31, 2024	98	102,410	2,275	6	104,789
Additions (b)	-	7,770	-	-	7,770
Write-offs	-	(2,218)	-	-	(2,218)
Amortization	(22)	(9,446)	-	(1)	(9,469)
At March 31, 2025	76	98,516	2,275	5	100,872

(a) This refers to the allocation of the customer portfolio and goodwill in the acquisition of Infinite. See Note 7

(b) The software is recorded under intangible assets and amortized on a straight-line basis over the term of the agreement, corresponding to the estimated useful life of the right-of-use asset. The increase observed in the quarter relates to new software leases entered into in the period.

Consolidated	Software licenses	Software for lease	Goodwill on merger (a)	Trademarks and patents	Total
Annual amortization rate (%)	20%	20%	Indefinite	20%	
At December 31, 2023	320	105,803	2,275	12	108,410
Additions	-	3,469	-	-	3,469
Amortization	(87)	(8,190)	-	(1)	(8,278)
At March 31, 2024	233	101,082	2,275	11	103,601
At December 31, 2024	100	102,411	2,275	6	104,792
Additions	-	7,771	-	-	7,771
Write-offs	-	(2,218)	-	-	(2,218)
Amortization	(22)	(9,446)	-	(1)	(9,469)
At March 31, 2025	78	98,518	2,275	5	100,876

(a) Goodwill on expected future profitability in the acquisition of Munddo, a company that was merged in previous periods.

Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

(In thousands of reais)

10. Advance to suppliers

	Individual		Consolidated	
	03/31/2025	12/31/2024	03/31/2025	12/31/2024
Advances to local suppliers (a)	11,823	8,833	17,695	12,708
Advances to foreign suppliers (b)	17,857	15,233	17,857	15,233
Total	29,680	24,066	35,552	27,941

(a) These refer to advance payments for the acquisition of goods for resale in the domestic market.

(b) These refer to advance payments for the acquisition of goods for resale in the foreign market.

11. Trade accounts payable

	Individual		Consolidated	
	03/31/2025	12/31/2024	03/31/2025	12/31/2024
Local trade accounts payable	30,953	47,725	35,003	55,701
Foreign trade accounts payable	70,829	53,085	70,829	53,085
Total	101,782	100,810	105,832	108,786

The group of trade accounts payable bear no interest and are usually settled by the Group within 62 days.

The Group does not have operations related to supplier finance arrangements (reverse factoring, forfaiting, etc.).

12. Payroll, social charges and benefits

	Individual		Consolidated	
	03/31/2025	12/31/2024	03/31/2025	12/31/2024
Profit sharing and bonus	4,336	3,389	4,336	3,389
Vacation pay	2,772	1,973	2,932	2,108
Social Security Tax (INSS) payable	688	1,280	688	1,280
FGTS payable	151	233	154	233
IRRF	345	592	364	592
Other	38	33	108	293
Total	8,330	7,500	8,582	7,895

Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

(In thousands of reais)

13. Taxes payable

	Individual		Consolidated	
	03/31/2025	12/31/2024	03/31/2025	12/31/2024
Corporate Income Tax (IRPJ) and Social contribution Tax (CSLL) payable	17,348	15,934	17,348	15,934
Contribution Taxes on Gross Revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS) payable	4,820	3,824	4,821	3,824
State VAT (ICMS)	-	662	-	662
Service Tax (ISS) payable	434	368	440	368
Value Added Tax (IVA)	-	-	1,491	8,479
Other	891	1,006	1,236	1,378
Total	23,493	21,794	25,336	30,645

Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)
 March 31, 2025
 (In thousands of reais)

14. Loans, financing and debentures

14.1. Breakdown of loans, financing and debentures

The breakdown of loans, financing, and debentures entered into by the Company and in effect as of the reporting date of this individual and consolidated interim financial information is as follows:

a) Loans in domestic currency

Financial institution	Maturity	Type	Index/rate	Guarantee	Covenants	Individual and Consolidated			
						03/31/2025		12/31/2024	
						Current	Noncurrent	Current	Noncurrent
Banco do Brasil	June 29	Working capital	CDI + 1.95% to 3.59%	Real estate + Trade notes	14.2 (b)	6,167	40,626	4,277	43,750
Banco Citi	Feb 25	Working capital	CDI + 3.00% to 3.50%	Surety + Trade notes	14.2 (b)	-	-	1,114	-
Banco Daycoval	Dec 26	Discount – trade notes				30,901	5,814		
						37,068	46,440	5,391	43,750

Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

(In thousands of reais)

14. Loans, financing and debentures (Continued)

14.1. Breakdown of loans, financing and debentures (Continued)

b) Loans in foreign currency

Financial institution	Maturity	Type	Index/rate	Guarantee	Covenants	Individual and Consolidated			
						03/31/2025		12/31/2024	
						Current	Noncurrent	Current	Noncurrent
Banco Votorantim	July 25	Working capital	3.65% to 3.82%	Trade notes					
						1,898	-	7,725	-
						1,898	-	7,725	-

c) Debentures

Financial institution	Maturity	Type	Index/rate	Guarantee	Covenants	Individual and Consolidated			
						03/31/2025		12/31/2024	
						Current	Noncurrent	Current	Noncurrent
Banco Itaú	June 27	Debentures	CDI + 2.30%	Trade notes	14.2 (a)	109,024	142,194	100,196	141,726
Banco Itaú	June 29	Debentures	CDI + 2.70%	Trade notes	14.2 (a)	66,904	196,690	57,619	196,690
						175,928	338,884	157,815	338,416

Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

(In thousands of reais)

14. Loans, financing and debentures (Continued)

14.1. Breakdown of loans, financing and debentures (Continued)

d) Vendor operations

Financial institution	Maturity	Type	Bank fee	Guarantee	Individual and Consolidated			
					03/31/2025		12/31/2024	
					Current	Noncurrent	Current	Noncurrent
Banco do Brasil	June 27	Vendor operations	1.05% to 1.2%	Trade notes	17,411	12,652	14,288	12,652
					17,411	12,652	14,288	12,652

Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

(In thousands of reais)

14. Loans, financing and debentures (Continued)

14.1. Breakdown of loans, financing and debentures (Continued)

	<u>03/31/2025</u>	<u>12/31/2024</u>
Current	232,305	185,219
Noncurrent	397,976	394,818
Total	630,281	580,037

Changes in loans, financing and debentures are as follows:

	<u>Individual and Consolidated</u>
Balance at December 31, 2023	<u>573,546</u>
Vendor operations (a)	10,717
Finance charges	17,650
Foreign exchange differences	1,436
Payment of interest	(711)
Payment of principal	(22,559)
Balance at March 31, 2024	<u>580,079</u>
Balance at December 31, 2024	<u>580,037</u>
Discounted trade notes (b)	33,508
Vendor operations (a)	3,123
Finance charges	20,515
Foreign exchange differences	(563)
Payment of interest	(2,241)
Payment of principal	(4,098)
Balance at March 31, 2025	<u>630,281</u>

(a) Vendor operations

Vendor operations meet a sales financing program in which customers have access to competitive credit lines.

In this type of financing, the customer enters into a contract with the bank and is aware of the terms and rates.

Amounts are collected by the bank, and in cases of default, the Company will ensure the settlement of overdue installments.

Amounts are accounted for at different points in time: (a) the total sales proceeds made available in the checking account are charged to cash and cash equivalents and credited to loans; (b) the sale of goods is recognized upon issue of the invoice, with amounts charged to accounts receivable and revenue credited to the statement of profit or loss. As the customer pays the installments to the bank, the Company reconciles and offsets the amounts receivable against the amounts payable.

In the event of noncompliance by the original debtors, the Company adopts strict rules and procedures to minimize the risks related to the operation in question.

(b) In accordance with Accounting Pronouncement CPC 38 - Financial Instruments: Recognition and Measurement (equivalent to IFRS 9), the Company maintains in its statement of financial position the balances of discounted trade notes with financial institutions, as such operations are conducted with a recourse clause, which implies that the risks and rewards of ownership of the receivables are not transferred.

Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)
March 31, 2025
(In thousands of reais)

14. Loans, financing and debentures (Continued)

14.1. Breakdown of loans, financing and debentures (Continued)

Accordingly, the amounts advanced by financial institutions are treated as short-term loans and financing, while the respective receivables remain recorded as assets under "Accounts receivable". The total amount of discounted trade notes with a recourse clause as of March 31, 2025 is R\$36,715, as detailed below:

<u>Financial institution</u>	<u>Discounted amount (R\$)</u>	<u>Average maturity (days)</u>
Banco Daycoval S.A.	36,715	189

This operation is subject to the same credit analysis criteria used for other accounts receivable, and is continuously assessed for recoverability, in accordance with the policy for the recognition of allowance for doubtful accounts (Note 4).

14.2. Covenants

The Company's loans, financing and debentures are subject to covenants that restrict its ability to take certain actions, and that may require the early maturity or refinancing of debts if the Company does not comply with such covenants.

The covenants have quarterly and annual requirements.

a) Quarterly requirements

2nd issue debentures

- (i) The Company's net debt-to-EBITDA ratio (covenants) must be less than or equal to 3.00 times.

The Company's EBITDA-to-net finance costs ratio (covenants) must be higher than or equal to 3.00 times.

For the period ended March 31, 2025, the Company was in compliance with the financial ratios mentioned above.

Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)
 March 31, 2025
 (In thousands of reais)

14. Loans, financing and debentures (Continued)

14.2. Covenants (Continued)

b) Annual requirements

Citibank

The Company's net debt-to-EBITDA ratio (covenants) must be less than or equal to 2.75 times.

Banco do Brasil

- (i) The Company's net debt-to-EBITDA ratio (covenants) must be less than or equal to 3.00 times.
- (ii) The Company's EBITDA-to-finance income (costs) ratio must be higher than 1.50 times.

At December 31, 2024, the Company was in compliance with all financial ratios mentioned above.

15. Right-of-use assets and lease liabilities

	<u>Individual and consolidated</u>	
	<u>03/31/2025</u>	<u>12/31/2024</u>
Assets		
Properties	8,448	9,405
Total	8,448	9,405
Liabilities		
Lease of real estate properties	9,311	10,376
Total	9,311	10,376
Current liabilities	3,064	3,110
Noncurrent liabilities	6,247	7,266

Changes in right-of-use assets for the period are as follows:

	<u>Individual and Consolidated</u>
Balance at December 31, 2023	<u>11,517</u>
Inflows	448
Depreciation	(904)
Balance at March 31, 2024	<u>11,061</u>
Balance at December 31, 2024	<u>9,405</u>
Additions	148
Write-offs	(247)
Amortization	(858)
Balance at March 31, 2025	<u>8,448</u>

Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)
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15. Right-of-use assets and lease liabilities (Continued)

Changes in lease liabilities for the period are as follows:

	<u>Individual and Consolidated</u>
Balance at December 31, 2023	11,530
Payments	(393)
Additions	448
Charges	161
Balance at March 31, 2024	<u>11,746</u>
Balance at December 31, 2024	10,376
Payments	(1,090)
Additions	148
Write-offs	(247)
Charges	124
Balance at March 31, 2025	<u>9,311</u>

Lease liabilities mature as follows:

	<u>Maturity schedule</u>		
	<u>Lease payable</u>	<u>Finance charge</u>	<u>Total</u>
2025	2,604	(545)	2,059
2026	3,476	(496)	2,980
2027	2,940	(247)	2,693
2028	1,617	(63)	1,554
2029	25	-	25
	<u>10,662</u>	<u>(1,351)</u>	<u>9,311</u>

At initial recognition, the nominal discount rate was applied to the minimum lease payments to determine the fair value of the lease, considering the term of the lease agreement. As of March 31, 2025, the leases had an average term of 35 months.

16. Other obligations

	<u>Individual</u>		<u>Consolidated</u>	
	<u>03/31/2025</u>	<u>12/31/2024</u>	<u>03/31/2025</u>	<u>12/31/2024</u>
Advances from customers	8,856	7,219	10,678	7,351
Deferred revenue (b)	35,402	37,372	35,402	37,372
Obligations to third parties (a)	1,311	2,156	1,317	2,188
Total	<u>45,569</u>	<u>46,747</u>	<u>47,397</u>	<u>46,911</u>
Current	24,800	26,674	26,628	26,838
Noncurrent	20,769	20,073	20,769	20,073

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Notes to the individual and consolidated interim financial information (Continued)

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16. Other obligations (Continued)

- (a) The balance refers to obligations to third parties and turnkey projects.
- (b) On December 26, 2024, the Company entered into an agreement for the assignment of receivables without recourse with Banco Votorantim, in which credits amounting to R\$37.5 million related to trade accounts receivable for future leases of Vero S.A. were transferred, already deducted of interest on the transaction (R\$9.3 million). In this transaction, the Company does not retain liability for the payment of the receivables if the debtor fails to fulfill their obligation; that is, the transaction was conducted without recourse, fully transferring the risk and ownership of the receivables to the other party involved.

The Company recognized revenue from the assignment of receivables on a deferred basis, considering that this is a long-term agreement (60 months). Revenue will be recognized in profit or loss proportionally as the cash flows related to the assignment are effectively realized.

Revenue from the assignment was initially recorded under liabilities as “Deferred Revenue” and will be recognized as operating revenue as the services are rendered. Due to the non-recourse nature of the transaction, the Company does not assume the risk of default by the debtors of the assigned receivables, and therefore, there are no provisions related to this transaction. Changes for the quarter are as follows:

	Deferred revenue	Recognized revenue	Total
Balance at December 31, 2024	46,550	(9,178)	37,372
Appropriation	(2,728)	758	(1,970)
Balance at March 31, 2025	43,822	(8,420)	35,402

17. Provisions for contingencies

Contingencies classified as probable losses

	Tax	Total
At December 31, 2023	144	144
Monetary restatement	3	3
At March 31, 2024	147	147
At December 31, 2024	1,924	1,924
Monetary restatement	6	6
At March 31, 2025	1,930	1,930

The Company is a party to certain legal proceedings arising from the normal course of its business, which include tax and civil proceedings.

The Company classifies the risks of loss in legal proceedings as “probable”, “possible”, or “remote”. The provision recorded in relation to such proceedings is determined by the Company’s management, based on the analysis of its legal advisors, and reasonably reflects the estimated probable losses.

Livetech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)
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17. Provisions for contingencies (Continued)

Contingencies classified as probable losses (Continued)

The Company's management believes that the provision for labor, civil, and tax contingencies, established in accordance with CPC 25 - Provisions, Contingent Liabilities and Contingent Assets, is sufficient to cover potential losses from administrative and legal proceedings, as presented below:

Tax

Substantially, the Company conducts interstate operations intended for end consumers and non-taxpayers. Thus, Livetech is responsible for collecting the tax rate differences that must be paid to the destination state, considering the difference between the ICMS rate applied in the interstate operation and the rate applicable to the goods, according to the legislation of the state to which they were sent. The balance recorded as of March 31, 2025 is R\$1,930 (R\$1,924 as of December 31, 2024).

	Individual and Consolidated		
	Tax	Civil	Total
At December 31, 2023	4,121	345	4,466
Monetary restatement	124	11	135
At March 31, 2024	4,245	356	4,601
At December 31, 2024	4,934	438	5,372
Inflows	-	57	57
Monetary restatement	480	-	480
At March 31, 2025	5,414	495	5,909

Tax

As of March 31, 2025, the amounts of proceedings classified as possible losses totaled R\$5,414 (R\$4,934 as of December 31, 2024).

The nature of the main tax proceedings was as follows: R\$2,896 related to credits challenged that were used via e-Request for Federal Tax Recovery, Refund or Offset (PER/DCOMP); R\$157 related to inquiries from state tax authorities about the composition of finished products for solar generation; R\$622 related to a Deficiency Notice based on the understanding that a specific sale should include IPI in the tax base, as such sale was intended for the end consumer. The Company filed its defense at the administrative level and is awaiting a decision from the trial court; R\$1,739 related to a proceeding that investigates non-compliance with obligations before the regulatory agency.

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Notes to the individual and consolidated interim financial information (Continued)
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17. Provisions for contingencies (Continued)

Contingencies classified as probable losses (Continued)

Civil

As of March 31, 2025, the amounts of proceedings classified as possible losses totaled R\$495 (R\$438 as of December 31, 2024). The nature of the main civil proceedings was as follows: R\$338 related to a contract dissolution due to failure to provide the services; R\$100 related to a dispute regarding the operation of a photovoltaic plant concerning the energy actually generated; and R\$57 related to a proceeding that investigates non-compliance with obligations before the regulatory agency.

18. Equity

18.1. Capital

The capital as of March 31, 2025 amounts to R\$309,355 (R\$317,891 as of December 31, 2024), fully subscribed and paid up, represented by shares with no par value.

At March 31, 2025 and December 31, 2024, the ownership structure is as follows:

Shareholder	03/31/2025		12/31/2024	
	Common shares (a)		Common shares	
	Number	%	Number	%
Vanderlei Rigatieri Junior	22,933	36.14%	22,933	35.47%
2B Capital - Brasil Capital de Crescimento	19,339	30.47%	19,339	29.91%
Treasury shares	-	0.00%	1,202	1.85%
Free Float	21,189	33.39%	21,189	32.77%
Total shares	63,461	100.00%	64,663	100.00%

18.2. Treasury shares canceled

On February 6, 2025, the cancellation of 1,201,600 treasury shares was completed, in accordance with the regulations. The canceled shares had previously been acquired under the share buyback program approved by the Board of Directors on July 1, 2022.

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Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

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18. Equity (Continued)

18.2. Treasury shares canceled (Continued)

The shares were canceled and, as a result, the Company's capital decreased by R\$8,536, with no changes to the number of shares outstanding in the market. The operation was approved by the Board of Directors on February 3, 2025, in accordance with article 173 of Law No. 6404. After the shares were canceled, capital amounted to R\$309,355.

18.3. Legal reserve

The legal reserve is recognized by allocating 5% of the net income of each period, in accordance with article 193 of Law No. 6404/76, up to a limit of 20% of the capital.

As of March 31, 2025, no reserve was established, since the reserve is recorded only at the end of the **year**, not during interim periods.

18.4. Dividends

The Company's Articles of Incorporation establish a mandatory minimum dividend of 25%, calculated on the annual net income adjusted as provided for in article 202 of Law No. 6404/1976. For the period ended December 31, 2024, minimum dividends of R\$3,015 were recognized. In the first quarter of 2025, the Company recognized additional dividends amounting to R\$9,044, totaling R\$12,059 to be distributed.

18.5. Investment grant reserve

The tax incentives granted by the State of Bahia have been considered investment grants, deductible for the calculation of income and social contribution taxes. In the period ended March 31, 2025, the Company did not allocate any amounts to the investment grant reserve.

Changes in the investment grants are as follows:

	Investment grant		
	Sudene	Matching credit	Total
Balance at December 31, 2022	16,317	74,295	90,612
Additions	-	3,102	3,102
Balance at December 31, 2023	16,317	77,397	93,714
Additions	-	15,164	15,164
Balance at December 31, 2024	16,317	92,561	108,878

Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

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18. Equity (Continued)

18.6. Retained profits reserve

The Company established a Retained profits reserve on the amount of net income for the period that is not distributed in accordance with paragraph 4 (article 202 of Law No. 6404). If these profits are not absorbed by losses in subsequent periods, these amounts will be paid as dividends as soon as the Company's financial position is favorable for it. The profits not allocated in accordance with articles 193 to 197 must be distributed as dividends.

18.7. Earnings per share

Earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of common shares outstanding during the period, as follows:

	<u>Individual and Consolidated</u>	
	<u>03/31/2025</u>	<u>03/31/2024</u>
Net income for the period	8,149	4,738
Weighted average number of shares in the period	<u>63,048</u>	<u>64,206</u>
Basic earnings per share (in R\$)	0.1293	0.0738
Diluted earnings per share (in R\$)	0.1293	0.0751

19. Income and social contribution taxes

	<u>03/31/2025</u>	<u>03/31/2024</u>	<u>03/31/2025</u>	<u>03/31/2024</u>
Income (loss) before taxes	11,973	5,636	11,973	6,517
Expense related to IRPJ and CSLL on profit - Nominal rate of 34%	(4,071)	(1,916)	(4,071)	(2,216)
<u>Additions/(exclusions):</u>				
Nondeductible expenses	(116)	(297)	(116)	(453)
Equity pickup	585	425	-	-
Income earned abroad	-	563	-	563
Other	(222)	327	363	327
Total IRPJ/CSLL	(3,824)	(898)	(3,824)	(1,779)
Current income and social contribution taxes	(4,129)	(1,823)	(4,129)	(2,707)
Deferred income and social contribution taxes	305	925	305	925
Effective rate of IRPJ and CSLL	-31.94%	-15.93%	-31.94%	-27.30%

Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)
 March 31, 2025
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20. Transactions and balances with related parties

Managing officers' compensation and related parties

The compensation paid by the Company to its Board of Directors and Statutory Officers was recorded under general and administrative expenses:

	Individual and Consolidated	
	03/31/2025	03/31/2024
Compensation of executive board and board of directors (fixed and variable)	1,062	1,138
Total	1,062	1,138

For the periods ended March 31, 2025 and 2024, the Company' Board of Directors and Executive Board did not receive any variable compensation, including pension, retirement, or similar benefits.

The main balances with related parties arise from transactions with companies related to the Company, which were conducted at prices and conditions agreed by and between the parties, as follows:

	Individual	
	03/31/2025	12/31/2024
Assets		
Intercompany loans - Panama (a)	574	619
Franchising (b)	382	382
Total	956	1,001
	03/31/2025	12/31/2024
Liabilities		
Intercompany loans - WDC US (a)	-	3,405
Total	-	3,405

(a) Intercompany loan agreement with related parties entered into with subsidiaries WDC Panama and WDC US. .

In addition to the transactions listed above, the Company has:

a) *Intercompany lease agreement with PDV Industrialização de Equipamentos Eletrônicos Ltda.*

Type	03/31/2025			12/31/2024		03/31/2024
	Assets	Liabilities	P&L	Assets	Liabilities	P&L
Property lease	1,287	1,287	197	1,448	1,490	177

Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

(In thousands of reais)

20. Transactions and balances with related parties (Continued)

Managing officers' compensation and related parties (Continued)

- a) *Intercompany lease agreement with PDV Industrialização de Equipamentos Eletrônicos Ltda.*
(Continued)

These leases have no contractual provisions for the application of interest and are adjusted only upon renewals or through amendments. The transactions are carried out under conditions agreed by and between the parties. The agreements are covered by IFRS 16 and, therefore, the amounts are presented in "Lease liabilities" and "Right-of-use assets" (Note 15). PDV is not included in the Company's consolidation.

21. Revenue from contracts with customers

	Individual		Consolidated	
	03/31/2025	03/31/2024	03/31/2025	03/31/2024
Gross sales revenue	154,944	132,779	161,239	155,360
Gross revenue from lease	92,845	86,657	92,845	86,657
Gross revenue	247,789	219,436	254,084	242,017
(-) Taxes on billing	(33,370)	(27,254)	(33,384)	(27,254)
(-) Returns	(7,145)	(5,222)	(7,145)	(5,222)
Net revenue	207,274	186,960	213,555	209,541

22. Cost of sales and services

	Individual		Consolidated	
	03/31/2025	03/31/2024	03/31/2025	03/31/2024
Cost of goods sold	(85,974)	(86,027)	(90,846)	(104,591)
Depreciation costs	(49,976)	(49,579)	(49,976)	(49,579)
Costs of import and freight	(3,963)	(2,216)	(3,979)	(2,220)
Personnel expenses	(798)	(698)	(798)	(698)
Provision for obsolete inventories	(874)	1,918	(874)	1,918
Services provided - legal entities	(44)	(135)	(44)	(135)
Other costs	(175)	(105)	(166)	(105)
Total costs	(141,804)	(136,842)	(146,683)	(155,410)

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Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

(In thousands of reais)

23. Expenses by nature

	Individual		Consolidated	
	03/31/2025	03/31/2024	03/31/2025	03/31/2024
Personnel	(14,057)	(13,414)	(15,519)	(14,078)
Freight and storage	(3,442)	(4,882)	(4,478)	(4,947)
Allowance for doubtful accounts	(2,445)	(7,134)	(2,445)	(7,185)
Marketing and publicity	(1,067)	(943)	(1,087)	(1,134)
Commercial representation	(4,413)	(2,844)	(4,413)	(2,844)
Travel and lodging	(884)	(791)	(936)	(929)
Tax expenses	(2,065)	(2,523)	(2,065)	(2,523)
Services provided - legal entities	(3,221)	(4,229)	(3,573)	(4,380)
Depreciation and amortization	(851)	(685)	(871)	(699)
Repair and maintenance	(656)	(359)	(667)	(359)
Consumption expenses	(2,988)	(447)	(3,392)	(697)
PIS and COFINS credit	295	4,311	295	4,311
Other operating income/expenses	(341)	(755)	(370)	(755)
	(36,135)	(34,695)	(39,521)	(36,219)
Selling expenses	(12,251)	(16,594)	(12,355)	(17,039)
Administrative expenses	(19,898)	(16,540)	(21,485)	(17,369)
Other operating expenses	(3,986)	(1,561)	(5,681)	(1,811)

24. Finance income (costs)

	Individual		Consolidated	
	03/31/2025	03/31/2024	03/31/2025	03/31/2024
Finance income	12,952	17,099	13,237	17,249
Foreign exchange differences	2,863	803	3,125	917
Fair value adjustments of derivative instruments	88	2,373	88	2,373
Interest income	4,888	10,677	4,888	10,677
Short-term investment yields	2,355	1,671	2,361	1,671
Present Value Adjustment (PVA)	355	1,058	355	1,058
Other finance income	2,403	517	2,420	553
	(28,594)	(28,138)	(28,615)	(28,644)
Finance costs	(576)	(4,017)	(547)	(4,459)
Foreign exchange differences	(576)	(4,017)	(547)	(4,459)
Fair value adjustments of derivative instruments	(568)	(2,006)	(568)	(2,006)
Interest paid on loans, financing and debentures	(20,515)	(17,810)	(20,515)	(17,810)
Foreign exchange differences on loans	-	-	-	-
Compensation of guarantors	-	(28)	-	(28)
Discounts granted	(109)	(218)	(107)	(218)
IOF and income tax	(2,598)	(333)	(2,599)	(333)
Bank charges	(622)	(478)	(673)	(541)
PVA of accounts receivable/trade accounts payable	(2,781)	(2,880)	(2,781)	(2,880)
Other finance costs	(825)	(368)	(825)	(369)
	(15,642)	(11,039)	(15,378)	(11,395)
Finance income (costs)	(15,642)	(11,039)	(15,378)	(11,395)

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Notes to the individual and consolidated interim financial information (Continued)
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25. Risk management and measurement of financial instruments

a) Risk considerations

Credit risk

This is the risk that a counterparty of a business fails to comply with an obligation provided in a financial instrument or contract with a customer, which would lead to financial loss. The Company is exposed to credit risk in its operating activities (particularly with respect to accounts receivable and credit notes) and financing, including deposits in banks and financial institutions.

Liquidity risk

The risk management policy implies maintaining a safe level of cash and cash equivalents or access to readily obtainable funds. The Company's goal is to maintain the balance between continuity of funds and flexibility through checking accounts available for immediate use, secured accounts, bank loans, derivatives and intercompany loans.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument may fluctuate due to changes in market interest rates. The Company's exposure to risk of changes in market interest rates refers mainly to long-term obligations subject to variable interest rates. The Company takes out loans and financing from major financial institutions to meet cash needs for investments and growth. As a result of these transactions, the Company is exposed to the risk of the debts pegged to the Interbank Deposit Certificate (CDI) rate and the Secured Overnight Financing Rate (SOFR).

Currency risk

This is the risk that the fair value of the future cash flows of a financial instrument will fluctuate due to exchange rate differences. The Company's exposure to the risk of changes in exchange rates refers primarily to its operating activities (when revenues or expenses are denominated in a currency other than the Company's functional currency) and loans in foreign currency.

In order to reduce cash flow volatility, the Company engages in derivative transactions (swaps) that consist of converting cash flows from certain US dollar-denominated debts related to loan and financing agreements into Brazilian reais (R\$), at rates primarily indexed to the Interbank Deposit Certificate (CDI) rate.

Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

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25. Risk management and measurement of financial instruments (Continued)

a) Risk considerations (Continued)

Currency risk (Continued)

The Company manages its currency risk through transactions involving purchases of goods from foreign suppliers, which are expected to occur within a 12-month period from the date of purchase until the settlement of the supplier's invoice.

b) Fair value measurement

For assets and liabilities that are recognized in the financial information on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. When applicable, external appraisers will be involved in the valuation of significant assets and liabilities.

The involvement of external appraisers is determined annually by management, after discussions and subsequent approval. Selection criteria include market knowledge, reputation, independence and verification of whether professional standards are met.

Usually, there is a rotation of appraisers every three years. Management decides, after discussions with the Company's external appraisers, which valuation techniques and information are used in each case.

Every financial reporting date, the management analyzes the changes in asset and liability amounts that must be measured and revaluated according to the Company's accounting policies. For the purposes of this analysis, the management ratifies the significant information used in the last valuation, comparing information contained in the valuation calculation with the contracts and other relevant documents.

The management, together with the Company's external appraisers, also compares each change in the fair value of each asset and liability with the related external sources in order to determine whether the change is acceptable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. The corresponding fair value disclosures of financial instruments and nonfinancial assets measured at fair value or at the time of the fair value disclosure are summarized in their related notes.

The main financial instruments, both assets and liabilities, as of March 31, 2025, and their respective market values, are disclosed as follows:

Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

(In thousands of reais)

25. Risk management and measurement of financial instruments (Continued)

b) Fair value measurement (Continued)

	Fair value hierarchy	Classification	Carrying amount		Fair value	
			03/31/2025	12/31/2024	03/31/2025	12/31/2024
Assets (current and noncurrent)						
Cash and cash equivalents	Level 1	Amortized cost	144,059	102,030	144,607	102,030
Trade accounts receivable, net	Level 2	Amortized cost	574,749	577,304	574,749	577,304
Derivative financial instruments	Level 2	Fair value through profit or loss	181	749	181	749
Total			718,989	680,083	719,537	680,083
Liabilities (current and noncurrent)						
Trade accounts payable	Level 2	Amortized cost	105,849	108,786	105,832	108,786
Loans and financing	Level 2	Amortized cost	630,281	580,037	630,281	580,037
Leases	Level 2	Amortized cost	9,311	10,376	9,311	10,376
Other obligations	Level 2	Amortized cost	47,397	46,911	47,397	46,911
Total			792,838	746,110	792,821	746,110

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Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

(In thousands of reais)

25. Risk management and measurement of financial instruments (Continued)

b) Fair value measurement (Continued)

The Company and its subsidiaries' objectives in managing their capital are to safeguard their ability to continue as a going concern in order to provide return for their shareholders and guarantee for other stakeholders as well as to maintain an appropriate capital structure.

There were no changes in objectives, policies or processes in the period ended March 31, 2025 and year ended December 31, 2024.

There were no transfers between hierarchy levels in the period ended March 31, 2025 and year ended December 31, 2024.

b.1) *Exposure to foreign currency risk*

The Company has foreign currency loans under Law No. 4131 and Swap contracts that provide for agreements for two parties to exchange the risk of a long position (creditor) or short position (debtor) at a future date, according to pre-established criteria. In these Swap operations, the Company pays fixed rates in US dollars and receives remuneration in Brazilian reais (R\$) pegged to the interest rates of the hedged debts. The average exchange rate considered for the dollar as of March 31, 2025 was obtained from Investing, at R\$5.7047.

Contracts	Notional value	03/31/2025		Net position
		Adjustment receivable	Adjustment payable	
SWAP	184,130	3,954	(3,773)	181
		Assets		181
		Liabilities		-

Contracts	Notional value	2024		Net position
		Adjustment receivable	Adjustment payable	
SWAP	184,130	7,648	(6,899)	749
		Assets		749
		Liabilities		-

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Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

(In thousands of reais)

25. Risk management and measurement of financial instruments (Continued)

c) Changes in liabilities and equity from financing activities

	Consolidated							At March 31, 2025
	At December 31, 2024	Payment of principal	Payment of interest	FX differences and/or interest expense	Charges	Vendor operations	New debt contracts	
Loans and financing	580,037	(4,098)	(2,007)	(563)	20,281	3,123	33,508	630,281
Lease liabilities	10,376	(1,337)	-	-	124	-	148	9,311

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Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

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25. Risk management and measurement of financial instruments (Continued)

d) Sensitivity analysis

Three different scenarios were defined in order to check the sensitivity of the index on foreign currency checking accounts, cash equivalents, loans and financing as well as transactions with interest rate risk classified in cash equivalents, debentures, and loans to which the Company was exposed as of March 31, 2025.

Based on projections disclosed by financial institutions (Central Bank), the projection for foreign currency and CDI for each of the transactions analyzed was obtained, which was defined as the probable scenario. Based thereon, variations of 25% (scenarios II and III) and 50% (scenarios I and IV) were calculated. For each scenario, the new book balance is presented below, considering the stress rate:

Consolidated (Amounts in R\$/thousand)	Interest rate	Projection - Finance income/(costs)					
		03/31/2025	Scenario I -50%	Scenario II -25%	Probable scenario	Scenario III 25%	Scenario IV 50%
Short-term investments - Consolidated							
Cash and cash equivalents and short- term investments	CDI	144,607	-	-	0	-	-
Loans, financing and debentures:							
Banco do Brasil	CDI	(50,000)	831	1,247	1,662	2,078	2,494
Banco Itaú Unibanco	CDI	(509,730)	-	-	-	-	-
Banco Votorantim	CDI	(3,773)	(6)	(9)	(12)	(15)	(18)
Discounted trade notes		(36,715)	-	-	-	-	-
Vendor operations		(30,063)	-	-	-	-	-
SWAP - Votorantim (*)	Dollar / CDI	181	91	136	181	226	272
Subtotal		(630,100)	916	1,374	1,831	2,289	2,748
Scenarios of variations in indexes:							
(i) Dollar		5.7416	2.8708	4.3062	5.7416	7.1770	8.6124
(ii) Euro		6.1981	3.0991	4.6486	6.1981	7.7476	9.2972
(iii) CDI		47.44%	23.72%	35.58%	47.44%	59.31%	71.17%
(iv) SOFR		4.33%	2.17%	3.25%	4.33%	5.41%	6.50%

(*) Loan transactions in foreign currency are hedged. These hedging instruments are contracted with the same banks through currency swaps.

Sources: Sources: (i) (ii) Dollar/Euro - PTAX Banco Central do Brasil; (iii) CDI - Banco Central do Brasil; (iv) SOFR.

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Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

(In thousands of reais)

25. Risk management and measurement of financial instruments (Continued)

e) Capital management

The main objectives of the Company in managing its capital are to safeguard its ability to continue as a going concern to provide returns to its shareholders and benefits to stakeholders, as well as to ensure better cash management to maintain the availability of credit lines aimed at sustaining liquidity and achieving the lowest cost of funding through a combination of equity remuneration or debt remuneration.

The Company monitors its capital structure based on the financial leverage ratio, which corresponds to net debt divided by total capital, and adjusts it considering changes in economic conditions, as follows:

	Consolidated	
	03/31/2025	12/31/2024
Loans, financing and debentures	630,281	580,037
Leases	9,311	10,376
(-) Cash and cash equivalents	(144,607)	(102,030)
(+/-) Derivative financial instruments	(181)	(749)
Net debt	494,804	487,634
Equity	662,855	656,801
Total capital (equity and net debt)	1,157,659	1,144,435
Financial leverage ratio %	43%	43%

26. Segment reporting

For better monitoring and decision-making, the Company presents its P&L into three segments: Telecom, Solar, and Enterprise.

The segments have different service dynamics, types of products, and business models.

The Telecom segment encompasses the fixed broadband market, including fiber optic and FTTH (fiber to the home) products, data networks, Wi-Fi, data center infrastructure, among others.

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Notes to the individual and consolidated interim financial information (Continued)

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(In thousands of reais)

26. Segment reporting (Continued)

The Solar segment includes solutions for distributed solar energy generation, including products such as solar panels, inverters, and lithium batteries.

The Enterprise segment includes the B2B (business-to-business) market, comprising products related to security, building and home automation, professional audio and video, LED panels, among others.

Consolidated balance of P&L per segment

	Telecom		Solar		Enterprise		Total	
	03/31/2025	03/31/2024	03/31/2025	03/31/2024	03/31/2025	03/31/2024	03/31/2025	03/31/2024
Net revenue	119,612	104,816	2,786	24,613	91,157	80,112	213,555	209,541
Cost of sales	(84,759)	(79,087)	(962)	(21,462)	(60,962)	(54,861)	(146,683)	(155,410)
Gross profit	34,853	25,729	1,824	3,151	30,195	25,251	66,872	54,131

Consolidated balance of equity per segment

	Telecom		Solar		Enterprise		Total	Total
	03/31/2025	12/31/2024	03/31/2025	12/31/2024	03/31/2025	12/31/2024	03/31/2025	12/31/2024
Total assets	842,156	1,036,511	19,615	42,154	641,812	376,770	1,503,583	1,455,435
Total liabilities + Equity	868,827	995,414	9,861	71,226	624,895	388,795	1,503,583	1,455,435

a) Information on customer concentration

For the period ended March 31, 2025, the Company does not have any customer that individually represents 10% or more of the Company's consolidated sales. Upon analyzing the segments individually, the Company presents: (i) in the Telecom segment, one customer accounted for 6.3% of the total segment (7.6% in the consolidated); and (ii) in the Enterprise segment, one customer accounted for 8.8% of the total segment (4.5% in the consolidated).

b) Geographic information

	Subsidiaries in Brazil		Foreign subsidiaries	
	03/31/2025	03/31/2024	03/31/2025	03/31/2024
Net revenue	207,274	186,960	6,281	22,581
Total assets	1,496,207	1,366,400	74,262	76,418

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Notes to the individual and consolidated interim financial information (Continued)

March 31, 2025

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27. Insurance coverage

The Company maintains insurance coverage at amounts deemed sufficient by management to cover risks on its assets and/or liabilities. The insurance coverage includes the manufacturing headquarters located in the *Polo Industrial* of Ilhéus and the commercial branch established in the city of São Paulo.

The insurance coverage at March 31, 2025 and December 31, 2024 is as follows:

	Individual and Consolidated	
	03/31/2025	12/31/2024
Property damage	136,715	136,715
Civil liability	30,100	30,100
Other	30	30
Total	166,845	166,845

28. Non-cash transactions

	Individual and Consolidated	
	03/31/2025	12/31/2024
Vendor operations	5,256	5,256
Total	5,256	5,256