

# **Individual and Consolidated Financial Statements**

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

December 31, 2024  
with Independent Auditor's Report

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

Individual and consolidated financial statements

December 31, 2024

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## **Independent auditor's report on individual and consolidated financial statements**

To the Shareholders of  
**Livetech da Bahia Indústria e Comércio S.A.**  
Ilhéus - BA

### **Opinion**

We have audited the individual and consolidated financial statements of Livetech da Bahia Indústria e Comércio S.A. ("Company"), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2024, and the statements of income, of comprehensive income, of changes in equity, and of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other financial information.

In our opinion, the individual and consolidated financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of the Company as at December 31, 2024, and its individual and consolidated financial performance and cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), currently referred to by the IFRS Foundation as IFRS accounting standards.

### **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 principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by Brazil's National Association of State Boards of Accountancy (CFC) 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 audit opinion.



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## **Key audit matters**

Key audit matters are those that, in our professional judgment, were of most significance in our audit of the 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 an individual opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the individual and consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

### Revenue recognition

The Company and its subsidiaries recognize revenue from sales and leases as each performance obligation is fulfilled. According to Note 22, the net revenues earned by the Company and its subsidiaries, at December 31, 2024, were R\$779,580 (parent company) and R\$837,881 (consolidated).

The Company's operating revenues derive mainly from: (i) sales of goods, which must be recognized when the Company satisfies a performance obligation by transferring a promised good or service to a customer. The Company recognizes revenue when items are delivered to customers and the performance obligation is fulfilled; and (ii) equipment rental, recognized on a straight-line basis over the term of the lease agreement.

Revenue is an important indicator of the Company's and its management's performance, which may create an incentive for recognition of revenue before the fulfillment of performance obligations, whether through the actual delivery of goods or the recognition of lease income, particularly in the period preceding the closing of the fiscal year ("sales cutoff").

The monitoring of this matter was considered significant for our audit, given the risks that revenue might be recognized before the transfer of goods and services to the customer, and consequently, before the fulfillment of the performance obligation.



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*How our audit addressed this matter*

Our audit procedures related to revenue recognition included the following, among others:

- (i) analysis of the appropriateness of the accounting policies adopted by the Company for revenue recognition; (ii) documentary revenue "cutoff" testing, on a sampling basis; (iii) analysis of the amounts invoiced and the respective outflows of goods in the Company's inventory;
- (iv) recalculation, on a sampling basis, of the revenue for the period from lease agreements;
- (v) analysis of a sample of contracts to verify the data used in the measurement of revenue;
- (vi) evaluation of the adequacy of the disclosures of the Company regarding revenue included in Note 22 to the financial statements.

Based on the result of the audit procedures carried out, which are consistent with the assessment of the Company's executive board, we consider that the revenue recognition criteria are acceptable to support judgments, estimates and information included in the financial statements taken as a whole.

**Other matters**

*Statements of value added*

The individual and consolidated statements of value added (SVA) for the year ended December 31, 2024, prepared under the responsibility of Company's executive board and presented as supplementary information for IFRS purposes, were subject to audit procedures performed in conjunction with the audit of the Company's individual and consolidated financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by Accounting Pronouncement NBC TG 09 - Statements of Value Added. In our opinion, these individual and consolidated statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in abovementioned Accounting Pronouncement, and are consistent in relation to the individual and consolidated financial statements taken as a whole.

**Other information accompanying the individual and consolidated financial statements and the auditor's report**

The executive board is responsible for such other information, which comprises 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 assurance conclusion thereon.



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In connection with our audit of the 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 of the Management Report, we are required to report that fact. We have nothing to report in this regard.

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

The executive board is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), currently referred to by the IFRS Foundation as "IFRS accounting standards," and for such internal control as determined by the board as necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, the executive board 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 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.

### **Auditor's 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 of material misstatement, whether due to fraud or error, and to issue an auditor's 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 they could, individually or as a whole, reasonably be expected to influence the economic decisions of users made 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:



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- Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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.
- Obtained an understanding of internal control 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 control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board.
- Concluded on the appropriateness of executive board'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 substantial doubt as to 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 auditor's 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 report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the 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.
- Obtained 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 may have identified during our audit.

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



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From the matters communicated with those charged with governance, we determined 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 are required to describe these matters in our auditor's 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, March 19, 2025.

ERNST & YOUNG  
Independent Auditors S.S Ltda.  
CRC SP-034519/O

Lazaro Angelim Serruya  
Accountant CRC DF-015801/O



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

Statements of financial position  
December 31, 2024 and 2023  
(In thousands of reais)

	Note	Parent Company		Consolidated	
		2024	2023	2024	2023
Assets					
Current					
Cash and cash equivalents	4	<b>99,881</b>	92,343	<b>102,030</b>	101,959
Trade receivables	5	<b>289,540</b>	208,435	<b>317,745</b>	220,153
Taxes recoverable	6.1	<b>13,346</b>	18,393	<b>24,918</b>	19,763
Derivative financial instruments	26	<b>749</b>	-	<b>749</b>	-
Inventories	7	<b>141,635</b>	157,823	<b>169,601</b>	179,428
Advances to suppliers	11	<b>24,066</b>	17,850	<b>27,941</b>	21,410
Related parties	21	<b>1,001</b>	866	-	-
Prepaid expenses		<b>328</b>	506	<b>356</b>	506
Total current assets		<b>570,546</b>	496,216	<b>643,340</b>	543,219
Non-current					
Long-term receivables					
Trade receivables	5	<b>259,559</b>	209,818	<b>259,559</b>	209,818
Judicial deposits		<b>109</b>	109	<b>109</b>	109
Taxes recoverable	6.1	<b>7,148</b>	34,259	<b>7,148</b>	34,259
Deferred taxes	6.2	<b>42,792</b>	32,641	<b>43,012</b>	32,861
Investments	8	<b>60,033</b>	25,251	-	-
Property, plant and equipment	9	<b>387,691</b>	412,483	<b>388,070</b>	412,858
Intangible assets	10	<b>104,789</b>	108,408	<b>104,792</b>	108,410
Right-of-use assets	16	<b>9,405</b>	11,517	<b>9,405</b>	11,517
Total non-current assets		<b>871,526</b>	834,486	<b>812,095</b>	809,832
Total assets		<b>1,442,072</b>	1,330,702	<b>1,455,435</b>	1,353,051

	Note	Parent Company		Consolidated	
		2024	2023	2024	2023
Liabilities					
Current					
Trade payables	12	<b>100,810</b>	83,810	<b>108,786</b>	96,099
Loans, borrowings and debentures	15	<b>185,219</b>	63,633	<b>185,219</b>	63,633
Dividends payable	19.4	<b>3,015</b>	-	<b>3,015</b>	-
Personnel, social charges and benefits	13	<b>7,500</b>	3,496	<b>7,895</b>	3,734
Taxes payable	14	<b>21,794</b>	4,227	<b>30,645</b>	5,444
Derivative financial instruments	26	-	4,698	-	4,698
Lease liabilities	16	<b>3,110</b>	2,650	<b>3,110</b>	2,650
Related parties	21	<b>3,405</b>	16	-	16
Other obligations	17	<b>26,674</b>	13,013	<b>26,838</b>	22,153
Total current liabilities		<b>351,527</b>	175,543	<b>365,508</b>	198,427
Non-current					
Loans, borrowings and debentures	15	<b>394,818</b>	509,913	<b>394,818</b>	509,913
Derivative financial instruments	26	-	576	-	576
Provisions for lawsuits	18	<b>1,924</b>	144	<b>1,924</b>	144
Lease liabilities	16	<b>7,266</b>	8,880	<b>7,266</b>	8,880
Provision for losses on investments	8	<b>618</b>	535	-	-
Other liabilities	17	<b>20,073</b>	-	<b>20,073</b>	-
Total non-current liabilities		<b>424,699</b>	520,048	<b>424,081</b>	519,513
Equity					
Share capital	19.1	<b>301,397</b>	301,397	<b>301,397</b>	301,397
Treasury stock	19.2	<b>(8,536)</b>	(8,536)	<b>(8,536)</b>	(8,536)
Capital reserves		<b>236,632</b>	236,632	<b>236,632</b>	236,632
Retained earnings		<b>130,500</b>	104,858	<b>130,500</b>	104,858
Other comprehensive results		<b>5,853</b>	760	<b>5,853</b>	760
Total equity		<b>665,846</b>	635,111	<b>665,846</b>	635,111
Total liabilities and equity		<b>1,442,072</b>	1,330,702	<b>1,455,435</b>	1,353,051

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

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

### Statements of income

Fiscal years ended December 31, 2024 and 2023

(In thousands of reais)

		Parent Company		Consolidated	
	Note	2024	2023	2024	2023
Revenue from goods and services, net	22	<b>779,580</b>	873,358	<b>837,881</b>	900,717
Cost of sales and services	23	<b>(579,892)</b>	(696,067)	<b>(621,682)</b>	(712,455)
Gross income		<b>199,688</b>	177,291	<b>216,199</b>	188,262
Operating revenue (expenses)					
General and administrative expenses	24	<b>(76,224)</b>	(61,669)	<b>(81,763)</b>	(64,520)
Selling expenses	24	<b>(62,092)</b>	(62,178)	<b>(63,174)</b>	(67,023)
Other operating (expenses)	24	<b>(10,117)</b>	(18,880)	<b>(11,913)</b>	(20,333)
Equity accounting result	8	<b>4,547</b>	1,902	-	-
		<b>(143,886)</b>	(140,825)	<b>(156,850)</b>	(151,876)
Profit before financial income, income taxes and social contribution		<b>55,802</b>	36,466	<b>59,349</b>	36,386
Financial income		<b>112,910</b>	86,446	<b>113,120</b>	88,388
Financial expenses		<b>(127,975)</b>	(140,152)	<b>(130,500)</b>	(140,886)
Financial result	25	<b>(15,065)</b>	(53,706)	<b>(17,380)</b>	(52,498)
Profit (loss) before income tax and social security contribution		<b>40,737</b>	(17,240)	<b>41,969</b>	(16,112)
Current income tax and social security contribution	20	<b>(22,232)</b>	(948)	<b>(23,464)</b>	(2,076)
Deferred income tax and social security contribution	20	<b>10,152</b>	6,312	<b>10,152</b>	6,312
Net income (loss) for the year		<b>28,657</b>	(11,876)	<b>28,657</b>	(11,876)
Basic and diluted earnings (loss) per share	19			<b>0.4493</b>	(0.1850)

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

## Livetech da Bahia Indústria e Comércio S.A.

Statements of comprehensive income  
Fiscal years ended December 31, 2024 and 2023  
(In thousands of reais)

	Parent Company		Consolidated	
	2024	2023	2024	2023
Net income (loss) for the year	<b>28,657</b>	(11,876)	<b>28,657</b>	(11,876)
Cumulative translation adjustment	<b>5,093</b>	685	<b>5,093</b>	685
Comprehensive income for the year	<b>33,750</b>	(11,191)	<b>33,750</b>	(11,191)

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

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

Statements of changes in equity  
Fiscal years ended December 31, 2024 and 2023  
(In thousands of reais)

		Share capital			Capital reserve	Retained earnings				Retained earnings (accumulated losses)	Total equity
	Note	Share capital	Share issue costs	Treasury stock	Share premium	Legal reserve	Investment subsidy	Profit retention reserve	Other comprehensive results		
<b>At December 31, 2022</b>		317,891	(16,494)	(7,044)	236,632	11,144	90,612	14,978	75	-	647,794
Treasury stock	19	-	-	(1,492)	-	-	-	-	-	-	(1,492)
Investment subsidy	19.5	-	-	-	-	-	3,102	(14,978)	-	11,876	-
Loss for the year		-	-	-	-	-	-	-	-	(11,876)	(11,876)
Cumulative translation adjustment		-	-	-	-	-	-	-	685	-	685
<b>At December 31, 2023</b>		317,891	(16,494)	(8,536)	236,632	11,144	93,714	-	760	-	635,111
Net income for the year		-	-	-	-	-	-	-	-	28,657	28,657
Investment subsidy		-	-	-	-	-	15,164	-	-	(15,164)	-
Legal reserve		-	-	-	-	1,433	-	-	-	(1,433)	-
Dividend distribution		-	-	-	-	-	-	-	-	(3,015)	(3,015)
Allocation to retained profits reserve		-	-	-	-	-	-	9,045	-	(9,045)	-
Cumulative translation adjustment	-	-	-	-	-	-	-	-	5,093	-	5,093
<b>At December 31, 2024</b>		<b>317,891</b>	<b>(16,494)</b>	<b>(8,536)</b>	<b>236,632</b>	<b>12,577</b>	<b>108,878</b>	<b>9,045</b>	<b>5,853</b>	<b>-</b>	<b>665,846</b>

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

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

### Statement of cash flows

Fiscal years ended December 31, 2024 and 2023

(In thousands of reais)

	Parent Company		Consolidated	
	2024	2023	2024	2023
Cash flow from operating activities				
Net income (loss) for the year	<b>28,657</b>	(11,876)	<b>28,657</b>	(11,876)
Depreciation and amortization	<b>198,357</b>	195,180	<b>198,449</b>	195,223
Allowance for doubtful accounts	<b>23,523</b>	16,099	<b>26,021</b>	20,457
Provision for inventory obsolescence	<b>(6,198)</b>	(2,358)	<b>(6,198)</b>	(2,346)
Provision for lawsuits	<b>1,780</b>	(234)	<b>1,780</b>	(234)
Mark-to-market of derivatives	<b>(6,023)</b>	9,671	<b>(6,023)</b>	9,671
Equity accounting result	<b>(4,547)</b>	(1,902)	-	-
Interest and foreign exchange variation expenses	<b>77,378</b>	91,199	<b>77,378</b>	90,235
Expenses for present value adjustment	<b>17,756</b>	(2,540)	<b>17,756</b>	(2,540)
Write-off of property, plant and equipment, intangible assets and lease contracts	<b>2,483</b>	3,741	<b>2,506</b>	3,760
Current income tax and social security contribution	<b>22,232</b>	948	<b>23,464</b>	2,076
Deferred income tax and social contribution	<b>(10,152)</b>	(6,312)	<b>(10,152)</b>	(6,312)
<u>Assets decrease (increase)</u>				
Trade receivables	<b>(172,125)</b>	(86,545)	<b>(191,291)</b>	(95,712)
Taxes recoverable	<b>32,158</b>	10,867	<b>21,956</b>	10,448
Inventories	<b>22,386</b>	143,358	<b>16,025</b>	133,211
Advances to suppliers and legal deposits	<b>(6,216)</b>	31,918	<b>(6,246)</b>	31,925
Prepaid expenses	<b>181</b>	421	<b>152</b>	421
Liabilities increase (decrease)				
Trade payables	<b>17,000</b>	(54,378)	<b>12,867</b>	(46,237)
Taxes payable	<b>(4,665)</b>	(3,038)	<b>1,737</b>	(2,982)
Personnel, social charges and benefits	<b>4,004</b>	(1,121)	<b>4,162</b>	(1,091)
Related parties	-	(109)	<b>(16)</b>	(109)
Other liabilities	<b>(3,638)</b>	(26,541)	<b>(12,614)</b>	(17,996)
Payment of interest	<b>(70,165)</b>	(106,132)	<b>(70,165)</b>	(106,132)
Net cash generated by operating activities	<b>164,166</b>	200,316	<b>130,205</b>	203,860

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

Statement of cash flows--Continued  
Fiscal years ended December 31, 2024 and 2023  
(In thousands of reais)

	Parent Company		Consolidated	
	2024	2023	2024	2023
Investing activities				
Related-party loans - Assets	(135)	11,516	-	-
Acquisition of property, plant and equipment and intangible assets	(170,275)	(192,544)	(170,681)	(192,882)
Capital increase in investee	(25,059)	(16,419)	-	-
Capital reduction in investee	-	4,235	-	-
Transfers of short-term investments	-	152,170	-	152,170
Net cash provided by (used in) investing activities:	(195,469)	(41,042)	(170,681)	(40,712)
Financing activities				
New borrowings and leases	50,000	-	50,000	-
Payment of loans and borrowings (principal)	(58,949)	(214,130)	(58,949)	(214,130)
Related-party loans - Liabilities	3,387	-	-	-
Vendor operations	8,805	16,827	8,805	16,827
Derivatives settlement	-	(11,997)	-	(11,997)
Payment of lease liabilities	(1,774)	(2,690)	(1,774)	(2,690)
Dividends and interest on equity paid	-	(862)	-	(862)
Deferred revenue	37,372	-	37,372	-
Share buyback	-	(1,492)	-	(1,492)
Net cash used in financing activities	38,841	(214,344)	35,454	(214,344)
Effect of foreign exchange variation on cash and cash equivalents	-	-	5,093	685
Change in the Company's net cash	7,538	(55,070)	71	(50,511)
Cash and cash equivalents at the beginning of the year	92,343	147,413	101,959	152,470
Cash and cash equivalents at the end of the year	99,881	92,343	102,030	101,959

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

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

### Statements of value added

Fiscal years ended December 31, 2024 and 2023

(In thousands of reais)

	Parent Company		Consolidated	
	2024	2023	2024	2023
Revenues				
Sale of goods, products and services	892,630	1,005,890	950,932	1,033,515
Other revenues	-	-	63	-
Allowance for doubtful accounts	(23,523)	(16,099)	(24,148)	(20,457)
Inputs acquired from third parties	869,107	989,791	926,847	1,013,058
Cost of products, goods and services sold	(378,462)	(492,912)	(419,990)	(509,241)
Materials, energy, outsourced services and other	(57,855)	(79,046)	(62,250)	(81,231)
Impairment/ recovery of assets	6,198	2,358	5,941	2,346
Other	(1,412)	(569)	(1,757)	(1,474)
	(431,531)	(570,169)	(478,056)	(589,600)
Gross value added	437,576	419,622	448,791	423,458
Retentions				
Depreciation and amortization	(198,357)	(195,180)	(198,449)	(195,223)
Net value added generated	239,219	224,442	250,342	228,235
Value added received in transfer				
Equity accounting result	4,547	1,902	-	-
Financial income	112,910	86,446	113,120	88,388
Other	(1,794)	5,671	(1,794)	5,672
Total value added to distribute	354,882	318,461	361,668	322,295
Distribution of value added				
Personnel				
Direct compensation	35,082	34,550	36,267	35,366
Employees' profit sharing	1,442	-	1,442	-
Benefits	9,482	7,964	12,733	9,240
Severance Pay Fund (FGTS)	2,762	3,085	2,762	3,085
Other	2,755	1,123	2,928	1,220
	51,523	46,722	56,132	48,911
Taxes, fees and contributions				
Federal	125,466	110,116	126,827	111,527
State	8,297	14,464	8,297	14,464
Municipal	18,657	23,083	18,657	23,084
	152,420	147,663	153,781	149,075
Third-party capital remuneration				
Interest and foreign exchange variation	121,891	135,842	121,917	135,875
Rentals	392	110	1,182	310
	122,283	135,952	123,099	136,185
Equity remuneration				
Dividends	3,015		3,015	
Retained earnings (losses) for the year	25,641	(11,876)	25,641	(11,876)
	28,656	(11,876)	28,656	(11,876)
Distribution of value added	354,882	318,461	361,668	322,295

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



# **Livetech da Bahia Indústria e Comércio S.A.**

Notes to the individual and consolidated financial statements  
December 31, 2024  
(In thousands of reais)

## **1. Operational context**

Livetech da Bahia Indústria e Comércio S.A. ("Company") or WDC Networks, listed on the Novo Mercado segment of B3 S.A under the ticker symbol LVTC3, headquartered 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, inscribed in the roll of corporate taxpayers (CNPJ/MF) under no. 05.917.486/0001-40, is a technology company that imports, manufactures and markets products of Telecommunications (fiber optic, FTTH), Data Center, Professional Audio and Video, Electronic Security, Unified Communications, Information Security, Solar Power Photovoltaic Systems, among others.

The Company has been operating in Brazil since 2004, specializing in the sale of products within high-growth market niches, having pioneered the innovative Technology as a Service (TaaS) business model, which involves offering any of its technologies through an OPEX-based leasing structure.

In addition to its headquarters in the city of Ilhéus, Bahia, the Company maintains a distribution center in Salvador (BA), a commercial office in São Paulo and international operations in Bogotá (Colombia) Panama City (Panama) and Miami (United States).

The individual and consolidated financial statements of Livetech da Bahia Indústria e Comércio S.A. and its subsidiaries ("Group") for the year ended at December 31, 2024 were authorized for issuance as deliberated by the members of the Board of Directors on March 19, 2025.

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

The individual and consolidated financial statements of the Company have been prepared in accordance with accounting practices adopted in Brazil, including the corporate legislation, the pronouncements, interpretations and guidelines issued by the Brazilian Accounting Pronouncements Committee (CPC), the standards established by the Securities and Exchange Commission of Brazil (CVM), as well the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), disclosing all (and only) the applicable material information related to the financial statements, which is consistent with the information utilized by management in the performance of its duties. The Company adopted the pronouncements, interpretations and guidelines issued by the institutional bodies CPC and IASB that were effective at December 31, 2024.

The Group prepared the individual and consolidated financial statements on a going concern basis.

Additionally, the Company complied with Technical Guidance OCPC 07 (R1), issued by the CPC in November 2014, in the preparation of its financial statements. Therefore, the relevant information from the individual and consolidated financial statements is being evidenced and corresponds to that used by management in the performance of its duties.

## **Livotech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements--Continued  
December 31, 2024  
(In thousands of reais)

### **2. Basis for preparation and presentation of financial statements--Continued**

The Parent Company's financial statements, hereinafter referred to as individual financial statements, are being disclosed together with the consolidated financial statements and presented side-by-side within a single set of financial reports. The individual and consolidated financial statements are presented in thousands of reais (except when otherwise mentioned), which is the Company's functional currency.

The individual and consolidated financial statements were prepared considering the historical cost, except for derivative financial instruments, which were measured at fair value.

The accounting practices were applied uniformly in the current year, are consistent with the previous years presented and are common to the parent company and subsidiaries. When necessary, the financial statements of the subsidiaries are adjusted to meet this criterion.

#### Statement of value added

Its primary purpose is to demonstrate the wealth generated by the companies and its allocation in a given fiscal year. This statement is presented in accordance with the Brazilian corporate legislation, prepared based on information derived from the accounting records that underpin the financial statements and supplementary records, and in compliance with the provisions of Technical Pronouncement CPC 09 - Statement of Value Added.

#### **2.1. Consolidation basis**

Subsidiaries are all entities over which the Company has the power to determine the financial and operating policies, generally accompanying a shareholding of more than half of the voting rights. The existence and effect of possible voting rights that are 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. They are deconsolidated from the date that control ceases.

The individual and consolidated financial statements comprise the financial information of the Company and its subsidiaries at December 31, 2024.

## Livetech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements  
December 31, 2024  
(In thousands of reais)

### 2. Basis for preparation and presentation of financial statements--Continued

#### 2.1. Consolidation basis--Continued

In the parent company individual financial statements, the financial information of the subsidiaries is recognized under the equity accounting method.

The fiscal year of the subsidiaries coincides with that of the parent company, and the accounting practices were applied uniformly by all consolidated entities.

The consolidated financial statements include the operations of the Company and its subsidiaries, as follows:

Subsidiaries	2024	2023
Livetech Colombia, S.A.S ("WDC Colombia")	100%	100%
Wdcnet Usa, Corp ("WDC US")	100%	100%
Livetech Panamá, S.A ("WDC Panamá")	100%	100%
Livetech Franchising Administração Ltda. ("Livetech Franchising")	100%	100%

The main consolidation procedures are:

- Elimination of intercompany assets and liabilities;
- Elimination of the interest in capital, reserves and retained earnings of consolidated companies; and
- Elimination of intercompany revenues and expenses, as well as of unrealized profits from intercompany transactions.

### 3. Material accounting policy information

#### 3.1 Current vs. non-current classification

The Company presents assets and liabilities in the statement of financial position based on their classification as current or non-current. Assets are classified as current when:

## **Livetech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements  
December 31, 2024  
(In thousands of reais)

### **3. Material accounting policy information--Continued**

#### **3.1. Current vs. non-current classification--Continued**

- They are expected to be realized, or intended to be sold or consumed, in the normal course of the entity's operating cycle;
- They are held essentially for the purpose of being sold;
- They are expected to be realized within 12 months after the reporting date; and
- They constitute cash or cash equivalents (as defined in Technical Pronouncement CPC 03 - Statement of Cash Flows), unless their exchange or use for the settlement of liabilities is restricted for at least 12 months after the reporting date.

All other assets are classified as non-current. Liabilities are classified as current when:

- They are expected to be settled in the ordinary course of the entity's operating cycle;
- They are held essentially for the purpose of being sold;
- They must be settled within 12 months after the reporting date; and
- The entity does not have an unconditional right to defer settlement of the liabilities for at least 12 months after the reporting date.

The terms of a liability that may, at the counterparty's discretion, result in its settlement through the issuance of equity instruments do not affect their classification. The Group classifies all other liabilities as non-current.

Deferred assets and liabilities are recorded in non-current assets and liabilities.

#### **3.2 Segment information**

Operating segments are defined as business activities: (i) which can earn revenues and incur expenses; (ii) whose operating results are regularly reviewed by the Company's chief operating decision maker on funds to be allocated to the segment and for the evaluation of its performance; and (iii) for which individual financial information is available.

The Company's management has structured its strategic business model around the Telecom, Solar Power and Enterprise segments. Operating segment reporting is aligned with the internal reports provided to key operational decision makers.

# Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements  
December 31, 2024  
(In thousands of reais)

## 3. Material accounting policy information--Continued

### 3.3. Financial instruments

#### Financial assets - initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, at fair value through other comprehensive results, and at fair value through profit or loss. Financial assets are initially recognized at fair value, plus, in the case of financial assets not carried at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The Company's financial assets comprise "Cash and cash equivalents," "Trade receivables" and "Other receivables."

For a financial asset to be classified and measured at amortized cost or at fair value through other comprehensive results, it must generate cash flows that are "solely payments of principal and interest" (also known as the "SPPI" test) on the outstanding principal amount. This assessment is performed at the instrument level. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, regardless of the business model adopted.

The Company's business model for managing financial assets pertains to how it oversees its assets to generate cash flows. The business model determines whether cash flows will result from the collection of contractual cash flows, the sale of financial assets, or a combination of both.

Any purchases or sales of financial assets that require the delivery of assets within a timeframe established by a market regulation or convention are recognized on the trade date, that is, the date on which the Company commits to purchase or sell the asset.

#### *Subsequent measurement*

For the purposes of subsequent measurement, financial assets may be classified as follows:

- Financial assets at amortized cost (debt instruments);
- Financial assets measured at fair value through other comprehensive results, with reclassification of accumulated gains and losses (debt instruments);
- Financial assets designated at fair value through other comprehensive results, without reclassification of accumulated gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

## **Livetech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements  
December 31, 2024  
(In thousands of reais)

### **3. Material accounting policy information--Continued**

#### **3.3. Financial instruments--Continued**

##### Financial assets - initial recognition and measurement--Continued

##### *Subsequent measurement--Continued*

##### Financial assets at amortized cost

The Company records most of its financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows;
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the outstanding principal amount.

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 Company's financial assets measured at amortized cost include trade receivables, short-term investments, and cash and cash equivalents (see Note 26).

##### Financial assets at fair value

Financial assets measured at fair value through profit or loss are presented on the statement of financial position at fair value, with corresponding gains or losses recognized in the statement of income.

This category includes derivative instruments and listed equity investments that the Company has not irrevocably designated at fair value through other comprehensive results. Dividends from listed equity investments are also recognized as other income in the statement of income when the right to receive payment has been established.

An embedded derivative in a hybrid contract with a financial liability is separated from the liability and accounted for as a separate derivative if:

## **Livetech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements  
December 31, 2024  
(In thousands of reais)

### **3. Material accounting policy information--Continued**

#### **3.3. Financial instruments--Continued**

##### Financial assets - initial recognition and measurement--Continued

##### *Subsequent measurement--Continued*

##### Financial assets at fair value--Continued

- (a) If the characteristics and economic risks are not directly associated with those of the main contract;
- (b) The separate instrument, with the same terms as the embedded derivative, meets the definition of a derivative; and
- (c) The hybrid contract is not measured at fair value, with changes recognized in profit or loss.

Embedded derivatives are measured at fair value, with changes in fair value recognized in profit or loss.

A reassessment is only performed if there is a change in the contract terms that significantly alters the expected cash flows, or if a financial asset is reclassified out of the fair value through profit or loss category.

##### *Derecognition*

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

- The rights to receive cash flows from the asset have expired;
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to transfer the cash flows received in full, without significant delay, to a third party under a transfer agreement and (a) the Company has substantially transferred all risks and benefits associated with the asset, or (b) the Company has neither substantially transferred nor retained all risks and benefits of the asset, but has transferred control over it.

## **Livotech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements  
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(In thousands of reais)

### **3. Material accounting policy information--Continued**

#### **3.3. Financial instruments--Continued**

##### Financial assets - initial recognition and measurement--Continued

##### Derecognition--Continued

When the Company transfers its rights to receive cash flows from an asset or enters into a transfer agreement, it assesses whether, and to what extent, it has retained the ownership risks and benefits. If the Company has neither substantially transferred nor retained all the risks and benefits of the asset, nor transferred control over it, it continues to recognize the transferred asset to the extent of its continuing involvement. In this case, the Company also recognizes a corresponding liability. The transferred asset and its corresponding liability are measured according to the Company's related rights and obligations.

Ongoing involvement in the form of a guarantee over the transferred asset is measured at the lower of: (i) the asset's carrying amount, and (ii) the maximum consideration received that the entity may be required to repay (guarantee amount).

##### Impairment of financial assets

Additional disclosures regarding the impairment of financial assets are also provided in the following notes:

- Disclosure of significant assumptions – Note 3.24.
- Trade receivables, including contract assets - Note 5.

The Company recognizes a provision for expected credit losses on all debt instruments not measured at fair value through profit or loss. Expected credit losses are determined as the difference between the contractual cash flows due under the agreement and all cash flows the Company expects to receive, discounted at an effective interest rate that closely matches the original rate of the transaction. Expected cash flows include those arising from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognized in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, expected credit losses are provisioned based on possible default events that may occur within the next 12 months (12-month expected credit loss).



## **Livetech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements  
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(In thousands of reais)

### **3. Material accounting policy information--Continued**

#### **3.3. Financial instruments--Continued**

##### Financial assets - initial recognition and measurement--Continued

##### *Derecognition--Continued*

##### Impairment of financial assets--Continued

For credit exposures for which there has been a significant increase in credit risk since initial recognition, a provision is required for expected credit losses over the remaining life of the exposure, regardless of the time of default (a lifetime expected credit loss).

For trade receivables and contract assets, the Company adopts a simplified approach in calculating expected credit losses. Consequently, the Company does not monitor changes in credit risk, but instead recognizes a provision based on lifetime expected credit losses at each reporting date.

The Company has established a provision matrix grounded in its historical experience of credit losses, adjusted for forward-looking factors related to debtors and the prevailing economic environment.

The Company considers a financial asset to be in default when contractual payments are more than 180 days past due. However, in certain circumstances, the Company may also deem a financial asset to be in default if internal or external information indicates that it is unlikely the Company will recover the outstanding contractual amounts in full, prior to considering any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

##### Financial liabilities - recognition and measurement

Financial liabilities are initially classified as financial liabilities at fair value through profit or loss, financial liabilities at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

## **Livetech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements  
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### **3. Material accounting policy information--Continued**

#### **3.3. Financial instruments--Continued**

##### Financial liabilities - recognition and measurement--Continued

All financial liabilities are initially measured at their fair value. For financial liabilities not measured at fair value through profit or loss, transaction costs directly attributable to the issuance of the financial liability are added or deducted as appropriate. The Company's financial liabilities include loans and borrowings, trade payables, and other payables.

The measurement of financial liabilities depends on their classification, as outlined below:

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

The measurement of financial liabilities depends on their classification, as outlined below:

##### *Liabilities at amortized cost*

This is the most relevant category for the Company. After initial recognition, interest-bearing loans and borrowings contracted and granted are subsequently measured 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 amortization of the effective interest rate.

Amortized cost is determined by taking into account any discount or premium on acquisition, along with fees or costs that are integral to the effective interest rate method. Amortization under the effective interest rate method is presented as a financial expense in the statement of income.

This category applies to trade payables, as well as loans and borrowings contracted and granted. For further details, refer to Note 26.

## **Livetech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements  
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### **3. Material accounting policy information--Continued**

#### **3.3. Financial instruments--Continued**

##### Derecognition

A financial liability is derecognized when the underlying obligation is discharged, that is, when the contractual obligation is settled, canceled or expires. When an existing financial liability is replaced by another liability from the same lender with substantially different terms, or when the terms of an existing liability are substantially modified, such an exchange or modification is accounted for as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of income.

##### Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount presented in the individual and consolidated statement of financial position, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, realize the asset and settle the liability simultaneously.

##### Derivative financial instruments

##### *Recognition and measurement*

The Company employs derivative financial instruments, such as forward exchange contracts and interest rate swaps, to hedge against its exposure to foreign exchange and interest rate risks, respectively. These derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are, subsequently, remeasured at fair value. Derivatives are presented as financial assets when the fair value of the instrument is positive and as financial liabilities when the fair value is negative.

## **Livetech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements  
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### **3. Material accounting policy information--Continued**

#### **3.4. Cash and cash equivalents**

Cash equivalents are held for the purpose of meeting short-term cash commitments, and not for investment or other purposes. The Company considers cash equivalents to be a financial investment of immediate convertibility into a known amount of cash and subject to an insignificant risk of a change in value. Therefore, an investment typically qualifies as a cash equivalent when it has a short-term maturity, for example, three months or less, from the date of contracting.

Cash equivalents are measured, after initial recognition, at amortized cost, plus income earned up to the reporting dates.

#### **3.5. Inventories**

Inventories are stated at the average cost of acquisition, net of recoverable taxes, which does not exceed their realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

#### **3.6. Property, plant and equipment**

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and/or accumulated impairment losses, if any. Cost includes the replacement amount of equipment and the costs of borrowing for long-term construction projects, if the recognition criteria are met. When significant components of property, plant and equipment are replaced, such components are recognized as individual assets, with specific useful lives and depreciation. Likewise, when the Company replaces a significant part, its cost is recognized in the carrying amount of equipment as replacement, provided that the recognition criteria are met. All other repair and maintenance costs are recognized in profit or loss for the year as incurred.

## **Livetech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements  
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### **3. Material accounting policy information--Continued**

#### **3.6. Property, plant and equipment--Continued**

Depreciation is calculated based on the straight-line method over the estimated useful lives of the assets. A fixed asset is derecognized when it is sold or when no future economic benefit is expected from its use or sale. Any gain or loss resulting from the disposal of the asset (calculated as the difference between the net sales value and the carrying amount of the asset) is included in the income statement in the fiscal year in which the asset is disposed.

Net book value and useful lives of assets as well as the depreciation methods are reviewed at each year end, and adjusted prospectively, when applicable.

#### **3.7. Intangible assets**

Intangible assets acquired separately are measured at cost on initial recognition. Following initial recognition, intangible assets are carried at cost, less any accumulated amortization and accumulated impairment losses.

The useful life of an intangible asset is assessed as finite or indefinite. Intangible assets with finite lives are amortized over their economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortization periods and methods for intangible assets with finite useful lives are reviewed at least at the end of each fiscal year. Changes in the estimated useful lives or the estimated pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortization period or method, as appropriate, and these are treated as changes in accounting estimates. The amortization of intangible assets with finite lives is recognized in the income statement in the expense category consistent with the use of the intangible asset.

Intangible assets with an indefinite useful life are not amortized, but are tested annually for impairment losses, either individually or at the cash-generating unit level. The evaluation of the indefinite useful life is reviewed annually in order to determine if it is still justifiable. If not, the change from indefinite to definite useful life is made prospectively.

An intangible asset is derecognized upon its sale (i.e., the date on which the beneficiary obtains control of the related asset) or when no future economic benefits are expected from its use or sale. Any gain or loss resulting from the derecognition of the asset (the difference between the net sales value and the carrying amount of the asset) is recognized in the income statement for the fiscal year.

## **Livetech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements  
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### **3. Material accounting policy information--Continued**

#### **3.8. Investments**

Investments in subsidiaries are accounted for using the equity method for the purposes of the parent company's financial statements.

After applying the equity method of accounting for the purposes of the parent company's financial statements, the Company determines whether it is necessary to recognize an additional impairment loss on the Company's investment in each of its subsidiaries. The Company determines, at each reporting date, whether there is objective evidence that investments in subsidiaries have suffered impairment losses.

#### **3.9. Distribution of profits**

The mandatory minimum dividends required by law are shown in the statements of financial position as dividends payable. According to the current corporate legislation, a distribution is authorized when approved by the shareholders and the corresponding amount is directly recognized in equity. Dividends exceeding this minimum, which have not yet been approved for payment by the shareholders' meeting, are presented as proposed additional dividends within equity. After approval by the shareholders' meeting, dividends exceeding the minimum are transferred to current liabilities.

#### **3.10. Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

The Company and its subsidiaries are parties to various legal and administrative proceedings. Provisions are recognized for all contingencies related to legal proceedings for which it is probable that an outflow of resources will be made to settle the contingency/obligation and a reasonable estimate can be made. The assessment of the likelihood of a loss includes the evaluation of existing evidence, the hierarchy of laws, the available case law, the most recent court decisions and their relevance in the legal system, as well as the evaluation of outside legal advisors. Provisions are reviewed and adjusted to take into account changes in circumstances, such as applicable statute of limitations, conclusions of tax audits, or additional exposures identified based on new matters or court decisions.

## **Livetech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements  
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### **3. Material accounting policy information--Continued**

#### **3.11. Taxes**

##### Taxes - current

Current income tax and social contribution assets and liabilities for the current and previous years are measured at the expected amount to be recovered or paid to the tax authorities, using the tax rates enacted at the end of the reporting period in the countries where the Company operates and generates taxable profit.

Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) are calculated based on the current rates (15% for IRPJ, 10% for the additional IRPJ on taxable profit exceeding R\$240 per year, and 9% for CSLL) and take into account the offsetting of income tax and social contribution losses to determine the amounts payable, when applicable. Therefore, the inclusions in the book profit of expenses, which are temporarily non-deductible, or exclusions of revenues, which are temporarily non-taxable, considered for the determination of the current taxable profit generate deferred tax assets or liabilities.

##### Deferred taxes

Deferred tax is generated from temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are recognized for all temporary tax differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction other than a business combination and, at the transaction date, it does not affect the book profit or the taxable profit or loss; and
- On temporary tax differences related to investments in subsidiaries, where the period of the reversal of the temporary differences can be controlled and it is likely that the temporary differences will not be reversed in the near future.

Deferred tax assets are recognized for all deductible temporary differences, unused tax credits and losses, to the extent that it is likely that taxable income will be available against which the deductible temporary differences may be realized, and any unused tax credits and losses may be used, except:

## **Livetech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements  
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### **3. Material accounting policy information--Continued**

#### **3.11. Taxes and contributions--Continued**

##### Deferred Taxes--Continued

- When the deferred tax asset related to the deductible temporary difference is generated at the initial recognition of the asset or liability in a transaction other than a business combination and, on the transaction date, it does not affect either the book profit or the tax profit (or tax loss); and
- Regarding deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is likely that the temporary differences will be reversed in the near future and taxable profit will be available for the temporary differences to be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and written down to the extent that it is no longer probable that taxable profits will be available to permit the use of all or part of the deferred tax assets. Deferred tax assets derecognized are reviewed at each reporting date and recognized to the extent that future taxable profits will likely allow the deferred tax assets to be recovered.

##### Sales tax

Revenues from the provision of services are subject to the following taxes and contributions, at the following basic rates:

- Social Integration Program (PIS) - 1.65%
- Tax for Social Security Financing (COFINS) - 7.6%.

#### **3.12. Government grants and assistance**

Government grants are recognized when there is reasonable assurance that the entity will fulfill all the conditions established in relation to the grant and that the grant will be received. When the benefit refers to an expense item, it is recognized as revenue throughout the benefit period in a systematic way in relation to the respective expenses whose benefit it intends to offset.



## **Livetech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements  
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### **3. Material accounting policy information--Continued**

#### **3.12. Government grants and assistance--Continued**

##### ICMS Presumed Credit

The Company has a tax incentive of Presumed Credit of 100% of the State Goods and Services Tax (ICMS) due on sales of manufactured products at its headquarters, located in the Ilhéus/BA Information Technology Center, which may be extended until 2032.

On imported products for resale (without manufacturing), the tax burden will be 3.5% of ICMS for sales within the State of Bahia, and 1% for interstate operations, which may be extended until 2032.

Conditions:

- Annual renewal of the incentive qualification;
- Approval of industrial projects by the Council of the Program for the Promotion of the Development of Bahia - PROBAHIA
- Proof of production revenue in the unit equivalent to at least 5% of the company's total, starting from the 6th year of effective production;
- Have made an investment of at least 70% of their industrial project;
- Ensure tax compliance with the Sefaz/BA;
- Hold "ISO 9000" Certificate or later;
- Contribute annually, until March 31 of the following year, with 0.5% (at least) of the sales value of manufactured products achieved by the benefit, to the INOVATEC Program;
- Carry out, as of January 2009, in Bahian territory, the customs clearance of at least fifteen percent (15%) of the imports it conducts;

##### Sudene

The Company also benefits from a tax incentive for the reduction of the principal IRPJ (15%) and an additional 75% (10% of the portion exceeding R\$240,000 annually) calculated based on the Operating Profit.

## **Livetech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements  
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### **3. Material accounting policy information--Continued**

#### **3.12. Government grants and assistance--Continued**

##### Sudene--Continued

Conditions:

- Compliance with labor, social, and environmental legislation;
- Annual presentation of income statements showing the reductions;
- Prohibition of distribution to partners or shareholders of the amount of the tax related to the reduction;
- Provide annual information in the annual survey of SUDENE Incentives;
- Annual presentation to SUDENE (until December 31 of each fiscal year) of Certificate of Good Standing of Federal Taxes and Social Security;
- Documentary proof of the accounting of the amount resulting from the reduction granted, in accordance with current legislation.
- Annual approval by the Brazilian Federal Revenue Service (RFB) of the SUDENE Incentive Report.

The hourly reserve constituted may be used for: i) absorption of losses, provided that all other retained earnings have already been fully absorbed, except for the legal reserve; ii) increase of share capital.

#### **3.13. Present value adjustment**

Monetary assets and liabilities are evaluated and, when necessary and relevant, are adjusted to their present value, which considers cash flows and explicit or implicit interest rates. For purposes of recording and determining relevance, the present value adjustment is calculated taking into account the contractual cash flows and the explicit, and in certain cases implicit, interest rate of the respective assets and liabilities. Based on the analyses made and the Management's best estimate, the Company concluded that the present value adjustment of current monetary assets and liabilities is relevant in relation to the financial statements taken as a whole and, therefore, recorded present value adjustments on the Trade receivables and Suppliers.

## **Livetech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements  
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### **3. Material accounting policy information--Continued**

#### **3.14. Foreign currency transactions**

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies on the presentation date are translated into the functional currency using the exchange rate on that date. Foreign exchange gains or losses on monetary items represent the difference between the amortized cost in the functional currency at the beginning of the period, adjusted for interest and effective payments during the period, and the amortized cost in foreign currency at the foreign exchange rate prevailing at the end of the reporting period.

##### Subsidiaries

The functional currencies of the subsidiaries are pesos in Colombia and dollars in Panama and the USA.

The assets and liabilities of foreign subsidiaries are converted to Brazilian Real at the closing exchange rate on the respective statement of financial position, and the corresponding income statements are converted at average rates. Exchange differences resulting from the said conversion are accounted for in other comprehensive results.

#### **3.15. Revenue from contracts with customers**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the normal course of the activities of the Company and its subsidiaries. Revenue is shown net of taxes, returns, rebates and discounts, when applicable, as well as the eliminations of sales between the Company's subsidiaries.

The Company applies CPC 47/IFRS 15 model to measure and account for revenue from contracts with customers, which establishes that revenue is recognized at an amount that reflects the consideration that the Company expects to receive in exchange for the transfer of goods or services to a customer. The model is based on five steps: i) identification of contracts with customers; ii) identification of the performance obligations in the contracts; iii) determination of the transaction price; iv) allocation of the transaction price to the performance obligations in the contracts; and v) recognition of revenue when the performance obligation is satisfied.

## **Livetech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements  
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### **3. Material accounting policy information--Continued**

#### **3.15. Revenue from contracts with customers--Continued**

##### **a) Sale of products**

Revenue from the sale of goods is recognized when the control of the asset is transferred to the customer, usually upon delivery of the equipment to the physical location specified by the customer, according to the agreed terms of sale.

##### **b) Lease**

The Company and its subsidiaries earn sales revenue from the rental of equipment and software (TaaS) over the duration of each contract, with the performance obligation being met throughout the contract term.

#### **3.16. Lease**

The Company and its subsidiaries evaluate, on the date of commencement of the agreement, whether the agreement is or contains a lease. In other words, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

##### **Company as lessee**

The Company applies a single approach to recognition and measurement for all leases, except for short-term and low-value asset leases. The Company recognizes lease liabilities to make lease payments and right-of-use assets that represent the right to use the underlying assets.

##### **Right-of-use assets**

The Company recognizes the right-of-use assets on the lease start date (i.e., the date on which the underlying asset is available for use). The right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liabilities. The right-of-use assets cost includes the value of the recognized lease liabilities, initial direct costs incurred, and lease payments made up to the start date, less any lease incentives received. The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets.

## **Livotech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements  
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### **3. Material accounting policy information--Continued**

#### **3.16. Lease--Continued**

##### Lease liabilities

On the lease start date, the Company recognizes the lease liabilities measured at present value of the lease payments to be made over the lease term. Lease payments consist of fixed payments (including, to a large extent, fixed payments) minus any lease incentives receivable, variable lease payments that depend on an index or rate, and expected amounts to be paid under residual value guarantees.

When calculating the present value of lease payments, the Company uses its incremental borrowing rate at the start date because the implied interest rate on the lease is not easily determinable. After the commencement date, the lease liability is increased to reflect the accrual of interest and is reduced for the lease payments made. Furthermore, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, an alteration in lease payments (for example, changes in future payments resulting from a change in the index or rate used to determine such lease payments) or an alteration in the assessment of a purchase option of the underlying asset.

##### Short-term leases and low-value assets

The Company applies the short-term lease recognition exemption (i.e., leases whose lease term is equal to or less than 12 months from the commencement date and which do not contain a purchase option). It also applies to the exemption from recognizing low-value assets. Payments for short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

##### Company as lessor

Leases for which the Company does not substantially transfer all the risks and rewards of ownership of the asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the income statement due to its operational nature. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

## **Livotech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements  
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### **3. Material accounting policy information--Continued**

#### **3.16. Lease--Continued**

##### Company as lessor--Continued

For lease agreements in which the payment term is shorter than the contract duration, the Company recognizes deferred income within liabilities that represents the amount of advance receipts, which are recognized in the income statement over the lease term.

#### **3.17. Earnings per share**

The calculation of basic earnings per share is made by dividing the net income for the period attributable to holders of the common shares of the parent company, by the weighted average number of common shares outstanding during the period.

#### **3.18. Fair value measurement**

The Company measures financial instruments accounted for at fair value on each reporting period closing date. In addition, the fair values of financial instruments measured at amortized cost are disclosed in Note 26.

Fair value is the price that would be received for the sale of an assets or that would be paid for the transfer of a liability in an arm's length transaction on the measurement date. The fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability will occur:

- In the main market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or the liability.

The main or most advantageous market must be accessible by the Company. The fair value of an asset or liability is measured based on the assumptions that market participants would use when pricing an asset or liability, assuming that market participants act in their best economic interest.

The fair value measurement of a non-financial asset takes into account the ability of a market participant to generate economic benefits through the optimal use of the asset or by selling it to another market participant who would also use the asset optimally.

## **Livotech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements  
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### **3. Material accounting policy information--Continued**

#### **3.18. Fair value measurement--Continued**

The Company uses valuation techniques appropriate in the circumstances and for which there is sufficient data to measure fair value, maximizing the use of relevant available information and minimizing the use of unavailable information.

All assets and liabilities for which fair value is measured in the financial statements are categorized within the fair value hierarchy described below, based on the lowest level inputs that are significant for the fair value measurement as a whole:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques for which the lowest level and most significant input for measuring fair value is directly or indirectly observable;
- Level 3 - valuation techniques for which the lowest level and most significant input for measuring fair value is not available.

#### **3.19. Impairment of non-financial assets**

Management annually tests the recoverable amount of assets with a view to determining whether there are any events or changes in economic, operating or technological circumstances that may indicate an impairment loss. If such evidence is identified and the net book value exceeds the recoverable amount, a provision for impairment is set up, adjusting the net book value to the recoverable amount. The recoverable value of an asset or a cash-generating unit is defined as the higher of the asset's value in use or net selling price.

In estimating an asset's value in use, estimated future cash flows are discounted to present value, using a pre-tax discount rate reflecting the weighted average cost of capital for the industry in which the cash-generating unit operates. The fair value net of selling expenses is determined, whenever possible, based on recent market transactions between knowledgeable and interested parties with similar assets. In the absence of observable transactions in this regard, an appropriate valuation methodology is used. The calculations set out in this model are corroborated by available fair value indicators, such as quoted prices for listed entities, among other available indicators.

# **Livetech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements  
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## **3. Material accounting policy information--Continued**

### **3.19. Impairment of non-financial assets--Continued**

The Company's impairment assessment is based on the most recent financial forecasts and budgets, which are prepared separately by the Management for each cash-generating unit to which the assets are allocated. Projections based on these forecasts and budgets generally cover the five-year period. An average long-term growth rate is calculated and applied to future cash flows after the fifth year.

The impairment loss of the asset is recognized in the income statement in a manner consistent with the function of the impaired asset.

For assets that are not goodwill, an assessment is made at each reporting date to determine whether there is an indication that the impairment losses recognized previously no longer exist or have decreased. If such an indication exists, the Company estimates the recoverable amount of the asset or the cash-generating unit. An impairment loss of an asset previously recognized is reversed only if there has been a change in the estimates used to determine the recoverable amount of the asset since the last impairment loss that was recognized. The reversal is limited so that the carrying amount of the asset does not exceed the carrying amount that would have been determined (net of depreciation, amortization, or depletion) had no impairment loss been recognized for the asset in previous years.

This reversal is recognized in the result. The impairment test of goodwill is carried out annually at December 31 or whenever circumstances indicate a possible impairment loss.

The impairment loss is recognized for a cash-generating unit to which the goodwill is related. When the recoverable amount of the unit is less than the carrying amount of the unit, the loss is recognized and allocated to reduce the carrying amount of the assets of the unit in the following order: (a) reducing the carrying amount of the goodwill allocated to the cash-generating unit; and (b) to the other assets of the unit on a pro rata basis to the carrying amount of each asset.

### **3.20. Treasury stock**

The Company's own equity instruments that are repurchased (treasury stock) are recorded at cost, as a reduction of equity. No gain or loss recognized in the income statement on the purchase, sale, issuance or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration is received on sale is recognized in other capital reserves.



## **Livetech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements  
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### **3. Material accounting policy information--Continued**

#### **3.21. New or revised pronouncements applied for the first time in 2024**

The Company applied certain standards and amendments for the first time, which are valid for annual periods beginning on or after January 1, 2024 (unless otherwise indicated). The Company has decided not to adopt in advance any other standards, interpretations, or amendments that have been issued but are not yet in effect.

Supplier financing agreements – Amendments to IAS 7 and IFRS 7 The amendments to IAS 7 (equivalent to CPC 03 (R2) - Statement of Cash Flows) and IFRS 7 (equivalent to CPC 40 (R1) - Financial Instruments: Disclosures) clarify the characteristics of suppliers financing arrangements and require additional disclosure of such arrangements. The Group does not have operations of this nature.

#### Standards issued but not yet in force

The new and amended rules and interpretations issued, but not yet in force as of the date of issuance of the Company's financial statements and applicable to it, are described below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they come into effect.

- IFRS 18 - Presentation and Disclosure in the Financial Statements;
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures;
- CPC 18 (R3) - Investments in Associates and Joint Ventures;
- CPC 02 (R2) and CPC 37 (R1) -The Effects of Changes in Foreign Exchange Rates and Translation of Financial Statements and First-time Adoption of International Financial Reporting Standards.

There are no other standards, amendments, and interpretations of standards issued and not yet adopted that, in Management's opinion, may have a material impact on the results or equity disclosed by the Company and its subsidiaries.

## **Livetech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements  
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### **3. Material accounting policy information--Continued**

#### **3.22. Material judgments and estimates**

##### Judgments

The preparation of individual and consolidated financial statements requires that the Management makes judgments, estimates, and adopt assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the respective disclosures, as well as the disclosures of contingent liabilities. In the process of applying the accounting policies, Management made the following judgments that have an effect on the amounts recognized in the individual and consolidated financial statements:

##### *Determination of the lease term of contracts that have renewal or termination option clauses (Company as lessee)*

The Company determines the term of the lease as the non-cancellable contractual term, including the periods included in any renewal option to the extent that such renewal is assessed as reasonably certain, and with the periods covered by a termination option to the extent that it is also assessed as reasonably certain. The Company has several lease agreements that include renewal and termination options. The Company exercises judgment in determining whether it is reasonably certain to exercise or not the option to renew or terminate the lease. In this assessment, all relevant factors that create an economic incentive for renewal or termination are considered. After the initial measurement, the Company reassesses the lease term if there is a significant event or change in circumstances that is under its control and will affect its ability to exercise or not the option to renew or terminate (for example, carrying out improvements or significant customizations to the leased assets).

## **Livetech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements  
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### **3. Material accounting policy information--Continued**

#### **3.22. Material judgments and estimates --Continued**

##### Estimates

The individual and consolidated financial statements were prepared based on various valuation bases underlying the accounting estimates. The accounting estimates involved in the preparation of the financial statements were supported by objective and subjective factors, based on Management's judgment to determine the appropriate amount to be recorded in the financial statements.

The settlement of transactions involving these estimates could result in amounts significantly different from those recorded in the financial statements due to the uncertainties inherent in the process of their determination. The Company review its estimates at least annually.

The main assumptions, related to sources of uncertainty in future estimates and other important factors of uncertainty in estimates at the reporting date involving a significant risk of causing an adjustment to the carrying amounts of assets and liabilities within the next financial year, are addressed below:

##### *a) Impairment of non-financial assets*

An impairment loss is recognized when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value net of selling expenses and its value in use. The calculation of fair value net of selling expenses is based on information available on transactions involving the sale of similar assets or market prices less the selling expenses. The calculation of the value in use is based on the discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities to which the Company is not yet committed or significant future investments that will enhance the performance of the cash generating unit being tested. The recoverable amount is influenced by the discount rate used under the discounted cash flow method, as well as the expected future cash receipts and growth rate used for extrapolation purposes.

## **Livetech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements  
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### **3. Material accounting policy information--Continued**

#### **3.22. Material judgments and estimates --Continued**

##### Estimates--Continued

##### *b) Provision for expected losses on trade receivables and contract assets*

The Company utilizes a provision matrix to calculate the expected credit losses to trade receivables and contract assets. The provision rates applied are determined based on days past due for groupings of several customer segments that exhibit similar loss patterns (such as product type, customer type, and credit risk, among others). The provision matrix is initially based on the historical loss rates observed by the Company over the preceding 24 months. The Company reviews the matrix prospectively to adjust it according to the historical experience of credit loss.

On all reporting dates, observed historical loss rates are updated and changes in forward-looking estimates are analyzed. The assessment of the correlation between observed historical loss rates, projected economic conditions, and expected credit losses constitutes a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and projected economic conditions. The Company's historical credit loss experience and projections of economic conditions may not accurately reflect the actual future customer performance.

## Livetech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements  
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### 3. Material accounting policy information--Continued

#### 3.22. Judgments and estimates--Continued

##### Estimates--Continued

##### c) *Provisions for civil, tax, and labor risks*

The Company recognizes a provision for civil, tax, and labor claims. The assessment of the likelihood of a loss includes the evaluation of existing evidence, the hierarchy of laws, the available case law, the most recent court decisions and their relevance in the legal system, as well as the evaluation of outside legal advisors. Provisions are reviewed and adjusted. To take into account changes in circumstances, such as applicable statutes of limitation, the conclusions of tax audits, or any additional exposures identified based on new matters or court decisions.

##### d) *Recoverability of deferred taxes*

Deferred tax assets are recognized for all temporary differences to the extent that it is probable that there will be taxable profit available to realize the deferred tax assets. Significant judgment by Management is required to determine the amount of the deferred tax assets that can be recognized based on the probable timing and level of future taxable profits, along with future tax planning strategies. For more details on deferred taxes, see Note 6.2.

### 4. Cash and cash equivalents

	Parent Company		Consolidated	
	2024	2023	2024	2023
Cash and cash equivalent	<b>16,981</b>	20,021	<b>19,130</b>	29,637
Financial investments (a)	<b>82,900</b>	72,322	<b>82,900</b>	72,322
<b>Total</b>	<b>99,881</b>	92,343	<b>102,030</b>	101,959

(a) At December 31, 2024, financial investments in Bank Deposit Certificates (CDBs) yielded 92% of the Interbank Deposit Certificate (CDI) rate (92% of the CDI at December 31, 2023) with daily liquidity redeemable directly from the issuer, without significant loss in value.

## Livetech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements

December 31, 2024

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### 5. Trade receivables

	Parent Company		Consolidated	
	2024	2023	2024	2023
Trade receivables - sale of goods	323,236	316,860	351,441	332,979
Trade receivables - rental	324,298	182,616	324,298	182,616
Trade receivables - vendor (a)	21,290	14,979	21,290	14,979
<b>Trade receivables - gross</b>	<b>668,824</b>	<b>514,455</b>	<b>697,029</b>	<b>530,574</b>
Provision for expected credit losses	(119,725)	(96,202)	(119,725)	(100,603)
<b>Total</b>	<b>549,099</b>	<b>418,253</b>	<b>577,304</b>	<b>429,971</b>
Current	289,540	208,435	317,745	220,153
Non-current	259,559	209,818	259,559	209,818

(a) Characteristics and other conditions described in explanatory note 15(d).

Change in provisions for expected credit losses:

	Parent Company	Consolidated
<b>At December 31, 2022</b>	(80,103)	(80,146)
Additions	(26,586)	(30,944)
Reductions	10,487	10,487
<b>At December 31, 2023</b>	(96,202)	(100,603)
Additions	(26,021)	(26,646)
Reductions	2,498	7,524
<b>At December 31, 2024</b>	<b>(119,725)</b>	<b>(119,725)</b>

## Livetech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements  
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### 5. Trade receivables, net--Continued

The following are the amounts receivable by aging list at December 31, 2024 and 2023, individual and consolidated:

	Parent Company		Consolidated	
	2024	2023	2024	2023
Securities to mature	<b>472,197</b>	377,925	<b>500,402</b>	394,044
Securities overdue from - 0 to 30 days	<b>22,928</b>	11,215	<b>22,928</b>	11,215
Securities overdue from - 31 to 90 days	<b>21,905</b>	14,971	<b>21,905</b>	14,971
Securities overdue from - 91 to 180 days	<b>17,074</b>	13,340	<b>17,074</b>	13,340
Securities overdue from - 181 to 270 days	<b>16,865</b>	11,988	<b>16,865</b>	11,988
Securities overdue from - 271 to 365 days	<b>12,710</b>	10,552	<b>12,710</b>	10,552
Securities overdue over 365 days	<b>105,145</b>	74,464	<b>105,145</b>	74,464
<b>Total</b>	<b>668,824</b>	514,455	<b>697,029</b>	530,574

The Company's line of business is equipment rental. Such rents 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 rents, which will be recognized in profit or loss for future periods over the term of the contracts, are shown below:

Parent and Consolidated	
Minimum lease receipts	
2025	<b>322,297</b>
2026	<b>226,027</b>
2027	<b>123,924</b>
2028	<b>53,063</b>
2029	<b>19,771</b>
<b>Total</b>	<b>745,082</b>

Such lease agreements generated revenues in the year ended December 31, 2024 in the amount of R\$358,573 (R\$335,263 for the December 31, 2023), and are disclosed in Note 22.

## Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements

December 31, 2024

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### 6. Recoverable and deferred taxes

#### 6.1. Recoverable taxes

	Parent Company		Consolidated	
	2024	2023	2024	2023
IRPJ and CSLL to be offset	-	25,082	-	25,082
Withholding Income Tax (IRRF) to be recovered	1,072	6,163	1,072	6,163
Tax on Industrialized Products (IPI) to be offset	498	118	498	118
ICMS to be offset	18,444	18,423	18,444	18,423
Value Added Tax (VAT)	-	-	8,733	1,370
Other (a)	480	524	3,319	524
<b>Total</b>	<b>20,494</b>	<b>50,310</b>	<b>32,066</b>	<b>51,680</b>
Current	13,346	18,393	24,918	21,410
Non-current	7,148	34,259	7,148	34,259

(a) The balances at December 31, 2024 are mainly due to tax withholding in Colombia of R\$2,839 in the consolidated (being R\$1,424 at December 31, 2023).

#### 6.2. Deferred taxes

	Parent and Consolidated			
	2024	2023	2024	2023
Allowance for doubtful accounts	24,382	18,257	24,382	18,477
Present value adjustment - trade receivables	13,601	7,502	13,601	7,502
Provision for losses on impairment of inventories	1,903	4,010	1,903	4,010
Provision for discount on the sale of accumulated ICMS credit	1,280	1,280	1,280	1,280
Provision for tax contingencies	665	49	665	49
Other (IFRS16, Tax on Financial Operations (IOF) and other)	2,260	3,912	2,480	3,912
<b>Tax credits</b>	<b>44,091</b>	<b>35,010</b>	<b>44,311</b>	<b>35,230</b>
Present value adjustment - trade payables	(271)	(210)	(271)	(210)
Derivatives - Swap	(255)	(1,425)	(255)	(1,425)
Tax amortization of goodwill generated on the acquisition of Munddo	(773)	(734)	(773)	(734)
<b>Tax liabilities</b>	<b>(1,299)</b>	<b>(2,369)</b>	<b>(1,299)</b>	<b>(2,369)</b>
<b>Deferred tax assets, net</b>	<b>42,792</b>	<b>32,641</b>	<b>43,012</b>	<b>32,861</b>



## Livetech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements  
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### 6. Recoverable and deferred taxes--Continued

#### 6.2. Deferred taxes--Continued

##### 6.2.1. Estimated realization of deferred taxes assets

	<b>Deferred taxes and social contributions</b>	
	<b>Parent Company</b>	<b>Consolidated</b>
2025	11,145	11,365
2026	10,202	10,202
2027	8,601	8,601
2028	5,778	5,778
2029	8,365	8,365
<b>Total</b>	<b>44,091</b>	<b>44,311</b>

### 7. Inventories

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>
Raw materials	5,332	4,793	5,332	4,793
Products	84,264	98,498	101,289	106,260
Inventory in transit	10,038	22,742	21,144	36,750
Finished products	19,186	16,352	19,186	16,352
Software for resale (a)	28,413	27,234	28,413	27,234
Estimated impairment losses	(5,598)	(11,796)	(5,763)	(11,961)
<b>Total</b>	<b>141,635</b>	<b>157,823</b>	<b>169,601</b>	<b>179,428</b>

(a) The software is the operating systems of the hardware presented in the product line.

<b>Estimated impairment losses (b)</b>	<b>Parent Company</b>	<b>Consolidated</b>
<b>At December 31, 2022</b>	<b>(14,154)</b>	<b>(14,307)</b>
Additions	(13,787)	(13,787)
Reductions	16,145	16,133
<b>At December 31, 2023</b>	<b>(11,796)</b>	<b>(11,961)</b>
Additions	(9,878)	(9,878)
Reductions	16,076	16,076
<b>At December 31, 2024</b>	<b>(5,598)</b>	<b>(5,763)</b>

(b) Refers to the estimated loss amounts recognized for the write-down to net realizable value and inventory obsolescence. Additions and reductions of these amounts are included in the cost of goods sold in the statement of income.

## Livetech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements

December 31, 2024

(In thousands of reais)

### 8. Investment and provision for losses on investment

	Parent Company	
	2024	2023
WDC US	8,007	3,925
WDC Colombia	52,026	21,326
Total (a)	60,033	25,251
Panama	(503)	(392)
Franchising	(115)	(143)
Total (b)	(618)	(535)
Net (a) + (b)	59,415	24,716

(a) Investments classified in assets.

(b) Investments classified in liabilities.

Following is the main financial information of the subsidiaries:

2024				
Subsidiaries	Percentage of interest	Equity	Net revenue	Net income (loss) for the fiscal year
WDC US	100%	8,007	15,551	2,531
Colombia	100%	52,026	54,916	1,992
Panama	100%	(503)	-	(4)
Franchising	100%	(115)	8	28
Total		59,415	70,475	4,547

2023				
Subsidiaries	Percentage of interest	Equity	Net Revenue	Net income (loss) for the fiscal year
WDC US	100%	3,925	29,586	1,138
Colombia	100%	21,326	22,642	1,094
Panama	100%	(392)	1,301	(376)
Franchising	100%	(143)	48	46
Total		24,716	53,577	1,902

## Livetech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements  
December 31, 2024  
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### 8. Investment and provision for losses on investment--Continued

Changes in investments	WDC USA	WDC Colombia	WDC Panama	WDC Franchising	Total
<b>At December 31, 2022</b>	<b>3,060</b>	<b>2,593</b>	<b>4,481</b>	<b>(189)</b>	<b>9,945</b>
Capital increase		16,419	-		16,419
Capital decrease			(4,235)		(4,235)
Income (loss) for the fiscal year	1,138	1,094	(376)	46	1,902
Exchange rate variation on investment (a)	(273)	1,220	(262)	-	685
<b>At December 31, 2023</b>	<b>3,925</b>	<b>21,326</b>	<b>(392)</b>	<b>(143)</b>	<b>24,716</b>
Capital increase	-	25,059	-	-	25,059
Income (loss) for the fiscal year	2,531	1,992	(4)	28	4,547
Exchange rate variation on investment (a)	1,551	3,649	(107)	-	5,093
<b>At December 31, 2024</b>	<b>8,007</b>	<b>52,026</b>	<b>(503)</b>	<b>(115)</b>	<b>59,415</b>

For the year ended December 31, 2024, an amount of R\$5,093 (R\$685 at December 31, 2023) was recorded related to the effects of the exchange rate variation resulting from the conversion into Brazilian reais of the financial statements of the subsidiaries headquartered abroad, which were originally prepared in U.S. dollars (USD) and Colombian pesos (COP). These effects are recorded as "Other Comprehensive Results" in Equity.

### 9. Property, plant and equipment

At December 31, 2024, the Company does not have any assets pledged or judicially restricted, nor assets provided as collateral for loans or borrowings.

The Company assessed the economic useful life of its property, plant, and equipment and found no significant adjustments or changes to be required at each year-end, since there were no relevant changes in estimates and assumptions adopted in the previous year.

## Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements

December 31, 2024

(In thousands of reais)

### 9. Property, Plant and Equipment--Continued

Following is the change in the Company's property, plant and equipment:

		Parent Company						
		Furniture and fixtures	IT equipment	Vehicles	Products for rental	Machinery and IT	Buildings	Other
Annual depreciation rate (%)		10%	20%	20%	20%	10%	4%	10%
<b>At December 31, 2022</b>		<b>1,151</b>	<b>990</b>	<b>7</b>	<b>441,106</b>	<b>698</b>	<b>-</b>	<b>788</b>
Additions		17	148	-	132,910	-	329	-
Net disposals		(542)	-	-	(1,021)	-	-	(35)
Depreciation		(134)	(419)	(7)	(163,112)	(86)	(13)	(292)
<b>At December 31, 2023</b>		<b>492</b>	<b>719</b>	<b>-</b>	<b>409,883</b>	<b>612</b>	<b>316</b>	<b>461</b>
Additions		282	2,514	-	131,317	16	2,246	405
Reductions		-	(23)	-	(170)	-	(39)	-
Depreciation		(117)	(448)	-	(160,052)	(86)	(327)	(310)
<b>At December 31, 2024</b>		<b>657</b>	<b>2,762</b>	<b>-</b>	<b>380,978</b>	<b>542</b>	<b>2,196</b>	<b>556</b>

  

		Consolidated						
		Furniture and fixtures	IT equipment	Vehicles	Products for rental	Machinery and IT	Buildings	Other
Annual depreciation rate (%)		10%	20%	20%	20%	10%	4%	10%
<b>At December 31, 2022</b>		<b>1,163</b>	<b>1,077</b>	<b>7</b>	<b>441,106</b>	<b>698</b>	<b>-</b>	<b>788</b>
Additions		52	148	-	132,910	-	329	-
Net disposals		(544)	(13)	-	(1,021)	-	-	(35)
Depreciation		(135)	(447)	(7)	(163,112)	(86)	(13)	(292)
<b>At December 31, 2023</b>		<b>536</b>	<b>765</b>	<b>-</b>	<b>409,883</b>	<b>612</b>	<b>316</b>	<b>461</b>
Additions		314	2,600	-	131,317	17	2,531	405
Reductions		-	(46)	-	(170)	-	(39)	-
Depreciation		(146)	(510)	-	(160,052)	(87)	(327)	(310)
<b>At December 31, 2024</b>		<b>704</b>	<b>2,809</b>	<b>-</b>	<b>380,978</b>	<b>542</b>	<b>2,481</b>	<b>556</b>

## Livetech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued

December 31, 2024

(In thousands of reais)

### 10. Intangible assets

Parent Company	Software licenses	Software for rent	Goodwill (a)	Trademarks and patents	Total
Annual amortization rate (%)	20%	20%	Indefinite	20%	
<b>At December 31, 2022</b>	695	77,206	2,275	18	80,194
Additions	-	59,140	-	-	59,140
Write-offs	-	(2,143)	-	-	(2,143)
Amortization	(377)	(28,400)	-	(6)	(28,783)
<b>At December 31, 2023</b>	318	105,803	2,275	12	108,408
Additions	-	33,495	-	-	33,495
Write-offs	-	(1,923)	-	-	(1,923)
Amortization	(220)	(34,965)	-	(6)	(35,191)
<b>At December 31, 2024</b>	98	102,410	2,275	6	104,789

Consolidated	Software licenses	Software for rent	Goodwill (a)	Trademarks and patents	Total
Annual amortization rate (%)	20%	20%	Indefinite	20%	
<b>At December 31, 2022</b>	697	77,206	2,275	18	80,196
Additions	-	59,140	-	-	59,140
Write-offs	-	(2,143)	-	-	(2,143)
Amortization	(377)	(28,400)	-	(6)	(28,783)
<b>At December 31, 2023</b>	320	105,803	2,275	12	108,410
Additions	-	33,497	-	-	33,497
Write-offs	-	(1,923)	-	-	(1,923)
Amortization	(220)	(34,966)	-	(6)	(35,192)
<b>At December 31, 2024</b>	100	102,411	2,275	6	104,792

(a) Goodwill arising from the expectation of future profitability in the acquisition of Munddo, a company that was merged in previous years.

## Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued  
December 31, 2024  
(In thousands of reais)

### 11. Advances to suppliers

	Parent Company		Consolidated	
	2024	2023	2024	2023
Advances to domestic suppliers (a)	<b>8,833</b>	9,572	<b>13,883</b>	13,132
Advances to international suppliers (b)	<b>15,233</b>	8,278	<b>15,233</b>	8,278
<b>Total</b>	<b>24,066</b>	17,850	<b>29,116</b>	21,410

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

(b) Refer to advance payments in the acquisition of goods for resale in foreign markets.

### 12. Trade payables

	Parent Company		Consolidated	
	2024	2023	2024	2023
Domestic suppliers	<b>47,725</b>	34,647	<b>55,701</b>	46,936
International suppliers	<b>53,085</b>	49,163	<b>53,085</b>	49,163
<b>Total</b>	<b>100,810</b>	83,810	<b>108,786</b>	96,099

The Trade Payables group does not incur interest and are generally settled by the Group within 63 days.

The Group does not engage in supplier financing agreements (reverse factoring, forfaiting etc.).

### 13. Personnel, social charges and benefits

	Parent Company		Consolidated	
	2024	2023	2024	2023
Profit sharing and bonuses	<b>3,389</b>	-	<b>3,389</b>	-
Vacation pay	<b>1,973</b>	1,833	<b>2,108</b>	1,833
Brazilian Social-Security Institute (INSS) contribution payable	<b>1,280</b>	748	<b>1,280</b>	748
Severance Pay Fund (FGTS) payable	<b>233</b>	230	<b>233</b>	230
IRRF	<b>592</b>	653	<b>592</b>	653
Other	<b>33</b>	32	<b>293</b>	270
<b>Total</b>	<b>7,500</b>	3,496	<b>7,895</b>	3,734

## Livetech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued

December 31, 2024

(In thousands of reais)

### 14. Taxes payable

	Parent Company		Consolidated	
	2024	2023	2024	2023
Social Integration Program (PIS) and Tax for Social Security Financing (COFINS) payable	3,824	1,911	3,824	1,911
ICMS	662	421	662	421
Municipal Service Tax (ISS)	368	-	368	-
IRPJ/CSLL payable	15,934	-	15,934	-
VAT	-	-	8,479	-
Other	1,006	1,895	1,378	3,112
<b>Total</b>	<b>21,794</b>	<b>4,227</b>	<b>30,645</b>	<b>5,444</b>

## Livetech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued

December 31, 2024

(In thousands of reais)

### 15. Loans, borrowings and debentures

#### 15.1. Breakdown of loans, borrowings and debentures

The Company's loans, borrowings and debentures outstanding as of the reporting date of these individual and consolidated financial statements are broken down as follows:

##### a) Loans in local currency

Financial Institution	Maturity	Type	Index	Guarantee	Covenants	Parent Company and Consolidated			
						2024	2023	2024	2023
						Current	Non-current	Current	Non-current
Banco do Brasil	Jun/29	Working capital	CDI + 1.95% to 3.59%	Negotiable invoices	15.2 (b)	4,277	43,750	7,738	-
Banco BBM Bocom	Mar/24	Working capital	CDI + 3.90% to 4.50%	Accommodation + Negotiable invoices		-	-	1,257	-
Banco CCB	Apr/24	Working capital	CDI + 2.05% to 4.30%	Negotiable invoices		-	-	2,669	-
Banco CEF S.A.	Jun/24	Working capital	CDI + 2.18% to 2.43%	Accommodation + Negotiable invoices		-	-	4,810	-
Banco Citi	Feb/25	Working capital	CDI + 3.00% to 3.50%	Accommodation + Negotiable invoices	15.2 (b)	1,114	-	12,074	1,093
Banco Votorantim	Mar/24	Working capital	CDI + 2.70% to 5.60%	Negotiable invoices		-	-	1,670	-
						<b>5,391</b>	<b>43,750</b>	<b>30,218</b>	<b>1,093</b>



## Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued

December 31, 2024

(In thousands of reais)

### 15. Loans, borrowings and debentures--Continued

#### 15.1. Breakdown of loans, borrowings and debentures --Continued

##### b) Loans in foreign currency

Financial Institution	Maturity	Type	Index	Guarantee	Covenants	Parent Company and Consolidated			
						2024		2023	
						Current	Non-current	Current	Non-current
Banco ABC Brasil	Jul/24	Finimp	3.00% to 3.65%	Negotiable invoices		-	-	4,868	-
Banco BBM Bocom	Nov/24	Working capital	SOFR + 2.98%	Negotiable invoices		-	-	3,523	-
Banco Bradesco S.A.	May/24	Working capital	3.50%	Negotiable invoices		-	-	7,380	-
Banco Votorantim	Jul/25	Working capital	3.65% to 3.82%	Negotiable invoices		7,725	-	9,603	6,720
						7,725	-	25,374	6,720

##### c) Debentures

Financial Institution	Maturity	Type	Index	Guarantee	Covenants	Parent Company and Consolidated			
						2024		2023	
						Current	Non-current	Current	Non-current
Banco Itaú	Jun/27	Debentures	CDI + 2.30%	Negotiable invoices	15.2 (a)	100,196	141,726	265	243,473
Banco Itaú	Jun/29	Debentures	CDI + 2.70%	Negotiable invoices	15.2 (a)	57,619	196,690	328	249,248
						157,815	338,416	593	492,721

##### d) Vendor Operations

Financial Institution	Maturity	Type	Bank tax	Guarantee	Parent Company and Consolidated			
					2024		2023	
					Current	Non-current	Current	Non-current
Banco do Brasil	Jun/27	Vendor operations	1.05% to 1.2%	Negotiable invoices	14,288	12,652	7,448	9,379
					14,288	12,652	7,448	9,379

## Livetech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued  
December 31, 2024  
(In thousands of reais)

### 15. Loans, borrowings and debentures--Continued

#### 15.1. Breakdown of loans, borrowings and debentures --Continued

	2024	2023
Current	185,219	63,633
Non-current	394,818	509,913
Total	580,037	573,546

The changes in loans, borrowings and debentures are as follows:

	Parent Company and Consolidated
<b>At December 31, 2022</b>	<b>785,887</b>
Vendor operations (a)	16,827
Financial charges	94,992
Exchange rate variation	(3,898)
Payment of interest	(106,132)
Payment of principal	(214,130)
<b>At December 31, 2023</b>	<b>573,546</b>
<b>At December 31, 2023</b>	<b>573,546</b>
Funding	50,000
Vendor operations (a)	8,805
Financial charges	72,946
Exchange rate variation	4,432
Payment of interest	(70,743)
Payment of principal	(58,949)
<b>At December 31, 2024</b>	<b>580,037</b>

#### (a) Vendor Operations

Vendor operations support a sales financing program through which customers gain access to competitive lines of credit.

In this type of financing, the customer enters into an agreement with the bank and is informed of the deadlines and fees.

The collections are made by the bank, and in cases of default, the Company will ensure the settlement of the overdue installments.

The accounting process involves distinct stages: (a) the total amount of the sale made available in the checking account is recorded as a debit in cash and cash equivalents and as a credit in loans; (b) the sale of goods is recognized through the issuance of an invoice, which is debited from trade receivables and credited to revenue in the income statement. As the customer makes the installment payments to the bank, the Company reconciles and offsets the receivable balance against the payable balance.

In the event that the original debtors fail to fulfill their obligations, the Company implements rigorous policies and procedures to minimize the risks associated with the transaction in question.

## Livetech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued  
December 31, 2024  
(In thousands of reais)

### 15. Loans, borrowings and debentures--Continued

#### 15.2. Covenants

The Company includes covenants in its loans, borrowings and debentures agreements that limit its ability to undertake certain actions and may require the acceleration or refinancing of debts if the Company fails to comply with these covenants.

Covenants have quarterly and annual requirements.

##### a) Quarterly

###### *2nd Issue Debentures*

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

The Company's EBITDA/Net Financial Expenses ratio (covenants) must be greater than or equal to 3.00 times.

For the fiscal year ended December 31, 2024, the abovementioned financial ratios were met.

##### b) Annual

###### *Citibank*

- (i) The Company's net debt/EBITDA ratio (covenants) must be less than 2.75 times.

###### *Banco do Brasil*

- (i) The Company's net debt/EBITDA (covenants) ratio must be less than 3.00 times.
- (ii) The Company's EBITDA/financial income ratio (covenants) must be greater than 1.50 times.

At December 31, 2024, all the abovementioned financial ratios were met.

## Livetech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued  
December 31, 2024  
(In thousands of reais)

### 16. Right of use and lease liabilities

	<b>Parent Company and Consolidated</b>	
	<b>2024</b>	<b>2023</b>
Assets		
Properties	<b>9,405</b>	11,517
<b>Total</b>	<b>9,405</b>	<b>11,517</b>
Liabilities		
Lease liabilities	<b>10,376</b>	11,530
<b>Total</b>	<b>10,376</b>	<b>11,530</b>
Current liabilities	<b>3,110</b>	2,650
Non-current liabilities	<b>7,266</b>	8,880

The changes in right-of-use assets in the fiscal year are as follows:

	<b>Parent Company and Consolidated</b>
<b>At December 31, 2022</b>	1,832
Additions	12,019
Depreciation	(2,334)
<b>At December 31, 2023</b>	11,517
Addition	42
Depreciation	(1,826)
Write-off	(328)
<b>At December 31, 2024</b>	<b>9,405</b>

The changes in lease liabilities in the fiscal year are as follows:

	<b>Parent Company and Consolidated</b>
<b>At December 31, 2022</b>	1,875
Payments	(2,690)
Addition	12,019
Charges	326
<b>At December 31, 2023</b>	11,530
Payments	(1,774)
Addition	42
Charges	578
<b>At December 31, 2024</b>	<b>10,376</b>

## Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued

December 31, 2024

(In thousands of reais)

### 16. Right of use and lease liabilities--Continued

The future maturities of lease liabilities are as follows:

	Payment schedule		
	Rent payable	Financial charges	Total
2025	3,532	(423)	3,109
2026	3,316	(280)	3,036
2027	2,827	(139)	2,688
2028	1,554	(36)	1,518
2029	25	-	25
	<b>11,254</b>	<b>(878)</b>	<b>10,376</b>

At the initial recognition, the nominal discount rate was applied to the minimum expected payments to determine the fair value of the lease, considering the duration of the lease agreement. At December 31, 2024, the average lease term was 34 months.

### 17. Other liabilities

	Parent Company		Consolidated	
	2024	2023	2024	2023
Advance from customers	7,219	7,423	7,351	16,665
Deferred income (b)	37,372	-	37,372	-
Liabilities with third parties (a)	2,156	5,590	2,188	5,488
<b>Total</b>	<b>46,747</b>	<b>13,013</b>	<b>46,911</b>	<b>22,153</b>
Current	26,674	13,013	26,838	22,153
Non-current	20,073	-	20,073	-

(a) The balance refers to liabilities with third parties and turnkey projects.

(b) On December 26, 2024, the Company entered into a non-recourse credit assignment agreement with Banco Votorantim, under which credits amounting to R\$37.5 million, related to trade receivables from future leases with Vero S.A., were transferred. This amount was already net of the operation's interest charges (R\$9.3 million). In this operation, the Company does not retain responsibility for the payment of the credits if the debtor fails to fulfill the obligation. In other words, the operation was conducted on a non-recourse basis, fully transferring the risk and ownership of the credits to the other party involved.

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

The amount of the assignment revenue was initially recorded under liabilities as "Deferred Income" and will be recognized as operating revenue as the services are provided. Due to the non-recourse nature of the transaction, the Company does not assume the risk of default of the debtors of the assigned credits, and, therefore, there are no provisions related to this operation.

## Livetech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued  
December 31, 2024  
(In thousands of reais)

### 18. Provisions for lawsuits

#### Contingencies classified as probable losses

	Tax	Parent Company and Consolidated	
		Civil	Total
At December 31, 2022	378	-	378
At December 31, 2023	144	-	144
Addition	1,769	-	1,769
Inflation adjustment	11	-	11
At December 31, 2024	1,924	-	1,924

The Company is involved in certain legal matters arising from the normal course of its business, which include tax and civil lawsuits.

The Company classifies the risks of loss in legal proceedings as "probable", "possible" or "remote". The provision recorded for these lawsuits is determined by the Company's Management, based on the analysis of its legal advisors, and reasonably reflects the estimated probable losses.

The Company Management believes that the provision for labor, tax and civil risks, established in accordance with CPC 25 - Provisions, Contingent Liabilities and Contingent Assets, is sufficient to cover potential losses from administrative and legal proceedings, as detailed below

#### *Tax*

The Company primarily conducts interstate operations targeting end consumers and non-taxpayers. Thus, Livetech becomes responsible for paying the ICMS tax rate differential to the destination state, taking into account the difference between the ICMS rate applied in the interstate transaction and the rate applicable to the goods, in accordance with the legislation of the state to which the goods were sent. The balance recorded at December 31, 2024 is R\$1,924 (R\$144 at December 31, 2023).

## Livetech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued  
December 31, 2024  
(In thousands of reais)

### 18. Provisions for lawsuits--Continued

#### Contingencies classified as possible losses

	Tax	Parent Company and Consolidated	
		Civil	Total
<b>At December 31, 2022</b>	1,918	365	2,283
<b>At December 31, 2023</b>	4,121	345	4,466
Additions	-	100	100
Write-offs	-	(29)	(29)
Inflation adjustment	813	22	835
<b>At December 31, 2024</b>	<b>4,934</b>	<b>438</b>	<b>5,372</b>

#### *Tax*

At December 31, 2024, the amounts involved in lawsuits whose loss is classified as possible totaled R\$4,934 (R\$4,121 at December 31, 2023).

The nature of the main tax lawsuits was as follows: R\$3,101 related to inquiries about credits used through the Electronic Request for Refund (PER) / Offset Declaration (DCOMP) system; R\$153 related to a state audit questioning the composition of a finished solar power generation product; R\$627 related to a tax-deficiency notice based on the interpretation that a specific sale should include the Tax on Industrialized Products (IPI) as it was intended for the final consumer. The administrative defense has been submitted and is awaiting a decision in the lower court; R\$1,053 related to a procedure for investigating non-compliance with obligations to the regulatory agency.

#### *Civil*

At December 31, 2024, the amounts involved in lawsuits whose loss is classified as possible totaled R\$438 (R\$345 at December 31, 2023). The nature of the main civil lawsuits was as follows: R\$338 related to contract termination due to breach of service agreement; and R\$100 related to a discussion concerning the operation of a photovoltaic plant, specifically regarding the actual energy generated.

## Livetech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued

December 31, 2024

(In thousands of reais)

### 19. Equity

#### 19.1. Share capital

The fully subscribed and paid-in share capital at December 31, 2024 and 2023 is R\$317,891, represented by shares without a par value.

The shareholding structure at December 31, 2024 and 2023 is as follows:

Shareholder	2024		2023	
	Common shares (a)		Common shares	
	Number	%	Number	%
Vanderlei Rigatieri Junior	22,933	35.47%	22,933	35.47%
2B Capital - Brasil Capital de Crescimento	19,339	29.91%	19,339	29.91%
Treasury stock	1,202	1.85%	1,202	1.85%
Free float	21,189	32.77%	21,189	32.77%
<b>Total shares</b>	<b>64,663</b>	<b>100.00%</b>	<b>64,663</b>	<b>100.00%</b>

#### 19.2. Share buyback program

On July 1, 2022, the Board of Directors approved the implementation of the share buyback program under the following conditions:

- (a) The objectives of the Company's share buyback program are: (i) to promote and create value for shareholders through an efficient capital structure; and (ii) to serve as an alternative for distributing the Company's cash generation, in addition to any proceeds that may be paid as dividends and interest on equity. The repurchased shares may, at management's discretion, be subsequently canceled, sold, held in treasury or allocated to beneficiaries of share-based compensation plans.
- (b) Program duration: from July 2, 2022 to April 1, 2024;
- (c) Number of shares to be acquired: up to the limit of 1,978,492 common shares;
- (d) Authorized Financial Institution: BTG Pactual Corretora de Títulos e Valores Mobiliários S.A.

	Number of shares	Average value per share (in R\$)	Total
<b>At December 31, 2023</b>	1,201,600	7.10	8,536
Sold	-	-	-
Acquired	-	-	-
<b>At December 31, 2024</b>	<b>1,201,600</b>	<b>7.10</b>	<b>8,536</b>



## Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued  
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### 19. Equity -- Continued

#### 19.3. Legal reserve

It is established through the allocation of 5% of the net income for the fiscal year, in accordance with article 193 of Federal Law 6,404/76, up to the limit of 20% of the capital. The legal reserve established in the fiscal year ended December 31, 2024 was R\$1,433.

#### 19.4. Dividends

The Company's bylaws establish a mandatory minimum dividend of 25%, calculated based on the adjusted annual net income as provided for in article 202 of Federal Law 6,404/1976. In 2024, dividends amounting to R\$3,015 were recognized.

#### 19.5. Investment subsidy reserve

As discussed in Note 20, the tax incentives granted by the State of Bahia are now considered investment subsidies, which are deductible when calculating income tax and social security contribution. During the fiscal year ended December 31, 2024, the Company allocated R\$15,164 to the investment subsidy reserve.

The changes in subsidies in the fiscal year are as follows:

	Investment subsidy		
	Sudene	Presumed credit	Total
At December 31, 2022	16,317	74,295	90,612
Addition	-	3,102	3,102
At December 31, 2023	16,317	77,397	93,714
Addition	-	15,164	15,164
At December 31, 2024	16,317	92,561	108,878

#### 19.6. Profit retention reserve

The Company established a Profit retention reserve based on the undistributed net income for the fiscal year, in accordance with paragraph 4, Article 202 of Federal Law No. 6,404. If this reserve is not absorbed by losses in subsequent fiscal years, it will be distributed as dividends as soon as the Company's financial situation allows. Profits not allocated as per the articles 193 to 197 will be distributed as dividends.

## Livetech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued  
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### 19. Equity -- Continued

#### 19.7. Earnings per share

Earnings or loss per share is calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of common shares outstanding during the fiscal year, as shown below:

	<b>Parent Company and Consolidated</b>	
	<b>2024</b>	<b>2023</b>
Net income (loss) for the fiscal year	<b>28,657</b>	(11,876)
Weighted average number of shares in the fiscal year	<b>63,786</b>	64,206
Basic earnings per share - (in R\$)	<b>0.4493</b>	(0.1850)

The Company does not have any instruments with a dilutive effect; therefore, diluted earnings per share are similar to basic earnings per share.

## Livetech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued

December 31, 2024

(In thousands of reais)

### 20. Income tax and social security contribution

	2024	2023	2024	2023
<b>Profit (loss) before taxes</b>	<b>40,737</b>	<b>(17,240)</b>	<b>41,969</b>	<b>(16,112)</b>
Expense related to income tax and social security contribution on profit - Nominal rate of 34%	<b>(13,851)</b>	<b>5,862</b>	<b>(14,269)</b>	<b>5,478</b>
<b>Additions / (exclusions):</b>				
Non-deductible expenses	<b>(224)</b>	(5,289)	<b>(224)</b>	(6,417)
Equity method	<b>1,546</b>	646	-	646
Tax benefit of the presumed ICMS credit – current fiscal year	-	5,678	-	5,678
Profits earned abroad	<b>(1,536)</b>	-	<b>(1,536)</b>	-
Tax benefit of the presumed ICMS credit - prior fiscal years (a)	-	948	-	948
Other	<b>1,985</b>	(2,481)	<b>2,717</b>	(2,067)
<b>Total income tax and social security contribution</b>	<b>(12,080)</b>	<b>(5,364)</b>	<b>(13,312)</b>	<b>4,236</b>
Current income tax and current social security contribution	<b>(22,232)</b>	(948)	<b>(23,464)</b>	(2,076)
Deferred income tax and deferred social security contribution	<b>10,152</b>	6,312	<b>10,152</b>	6,312
<b>Effective income tax and social security contribution rate</b>	<b>-29.65%</b>	<b>-31.11%</b>	<b>-31.72%</b>	<b>-26.29%</b>

(a) Effect of recognizing extemporaneous income tax and social security contribution credits related to prior calendar years, due to the exclusion of the subsidy from the calculation base, as detailed in Note 19.5. These credits were recognized by the Company taking into account all applicable case law, substantiated by the opinion of its external legal advisors.

### 21. Related-party transactions and balances

#### Compensation of the Management and related parties

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

	<b>Parent Company and Consolidated</b>	
	<b>2024</b>	<b>2023</b>
Compensation of the executive officers and directors (fixed and variable)	<b>4,560</b>	3,989
Total	<b>4,560</b>	3,989

For the fiscal years ended December 31, 2024, our Directors and Executive Officers did not receive any variable compensation, including pension, retirement or similar benefits.

## Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued  
December 31, 2024  
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### 21. Related-party transactions and balances--Continued

#### Compensation of the Management and related parties--Continued

The related-party balances arise from transactions with entities related to the Company. These transactions, as listed below, were carried out at prices and conditions negotiated between the parties:

	<b>Parent Company</b>	
	<b>2024</b>	<b>2023</b>
Assets		
Related-party loan – WDC Panamá (a)	<b>619</b>	484
Franchising	<b>382</b>	382
Total	<b>1,001</b>	866
	<b>2024</b>	<b>2023</b>
Liabilities		
Accommodation party compensation (b)	-	16
Related-party loan – WDC US (a)	<b>3,405</b>	-
Total	<b>3,405</b>	16
	<b>2024</b>	<b>2023</b>
Result		
Accommodation party compensation (b)	<b>8</b>	20
Total	<b>8</b>	20

(a) Related-party loan agreement with the subsidiaries WDC Panamá and WDC US.

(b) Agreement by executive officers Vanderlei Rigatieri and Francisco Sergio Day Toledo, acting as guarantors/accommodation parties of obligations assumed by the Company. Sergio Day Toledo was a statutory executive officer until July 2022.

(c) Product purchase transactions between Livotech and its subsidiary, Livotech Panamá.

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

(a) Related-party lease agreement with PDV Industrialização de Equipamentos Eletrônicos Ltda:

	<b>2024</b>			<b>2023</b>		
<b>Type</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Result</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Result</b>
Property lease	<b>1,448</b>	<b>1,490</b>	<b>742</b>	2,159	2,159	760
	<b>1,448</b>	<b>1,490</b>	<b>742</b>	2,159	2,159	760

Leases do not have a contractual provision for the application of interest; they are adjusted only during renewals or through amendments. The transactions are carried out under conditions agreed upon by the parties. The agreements are covered by the IFRS 16 standard and, therefore, the amounts are presented under “Lease Liabilities” and “Right of use” (Note 16). PDV is not consolidated into the Company.

## Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued

December 31, 2024

(In thousands of reais)

### 22. Revenue from contracts with customers

	Parent Company		Consolidated	
	2024	2023	2024	2023
Gross sales	<b>560,720</b>	710,012	<b>619,021</b>	737,619
Gross rental revenue	<b>358,573</b>	335,263	<b>358,573</b>	335,263
<b>Gross revenue</b>	<b>919,293</b>	1,045,275	<b>977,594</b>	1,072,882
(-) Tax on sales revenue	<b>(117,413)</b>	(138,135)	<b>(117,413)</b>	(138,401)
(-) Returns	<b>(22,300)</b>	(33,782)	<b>(22,300)</b>	(33,764)
<b>Net revenue</b>	<b>779,580</b>	873,358	<b>837,881</b>	900,717

### 23. Costs of sales and services

	Parent Company		Consolidated	
	2024	2023	2024	2023
Cost of goods sold	<b>(378,462)</b>	(492,912)	<b>(419,990)</b>	(509,241)
Depreciation and amortization costs	<b>(194,757)</b>	(192,413)	<b>(194,757)</b>	(192,413)
Import and freight costs	<b>(7,412)</b>	(8,649)	<b>(7,417)</b>	(8,696)
Personnel costs	<b>(4,707)</b>	(2,923)	<b>(4,707)</b>	(2,923)
Provision for inventory obsolescence	<b>6,198</b>	2,358	<b>6,198</b>	2,346
Services provided by legal entities	<b>(379)</b>	(796)	<b>(636)</b>	(796)
Other costs	<b>(373)</b>	(732)	<b>(373)</b>	(732)
<b>Total costs</b>	<b>(579,892)</b>	(696,067)	<b>(621,682)</b>	(712,455)

## Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued

December 31, 2024

(In thousands of reais)

### 24. Expenses by nature

	Parent Company		Consolidated	
	2024	2023	2024	2023
Personnel	(57,024)	(51,753)	(61,632)	(53,919)
Freight and warehousing	(17,585)	(25,155)	(17,786)	(25,441)
Allowance for doubtful accounts	(23,523)	(16,099)	(24,148)	(20,457)
Marketing and advertising	(4,290)	(2,541)	(4,382)	(2,701)
Commercial representation	(13,333)	(16,424)	(13,333)	(16,424)
Travel and accommodation	(3,361)	(1,959)	(3,525)	(2,000)
Tax expenses	(8,796)	(7,046)	(8,797)	(7,057)
Services provided by legal entities	(18,114)	(16,695)	(18,952)	(17,326)
Depreciation and amortization	(3,600)	(2,767)	(3,692)	(2,810)
Conservation and repair	(1,864)	(1,523)	(1,864)	(1,523)
Consumption expenses	(5,070)	(3,785)	(6,866)	(5,238)
PIS and COFINS credits	11,310	16,592	11,310	16,592
Other operating expenses	(3,183)	(13,572)	(3,183)	(13,572)
	(148,433)	(142,727)	(156,850)	(151,876)
General and administrative expenses	(76,224)	(61,669)	(81,763)	(64,520)
Selling expenses	(62,092)	(62,178)	(63,174)	(67,023)
Other operating expenses	(10,117)	(18,880)	(11,913)	(20,333)

### 25. Financial result

	Parent Company		Consolidated	
	2024	2023	2024	2023
<b>Financial income</b>	<b>112,910</b>	<b>86,446</b>	<b>113,120</b>	<b>88,388</b>
Exchange rate variation	6,462	13,114	6,735	14,664
Fair value adjustments of derivative instruments	6,727	15,339	6,727	15,339
Interest income	88,022	34,135	88,023	34,363
Returns on short-term investments	4,548	13,652	4,580	13,654
Present value adjustment	2,104	7,544	2,104	7,544
Other financial income	5,047	2,662	4,951	2,824
<b>Financial expenses</b>	<b>(127,975)</b>	<b>(140,152)</b>	<b>(130,500)</b>	<b>(140,886)</b>
Exchange rate variation	(14,841)	(8,993)	(17,031)	(9,579)
Fair value adjustments of derivative instruments	(704)	(25,010)	(704)	(25,010)
Interest on loans, borrowings and debentures	(72,946)	(95,320)	(72,946)	(95,320)
Exchange variation on loans and borrowings	(4,432)	(4,121)	(4,432)	(5,085)
Compensation for accommodation parties	(54)	(337)	(54)	(337)
Discounts granted	(5,631)	(1,414)	(5,631)	(1,414)
IOF and Income Tax	(4,522)	(2,113)	(4,522)	(2,113)
Bank expenses	(1,872)	(1,569)	(2,207)	(1,715)
Present value adjustment - trade receivables	(19,860)	(5,004)	(19,860)	(5,004)
Other financial expenses	(3,113)	(392)	(3,113)	(394)
<b>Financial result</b>	<b>(15,065)</b>	<b>(53,706)</b>	<b>(17,380)</b>	<b>(52,498)</b>

## Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued  
December 31, 2024  
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### 26. Risk management and measurement of financial instruments

#### (a) Considerations on risks

##### *Credit risk*

Credit risk refers to the possibility that a counterparty in a transaction may not meet an obligation provided for in a financial instrument or customer contract, potentially resulting in financial loss. The Company is exposed to credit risk through its operating activities (mainly concerning accounts receivable and credit notes) and its financing activities, which include deposits in banks and financial institutions.

##### *Liquidity risk*

The risk management policy involves maintaining a secure level of cash availability or access to immediate resources. The Company's objective is to maintain the balance between the continuity of resources and the flexibility in current accounts available for immediate use through secured accounts, derivative bank loans, and related-party loans.

##### *Interest rate risk*

Interest rate risk is the risk that the fair value of a financial instrument's future cash flows may fluctuate due to variations in market interest rates. The Company's exposure to the risk of fluctuations in market interest rates primarily refers to long-term liabilities that are subject to variable interest rates. The Company has loans and borrowings from major financial institutions to address its cash requirements for investments and growth. As a result of these transactions, the Company is exposed to the risk of debts linked to the CDI and SOFR rates.

##### *Exchange risk*

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

To reduce cash flow volatility, the Company enters into derivative (swap) transactions that convert the cash flows of certain US dollar-denominated debts—arising from loan and borrowing agreements—into Brazilian reais, with rates primarily indexed to the CDI.

## Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued  
December 31, 2024  
(In thousands of reais)

### 26. Risk management and measurement of financial instruments--Continued

#### (a) Considerations on risks--Continued

##### *Exchange risk*--Continued

The Company manages its exchange risk through merchandise purchase transactions with foreign suppliers, which are expected to take place within a 12-month period, from the initial purchase to the settlement of the supplier's invoice.

#### b) Fair value measurement

For assets and liabilities recognized in the financial statements on a recurring basis, the Company assesses whether there have been transfers between levels of the hierarchy by re-evaluating the categorization (based on the lowest level of significant information for the overall fair value measurement) at the end of each reporting period. When applicable, external evaluators will be involved in the assessment of significant assets and liabilities.

The involvement of external evaluators is decided annually by management, following discussions and subsequent approval from it. The selection criteria encompass market knowledge, reputation, independence and the verification of compliance with professional standards.

Normally, evaluators are rotated every three years. Management decides, after discussion with the Company's external evaluators, which assessment techniques and information are used in each case.

On each reporting date, management analyzes the changes in the amounts of assets and liabilities that need to be measured or re-evaluated in accordance with the Company's accounting policies. For the purposes of this analysis, the management verifies the key information used in the most recent evaluation by cross-referencing the details in the evaluation calculations with the contracts and other pertinent documents.

The management, in collaboration with the Company's external evaluators, also compares each change in the fair value of assets and liabilities with the respective external sources to determine if the change is acceptable.

For the purposes of fair value disclosures, the Company has determined types of assets and liabilities based on the nature, characteristics and risks of the asset or liability, as well as the level of the fair value hierarchy, as explained above. The corresponding fair value disclosures of financial instruments and non-financial assets, whether measured at fair value or at the time of fair value disclosure, are summarized in the respective notes.

The main asset and liability financial instruments at December 31, 2024, as well as their respective market values, are disclosed below:



## Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued

December 31, 2024

(In thousands of reais)

### 26. Risk management and measurement of financial instruments--Continued

#### b) Fair value measurement--Continued

			Carrying amount		Fair value	
	Fair value hierarchy	Classification	2024	2023	2024	2023
<b>Assets (current and non-current)</b>						
Cash and cash equivalents	Level 1	Amortized cost	102,030	101,959	102,030	101,959
Trade receivables, net	Level 2	Amortized cost	577,304	429,971	577,304	429,971
Derivative financial instruments	Level 2	Fair value through profit or loss	749	-	749	-
<b>Total</b>			680,083	531,930	680,083	531,930
<b>Liabilities (current and non-current)</b>						
Suppliers	Level 2	Amortized cost	108,786	96,099	108,786	96,099
Loans and borrowings	Level 2	Amortized cost	580,037	573,546	580,037	573,546
Derivative financial instruments	Level 2	Fair value through profit or loss	-	5,274	-	5,274
Leases	Level 2	Amortized cost	10,376	11,530	10,376	11,530
Related parties	Level 2	Amortized cost	-	16	-	16
Other liabilities	Level 2	Amortized cost	46,911	22,153	46,911	22,153
<b>Total</b>			746,110	708,618	746,110	708,618

## Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued

December 31, 2024

(In thousands of reais)

### 26. Risk management and measurement of financial instruments--Continued

#### b) Fair value measurement--Continued

The objectives of the Company and its subsidiary in managing their capital are to safeguard their ability to continue operations, provide returns to shareholders, ensure protection for other stakeholders and maintain an appropriate capital structure.

There were no changes to objectives, policies or processes during the fiscal years ended December 31, 2024 and 2023.

There were no transfers between levels of the hierarchy during the fiscal years ended December 31, 2024 and 2023.

#### b.1) *Foreign currency risk exposure*

The Company has foreign currency loans under Federal Law 4,131 and maintains swap contracts that provide for agreements for two parties to exchange the risk associated with an asset (creditor) or liability (debtor) position at a future date, based on pre-established criteria. In these swap transactions, the Company pays fixed rates in US dollars and receives payments in Brazilian reais, which are linked to the interest rates of the hedged debts. The average exchange rate for the US dollar at December 31, 2024, was obtained from Bloomberg and was R\$6.1778.

		2024		
		Fair value		
Contracts	Reference value	Adjustment receivable	Adjustment payable	Net position
Swap	184,130	7,648	(6,899)	749
		Assets		749
		Liabilities		-
		2023		
		Fair value		
Contracts	Reference value	Adjustment receivable	Adjustment payable	Net position
Swap	184,130	32,346	(37,620)	(5,274)
		Assets		-
		Liabilities	-	(5,274)

## Livetech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued

December 31, 2024

(In thousands of reais)

### 26. Risk management and measurement of financial instruments--Continued

#### c) Changes in liabilities and equity from borrowing activities

	Consolidated									
	At December 31, 2023	Payment of principal	Payment of interest	Exchange variation and/or interest expenses	Charges	Vendor operations	New debt contracts	Minimum mandatory dividend	Write- offs	At December 31, 2024
Loans, borrowings and debentures	573,546	(58,949)	(70,743)	4,432	72,946	8,805	50,000	-	-	580,037
Lease liabilities	11,530	(1,774)	-	-	578	-	42	-	-	10,376

# Livetech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued

December 31, 2024

(In thousands of reais)

## 26. Risk management and measurement of financial instruments--Continued

### d) Sensitivity analysis

In order to assess the sensitivity of the indexer in foreign currency checking accounts, cash equivalents, loans and borrowings, as well as operations with interest rate risk classified under cash equivalents, debentures and loans, to which the Company was exposed as of the reporting date December 31, 2024, three different scenarios were established.

Based on projections released by financial institutions, including the Central Bank of Brazil, the foreign currency and CDI projections for each analyzed transaction were obtained and defined as the probable scenario. From this scenario, variations of 25% (scenarios II and III) and 50% (scenarios I and IV) were calculated. For each scenario, the new accounting balance, taking into account the stress rate, is presented below:

Consolidated (Amounts in R\$/thousand)		Projection - financial income/(expenses)					
Financial investments -							
Consolidated	Interest rate	2024	Scenario I	Scenario II	Probable scenario	Scenario III	Scenario IV
			-50%	-25%		25%	50%
Cash and cash equivalents and short-term investments	CDI	102,030	-	-	-	-	-
<b>Loans, borrowings and debentures:</b>							
Banco do Brasil	CDI	(48,027)	3,175	1,728	(5,225)	(2,010)	(4,301)
Banco Itaú Unibanco	CDI	(496,231)	32,808	17,858	(53,990)	(20,764)	(44,435)
Banco Votorantim	CDI	(7,725)	511	278	(840)	(323)	(692)
Banco Citi	CDI	(1,114)	74	40	(121)	(47)	(100)
Vendor Operations		(26,940)	-	-	-	-	-
Swap - Votorantim (*)	US dollar / CDI	749	(50)	(27)	81	31	67
<b>Subtotal</b>		<b>(579,288)</b>	<b>36,518</b>	<b>19,877</b>	<b>(60,095)</b>	<b>(23,113)</b>	<b>(49,461)</b>
<b>Scenarios of indexer variations:</b>							
(i) US dollar		6.1917	3.0959	4.6438	6.1917	7.7396	9.2876
(ii) Euro		6.4344	3.2172	4.8258	6.4344	8.0430	9.6516
(iii) CDI		43.07%	21.54%	32.30%	43.07%	53.84%	64.61%
(iv) SOFR		5.32%	2.66%	3.99%	5.32%	6.65%	7.98%

(\*) Foreign currency loan operations are hedged through currency swaps contracted with the same banks.

Sources: Sources: (i) (ii) US dollar/Euro - PTAX Central Bank of Brazil; (iii) CDI - Central Bank of Brazil; (iv) SOFR.

## Livetech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued

December 31, 2024

(In thousands of reais)

### 26. Risk management and measurement of financial instruments--Continued

#### e) Capital management

The primary objectives of the Company in managing its capital are to safeguard its ability to continue operations, thereby providing returns to shareholders and benefits to stakeholders. Additionally, the Company aims to enhance cash management to ensure the availability of credit lines, which is crucial for maintaining liquidity and achieving the lowest possible cost of funding, whether through equity or external financing.

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

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
Loans, borrowings and debentures	<b>580,037</b>	573,546
Leases	<b>10,376</b>	11,530
(-) Cash and cash equivalents	<b>(102,030)</b>	(101,959)
(+/-) Derivative financial instruments	<b>(749)</b>	5,274
Net debt	<b>487,634</b>	488,391
Equity	<b>656,801</b>	635,111
Total capital (equity and net debt)	<b>1,144,435</b>	1,123,502
<b>Financial leverage ratio %</b>	<b>43%</b>	43%

### 27. Segment information

The Company reports its results by segment to enhance monitoring and decision-making, and these results are divided into three segments: Telecom, Solar Power and Enterprise.

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

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

## Livotech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued

December 31, 2024

(In thousands of reais)

### 27. Segment information--Continued

The Solar Power segment includes solutions for distributed solar energy generation, including solar panel products, inverters and lithium batteries.

The Enterprise segment includes the B2B consumer market (companies), including security products, building and residential automation, professional audio and video, LED panels, and more.

#### Consolidated segment results

	Telecom		Solar Power		Enterprise		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Net revenue	478,712	475,939	65,423	166,549	293,746	258,229	837,881	900,717
Cost of sales	(358,189)	(367,538)	(58,087)	(164,629)	(205,406)	(180,288)	(621,682)	(712,455)
Gross income	120,523	108,401	7,336	1,920	88,340	77,941	216,199	188,262

#### Consolidated segment equity

	Telecom		Solar Power		Enterprise		Total	Total
	2024	2023	2024	2023	2024	2023	2024	2023
Total assets	1,036,511	979,781	42,154	85,601	376,770	287,669	1,455,435	1,353,051
Total liabilities + equity	995,414	961,937	71,226	62,426	388,795	328,688	1,455,435	1,353,051

#### a) *Information on customer concentration*

For the fiscal year ended December 31, 2024, the Company does not have any customer that individually accounts for 10% or more of its consolidated sales. Analyzing the segments individually, we have the following: (i) in the Telecom segment, one customer accounted for 7.9% of the segment's total (3.9% of the consolidated result); (ii) in the Solar Power segment, one customer accounted for 7.3% of the segment's total (1.3% of the consolidated result); and (iii) in the Enterprise segment, one customer accounted for 7.8% of the segment's total (2.5% of the consolidated result).

#### b) *Geographic information*

	Subsidiaries in the country		Subsidiaries abroad	
	2024	2023	2024	2023
Net revenue	779,580	873,358	58,301	27,359
Total assets	1,442,072	1,330,702	79,584	48,616

## Livetech da Bahia Industria e Comércio S.A.

Notes to the individual and consolidated financial statements--Continued

December 31, 2024

(In thousands of reais)

### 28. Insurance coverage

The Company maintains insurance coverage in amounts deemed sufficient by Management to cover risks associated with its assets and/or liabilities. The insurance coverage includes the manufacturing facility located in the Ilhéus Industrial Complex and the commercial branch situated in São Paulo city.

Coverage at December 31, 2024 and 2023 is presented below:

	Parent Company and Consolidated	
	2024	2023
Pecuniary loss	136,715	136,715
Civil liability	30,100	30,100
Other	30	30
<b>Total</b>	<b>166,845</b>	<b>166,845</b>

### 29. Non-cash transactions

	Parent Company and Consolidated	
	2024	2023
Vendor operations	5,256	-
<b>Total</b>	<b>5,256</b>	<b>-</b>

### 30. Events after the reporting period

#### Acquisition of Infinite

In accordance with the applicable accounting standards, the Company announces that, on February 26, 2025, it completed the acquisition of 51% of the share capital of Matheus R A Plastino e Cia S.A. ("Infinite") for the amount of R\$1,153, resulting in a goodwill of R\$1,132.

The transaction was carried out with the aim of expanding in the services market, reinforcing the growth strategy and strengthening operations for the upcoming fiscal years.

The key impacts expected from this acquisition include:

- **Revaluation of assets and liabilities:** The Company is conducting the allocation of the purchase price, in accordance with current accounting standards.

## **Livetech da Bahia Industria e Comércio S.A.**

Notes to the individual and consolidated financial statements--Continued

December 31, 2024

(In thousands of reais)

### **30. Events after the reporting period--Continued**

- Financial impacts: The acquisition may impact future financial results and will be reflected in subsequent financial statements.
- Operational integration: Measures will be adopted to ensure synergy between the operations and the continuity of the activities of the acquired company.

#### Cancellation of treasury stock

On February 6, 2025, the Company completed the cancellation of 1,201,600 shares that were held in treasury, in compliance with regulatory standards.

The main accounting and financial impacts, beyond the management's objectives, include:

- Reduction of outstanding shares: The operation led to a reduction in the total number of shares issued, without affecting the share capital.
- Effect on equity: The carrying amount of the canceled shares was reclassified, in accordance with the accounting standards in force.
- Impact on shareholders and the objective: The measure may positively influence the financial indicators per share, reflecting the Company's commitment to creating value for its investors.