

# **QUARTERLY INFORMATION 2Q2024**

**LUPATECH S.A.**  
**CNPJ/MF nº 89.463.822/0001-12**  
**NIRE 35.3.0045756-1**  
**Publicly-Held Company with Authorized Capital –**  
**New Market**

## Management Report

**THIS IS A FREE TRANSLATION OF THE ORIGINAL TEXT IN PORTUGUESE IN CASE OF DIVERGENCE OF INTERPRETATION, THE PORTUGUESE TEXT WILL PREVAIL**

### Message from the Administration

Net Revenues for the 2Q24 reached R\$ 33.9 million, reflecting a 73% increase compared to the same quarter of the previous year. For the semester, an accumulated growth of 68% was achieved compared to 2023. In the 2Q24, the Company successfully maintained the revenue levels observed in the 1Q24.

Gross Revenues for the semester totaled R\$ 83.1 million, indicating an annualized gross revenue level of approximately R\$ 170 million.

The backlog of firm orders closed the quarter at R\$ 67.4 million, stable compared to the 1Q24 (R\$ 66.8 million). Meanwhile, the backlog of contracts without purchase obligations ended the quarter at R\$ 143 million, representing a 13% increase compared to the 1Q24 (R\$ 127 million).

The results were achieved despite the challenges posed by the climatic disaster that affected the state of Rio Grande do Sul, where we operate with three industrial plants. Our Composites plant, located in the city of Feliz, was submerged under nearly 3 meters of water. Nonetheless, we managed to resume production in just over a month, thanks to the intensive repair efforts of our team. While the plants in São Leopoldo (ropes) and Veranópolis (valves and foundry) did not suffer any physical damages, they faced significant logistical challenges in the transportation of materials and personnel - some employees experienced severe damages on their homes due to the flood.

Gross Profit for the semester was R\$ 15.0 million, compared to R\$ 9.4 million in the previous year. The gross margin for the 2Q24 was slightly lower than that of the 1st quarter of 2024, due to the increase in costs for imported materials, primarily due to the sudden currency devaluation. These cost increases have not yet been passed on to prices, as contracts have fixed prices (firm orders) or annual adjustment clauses (supply contracts).

In the reported quarter, the Company experienced several non-recurring effects that are worth noting. We sold a significant amount (R\$ 9.4 million) of remaining equipment from the Services business unit, offering a volume discount on the book value. Additionally, the Company was booked the effects of a significant tax settlement with the State of São Paulo, which allowed us to resolve long-standing disputes. We also faced effects from production idleness, primarily due to the operational impacts of the floods in the state of Rio Grande do Sul.

Accounting for the non-recurring effects, we maintained a positive adjusted EBITDA of R\$ 340 thousand in the 2Q24 and R\$ 1.6 million for the semester, compared to negative values of R\$ 2.6 million and R\$ 1.3 million for the same periods in the previous year. These figures demonstrate the consistency of the Company's operational improvement.

Rafael Gorenstein  
CEO and Investor Relations Officer

## Economic and Financial Performance

Lupatech mainly manufactures (Products segment) industrial valves; valves for oil and gas; ropes for deepwater mooring of oil platforms, naval use and cargo lifting; artifacts of composite materials, mainly electricity poles and tubes for lining oil pipelines.

The Company used to operate in the oilfield services business (Services segment), of which remain various assets in the process of liquidation and several legacy matters associated with it.

### Net Revenue

Net Revenue (R\$ thd)	2Q23	2Q24	1Q24	2Q24	1S24	1S23
<b>Products</b>	<b>19,626</b>	<b>33,783</b>	<b>34,866</b>	<b>33,783</b>	<b>68,649</b>	<b>40,950</b>
Valves	17,615	31,966	31,260	31,966	63,226	38,238
Ropes and Composites	2,011	1,817	3,606	1,817	5,423	2,712
<b>Services</b>	<b>46</b>	<b>153</b>	<b>139</b>	<b>153</b>	<b>292</b>	<b>114</b>
Oilfield Services	46	153	139	153	292	114
<b>Total</b>	<b>19,672</b>	<b>33,936</b>	<b>35,005</b>	<b>33,936</b>	<b>68,941</b>	<b>41,064</b>

In the first semester of 2024, consolidated net revenue reached R\$ 68.6 million, a significant growth of 67.6% compared to the first semester of 2023.

### Products

The increase in net revenue between 2Q24 and 2Q23 was driven by the success of the commercial efforts made during the period. However, the drop in 2Q24 compared to 1Q24 is due to the effects of the weather events that hit the state of Rio Grande do Sul, where some of the plants are located.

### Services

Transactions carried out in this segment result from the liquidation of inventory balances and other activities related to plants that were demobilized, i.e., they do not arise from ongoing operations.

### Order Backlog

As of June 30, 2024, the Company's order backlog in Brazil totaled R\$ 67.4 million. On the same date, the Company had a balance of R\$ 143 million in supply contracts, with no purchase obligation. (Note: the figures do not include bids for which the respective orders or contracts have not yet been issued).

### Gross Profit and Gross Margin

Gross Profit (R\$ thd)	2Q23	2Q24	1Q24	2Q24	1S24	1S23
<b>Products</b>	<b>4,175</b>	<b>7,008</b>	<b>7,980</b>	<b>7,008</b>	<b>14,988</b>	<b>9,380</b>
Gross Margin - Products	21.3%	20.7%	22.9%	20.7%	21.8%	22.9%
<b>Services</b>	<b>7</b>	<b>0</b>	<b>48</b>	<b>0</b>	<b>48</b>	<b>22</b>
Gross Margin - Services	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total</b>	<b>4,182</b>	<b>7,008</b>	<b>8,028</b>	<b>7,008</b>	<b>15,036</b>	<b>9,402</b>
Gross Margin - Total	21.3%	20.6%	22.9%	20.6%	21.9%	22.9%
<b>Depreciation</b>	<b>1,212</b>	<b>850</b>	<b>924</b>	<b>850</b>	<b>1,774</b>	<b>2,513</b>
Depreciation Products	858	728	804	728	1,532	1,742
Depreciation Services	354	122	120	122	242	771
<b>Gross Profit without depreciation</b>	<b>5,394</b>	<b>7,858</b>	<b>8,952</b>	<b>7,858</b>	<b>16,810</b>	<b>11,915</b>
<b>Gross Profit without depreciation Products</b>	<b>5,033</b>	<b>7,736</b>	<b>8,784</b>	<b>7,736</b>	<b>16,520</b>	<b>11,122</b>

\*n/a - not applied

## Products

Gross profit in 1S24 reached R\$ 15.0 million, with a margin of 21.8%, compared to R\$ 9.4 million with a margin of 22.9% in 1S23.

The comparison between 2Q24 and 1Q24 reflect a drop in the gross margin, mainly due to the lower dilution of fixed costs as a result of the lower sales volume.

## Services

The results of the services segment do not come from production activities, only from the sale of remaining inventories.

## Expenses

Expenses (R\$ thd)	2Q23	2Q24	1Q24	2Q24	1S24	1S23
<b>Total Sales Expenses</b>	<b>2,368</b>	<b>3,514</b>	<b>1,972</b>	<b>3,514</b>	<b>5,486</b>	<b>4,838</b>
Sales Expenses - Products	2,368	3,514	1,972	3,514	5,486	4,838
Sales Expenses - Services	-	-	-	-	-	-
<b>Total Administrative Expenses</b>	<b>6,223</b>	<b>5,445</b>	<b>5,112</b>	<b>5,445</b>	<b>10,557</b>	<b>11,777</b>
Administrative Expenses - Products	3,067	2,630	1,918	2,630	4,548	6,138
Administrative Expenses - Services	3,156	2,815	3,194	2,815	6,009	5,639
<b>Management Fees</b>	<b>828</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>1,500</b>	<b>1,726</b>
<b>Total Expenses</b>	<b>9,419</b>	<b>9,709</b>	<b>7,834</b>	<b>9,709</b>	<b>17,543</b>	<b>18,341</b>

## Sales expenses

Sales expenses are predominantly variable in the form of freight and commissions.

## Administrative Expenses

In 2Q24, the company recorded R\$ 5.4 million in administrative expenses, 6.5% higher than the amount recognized in 1Q24. This variation is mainly due to the transfer of wage settlements.

## Management Compensation

The amount presented is composed of fixed and variable remuneration.

## Other Revenues and Operational (Expenses)

Other Operating (Expenses) (R\$ thd)	2Q23	2Q24	1Q24	2Q24	1S24	1S23
Products	(483)	(3,140)	471	(3,140)	(2,669)	(558)
Expenses with Idleness - Products	(4,489)	(2,802)	(317)	(2,802)	(3,119)	(10,036)
Services	(180)	(4,175)	597	(4,175)	(3,578)	3,719
Expenses with Idleness - Services	-	-	-	-	-	-
<b>Total</b>	<b>(5,152)</b>	<b>(10,117)</b>	<b>751</b>	<b>(10,117)</b>	<b>(9,366)</b>	<b>(6,875)</b>

In 2Q24, R\$ 33.6 million of “Other Operating Income” was recorded against R\$ 43.7 million of “Other Operating Expenses”, totaling a net effect of R\$ 10.1 million. The following factors stand out:

- I. R\$ 3.5 million net negative effect resulting mainly from the ICMS tax transaction with the State of São Paulo, with installment payments and recognition of taxes and contributions;
- II. R\$ 2.8 million in idle production costs (impact of stoppages and other logistical disruptions resulting from the weather catastrophe in Rio Grande do Sul);

- III. R\$ 2.0 million negative result from the sale of part of the remaining assets of the service units;
- IV. R\$ 1.1 million from estimates of obsolescence and extraordinary inventory losses;
- V. R\$ 0.5 thousand recognition of depreciation of real estate as investment property in compliance with accounting standards;
- VI. R\$ 0.2 thousand corresponding to direct losses resulting from the weather event that hit the Feliz unit, located in Rio Grande do Sul.

## Financial Result

Financial Results (R\$ thd)	2Q23	2Q24	1Q24	2Q24	1S24	1S23
Financial Revenue*	770	4,691	1,133	4,691	5,825	3,163
Financial Expense*	(14,125)	(10,975)	(6,426)	(10,975)	(17,402)	(26,350)
<b>Net Financial Results*</b>	<b>(13,355)</b>	<b>(6,284)</b>	<b>(5,293)</b>	<b>(6,284)</b>	<b>(11,577)</b>	<b>(23,187)</b>
Net Exchange Variance	10,277	(6,606)	(4,053)	(6,606)	(10,659)	15,380
<b>Net Financial Results - Total</b>	<b>(3,078)</b>	<b>(12,890)</b>	<b>(9,346)</b>	<b>(12,890)</b>	<b>(22,236)</b>	<b>(7,807)</b>

\* Excluding Exchange Variance

The net financial result for 2Q24 was negative by R\$ 6.3 million, and its main effect is the restatement of interest and fines on taxes, suppliers and loans. The total net financial result is influenced by the exchange rate variation.

According to the Material Fact disclosed on May 28, 2024, the Company negotiated contingent liabilities with the State of São Paulo, the amount of which under discussion was R\$ 35,512 thousand, which was reduced to R\$ 7,544 with the success of the negotiation. The impact on results of this tax transaction was recorded in the Taxes and Contributions (Other operating expenses) and Fines and Interest on Taxes (Financial expenses) accounts.

It is important to remember that exchange rate variations predominantly result from their impact on balances between group companies abroad. Exchange rate fluctuations affect the translation of the equity of these entities into Reais in the opposite direction, so there are counterparts to the exchange rate variations accounted for directly in the company's equity, without any records in profit and loss accounts. Refer to the pro forma statement below:

	1Q24	2Q24	1S24
<b>Total Exchange Variation Revenue</b>	<b>402</b>	<b>12,123</b>	<b>12,525</b>
Realized on exchange closing	11	763	774
Provision for outstanding securities	80	121	201
Provision on loan	311	11,239	11,550
<b>Total Exchange Variation Expense</b>	<b>(4,455)</b>	<b>(18,729)</b>	<b>(23,184)</b>
Realized on exchange closing	(20)	(302)	(322)
Provision on loan	(4,173)	(15,182)	(19,355)
Realized on loan payment	-	(2,292)	(2,292)
Provision for unsecured suppliers	(262)	(953)	(1,215)
<b>Net Exchange Variance</b>	<b>(4,053)</b>	<b>(6,606)</b>	<b>(10,659)</b>
Counterpart in Shareholders' Equity	(3,862)	(6,235)	(10,097)
<b>Net Economic Effect of Exchange Variation</b>	<b>(191)</b>	<b>(371)</b>	<b>(562)</b>

## Adjusted EBITDA from Operations

EBITDA Adjusted (R\$ thd)	2Q23	2Q24	1Q24	2Q24	1S24	1S23
<b>Products</b>	<b>(95)</b>	<b>2,714</b>	<b>3,526</b>	<b>2,714</b>	<b>6,240</b>	<b>649</b>
Margin	-0.5%	8.0%	10.1%	8.0%	9.1%	1.6%
<b>Services</b>	<b>(2,525)</b>	<b>(2,374)</b>	<b>(2,220)</b>	<b>(2,374)</b>	<b>(4,594)</b>	<b>(1,945)</b>
Margin	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total</b>	<b>(2,620)</b>	<b>340</b>	<b>1,306</b>	<b>340</b>	<b>1,646</b>	<b>(1,296)</b>
<b>Margin</b>	<b>-13.3%</b>	<b>1.0%</b>	<b>3.7%</b>	<b>1.0%</b>	<b>2.4%</b>	<b>-3.2%</b>

Product Adjusted EBITDA in 2Q24 increased compared to 2Q23, reflecting better sales performance. In comparison with 1Q24, the slight reduction is due to the lower volume of revenues and the slightly lower sales margin.

Services Adjusted EBITDA is made up of legacy management costs.

The EBITDA for the period was strongly impacted by extraordinary results: the result of the sale of Services assets, idle expenses resulting mainly from the floods in Rio Grande do Sul, and extraordinary expenses, especially the recognition of taxes and contributions for adherence to installment plans.

Adjusted Ebitda Reconciliation (R\$ thd)	2Q23	2Q24	1Q24	2Q24	1S24	1S23
Gross Profit	4,182	7,008	8,028	7,008	15,036	9,402
SG&A	(8,591)	(8,959)	(7,084)	(8,959)	(16,043)	(16,615)
Management Compensation	(828)	(750)	(750)	(750)	(1,500)	(1,726)
Depreciation and Amortization	1,212	850	924	850	1,774	2,513
Other Operating Expenses	(5,152)	(10,117)	751	(10,117)	(9,366)	(6,875)
<b>Ebitda</b>	<b>(9,177)</b>	<b>(11,968)</b>	<b>1,869</b>	<b>(11,968)</b>	<b>(10,099)</b>	<b>(13,301)</b>
Result of disposal or write-off of assets	(33)	1,978	4	1,978	1,982	(126)
Provisions for Legal Proceedings	(387)	(238)	(1,434)	(238)	(1,672)	(5,582)
Idle expenses	4,489	2,802	317	2,802	3,119	10,036
Extraordinary Expenses	2,488	7,766	550	7,766	8,316	5,057
<b>Adjusted EBITDA</b>	<b>(2,620)</b>	<b>340</b>	<b>1,306</b>	<b>340</b>	<b>1,646</b>	<b>(3,916)</b>

Reconciliation of Adjusted Ebitda (R\$ thd)	2Q24		
	Products	Services	Total
Gross Profit	7,008	-	7,008
SG&A	(6,144)	(2,815)	(8,959)
Management Compensation	-	(750)	(750)
Depreciation and Amortization	728	122	850
Other Operating Expenses	(5,942)	(4,175)	(10,117)
<b>Ebitda</b>	<b>(4,350)</b>	<b>(7,618)</b>	<b>(11,968)</b>
Result of disposal or write-off of assets	(224)	2,202	1,978
Provisions for Legal Proceedings	(177)	(61)	(238)
Idle expenses	2,802	-	2,802
Extraordinary Expenses	4,663	3,103	7,766
<b>Adjusted EBITDA</b>	<b>2,714</b>	<b>(2,374)</b>	<b>340</b>

## Net Result

Net Result (R\$ thd)	2Q23	2Q24	1Q24	2Q24	1S24	1S23
Result Before Income Tax and Social Contribution	(13,467)	(25,708)	(8,401)	(25,708)	(34,109)	(23,621)
Income Tax and Social Contribution - Current	-	(2)	-	(2)	(2)	(1)
Income Tax and Social Contribution - Deferred	(1,044)	2,451	1,002	2,451	3,453	(969)
<b>Net Profit for the Period</b>	<b>(14,511)</b>	<b>(23,259)</b>	<b>(7,399)</b>	<b>(23,259)</b>	<b>(30,658)</b>	<b>(24,591)</b>
Profit (Loss) per Share	(0.45)	(0.56)	(0.18)	(0.56)	(0.74)	(0.76)

The negative net result obtained in 2Q24 of R\$ 23.3 million is mainly influenced by:

- i) Exchange variation: negative R\$ 6.6 million;
- ii) Other Operating Income and Expenses: a negative R\$ 10.1 million, mainly due to the recognition of taxes and contributions for payment in installments, production idleness, inventory obsolescence, the result of the sale of Services assets, and idleness expenses resulting mainly from the floods in Rio Grande do Sul.

## Working Capital

Working Capital (R\$ thd)	06/30/2024	12/31/2023
Accounts Receivable	35,533	18,140
Inventories	30,730	32,678
Advances of suppliers	6,627	7,522
Recoverable taxes	37,736	40,701
Other Accounts Receivable	5,244	5,612
<b>Total Asset</b>	<b>115,870</b>	<b>104,653</b>
Suppliers	15,133	15,072
Advances from Customers	2,908	1,161
Taxes payable	20,685	22,323
Other Accounts Payable/Other Obligations	5,456	5,783
Payroll and charges	7,409	5,493
<b>Total Liabilities</b>	<b>51,591</b>	<b>49,832</b>
<b>Working Capital Employed</b>	<b>64,279</b>	<b>54,821</b>
Working Capital Variation	9,458	

When comparing the balances as of June 30, 2024 with the balance as of December 31, 2023, there is an increase in the working capital employed. This increase is mainly due to: (i) a change in accounts receivable due to higher sales volume, and (ii) a reduction in taxes receivable and taxes payable due to the offsetting of tax credits.

## Indebtedness

Debts (R\$ thd)	06/30/2024	12/31/2023
<b>Short Term</b>	<b>56,651</b>	<b>50,633</b>
Credits subject to Judicial Recovery	7,287	6,266
Credits not subject to Judicial Recovery	49,364	44,367
<b>Long Term</b>	<b>96,863</b>	<b>95,027</b>
Credits subject to Judicial Recovery	94,239	92,262
Credits not subject to Judicial Recovery	2,624	2,765
<b>Total Debts</b>	<b>153,514</b>	<b>145,660</b>
Cash and Cash Equivalents	9,181	19,907
<b>Net Debt</b>	<b>144,333</b>	<b>125,753</b>

The increase in financial indebtedness when comparing the balances at June 30, 2024 with the balances at December 31, 2023 is mainly associated with the use of cash from the settlement of the “San Antonio” litigation to increase working capital. There was also an increase in indebtedness as a result of new loans taken out in the period and the updating of balances subject to legal recourse.

Short-term indebtedness is detailed in the following tables, which show the breakdown by type and then the coverage of guarantees.

Short-term debt - Credits not subject to Judicial Reorganization	06/30/2024
BNDES - Fiduciary Sale of Machinery	11,167
Co-obligation on discounted securities	11,762
Working Capital (various types)	26,435
<b>Total</b>	<b>49,364</b>

Guarantee Coverage - Working Capital (various types)	06/30/2024
CDB and performing credits	12,918
Other*	13,517
<b>Total</b>	<b>26,435</b>

\*Performing receivables, FGI, Intra-group guarantee.

Note that most of the short-term debt corresponds to co-obligation on receivables assigned (R\$ 11.7 million) or to amounts that will be settled by receivables that have already been performed or CDBs (R\$ 12.9 million). Only R\$ 13.5 million relies on the future performance of receivables or are covered by third party endorsement.



## Annexes

### Annex I - Income Statements (R\$ Thousand)

	1Q24	2Q24
Net Revenue From Sales	35,005	33,936
Cost of Goods and Services Sold	(26,977)	(26,928)
Gross Profit	8,028	7,008
Operating Income/Expenses	(7,083)	(19,826)
Selling	(1,972)	(3,514)
General and Administrative	(5,112)	(5,445)
Management Fees	(750)	(750)
Other Operation Income (Expenses)	751	(10,117)
Net Financial Result	(9,346)	(12,890)
Financial Income	1,134	4,691
Financial Expenses	(6,427)	(10,975)
Net Exchange Variance	(4,053)	(6,606)
<u>Results Before Income Tax and Social Contribution</u>	<u>(8,401)</u>	<u>(25,708)</u>
Provision Income Tax and Social Contribution - Current	-	(2)
Provision Income Tax and Social Contribution - Deferred	1,002	2,451
<u>Net Loss for the Period</u>	<u>(7,399)</u>	<u>(23,259)</u>

**Annex II – Reconciliation of EBITDA Adjusted (R\$ Thousand)**

	<b>1Q24</b>	<b>2Q24</b>
Adjusted EBITDA from Operations	1,306	340
Idleness Expenses	(317)	(2,802)
Extraordinary expenses	(550)	(7,766)
<u>Provisions for Losses, Impairment and Net Result on Disposal of Assets</u>	<u>1,430</u>	<u>(1,740)</u>
EBITDA from Operations	1,869	(11,968)
Depreciation and amortization	(924)	(850)
Net Financial Result	(9,346)	(12,890)
<u>Income Tax and Social Contribution - Current and Deferred</u>	<u>1,002</u>	<u>2,449</u>
Net Loss	(7,399)	(23,259)

**Annex III – Consolidated Balance Sheets (R\$ Thousand)**

	<b>06/30/2024</b>	<b>12/31/2023</b>
<b>Total Asset</b>	<b>472,162</b>	<b>482,769</b>
<b>Current Assets</b>	<b>136,092</b>	<b>145,711</b>
Cash and Cash Equivalents	9,181	19,907
Accounts Receivable	35,533	18,140
Inventories	30,730	32,678
Recoverable Taxes	37,736	40,701
Other Accounts Receivable	5,244	5,612
Prepaid Expenses	705	553
Advances to Suppliers	6,627	7,522
Assets Classified as Held for Sale	10,336	20,598
<b>Non-Current Assets</b>	<b>336,070</b>	<b>337,058</b>
Securities-restricted	44	44
Judicial Deposits	5,064	5,079
Recoverable Taxes	3,808	6,953
Deferred Income Tax and Social Contribution	59,633	56,180
Other Accounts Receivable	33,822	34,502
Investments	19,685	19,685
Fixed Assets	130,697	131,405
Intangible Assets	83,317	83,210
<b>Total Liabilities and Shareholders Equity</b>	<b>472,162</b>	<b>482,769</b>
<b>Current Liabilities</b>	<b>110,874</b>	<b>102,918</b>
Suppliers - not subject to Judicial Recovery	9,516	9,876
Suppliers - subject to Judicial Recovery	5,617	5,196
Loans and Financing - not subject to Judicial Recovery	49,364	44,367
Loans and Financing - subject to Judicial Recovery	7,287	6,266
Provisions Payroll and Payroll Payable	7,409	5,493
Taxes Payable	20,685	22,323
Obligations and Provisions for Labor Risks - subject to Judicial Recovery	106	315
Advances from Customers	2,908	1,161
Other Accounts Payable	5,456	5,783
Other obligations - subject to Judicial Recovery	2,526	2,138
<b>Non-Current Liabilities</b>	<b>229,145</b>	<b>220,288</b>
Suppliers - subject to Judicial Recovery	27,909	26,649
Loans and Financing - not Subject to Judicial Recovery	2,624	2,765
Loans and Financing - subject to Judicial Recovery	94,239	92,262
Taxes Payable	38,645	29,199
Provision for Contingencies	24,840	27,591
Obligations and Provisions Labor Risks - subject to Judicial Recovery	1,915	2,238
Other Accounts Payable	1,746	3,350
Other obligations - subject to judicial recovery	37,227	36,234
<b>Shareholders' Equity</b>	<b>132,143</b>	<b>159,563</b>
Capital Stock	1,921,226	1,920,820
Reserves and capital transactions	144,754	144,754
Equity valuation adjustment	77,511	74,679
Accumulated Losses	(2,011,348)	(1,980,690)

**Annex IV – Statements of the Consolidated Cash Flow (R\$ Thousand)**

	<b>1Q24</b>	<b>2Q24</b>
<b>Cash Flow from Operating Activities</b>		
Loss for the periods	(7,399)	(23,259)
Adjustments:		
Depreciation and Amortization	1,455	1,380
Income from sale of property, plant and equipment	(1)	(7,221)
Financial charges and exchange variation on financing	8,061	18,773
Reversal (Provision) for loss due to non-recoverability of assets	-	(8,313)
Deferred Income Tax and Social Contribution	(1,002)	(2,451)
Inventory obsolescence	938	386
(Reversal) Estimated losses for doubtful accounts	(97)	35
Actual losses with doubtful accounts	-	14
Adjust to present value	184	(3,928)
Exchange variation on investments abroad	2,115	1,248
Changes in Assets & Liabilities		
(Increase) Decrease in Accounts Receivable	(14,398)	(2,947)
(Increase) Decrease in Inventories	(1,735)	2,359
(Increase) Decrease in Recoverable Taxes	2,908	3,202
(Increase) Decrease in Other Assets	(186)	2,171
(Increase) Decrease in Suppliers	12	(2,227)
(Increase) Decrease in Taxes Payable	(3,158)	1,547
(Increase) Decrease in Others Accounts Payable	414	(2,107)
<b>Net Cash Flow from Operating Activities</b>	<b>(11,889)</b>	<b>(21,338)</b>
<b>Cash Flow from Investment Activities</b>		
Securities - restricted account	150	117
Resources from the sale of fixed assets	-	25,258
Acquisition of fixed assets	(263)	(388)
Aquisition of Intangible Assets	-	(232)
<b>Net Cash Flow from (Used in) Investment Activities</b>	<b>(113)</b>	<b>24,755</b>
<b>Cash Flow from Financing Activities</b>		
Borrowing and financing	37,105	28,406
Capital increase	68	338
Payment of loans and financing	(29,480)	(38,578)
<b>Net Cash Flow from Financing Activities</b>	<b>7,693</b>	<b>(9,834)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(4,309)</b>	<b>(6,417)</b>
At the Beginning of the Period	19,907	15,598
At the End of the Period	15,598	9,181

## About Lupatech

Lupatech is a Brazilian company with high added value products focused on the oil and gas sector, operating in manufacturing (Products segment) mainly producing industrial valves; valves for oil and gas; ropes for anchoring oil platforms; well completion equipment; artifacts of composite materials, mainly FRP power poles and tubes for lining oil pipelines.

LUPATECH S.A.

BALANCE SHEET  
(In R\$ Thousands)

ASSETS	Note	Parent		Consolidated	
		06/30/2024	12/31/2023	06/30/2024	12/31/2023
<b>CURRENT</b>					
Cash and cash equivalents	3	1,295	1,440	9,181	19,907
Accounts receivables	4	30,900	13,340	35,533	18,140
Inventories	5	27,388	26,931	30,730	32,678
Recoverable taxes	6	23,687	26,479	37,736	40,701
Advances to suppliers		6,376	7,260	6,627	7,522
Other accounts receivable	7	1,460	1,814	5,244	5,612
Prepaid expenses		650	469	705	553
Accounts receivable - related parties	15.1	382	939	-	-
Assets classified as held for sale	8	-	896	10,336	20,598
<b>Total current assets</b>		<b>92,138</b>	<b>79,568</b>	<b>136,092</b>	<b>145,711</b>
<b>NON-CURRENT ASSETS</b>					
Judicial deposits	19.1	1,657	1,489	5,064	5,079
Securities-restricted	3	44	44	44	44
Recoverable taxes	6	3,808	6,238	3,808	6,953
Deferred income tax and social contribution	17	59,979	55,156	59,633	56,180
Accounts receivable - related parties	15.1	1,325	9,742	-	-
Other accounts receivable	7	33,341	33,663	33,822	34,502
<b>Investments</b>					
Direct and indirect associated companies	9.1	266,576	256,555	-	-
Investment property	9.2	-	-	19,685	19,685
Fixed assets	10	18,964	20,081	130,697	131,405
<b>Intangibles</b>					
Goodwill	11	61,479	61,479	82,166	82,166
Other intangibles	11	872	760	1,151	1,044
<b>Total Non-current assets</b>		<b>448,045</b>	<b>445,207</b>	<b>336,070</b>	<b>337,058</b>
<b>TOTAL ASSETS</b>		<b>540,183</b>	<b>524,775</b>	<b>472,162</b>	<b>482,769</b>

The notes are an integral part of the financial statements.

LUPATECH S.A.

BALANCE SHEET  
(In R\$ Thousands)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	Parent		Consolidated	
		06/30/2024	12/31/2023	06/30/2024	12/31/2023
<b>CURRENT LIABILITIES</b>					
Suppliers - not subject to judicial reorganization	14	6,939	6,957	9,516	9,876
Suppliers - subject to judicial reorganization	14	5,617	5,196	5,617	5,196
Loans and financing - not subject to judicial reorganization	13	39,445	29,206	49,364	44,367
Loans and financing - subject to judicial reorganization	13	5,519	4,770	7,287	6,266
Salaries, provisions and social contributions		6,336	4,766	7,409	5,493
Taxes to be collected	20	13,006	13,742	20,685	22,323
Labor obligations and provisions - subject to judicial reorganization		106	315	106	315
Advance on customers		2,495	731	2,908	1,161
Other accounts payable	18	4,902	5,125	5,456	5,783
Other obligations - subject to judicial recovery	18	2,526	2,138	2,526	2,138
Related Parties - mutual and loans	15.1	7,342	4,454	-	-
<b>Total current liabilities</b>		<b>94,233</b>	<b>77,400</b>	<b>110,874</b>	<b>102,918</b>
<b>NON-CURRENT LIABILITIES</b>					
Suppliers - subject to Judicial Recovery	14	27,909	26,649	27,909	26,649
Loans and financing - not subject to Judicial Recovery	13	2,624	2,765	2,624	2,765
Loans and financing - subject to Judicial Recovery	13	59,963	58,056	94,239	92,262
Taxes to be collected	20	21,124	12,880	38,645	29,199
Provision for contingencies	19.2	16,017	18,466	24,840	27,591
Obligations and provisions labor risks - subject to judicial Recovery		1,915	2,238	1,915	2,238
Other accounts payable	18	-	-	1,746	3,350
Other obligations - subject to judicial recovery	18	37,227	36,234	37,227	36,234
Related Parties - mutual and loans	15.1	147,028	130,524	-	-
<b>Total non-current liabilities</b>		<b>313,807</b>	<b>287,812</b>	<b>229,145</b>	<b>220,288</b>
<b>SHAREHOLDERS' EQUITY</b>					
Capital stock	21	1,921,226	1,920,820	1,921,226	1,920,820
Capital transaction reserve		144,754	144,754	144,754	144,754
Equity valuation adjustments		77,511	74,679	77,511	74,679
Retained earnings / Accumulated losses		(2,011,348)	(1,980,690)	(2,011,348)	(1,980,690)
Attributed to the participation of the Company's shareholders		132,143	159,563	132,143	159,563
<b>Total shareholders' equity</b>		<b>132,143</b>	<b>159,563</b>	<b>132,143</b>	<b>159,563</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>		<b>540,183</b>	<b>524,775</b>	<b>472,162</b>	<b>482,769</b>

The notes are an integral part of the financial statements.

LUPATECH S/A

STATEMENT OF INCOME

FOR THE PERIODS ENDED ON JUNE 30, 2024 AND 2023

(In thousands of Reais except loss per share, or when indicated)

	Note	Parent		Consolidated	
		06/30/2024	06/30/2023	06/30/2024	06/30/2023
NET REVENUE FROM SALES	25	66,782	33,447	68,941	41,064
COST OF GOODS AND SERVICES SOLD	29	(50,098)	(24,832)	(53,905)	(31,662)
Profit gross		16,684	8,615	15,036	9,402
OPERATING INCOME/EXPENSES					
Selling	29	(5,379)	(4,429)	(5,486)	(4,838)
General and administrative	29	(7,989)	(7,087)	(10,557)	(11,777)
Management compensation	16 / 29	(1,500)	(1,726)	(1,500)	(1,726)
Equity pick-up	9.1	3,835	(7,746)	-	-
Other operating income (expenses)	27	(2,830)	(8,806)	(9,366)	(6,875)
LOSS BEFORE FINANCIAL RESULT		2,821	(21,179)	(11,873)	(15,814)
FINANCIAL RESULTS					
Financial income	28	1,380	1,784	5,825	3,163
Financial expenses	28	(21,046)	(16,437)	(17,402)	(26,350)
Exchange variation, net	28	(18,636)	13,843	(10,659)	15,380
LOSS BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		(35,481)	(21,989)	(34,109)	(23,621)
INCOME TAX AND SOCIAL CONTRIBUTION					
Current	17	-	-	(2)	(1)
Deferred	17	4,823	(2,602)	3,453	(969)
LOSS FOR THE PERIOD		(30,658)	(24,591)	(30,658)	(24,591)
LOSS ATTRIBUTABLE TO Parent company's interest		(30,658)	(24,591)	(30,658)	(24,591)
LOSS PER SHARE (In Reais)					
BASIC earnings per share	26	(0.73917)	(0.75718)	(0.73917)	(0.75718)
Diluted per share	26	(0.73917)	(0.75718)	(0.73917)	(0.75718)

The notes are an integral part of the financial statements.

LUPATECH S/A

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIODS ENDED ON JUNE 30, 2024 AND 2023  
(In R\$ Thousands)

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	Parent		Consolidated	
	<u>06/30/2024</u>	<u>06/30/2023</u>	<u>06/30/2024</u>	<u>06/30/2023</u>
LOSS FOR THE PERIOD	(30,658)	(24,591)	(30,658)	(24,591)
OTHER COMPREHENSIVE INCOME				
Exchange variation on investments abroad	-	(11,924)	-	(11,924)
COMPREHENSIVE INCOME OF THE PERIOD	<u>(30,658)</u>	<u>(36,515)</u>	<u>(30,658)</u>	<u>(36,515)</u>
TOTAL COMPREHENSIVE INCOME ALLOCATED TO:				
Participation of controlling shareholders	(30,658)	(36,515)	(30,658)	(36,515)

The notes are an integral part of the financial statements.

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## LUPATECH S/A

STATEMENT CASH FLOW - INDIRECT METHOD  
FOR THE PERIODS ENDED ON JUNE 30, 2024 AND 2023  
(In R\$ Thousands)

	Note	Parent		Consolidated	
		06/30/2024	06/30/2023	06/30/2024	06/30/2023
<b>CASH FLOW FROM OPERATIONAL ACTIVITIES</b>					
Loss for the period		(30,658)	(24,591)	(30,658)	(24,591)
Depreciation and amortization	10 e 11	1,368	2,091	2,835	3,573
Reversal (Estimated) for losses by non-recoverability of assets	10 e 11	(239)	-	(8,313)	(418)
Equity pick-up	9.1	(12,769)	7,746	-	-
Result on sale of fixed assets		-	(98)	(7,222)	292
Financial charges and exchange variation on financing		34,959	(562)	26,834	(5,724)
Deferred income tax and social contribution		(4,823)	2,602	(3,453)	969
Inventory Obsolescence		767	(448)	1,324	(444)
(Reversal) Estimated losses for doubtful accounts	4	(17)	43	(62)	(31)
Actual losses with doubtful accounts	4	14	8	14	91
Adjustment to present value	28	3,298	4,538	(3,744)	11,398
Exchange rate variation on investments abroad		10,141	-	3,363	(11,923)
(Increase) decrease in operating assets:					
Accounts receivable		(17,557)	4,435	(17,345)	7,416
Inventories		(1,224)	1,986	624	2,814
Recoverable taxes		5,222	2,634	6,110	3,582
Other assets		1,211	1,576	1,985	2,775
(Increase) decrease in operating liabilities:					
Suppliers		(1,874)	(2,773)	(2,215)	(2,534)
Taxes payable		406	(1,001)	(1,611)	2,158
Others accounts payable		1,511	2,639	(1,693)	9,057
<b>Cash flow from operating activities</b>		<b>(10,264)</b>	<b>825</b>	<b>(33,227)</b>	<b>(1,540)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Capital payment in subsidiary		(4,559)	(1,792)	-	-
Bonds and securities - restricted account	3	98	76	267	111
Proceeds from Loan Receipts - Related Parties		10,080	-	-	-
Proceeds from the sale of property		1,439	101	25,258	134
Acquisition of fixed assets	10	(436)	(240)	(651)	(297)
Additions to the intangible	10	(232)	-	(232)	-
<b>Net cash provided by (used in) investment activities</b>		<b>6,390</b>	<b>(1,855)</b>	<b>24,642</b>	<b>(52)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from loans and financing		55,173	32,239	65,511	38,937
Proceeds (Payment) from loans and financing - Related parties		(76)	(3,195)	-	-
Capital Increase (Reduction)	21	406	5,715	406	5,715
Payments of loans and financing		(51,774)	(39,486)	(68,058)	(58,677)
Debêntures conversíveis em ação		-	5,939	-	5,939
<b>Net cash provided by financing activities</b>		<b>3,729</b>	<b>1,212</b>	<b>(2,141)</b>	<b>(8,086)</b>
<b>(REDUCTION) NET INCREASE OF CASH AND CASH EQUIVALENTS</b>		<b>(145)</b>	<b>182</b>	<b>(10,726)</b>	<b>(9,678)</b>
Cash and cash equivalents at the beginning of period		1,440	2,734	19,907	13,171
Cash and cash equivalents at the end of period		1,295	2,916	9,181	3,493

The notes are an integral part of the financial statements.

LUPATECH S.A.

CONSOLIDATED STATEMENT OF CHANGES SHAREHOLDER'S EQUITY  
FOR THE PERIODS ENDED ON JUNE 30, 2024 AND 2023  
(In R\$ Thousands)

	Capital stock	Capital reserves, options granted	Accumulated profit/loss	Equity valuation adjustments	Total participation of the Company's shareholders	Total shareholders' equity
<b>BALANCE ADJUSTMENT IN DECEMBER 31, 2022</b>	<b>1,898,871</b>	<b>139,150</b>	<b>(2,041,877)</b>	<b>191,562</b>	<b>187,706</b>	<b>187,706</b>
Capital increase	5,715	-	-	-	5,715	5,715
Loss for the year	-	-	(24,591)	-	(24,591)	(24,591)
Exchange variation on investments abroad	-	-	-	(11,924)	(11,924)	(11,924)
<b>BALANCE ADJUSTMENT IN JUNE 30, 2023</b>	<b>1,904,586</b>	<b>139,150</b>	<b>(2,066,468)</b>	<b>179,638</b>	<b>156,906</b>	<b>156,906</b>
<b>BALANCE ADJUSTMENT IN DECEMBER 31, 2023</b>	<b>1,920,820</b>	<b>144,754</b>	<b>(1,980,690)</b>	<b>74,679</b>	<b>159,563</b>	<b>159,563</b>
Capital increase	406	-	-	-	406	406
Loss for the year	-	-	(30,658)	-	(30,658)	(30,658)
Exchange variation on investments abroad	-	-	-	2,832	2,832	2,832
<b>BALANCE ADJUSTMENT IN JUNE 30, 2024</b>	<b>1,921,226</b>	<b>144,754</b>	<b>(2,011,348)</b>	<b>77,511</b>	<b>132,143</b>	<b>132,143</b>

The notes are an integral part of the financial statements.

LUPATECH S.A.

STATEMENT OF ADDED VALUE  
FOR THE PERIODS ENDED ON JUNE 30, 2024 AND 2023  
(In R\$ Thousands)

	Note	Parent		Consolidated	
		06/30/2024	06/30/2023	06/30/2024	06/30/2023
<b>REVENUES</b>					
Sales of goods, products and services (IPI including)	25	80,494	40,488	83,069	49,876
Gain on disposal of fixed assets		1,439	1,439	25,258	1,439
Reversal of estimated losses due to non-recoverability of assets		2,341	-	7,469	-
Other revenues	27	3,011	(871)	2,009	5,931
Reversal (estimated) of losses on doubtful accounts	4	17	(43)	62	31
Actual losses with doubtful accounts	4	(14)	(8)	(14)	(91)
		<b>87,288</b>	<b>41,005</b>	<b>117,853</b>	<b>57,186</b>
<b>ACQUIRED FROM THIRD PARTIES</b>					
Cost of products, goods and services sold		(34,680)	(10,342)	(32,439)	(6,128)
Materials, energy, and other outsourced services		(7,866)	(6,755)	(10,813)	(14,807)
Other expenses	27	(9,620)	(9,374)	(44,103)	(14,245)
		<b>(52,166)</b>	<b>(26,471)</b>	<b>(87,355)</b>	<b>(35,180)</b>
<b>GROSS ADDED VALUE</b>					
		35,122	14,534	30,498	22,006
<b>DEPRECIATION AND AMORTIZATION</b>					
	11 e 12	(1,368)	(2,091)	(2,835)	(3,573)
<b>NET ADDED VALUE GENERATED BY THE COMPANY</b>					
		<b>33,754</b>	<b>12,443</b>	<b>27,663</b>	<b>18,433</b>
<b>ADDED VALUE RECEIVED IN TRANSFER</b>					
Equity pick-up	9.1	3,835	(7,746)	-	-
Financial income	28	5,900	24,798	18,350	28,336
		<b>9,735</b>	<b>17,052</b>	<b>18,350</b>	<b>28,336</b>
<b>TOTAL ADDED VALUE TO BE DISTRIBUTED</b>					
		<b>43,489</b>	<b>29,495</b>	<b>46,013</b>	<b>46,769</b>
<b>DISTRIBUTION OF ADDED VALUE</b>					
		<b>43,489</b>	<b>29,495</b>	<b>46,013</b>	<b>46,769</b>
Staff:		<b>17,695</b>	<b>17,249</b>	<b>21,364</b>	<b>21,167</b>
Direct compensation		12,550	12,697	15,143	15,482
Benefits		4,220	3,651	5,032	4,550
FGTS		925	901	1,189	1,135
Taxes and contributions:		<b>12,094</b>	<b>11,068</b>	<b>14,469</b>	<b>13,816</b>
Federal		4,394	7,151	6,468	8,790
States		7,497	3,718	7,753	4,782
Municipal		203	199	248	244
Remuneration of third party capital:		<b>44,358</b>	<b>25,769</b>	<b>40,838</b>	<b>36,377</b>
Interest and other financial expenses	28	44,202	25,608	40,585	36,142
Rent		156	161	253	235
Remuneration (loss) from equity:		<b>(30,658)</b>	<b>(24,591)</b>	<b>(30,658)</b>	<b>(24,591)</b>
Loss for the year		(30,658)	(24,591)	(30,658)	(24,591)

The notes are an integral part of the financial statements.

## Lupatech S.A

Notes to individual and consolidated interim accounting information for the quarter ended June 30, 2024.

*(In thousands of Reais, except where indicated)*

### 1. General information

Lupatech S.A. (“Company”) and its subsidiaries and associates (jointly the “Group”) is a corporation headquartered in Nova Odessa, State of São Paulo, with shares traded on the São Paulo stock exchange (“B3” LUPA3).

The group operates in manufacturing (**Products segment**), producing mainly: industrial valves; valves for oil and gas; synthetic fiber cables for anchoring oil rigs and various other applications; and composite material artifacts, such as poles and tubular liners for lining oil pipelines.

Until 2017, the company operated in the oil services business (**Services segment**), of which various assets remain in the process of being demobilized, as well as the associated legacy. These assets are classified as assets held for sale and represent R\$ 10,336.

#### 1.1 Judicial reorganization closed on March 14, 2023

In order to address the effects of a prolonged financial crisis, Lupatech S.A. and its direct and indirect subsidiaries (“Lupatech Group”) filed for Judicial Reorganization on May 25, 2015, which was processed before the 1st Bankruptcy and Judicial Reorganization Court of the District of São Paulo and granted on June 22, 2015.

The Judicial Reorganization Plan (“Plan”) was approved by the General Meeting of Creditors on November 8, 2016 and subsequently ratified by the 1st Bankruptcy, Judicial Reorganization and Arbitration Court of the Capital of São Paulo on February 19, 2017.

The Plan was subject to two amendments, approved and ratified by the courts on November 30, 2018 and November 26, 2020, respectively.

On March 14, 2023, a decision was issued determining the termination of the Judicial Reorganization. As of the closure, the monitoring of activities by the Court ceases, and decisions relating to the disposal of permanent assets are no longer subject to it. Payment of the subject credits, whether they have been recognized or are the subject of legal dispute, must be made under the terms of the Plan.

On June 21, 2023, the decision to terminate Lupatech's Judicial Reorganization became final, and its certificate was issued by the São Paulo Board of Trade on August 4, 2023.

One of the main objectives of the judicial reorganization was to settle the credits subject to the Plan, which were partly settled with the payment in kind of Subscription Bonuses and partly paid or rescheduled, as detailed in the following table:

Class of Creditors	Payment terms	Interest rate*	Time
I - Labor	Cash or Special Purpose Entity (SPE) shares up to the limit of 150 minimum wages in force in May 2015; the surplus in Subscription Bonuses	Not applicable	12 months from credit activation
II - Real Guarantee	35% in Sign-up Bonus, 65% in cash	TR + 3% p.a.	January 2032

III - Unsecured creditors	Local currency: 50% in Subscription Bonus, 50% in cash  Foreign currency: 70% Signing Bonus, 30% cash	National currency: TR + 3.3% p.a.  National currency: TR + 3.3% p.a.	January 2033**
IV - Micro and Small Companies	% in Sign-up Bonus, 50% in cash	TR + 3% p.a.	January 2032

\*TR=Referential Rate

\*\*Loans that become eligible for payment late are subject to the payment schedule of 180 months from the date on which they become eligible. Depending on the exchange variation, the payment of exchange variation and interest on loans in foreign currency may exceed the indicated term.

The principal is paid in fixed quarterly installments in reais according to the growth gradient established in the Plan. Interest and exchange variation are paid: (a) Classes II and IV: in one installment 30 days after the maturity of the principal or; (b) Class III: in 4 quarterly installments after the maturity of the principal, for credits in national currency, or as many installments as the value of the last installment of the corresponding principal, in the case of credits in foreign currency.

The installment to be paid in cash, which corresponds to 65% of the credits in Class II, 50% of the credits in national currency in Classes III and IV, and 30% of the credits in foreign currency listed in Class III, are subject to interest and exchange variation at the rates indicated in the table above.

The table below details the flow of payments due to creditors under the judicial reorganization:

	Class I	Class II	Class III	Class III	Class IV	TOTAL	TOTAL
	Suppliers, Obligations and labor provisions	Loans and financing - National Currency	Suppliers, Loans and financing - National Currency	Suppliers, Loans and financing - Foreign Currency	Suppliers - National Currency	06/30/2024	12/31/2023
Accounting Balance Liabilities RJ	2,382	41,188	179,901	90,275	13,262	327,008	317,735
Adjustment to Present Value *	-	(16,301)	(81,832)	(47,984)	(4,065)	(150,182)	(146,439)
<b>Net Accounting Balance</b>	<b>2,382</b>	<b>24,887</b>	<b>98,069</b>	<b>42,291</b>	<b>9,197</b>	<b>176,826</b>	<b>171,296</b>
Maturities of the accounting balance:							
2024	467	1,495	3,141	921	335	6,359	11,207
2025	-	2,990	7,610	2,300	897	13,797	13,756
2026	-	2,990	9,326	2,910	882	16,108	16,051
2027	-	3,861	11,085	3,520	1,112	19,578	19,551
2028	-	4,485	14,667	4,692	1,277	25,121	25,098
2029	-	4,485	17,797	5,711	1,258	29,251	29,226
2030	-	4,485	22,520	7,239	1,226	35,470	35,443
2031	-	4,485	24,066	7,749	1,174	37,474	37,446
2032	-	11,912	30,594	9,883	5,101	57,490	54,831
2033	-	-	31,215	9,844	-	41,059	47,327
From 2034 onwards	1,915	-	7,880	35,506	-	45,301	27,799
<b>Total</b>	<b>2,382</b>	<b>41,188</b>	<b>179,901</b>	<b>90,275</b>	<b>13,262</b>	<b>327,008</b>	<b>317,735</b>
Litigation (dates and amounts undetermined)	10,330	-	1,622	-	1,341	13,293	19,986

\* The accounting balances relating to Class II, III and IV credits include adjustments to present value considering discount rates of 13.65% per year for credits in national currency and 5.85% per year for foreign currency.

The portion paid in Subscription Warrants corresponds to 35% of Class II credits, 50% of Class III and IV credits in local currency, and 70% of foreign currency credits listed in Class III. The Subscription Warrants necessary for the fulfillment of the obligation were issued by the Company, having been registered in favor of the creditors or held in treasury by court order in the case of creditors whose registration information was incomplete or irregular. The Subscription Bonuses were given in payment at the rate of 1 (one) Bonus for each R\$ 100 (one hundred reais) of listed credits. Each Bonus gives the holder the right, but not the obligation, to subscribe for one share at the price of R\$ 0.88 per share, until October 28, 2025.

A total of 4,352,503 warrants were issued, of which 2,217,694 have been registered in the name of the respective creditors 1,482,487 are held in treasury as backing for the Subscription Warrants issued in the USA by Lupatech Finance and 652,322 are held in the Company's treasury for delivery to creditors who have not submitted the registration information required for bookkeeping or reserved to cover contingent credits.

Information related to Judicial Recovery is available for consultation at the electronic address [www.lupatech.com.br/ri](http://www.lupatech.com.br/ri).

## **1.2 Operational continuity**

The interim accounting information for the period ended June 30, 2024, has been prepared on the assumption that the Company will continue as a going concern.

The Lupatech Group is seeking to regain its prominent position as one of Brazil's most important industrial groups in the oil and gas sector, as well as to maintain its position as a source of wealth, taxes and jobs.

The company has been progressively improving its operating results, and continuity depends not only on improved performance, but also on the company's success in obtaining the additional resources needed to supply working capital and service debt. The volume of resources needed to finance the recovery depends on the speed of the recovery itself, and these resources could come from, for example, but not limited to, new credit lines, capital increases with or without debt conversion, the sale of assets or shareholdings, the refund of tax credits and the reprofiling of liabilities. Management is pursuing all of these options.

## **2. Preparation basis**

### **2.1 Declaration of conformity**

The individual and consolidated interim financial information has been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in accordance with accounting practices adopted in Brazil (BR GAAP).

The company's management affirms that all relevant information specific to the financial information, and only this information, is being disclosed, and that it corresponds to the information used by the company in its management.

The issuance of the interim financial information was authorized by the Board of Directors on August 14, 2024.

### **2.2 Functional currency and presentation currency**

This individual and consolidated interim accounting information is presented in Brazilian Real, which is the Company's functional currency. All balances have been rounded to the nearest thousand, unless otherwise stated.

### **2.3 Basis of measurement**

The interim accounting information has been prepared on a historical cost basis, except for certain financial instruments measured at fair value.

### **2.4 Basis of consolidation and investments in subsidiaries**

The consolidated financial information includes the financial information of Lupatech S.A. and its subsidiaries.

### Controlled companies

The financial information of subsidiaries is recognized using the equity method, and is included in the consolidated financial information from the date on which the Group obtains control until the date on which control ceases to exist.

The consolidated interim financial information includes the accounting information of Lupatech S.A. and its direct and indirect subsidiaries, as follows:

<u>Direct and indirect subsidiaries</u>	<u>Direct and Indirect participation (%)</u>	
	<u>06/30/2024</u>	<u>12/31/2023</u>
<b><u>Direct participation</u></b>		
Mipel Comércio e Indústria de Peças Técnicas Ltda. - (Brazil)	100.00	100.00
UEP Equipamentos e Serviços para Petróleo Ltda. - (Brazil)	100.00	100.00
Lupatech Finance Limited. - (Cayman)	100.00	100.00
Recu S.A. - (Argentina)	95.00	95.00
Lupatech Oil&Gas Coöperatief U.A. - (Netherlands)*	5.00	5.00
Lochness Participações S.A. - (Brazil)	100.00	100.00
Ilnu Administradora de Bens e Direitos Ltda. - (Brazil)	100.00	100.00
<b><u>Indirect participation</u></b>		
Recu S.A. - (Argentina)	5.00	5.00
Lupatech Oil&Gas Coöperatief U.A. - (Netherlands)*	95.00	95.00
UPC Perfuração e Completação Ltda. - (Brazil)	100.00	100.00
Sotep Sociedade Técnica de Perfuração S.A. - (Brazil)	100.00	100.00
Prest Perfurações Ltda. - (Brazil)	100.00	100.00
UNAP International Ltd. - (Cayman)**	-	100.00
Ciaval II Administração de Bens e Direitos SPE S.A. - (Brazil)	100.00	100.00

\* Company in the process of liquidation.

\*\* Company liquidated, according to the Certificate of Dissolution issued on June 6, 2024.

### Company in the process of liquidation

The associated company Lupatech Oil&Gas Coöperatief U.A., on the date of this interim accounting information, is in the process of being liquidated.

The balance sheet and income statement of these associates are as follows:

### **BALANCE SHEET** (In thousands of Reais)

	<u>06/30/2024</u>	<u>12/31/2023</u>
<b><u>CURRENT ASSETS</u></b>		
<b>CURRENT</b>		
Assets classified as held for sale	1,017	886
Total current assets	<u>1,017</u>	<u>886</u>
<b>NON-CURRENT</b>	-	-
Total non-current assets	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>1,017</u>	<u>886</u>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>		
<b>CURRENT</b>		
Total current liabilities	<u>-</u>	<u>-</u>

NON-CURRENT		
Related companies	-	-
Total non-current liabilities	-	-
SHAREHOLDERS' EQUITY		
Share capital	32	28
Reserves and capital transactions	4,791	4,173
Accumulated losses	(3,806)	(3,315)
Attributable to the Company's shareholders	1,017	886
Total shareholders' equity	1,017	886
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,017	886

### INCOME STATEMENT

(In thousands of Reais)

	06/30/2024	06/30/2023
NET OPERATING REVENUE	-	-
OPERATING EXPENSES	-	-
Gross profit		
OPERATING EXPENSES		
General and administrative	-	(80)
Other operating income (expenses)	-	(30)
OPERATING LOSS BEFORE FINANCIAL RESULT	-	-
FINANCIAL RESULT		
Financial Expenses	-	(610)
Financial Income	-	610
LOSS BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	-	(110)
INCOME TAX AND SOCIAL CONTRIBUTION	-	-
Current	-	-
Deferred	-	-
LOSS FOR THE YEAR	-	(110)

### 3. Cash and cash equivalents and marketable securities

	Parent		Consolidated	
	06/30/2024	12/31/2023	6/30/2024	12/31/2023
<b>Cash and cash equivalents</b>				
<u>Cash and banks</u>				
Brazil	774	885	5,932	2,823
Abroad	-	-	36	66
Total	774	885	5,968	2,889
<u>Financial Investments - BDC</u>				
Bank deposit certificate	521	555	3,213	17,018
Total	1,295	1,440	9,181	19,907
Marketable securities	44	44	44	44



Cash equivalents refer to fixed-income investments and bank deposit certificates with immediate liquidity, except when they are collateral for obligations contracted by the company. On June 30, 2024, the balance linked to guarantees is R\$ 9,793.

In the comparative period, the reduction in financial investments is mainly associated with the payment of loans and financing with financial institutions.

#### 4. Contas a receber de clientes

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Local market	31,556	13,997	36,275	19,155
Export	24	39	250	39
	31,580	14,036	36,525	19,194
Less: allowance for doubtful accounts	(680)	(696)	(992)	(1,054)
	30,900	13,340	35,533	18,140
Current	30,900	13,340	35,533	18,140
Non-Current	-	-	-	-

The amount of the risk of possible losses is presented as an estimate for doubtful accounts. These estimates are made taking into account the Company's credit policy, the time elapsed since default and the specific situation of the credit or the client.

The credit risk of accounts receivable arises from the possibility of the Company not receiving amounts arising from sales transactions. In order to mitigate this risk, the company adopts the practice of a detailed analysis of its clients' financial and asset situation, establishing a credit limit and permanently monitoring their outstanding balance. The provision for credit risks was calculated based on the risk analysis of the credits, which includes the history of losses, the individual situation of the clients, the situation of the economic group to which they belong, the real guarantees for the debts and the assessment of the legal advisors, and is considered sufficient by management to cover possible losses on the amounts receivable.

The write-off for losses complies with the parameters of the tax legislation and the recovery refers to the revenue corresponding to the recovery of the credit previously estimated as a loss, arising from the actual receipt.

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
To profit	7,884	-	7,884	-
To win	21,168	11,762	23,842	15,358
Due to 30 days	670	1,040	863	1,104
Due from 31 to 90 days	303	191	773	191
Due from 91 to 180 days	585	32	742	32
Due from 181 a 360 days	94	212	230	350
Due more than 180 days	876	799	2,191	2,159
	31,580	14,036	36,525	19,194

As part of its means of financing, the company advances credit rights with or without co-obligation. When there is co-obligation, there is a corresponding obligation under liabilities, as shown in Note 13 under the heading "Discounted securities with co-obligation".

## 5. Inventories

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Finished goods	6,687	4,399	8,039	5,711
Goods for resale	757	802	2,192	2,237
Products in development	13,255	12,095	19,306	19,704
Raw material	14,213	17,926	25,184	30,341
Losses on inventory obsolescence	(7,524)	(8,291)	(23,991)	(25,315)
Total	27,388	26,931	30,730	32,678

Inventory Obsolescence Losses consist of management estimates based on inventory turnover, the order backlog and the outlook for future demand for inventory items. The loss is normally accrued gradually after 1 year in disuse. Items assessed as obsolete can have their status changed if the outlook for their use changes.

Inventories are not linked to guarantees.

Changes in inventory losses:

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Opening balance for the period	(8,291)	(7,848)	(25,315)	(26,260)
Loss estimate	(161)	(563)	(244)	(563)
Reversal	928	120	1,568	1,508
Final balance	(7,524)	(8,291)	(23,991)	(25,315)

## 6. Recoverable taxes

Recoverable Taxes	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
ICMS recoverable	6,245	8,373	6,409	8,526
ICMS about PIS and COFINS	17,198	21,212	21,209	25,561
IPI to be recovered	1,212	1,193	1,393	1,375
PIS to be recovered	181	79	254	148
COFINS recoverable	822	360	927	451
IRRF to be recovered	177	103	191	107
IRPJ to be recovered	883	744	9,416	9,150
CSLL to be recovered	709	591	1,650	2,242
Others	68	62	95	94
Total	27,495	32,717	41,544	47,654
Current	23,687	26,479	37,736	40,701
Non Current	3,808	6,238	3,808	6,953

The origin of the credits listed above is as follows:

- **ICMS** - credits on purchases of inputs used in the manufacture of products whose sale is subject to the reduced ICMS calculation base, as well as credits on purchases of inputs used in the manufacture of products destined for export.

- **ICMS on PIS and COFINS** – refers to the amount calculated by the Company due to the final and unappealable decision favorable to the exclusion of ICMS from the PIS and COFINS calculation basis and as provided for in Ibracon Circular 07/2021.

Actions have been taken to use these accumulated tax credits, either by consuming them in the operation, offsetting them against debts or refunding them in cash. A refund request was made on June 19, 2023.

- **IPI, PIS and COFINS recoverable** – credits on purchases of raw materials. These credits have been realized by offsetting them against other federal taxes.
- **Income tax and social contribution recoverable** – withholding taxes on income from financial operations and services provided to third parties. These taxes have been offset against taxes payable of the same nature or subject to refund requests, where applicable.

## 7. Other accounts receivable

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
<b>Other accounts receivable - Current</b>				
Debentures convertible into shares	751	1,673	1,143	2,067
Other accounts receivable	709	141	4,101	3,545
Total	1,460	1,814	5,244	5,612
<b>Other accounts receivable - Non-current</b>				
Arbitration Procedure CSL	33,341	33,341	33,341	33,341
Other accounts receivable	-	322	481	1,161
Total	33,341	33,663	33,822	34,502

The “Debentures convertible into shares” consist of rights transferable into shares of of Ciaval Administradora de Bens e Direitos SPE S.A., a special purpose under the terms of item XVI of Article 50 of Law 11.101/2005, to make the payment in kind of assets and rights to Class I creditors of the judicial reorganization of the Lupatech group.

The “Arbitration Procedure - CSL” represents the execution of a judicial title that the Company is promoting against Cordoaria São Leopoldo Ltda. and its successor Cordoaria São Leopoldo Original Ltda.

The “Other receivables” are made up of mainly of credits assigned for payment arising from forward Luxxon Participações Ltda., in which the Company ceased to participate in January 2021.

## 8. Assets classified as held for sale

The company has assets classified as held for sale, which comprise special equipment dedicated to certain specialized interventions in oil wells, used mainly offshore. The nature of these assets means that the sale will take more than a year, the specialty and the geographical difficulty mean that the liquidity of the assets is reduced, but this is not controllable by the entity. Lupatech remains committed to its plan to sell the assets, with negotiations underway or demonstrating efforts to sell the assets classified as held for sale.

The carrying value of the assets recorded in the Company's balance sheet is consistent with the reports of independent appraisers. The balance of assets held for sale is shown as below:

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
<b>Assets classified as held for sale</b>				
Machinery and equipment	-	896	8,940	19,184
Industrial tools	-	-	1,396	1,412
Vehicles	-	-	-	2
<b>Total</b>	<b>-</b>	<b>896</b>	<b>10,336</b>	<b>20,598</b>

Summary of movement of assets held for sale:

	Parent			
	Machinery and equipment	Industrial Tools	Vehicles	Total
<b>Cost of Assets – Net of Impairment</b>				
<b>Balance on December 31, 2023</b>	<b>896</b>	-	-	<b>896</b>
Disposal	(3,237)	-	-	(3,237)
Reversal/Estimate due to non-recoverability of assets	2,341	-	-	2,341
<b>Balance on June 30, 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cost of Assets – Net of Impairment</b>				
<b>Balance on December 31, 2023</b>	<b>19,184</b>	<b>1,412</b>	<b>2</b>	<b>20,598</b>
Disposal	(17,633)	(16)	(58)	(17,707)
Reversal/Estimate due to non-recoverability of assets	6,575	-	56	6,631
Effect of converting foreign subsidiaries	814	-	-	814
<b>Balance on June 30, 2024</b>	<b>8,940</b>	<b>1,396</b>	<b>-</b>	<b>10,336</b>

## 9. Investments

### 9.1 Investments in subsidiaries and affiliates

	Mipel	Recu	UEP	Finance	LO&G	Lochness	Ilnu	Parent	
								06/30/2024	12/31/2023
<b>Investment</b>									
<b>Amount of share or quotas</b>									
Ordinary shares (thd)	-	3,000	-	-	-	734,613	-		
Capital stock quotas (thd)	47,343	-	395,119	50	32	-	97,765		
Participation %	100%	95%	100%	100%	5%	100%	100%		
<b>Shareholders' equity</b>	<b>2,446</b>	<b>-</b>	<b>32,880</b>	<b>107,364</b>	<b>1,017</b>	<b>33,504</b>	<b>97,603</b>		
Income for the period	(5,006)	(22)	443	(78)	-	13,287	(159)		
Unrealized profits	(534)	-	-	-	-	-	-		
<b>Movement of investments</b>									
Opening balance in the period	2,851	23	32,313	92,500	44	37,230	91,594	256,555	305,036
Advance for future capital increase	490	-	-	-	-	-	-	490	160
Capital increase	4,069	-	-	-	-	-	-	4,069	6,078
Equity in earnings	(5,009)	(22)	443	5,288	-	13,287	(1,218)	12,769	53,626
Equity valuation adjustment	-	(1)	124	9,576	7	(17,013)	-	(7,307)	(108,345)
<b>Final balance in the period</b>	<b>2,401</b>	<b>-</b>	<b>32,880</b>	<b>107,364</b>	<b>51</b>	<b>33,504</b>	<b>90,376</b>	<b>266,576</b>	<b>256,555</b>

The corporate names of the subsidiaries and affiliates are as follows: Mipel Comércio e Indústria de Peças Técnicas Ltda.; Recu – S.A; UEP Equipamentos e Serviços para Petróleo Ltda.; Finance - Lupatech Finance Limited; LO&G - Lupatech Oil&Gas Coöperatief U.A, Lochness Participações S.A and Ilnu Administradora de Bens e Direito Ltda.

### 9.2 Investment Property

It currently consists of land and built area, located in Macaé in Rio de Janeiro, where there are no operational activities. The property is owned by the company Ciaval II Administração de Bens e Direito SPE S.A, created to effect the payment of the property to Class I creditors of the judicial recovery of the Lupatech group, under

the terms of item XVI of Art.50 of Law 11.101/2005, according to judicial authorization granted within the scope of the judicial recovery process. Investment property is measured at fair value. According to a technical report from an independent company, the total fair value calculated for the properties and portions of properties intended for investment is R\$ 19,685.

	<b>Consolidated</b>		
	<b>Land</b>	<b>Building and construction</b>	<b>Total</b>
Balance on December 31, 2023	18,819	866	19,685
Additions	-	-	-
Disposal	-	-	-
Balance on June 30, 2024	18,819	866	19,685

## 10. Fixed assets

	<b>Weighted average rate of depreciation % p.p.</b>	<b>Parent</b>		<b>Consolidated</b>	
		<b>06/30/2024</b>	<b>12/31/2023</b>	<b>06/30/2024</b>	<b>12/31/2023</b>
		<b>net fixed assets</b>	<b>net fixed assets</b>	<b>net fixed assets</b>	<b>net fixed assets</b>
Land	-	3,751	3,751	48,670	48,670
Building and construction	3%	5,408	5,496	61,301	62,626
Machinery and equipment	12%	7,124	7,764	10,535	9,348
Molds and matrixes	21%	745	801	774	867
Industrial installations	7%	80	82	1,345	1,375
Furniture and fixtures	9%	533	536	616	711
Data processing equipment	34%	180	209	287	350
Improvements	8%	446	285	1,011	851
Vehicles	12%	11	12	11	12
Advances for fixed assets acquisitions	-	106	100	5,424	5,419
Construction in progress	-	580	1,045	723	1,176
Total		18,964	20,081	130,697	131,405

Summary of asset movement:

	<b>Parent</b>								
	<b>Land</b>	<b>Building and construction</b>	<b>Machinery and equipment, molds and matrixes</b>	<b>Industrial installations and improvements</b>	<b>Furniture and fixtures</b>	<b>Data processing equipment</b>	<b>Construction in progress</b>	<b>Others</b>	<b>Total</b>
<b>Gross Cost</b>									
<b>Balance on December 31, 2023</b>	<b>3,751</b>	<b>8,269</b>	<b>89,363</b>	<b>2,068</b>	<b>3,911</b>	<b>4,157</b>	<b>1,045</b>	<b>563</b>	<b>113,127</b>
Additions	-	-	297	6	12	9	106	6	436
Disposal	-	-	(197)	-	(13)	(137)	(235)	(36)	(618)
Transfer	-	-	142	202	1	(11)	(334)	-	-
Capitalized financial effect	-	-	-	-	-	-	(2)	-	(2)
<b>Balance on June 30, 2024</b>	<b>3,751</b>	<b>8,269</b>	<b>89,605</b>	<b>2,276</b>	<b>3,911</b>	<b>4,018</b>	<b>580</b>	<b>533</b>	<b>112,943</b>
<b>Accumulated depreciation</b>									
<b>Balance on December 31, 2023</b>	-	<b>(2,773)</b>	<b>(80,798)</b>	<b>(1,701)</b>	<b>(3,375)</b>	<b>(3,948)</b>	-	<b>(451)</b>	<b>(93,046)</b>
Additions	-	(88)	(1,065)	(49)	(15)	(30)	-	(1)	(1,248)
Disposal	-	-	131	-	12	136	-	36	315
Transfer	-	-	(4)	-	-	4	-	-	-
<b>Balance on June 30, 2024</b>	-	<b>(2,861)</b>	<b>(81,736)</b>	<b>(1,750)</b>	<b>(3,378)</b>	<b>(3,838)</b>	-	<b>(416)</b>	<b>(93,979)</b>
<b>Net fixed assets</b>									
<b>Balance on December 31, 2023</b>	<b>3,751</b>	<b>5,496</b>	<b>8,565</b>	<b>367</b>	<b>536</b>	<b>209</b>	<b>1,045</b>	<b>112</b>	<b>20,081</b>
<b>Balance on June 30, 2024</b>	<b>3,751</b>	<b>5,408</b>	<b>7,869</b>	<b>526</b>	<b>533</b>	<b>180</b>	<b>580</b>	<b>117</b>	<b>18,964</b>

Consolidated

	Land	Building and construction	Machinery and equipment, molds and matrixes	Industrial installations and improvements	Furniture and fixtures	Data processing equipment	Construction in progress	Others	Total
<b>Gross Cost</b>									
<b>Balance on December 31, 2023</b>	<b>48,670</b>	<b>78,212</b>	<b>103,987</b>	<b>5,783</b>	<b>5,680</b>	<b>7,024</b>	<b>1,176</b>	<b>13,355</b>	<b>263,887</b>
Additions	-	-	412	6	14	9	202	7	650
Disposal	-	-	(114)	-	(22)	(138)	(235)	(160)	(669)
Transfer	-	11	288	213	(76)	(18)	(418)	-	-
Reversal/estimate for non-recoverability of assets	-	21	1,605	-	-	-	-	56	1,682
Capitalized financial effect	-	-	-	-	-	-	(2)	-	(2)
<b>Balance on June 30, 2024</b>	<b>48,670</b>	<b>78,244</b>	<b>106,178</b>	<b>6,002</b>	<b>5,596</b>	<b>6,877</b>	<b>723</b>	<b>13,258</b>	<b>265,548</b>
<b>Accumulated depreciation</b>									
<b>Balance on December 31, 2023</b>	-	<b>(15,586)</b>	<b>(93,772)</b>	<b>(3,557)</b>	<b>(4,969)</b>	<b>(6,674)</b>	-	<b>(7,924)</b>	<b>(132,482)</b>
Additions	-	(1,357)	(1,176)	(89)	(31)	(56)	-	(1)	(2,710)
Disposal	-	-	83	-	20	136	-	102	341
Transfer	-	-	(4)	-	-	4	-	-	-
<b>Balance on June 30, 2024</b>	-	<b>(16,943)</b>	<b>(94,869)</b>	<b>(3,646)</b>	<b>(4,980)</b>	<b>(6,590)</b>	-	<b>(7,823)</b>	<b>(134,851)</b>
<b>Net fixed assets</b>									
<b>Balance on December 31, 2023</b>	<b>48,670</b>	<b>62,626</b>	<b>10,215</b>	<b>2,226</b>	<b>711</b>	<b>350</b>	<b>1,176</b>	<b>5,431</b>	<b>131,405</b>
<b>Balance on June 30, 2024</b>	<b>48,670</b>	<b>61,301</b>	<b>11,309</b>	<b>2,356</b>	<b>616</b>	<b>287</b>	<b>723</b>	<b>5,435</b>	<b>130,697</b>



Certain fixed assets are encumbered through mortgages, which guarantee loans, or seizure, in certain tax contingencies. The following table displays the amounts of encumbered assets, according to the current book value:

<b>Goods burdened by</b>	<b>Parent</b>	<b>Consolidated</b>
Taxation (Tax executions)	7,170	7,189
Loans and financing	13,123	106,300
<b>Total</b>	<b>20,293</b>	<b>113,489</b>

According to reports prepared by independent appraisers, the market value of the properties and machinery and equipment totals R\$ 170,840.

## 11. Intangibles

	<b>Weighted amortization rate % per year</b>	<b>Parent</b>		<b>Consolidated</b>	
		<b>06/30/2024</b>	<b>12/31/2023</b>	<b>06/30/2024</b>	<b>12/31/2023</b>
		<b>Net intangible assets</b>		<b>Net intangible assets</b>	
Goodwill on acquisition of investments (*)	-	61,479	61,479	82,166	82,166
Software and other licenses	20% a.a.	12	15	33	41
Development of new products	20% a.a.	860	745	1,118	1,003
<b>Total</b>		<b>62,351</b>	<b>62,239</b>	<b>83,317</b>	<b>83,210</b>

(\*) In the Parent Company represents the balance of the goodwill of the merged subsidiaries.

Synthesis of movement of intangible assets:

	<b>Parent</b>			
	<b>Goodwill on acquisition of investments</b>	<b>Softwares and other licenses</b>	<b>Development of new products</b>	<b>Total</b>
<b>Gross intangible cost</b>				
<b>Balance on December 31, 2023</b>	<b>61,479</b>	<b>13,270</b>	<b>10,233</b>	<b>84,982</b>
Additions	-	-	232	232
<b>Balance on June 30, 2024</b>	<b>61,479</b>	<b>13,270</b>	<b>10,465</b>	<b>85,214</b>
<b>Accumulated Amortization</b>				
<b>Balance on December 31, 2023</b>	-	(13,255)	(9,488)	(22,743)
Additions	-	(3)	(117)	(120)
<b>Balance on June 30, 2024</b>	-	<b>(13,258)</b>	<b>(9,605)</b>	<b>(22,863)</b>
<b>Net Intangible Assets</b>				
<b>Balance on December 31, 2023</b>	<b>61,479</b>	<b>15</b>	<b>745</b>	<b>62,239</b>
<b>Balance on June 30, 2024</b>	<b>61,479</b>	<b>12</b>	<b>860</b>	<b>62,351</b>

	<b>Consolidated</b>			
	<b>Goodwill on acquisition of investments</b>	<b>Softwares and other licenses</b>	<b>Development of new products</b>	<b>Total</b>
<b>Gross intangible cost</b>				
<b>Balance on December 31, 2023</b>	<b>79,890</b>	<b>16,356</b>	<b>11,581</b>	<b>107,827</b>
Additions	-	-	232	232
<b>Balance on June 30, 2024</b>	<b>79,890</b>	<b>16,356</b>	<b>11,813</b>	<b>108,059</b>
<b>Accumulated Amortization</b>				
<b>Balance on December 31, 2023</b>	<b>2,276</b>	<b>(16,315)</b>	<b>(10,578)</b>	<b>(24,617)</b>
Additions	-	(8)	(117)	(125)
<b>Balance on June 30, 2024</b>	<b>2,276</b>	<b>(16,323)</b>	<b>(10,695)</b>	<b>(24,742)</b>
<b>Net Intangible Assets</b>				
<b>Balance on December 31, 2023</b>	<b>82,166</b>	<b>41</b>	<b>1,003</b>	<b>83,210</b>
<b>Balance on June 30, 2024</b>	<b>82,166</b>	<b>33</b>	<b>1,118</b>	<b>83,317</b>

The following table displays a summary of the allocation of the goodwill balance by Cash Generating Unit level:

<b>CGUs</b>	<b>Goodwill on acquisition of investments</b>			
	<b>Parent</b>		<b>Consolidated</b>	
	<b>06/30/2024</b>	<b>12/31/2023</b>	<b>06/30/2024</b>	<b>12/31/2023</b>
Product Segment				
Industrial Valves	6,065	6,065	6,065	6,065
Ropes	55,414	55,414	55,414	55,414
Composites (Fiberware)	-	-	20,687	20,687
<b>Total</b>	<b>61,479</b>	<b>61,479</b>	<b>82,166</b>	<b>82,166</b>
Investment Intangible	-	-	-	-
	61,479	61,479	82,166	82,166
<b>CGUs</b>	<b>Goodwill on investment acquisition</b>	<b>Impairment</b>	<b>Net goodwill</b>	
Product Segment				
Industrial Valves	6,065	-	6,065	
Ropes	125,414	(70,000)	55,414	
Composites (Fiberware)	20,687	-	20,687	
<b>Total</b>	<b>152,166</b>	<b>(70,000)</b>	<b>82,166</b>	

During the six-month period ended June 30, 2024, no reversal or estimated losses were recognized due to the non-recoverability of goodwill.

## 12. Suppliers

	06/30/2024						12/31/2023					
	Parent			Consolidated			Parent			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
<b>Suppliers Subject to Judicial Recovery</b>												
National Suppliers	5,617	39,548	<b>45,165</b>	5,617	39,548	<b>45,165</b>	5,196	39,666	<b>44,862</b>	5,196	39,666	<b>44,862</b>
Export Suppliers	-	9,463	<b>9,463</b>	-	9,463	<b>9,463</b>	-	8,267	<b>8,267</b>	-	8,267	<b>8,267</b>
(-) Adjustment to present value	-	(21,102)	<b>(21,102)</b>	-	(21,102)	<b>(21,102)</b>	-	(21,284)	<b>(21,284)</b>	-	(21,284)	<b>(21,284)</b>
	<b>5,617</b>	<b>27,909</b>	<b>33,526</b>	<b>5,617</b>	<b>27,909</b>	<b>33,526</b>	<b>5,196</b>	<b>26,649</b>	<b>31,845</b>	<b>5,196</b>	<b>26,649</b>	<b>31,845</b>
<b>Suppliers Not Subject to Judicial Recovery</b>												
National Suppliers	6,841	-	<b>6,841</b>	9,418	-	<b>9,418</b>	6,795	-	<b>6,795</b>	9,714	-	<b>9,714</b>
Export Suppliers	98	-	<b>98</b>	98	-	<b>98</b>	162	-	<b>162</b>	162	-	<b>162</b>
	<b>6,939</b>	-	<b>6,939</b>	<b>9,516</b>	-	<b>9,516</b>	<b>6,957</b>	-	<b>6,957</b>	<b>9,876</b>	-	<b>9,876</b>
<b>Total of Suppliers</b>	<b>12,556</b>	<b>27,909</b>	<b>40,465</b>	<b>15,133</b>	<b>27,909</b>	<b>43,042</b>	<b>12,153</b>	<b>26,649</b>	<b>38,802</b>	<b>15,072</b>	<b>26,649</b>	<b>41,721</b>

The due dates for non-current installments from suppliers are as follows:

<b>Parent and Consolidated</b>	
<b>Maturity</b>	<b>06/30/2024</b>
2025	1,492
2026	1,890
2027	2,288
2028	3,051
From 2029	19,188
	27,909

The table below shows the movement of suppliers subject to judicial recovery in 2024:

<b>Parent and Consolidated</b>	
<b>Current and Non-current</b>	
<b>Suppliers Subject to Judicial Recovery</b>	<b>Total domestic and export suppliers</b>
<b>Balance on December 31, 2023</b>	<b>31,845</b>
Interest update	1,002
Exchange rate variation update	1,148
Payments	(651)
(-) Adjustment to present value	182
<b>Balance on June 30, 2024</b>	<b>33,526</b>

### 13. Loans and financing

Description	Indexer	Fees weighted interest	06/30/2024						12/31/2023					
			Parent			Consolidated			Parent			Consolidated		
			Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
<b>Subject to Judicial Recovery</b>														
<u>Local currency</u>														
Creditors with collateral (Class II)	FIXED	3,00% p.a. + TR	2,990	38,198	<b>41,188</b>	2,990	38,198	<b>41,188</b>	2,616	37,630	<b>40,246</b>	2,616	37,630	<b>40,246</b>
(-) Adjustment to present value			-	(16,301)	<b>(16,301)</b>	-	(16,301)	<b>(16,301)</b>	-	(16,468)	<b>(16,815)</b>	-	(16,468)	<b>(16,815)</b>
Unsecured creditors (Class III)	FIXED	3,3% p.a. + TR	2,529	72,567	<b>75,096</b>	2,529	72,567	<b>75,096</b>	2,154	72,786	<b>74,940</b>	2,154	72,786	<b>74,940</b>
(-) Adjustment to present value			-	(34,501)	<b>(34,501)</b>	-	(34,501)	<b>(34,501)</b>	-	(35,893)	<b>(35,545)</b>	-	(35,893)	<b>(35,545)</b>
<u>Foreign currency</u>														
Unsecured creditors (Class III)	FIXED	0,4% p.a	-	-	-	1,768	79,044	<b>80,812</b>	-	-	-	1,496	71,933	<b>73,429</b>
(-) Adjustment to present value			-	-	-	-	(44,768)	<b>(44,768)</b>	-	-	-	-	(37,727)	<b>(37,727)</b>
			<b>5,519</b>	<b>59,963</b>	<b>65,482</b>	<b>7,287</b>	<b>94,239</b>	<b>101,526</b>	<b>4,770</b>	<b>58,056</b>	<b>62,826</b>	<b>6,266</b>	<b>92,262</b>	<b>98,528</b>
<b>Not subject to Judicial Recovery</b>														
<u>Local currency</u>														
Expansion - BNDES*	TJLP	6,91% p.a.	5,034	-	<b>5,034</b>	8,648	-	<b>8,648</b>	5,034	-	<b>5,034</b>	8,648	-	<b>8,648</b>
Discounted securities with co-obligation, fiduciary assignment of receivables and credits with fiduciary guarantee	FIXED	1,85% a.m.	28,082	-	<b>28,082</b>	28,082	-	<b>28,082</b>	17,581	-	<b>17,581</b>	17,834	-	<b>17,834</b>
Working Capital and GIF**	FIXED	1,68% a.m.	5,115	2,624	<b>7,739</b>	10,114	2,624	<b>12,738</b>	5,377	2,765	<b>8,142</b>	15,366	2,765	<b>18,131</b>
<u>Foreign currency</u>														
Capital de giro / expansão - BNDES*	DOLLAR	5,27% p.a.	1,214	-	<b>1,214</b>	2,519	-	<b>2,519</b>	1,214	-	<b>1,214</b>	2,519	-	<b>2,519</b>
			<b>39,445</b>	<b>2,624</b>	<b>42,069</b>	<b>49,364</b>	<b>2,624</b>	<b>51,988</b>	<b>29,206</b>	<b>2,765</b>	<b>31,971</b>	<b>44,367</b>	<b>2,765</b>	<b>47,132</b>
			<b>44,964</b>	<b>62,587</b>	<b>107,551</b>	<b>56,651</b>	<b>96,863</b>	<b>153,514</b>	<b>33,976</b>	<b>60,821</b>	<b>94,797</b>	<b>50,633</b>	<b>95,027</b>	<b>145,660</b>

\* Credits for "Working Capital/Expansion" granted by BNDES are the subject of litigation (Note 19) which involves, among others, the classification of credits. The values indicated in the table correspond to the total value under discussion, and are subdivided into a part subject to Judicial Reorganization and a part not subject to it. The non-subject part is limited to the value of the assets subject to fiduciary sale, a value that could only be assessed at auction according to the decision of the TJ-SP – according to valuation reports contracted by the Company, the assets had a value of R\$ 5,005 in 2018.

The maturities of non-current installments of financing are detailed below:

Maturity	Parent	Consolidated
	06/30/2024	6/30/2024
2025	4,203	5,825
2026	4,520	6,575
2027	5,708	8,195
2028	3,316	10,269
From 2029	44,840	65,999
	<u>62,587</u>	<u>96,863</u>

Below, the movement of loans subject to judicial recovery in 2024:

Loans and financing Subject to Judicial Reorganization	Current and Non-current	
	Total National and Foreign	
	Parent	Consolidated
<b>Balance on December 31, 2023</b>	<b>62,826</b>	<b>98,528</b>
Interest update	3,156	602
Payments	(2,059)	(2,739)
Equity valuation adjustment*	-	10,618
Asset valuation adjustments	1,559	(5,483)
<b>Balance on June 30, 2024</b>	<b>65,482</b>	<b>101,526</b>

\*Amount of balance sheet conversion in foreign currency.

The guarantees contracted for loans and financing are detailed below:

Subject and not subject to Judicial Recovery	Local currency	Garantee	06/30/2024		12/31/2023	
			Value of the guarantee		Value of the guarantee	
			Parent	Consolidated	Parent	Consolidated
			Book value	Book value	Book value	Book value
	Working capital / expansion	Mortgage / Buildings	2,642	93,180	2,659	94,256
		Machinery and equipment	688	3,327	783	3,422
		FGI	9,793	9,793	5,516	5,516
			<u>13,123</u>	<u>106,300</u>	<u>8,958</u>	<u>103,194</u>

According to independent valuation reports, dated 2018 to 2022, the market value corresponding to the mortgage balances, buildings, machinery and equipment total R\$ 141,855.

## 14. Debentures

### *Fourth Issue of Debentures in Company shares*

At a meeting held on March 24, 2023, the Board of Directors approved the 4th issue of Debentures Convertible into Company Shares. 250 Debentures were issued in a single series, for the nominal value of R\$ 100 thousand, in the amount of up to R\$ 25 million, with a Subscription Bonus as an additional advantage. 101 Debentures were subscribed, in the amount of R\$ 10,100 million, with the remaining 149 that were not subscribed being cancelled.

On June 30, 2024, all debentures from the 4th issue had been converted into shares with no remaining balance.

***Third Issue of Subscription Bonus – (Additional Advantage of the 4th Issue of Debentures)***

As resolved at a meeting held on March 24, 2023, for each Debenture subscribed and paid in the Issuance, 175,600 Subscription Bonuses were delivered free of charge as an additional advantage, which gave their holders the right to subscribe and pay in shares, in the proportion of one Action for each Bonus exercised, under the terms and conditions of the respective issue of Subscription Bonuses, carried out in conjunction with the 4th Issuance of Debentures. Upon final approval, 17,735,600 Subscription Bonuses were issued.

The Subscription Bonuses have an exercise period of up to March 24, 2025 and the term may be extended until March 24, 2026, according to the issuance rules.

## 15. Related Companies

### 15.1 Controller

The balances and transactions between the Company and its subsidiaries, which are its related parties, were eliminated in the consolidation. Details regarding the transactions between the parent company and its subsidiaries are presented below:

	<u>Lochness</u>	<u>Mipel</u>	<u>Lupatech Finance</u>	<u>UEP Equipamentos</u>	<u>06/30/2024</u>	<u>12/31/2023</u>
<b>Current</b>						
Accounts receivable	-	-	-	-	-	-
Accounts receivable	294	88	-	-	382	939
<b>Non-current</b>						
Mutual and loans	-	-	1,325	-	1,325	9,742
	<u>294</u>	<u>88</u>	<u>1,325</u>	<u>-</u>	<u>1,707</u>	<u>10,681</u>
<b>Current</b>						
Other accounts payable	3,976	-	1,251	2,115	7,342	4,454
<b>Non-current</b>						
Mutual and loans	-	-	147,028	-	147,028	130,524
	<u>3,976</u>	<u>-</u>	<u>148,279</u>	<u>2,115</u>	<u>154,370</u>	<u>134,978</u>
<b>Result for the year</b>						
Product purchases	-	-	-	-	-	7,505
Financial income	-	-	-	-	-	1,076
Exchange variation	-	-	-	-	-	(18,245)
	<u>-</u>	<u>5,832</u>	<u>-</u>	<u>-</u>	<u>5,832</u>	<u>(9,664)</u>

	Parent						
	<u>Transaction date</u>	<u>Duration</u>	<u>Interest rate</u>	<u>Amount R\$</u>	<u>Balance US\$</u>	<u>06/30/2024</u>	<u>12/31/2023</u>
<b><u>Assets mutual</u></b>							
<b><u>Foreign currency</u></b>							
Contract 1	Jul-14	Undetermined	105% do DI-Cetip	19,820	238	1,325	9,320
Contract 2	Dec-14	Undetermined	12,000% p.a.	288	-	-	422
				<u>20,108</u>	<u>238</u>	<u>1,325</u>	<u>9,742</u>
<b><u>Liabilities mutual</u></b>							
<b><u>Foreign currency</u></b>							
Contract 3	Jan-18	Undetermined	0,4% p.a.	227,331	26,905	147,028	130,524
				<u>227,331</u>	<u>26,905</u>	<u>147,028</u>	<u>130,524</u>

Transactions are carried out in accordance with the conditions agreed between the parties.

### ***Guarantees granted***

Operations with related parties do not have guarantees linked to the operation, in short, ordinary commercial transactions (purchase and sale of inputs), which are not backed by guarantees, as well as loan operations with Group companies, which also do not have guarantees in its composition.

## **16. Key Administration Personnel**

### ***Management Remuneration***

Annually, shareholders meeting at a Meeting determine the remuneration limits for Management bodies. Management remuneration is made up of a fixed part, and, in the case of the Board of Directors, it also includes a variable part.

The following table details the remuneration of the Administration bodies:

<b>Management compensation</b>	<b>Parent Company and Consolidated</b>			<b>Parent Company and Consolidated</b>		
	<b>Fixed</b>	<b>Variable</b>	<b>06/30/2024</b>	<b>Fixed</b>	<b>Variable</b>	<b>06/30/2024</b>
Direction	(939)	-	(939)	(930)	(269)	(1,199)
Board of Directors	(561)	-	(561)	(527)	-	(527)
<b>Total</b>	<b>(1,500)</b>	<b>-</b>	<b>(1,500)</b>	<b>(1,457)</b>	<b>(269)</b>	<b>(1,726)</b>

The Company does not offer key people compensation benefits in the categories of: (i) post-employment benefit, (ii) long-term benefit, (iii) employment contract termination benefit and (iv) share-based compensation.

The Company offers its managers and key employees the possibility of participating in stock option plans. Such plans give beneficiaries the right, but not the obligation, to acquire shares at a previously agreed price within defined periods, upon payment of the price. It is, therefore, a commercial transaction between the parties.

## **17. Income tax and social contribution**

Lupatech S.A and its subsidiaries and affiliates have balances of R\$ 826,229 and R\$ 1,060,693 respectively, of accumulated tax losses totaling R\$ 1,886,922 until December 2023.

### **a) Deferred Income Tax and Social Contribution - Asset**

The Company has tax losses that can be offset against future taxable profits, and deferred tax credits have been created. According to the technical analyzes prepared, the Company estimates the realization of tax credits as follows:

<b>IRPJ and CSLL - Tax Credits</b>	<b>Controladora</b>		<b>Consolidado</b>	
	<b>06/30/2024</b>	<b>12/31/2023</b>	<b>06/30/2024</b>	<b>12/31/2023</b>
Estimated completion - 2024	3,768	3,768	4,286	4,286
Estimated completion - 2025	8,097	8,097	9,210	9,210
Estimated completion - 2026	10,902	10,902	12,401	12,401
Estimated completion - 2027	11,485	11,485	13,064	13,064
From in 2028	56,298	56,298	64,039	64,039
<b>Total</b>	<b>90,550</b>	<b>90,550</b>	<b>103,000</b>	<b>103,000</b>



The Company recognizes deferred income and social contribution taxes on temporary differences arising from adjustments to accounting profit, as shown below:

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
<b>IRPJ and CSLL - Temporary Differences</b>				
Adjustment to present value of suppliers, fines, loans and debentures	(25,089)	(25,873)	(35,743)	(34,852)
Assigned Cost	-	-	(2,142)	(2,447)
Others	(5,482)	(9,521)	(5,482)	(9,521)
	<b>(30,571)</b>	<b>(35,394)</b>	<b>(43,367)</b>	<b>(46,820)</b>

The above composite values are presented net in the balance sheet, as follows:

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
<b>IRPJ and CSLL - Non-Current Assets</b>				
Tax Credits	90,550	90,550	103,000	103,000
Temporary Differences	(30,571)	(35,394)	(43,367)	(46,820)
	<b>59,979</b>	<b>55,156</b>	<b>59,633</b>	<b>56,180</b>

#### b) Reconciliation of income tax and social contribution expenses

	Parent			
	Three-month period ended		Six-month period ended	
	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023
<b>Profit (loss) before tax</b>	<b>(27,644)</b>	<b>(12,425)</b>	<b>(36,503)</b>	<b>(21,989)</b>
<b>Addition and Exclusions</b>				
Equity	6,287	6,470	3,835	(7,746)
Stock obsolescence	(925)	(8,296)	1,324	(8,296)
(Reversal) Estimate of losses due to non-recoverability of assets	2,341	-	2,341	-
(Reversal) Estimate of losses for bad debts	(17)	13	(62)	43
Estimates for losses from lawsuits	573	(10,560)	1,891	(50)
Non deductible expenses	(22)	41	(246)	-
Present value adjustment	-	4,538	(3,297)	4,538
Provision of interest on suppliers	42	(136)	206	(102)
Provision for exchange rate variation	14,652	4,792	18,636	(13,843)
Others	(19,052)	3,284	(16,145)	22,832
<b>Calculation basis</b>	<b>(23,765)</b>	<b>(12,279)</b>	<b>(28,020)</b>	<b>(24,613)</b>
<b>Current income tax and social contribution</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred income tax and social contribution</b>	<b>3,363</b>	<b>(2,086)</b>	<b>4,823</b>	<b>(2,602)</b>

	Consolidated			
	Three-month period ended		Six-month period ended	
	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023
<b>Profit (loss) before tax</b>	<b>(26,730)</b>	<b>(13,467)</b>	<b>(35,131)</b>	<b>(23,621)</b>
<b>Addition and Exclusions</b>				
Stock obsolescence	(938)	(662)	(1,324)	(444)
(Reversal) Estimate of losses due to non-recoverability of assets	7,469	-	7,469	418

(Reversal) Estimate of losses for bad debts	(35)	(62)	(62)	(31)
Estimates for losses from lawsuits	238	4,505	1,672	5,582
Non deductible expenses	(246)	(14)	(260)	(41)
Present value adjustment	3,744	2,360	3,744	4,538
Provision of interest on suppliers	(107)	(136)	(206)	(102)
Provision for exchange rate variation	6,606	20,172	7,820	(15,380)
Others	35,150	(29,180)	(21,672)	(4,181)
<b>Calculation basis</b>	<b>25,151</b>	<b>(16,484)</b>	<b>(37,950)</b>	<b>(33,262)</b>
<b>Current income tax and social contribution</b>	<b>(2)</b>	<b>-</b>	<b>(2)</b>	<b>(1)</b>
<b>Deferred income tax and social contribution</b>	<b>2,451</b>	<b>(1,044)</b>	<b>3,453</b>	<b>(969)</b>

## 18. Other accounts payable

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
<b>Others payable - Current Liabilities</b>				
Provision of fees	928	17	928	67
Labor contingencies payable	413	442	619	587
Miscellaneous provisions	448	437	459	437
Other obligations - subject to Judicial Recovery	2,526	2,138	2,526	2,138
Contractual Fines	1,700	3,072	1,700	3,072
Other bills to pay	1,413	1,157	1,749	1,620
<b>Total</b>	<b>7,428</b>	<b>7,263</b>	<b>7,981</b>	<b>7,921</b>
	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
<b>Others payable - Non-current</b>				
Labor contingencies payable	-	-	1,746	1,849
Other obligations - subject to Judicial Recovery	37,227	36,234	37,227	36,234
Other bills to pay	-	-	-	1,501
<b>Total</b>	<b>37,227</b>	<b>36,234</b>	<b>38,973</b>	<b>39,584</b>

(\*) Debts subject to Judicial Recovery

The due dates of the installments of other obligations – subject to Judicial Recovery allocated to non-current assets – are as follows:

Parent company and Consolidated	
Maturity	06/30/2024
2025	1,789
2026	2,266
2027	2,743
2028	3,657
From 2029	26,772
	<b>37,227</b>

The table below shows the movement of other obligations subject to judicial recovery in 2024:

<b>Current Liabilities and non-current</b>	
<b>Other obligations - subject to Judicial Recovery</b>	<b>Parent and Consolidated</b>
<b>Balance on December 31, 2023</b>	<b>38,372</b>
Interest update	797
Payments	(973)
(-) Adjustment to present value	1,557
<b>Balance on June 30, 2024</b>	<b>39,753</b>

## 19. Contingent processes and judicial deposits

### 19.1 Judicial Deposits

The Company presents the following balances of judicial deposits, which are linked to contingent liabilities:

	<b>Judicial deposits</b>	
	<b>Parent</b>	<b>Consolidated</b>
Tax contingencies	197	353
Labor contingencies	1,328	4,045
Civil contingencies	132	666
<b>Total on June 30, 2024</b>	<b>1,657</b>	<b>5,064</b>
<b>Total on December 31, 2023</b>	<b>1,489</b>	<b>5,079</b>

### 19.2 Provision for tax, labor and civil risks

The Company discusses tax, labor and civil issues in the judicial sphere. The provision for tax, labor and civil risks was determined by Management based on available information and supported by the opinion of its lawyers regarding the expected outcome, in an amount considered sufficient to cover losses considered likely to occur as a result of court decisions. unfavorable.

		<b>Parent</b>		<b>Consolidated</b>	
		<b>Expectation of loss</b>		<b>Expectation of loss</b>	
		<b>Possible</b>	<b>Probable</b>	<b>Possible</b>	<b>Probable</b>
Tax (i)					
ICMS - Tax on Circulation of Goods and Services	(i.1)	80,660	-	81,086	-
CSLL - Social Contribution on Net Profit		2,343	-	7,226	-
IRPJ - Corporate Income Tax	(i.2)	21,560	-	59,502	-
IRRF - Withholding Income Tax	(i.3)	61,054	-	61,054	-
IPI - Tax on Industrialized Products		983	-	983	-
COFINS - Contribution to Social Security Financing		-	-	2,362	-
ISS - Tax on Services	(i.4)	-	-	7,902	-
CIDE - Contribution for Intervention in the Economic Domain		-	-	1,751	-
Customs duties	(i.5)	-	-	32,801	-
Other tax provisions	(i.6)	1,359	-	11,704	-
		<u>167,959</u>	<u>-</u>	<u>266,371</u>	<u>-</u>

Labor (ii)	3,547	15,663	9,335	20,889
Civil (iii)	8,438	354	19,291	3,951
Total on June 30, 2024	<u>179,944</u>	<u>16,017</u>	<u>294,997</u>	<u>24,840</u>
Total on December 31, 2023	<u>200,141</u>	<u>18,466</u>	<u>315,736</u>	<u>27,591</u>

These values cover all of the Group's companies and include values under judicial and administrative discussion as well as situations incurred where, even without the existence of entries or formal questioning by the authorities, they may give rise to risks of future losses.

The provision for resources involved in legal demands in the amounts set out above and referring to the spheres listed below, takes into account the probability of probable loss, which is configured when an outflow of economic benefits is presumed given the matter discussed, the judgments held in each demand and the jurisprudential understanding of each case. Claims with a probability of possible loss are excluded from the provision.

The movement of the provision balance is as follows:

	Parent				Consolidated			
	Tax	Labor	Civil	Total	Tax	Labor	Civil	Total
<b>Balance on December 31, 2023</b>	-	<b>16,930</b>	<b>1,536</b>	<b>18,466</b>	-	<b>22,291</b>	<b>5,300</b>	<b>27,591</b>
Additions	-	-	1	1	-	-	220	220
Write-offs	-	(1,267)	(1,183)	(2,450)	-	(1,401)	(1,570)	(2,971)
<b>Balance on June 30, 2024</b>	-	<b>15,663</b>	<b>354</b>	<b>16,017</b>	-	<b>20,890</b>	<b>3,950</b>	<b>24,840</b>

Legal demands are divided into three spheres, namely:

(i) *Tax contingencies*

Discussions involving taxes at the state and federal level, including IRPJ, PIS, COFINS, INSS, ICMS and IPI. There are processes at all procedural stages, from the initial instance to the Superior Courts, STJ and STF. The main processes and values are as below:

**Main contingent processes at the parent company classified as possible loss on June 30, 2024:**

(i.1) Annulment action by the State of Rio Grande do Sul that aims to deconstitute ICMS tax credit, due to the company not having paid the tax during the fictitious export of goods under REPETRO, given that such an operation is immune to its incidence. Process distributed on April 28, 2017, subject to possible loss of R\$ 80,660.

(i.2) Manifestation of non-compliance presented to have the negative IRPJ balance recognized. Process distributed on May 30, 2014, subject to possible loss of R\$ 8,988.

Annulment Action aiming at the deconstitution of the tax credit (IRPJ and CSLL for the calendar years 2009 and 2010. Process distributed on April 15, 2020, subject to possible loss of R\$ 6,722.

Notice of infraction from the Federal Revenue of Brazil, drawn up as a result of a Manifestation of Non-Conformity presented against the decision-making order. Process distributed on July 23, 2014, subject to possible loss of R\$ 5,850.

(i.3) Tax Execution of the National Treasury, regarding the collection of IRRF debt. The discussion on the merits is carried out in the Writ of Mandamus records, in which a ruling was handed down recognizing that a

substantial portion of the tax credits arising from the administrative proceeding are unfounded. Process distributed on January 21, 2016, subject to possible loss of R\$ 61,054.

**Main contingent processes in subsidiaries classified as possible loss on June 30, 2024:**

(i.2) Infraction notice drawn up by the Federal Revenue of Brazil, due to alleged irregularities in the calculation of IRPJ, CSLL, PIS and COFINS in 2013. Process distributed on October 6, 2016, subject to possible loss of R\$ 13,734.

Notice of infraction from the Federal Revenue of Brazil, drawn up as a result of profit arbitration in calendar year 2010. Process distributed on November 10, 2014, subject to possible loss of R\$ 16,128.

Administrative process aiming to offset debts with tax credit corresponding to negative IRPJ balance for the calendar year 2010. Process distributed on April 30, 2013, subject to possible loss of R\$ 5,901.

(i.4) Tax Execution of the Municipality of Três Rios – RJ, for collection of ISS for the periods of 2013 and 2014. Process distributed on December 10, 2015, subject to possible loss of R\$ 3,848.

(i.5) Infraction notices drawn up by the Federal Revenue Service of Brazil, to collect fines due to alleged non-compliance with the special customs regime for temporary admission. Processes subject to possible loss of R\$ 16,169.

Tax enforcement filed to collect taxes on declared imports. Process distributed on August 31, 2021, subject to possible loss of R\$ 7,128.

Infraction notices drawn up by the Federal Revenue of Brazil to collect the remaining balance of II, IPI, PIS and COFINS levied on declared imports. Processes subject to possible loss of R\$ 3,739.

Notice of infraction drawn up by the Federal Revenue Service of Brazil regarding the collection of fines issued as a result of alleged non-compliance with the special customs regime for temporary admission. Process distributed on January 22, 2010. Process subject to possible loss of R\$ 3,053.

*(ii) Labor contingencies*

The Company and its subsidiaries are parties to labor lawsuits relating to discussions that mainly involve claims for overtime, material and moral damages, unhealthy work and hazardous conditions, among others.

The following table details the Company's labor liabilities and contingencies, as well as the assets associated with it.:

<b>Obligations linked to labor contingencies</b>	<b>Balance Sheet</b>	<b>Subject to</b>	<b>Not Subject to</b>	<b>Total on 06/30/2024</b>
		<b>Judicial Reorganization</b>	<b>Judicial Reorganization</b>	
Labor obligations and provisions	Current Liabilities	106	-	106
Labor obligations and provisions	Long-Term Liabilities	1,915	-	1,915
Provision for labor risks	Long-Term Liabilities	10,330	7,793	18,123
Labor contingencies assessed as possible	Not provisioned in the balance sheet	1,033	2,218	3,251
<b>Obligations linked to labor contingencies</b>		<b>Balance Sheet</b>		<b>Total on 06/30/2024</b>
Other Accounts Receivable/Convertible Debentures (Note 7)		Current assets		1,143
Judicial Deposits - Labor Contingencies (Note 19.1)		Non-Current Assets		4,045
Property for Investment (Note 9.2)		Non-Current Assets		19,685

On the occasion of the judicial recovery, the Company took measures to pay the entire contingent labor credits subject to judicial recovery. Such measures include: (i) the payment of shares in a Special Purpose Company to which assets and rights were contributed for sale and subsequent distribution of capital to former creditor shareholders. (ii) the issuance of Subscription Bonuses for the payment of credits exceeding the amount of 150 minimum wages in force on the date of the request for judicial recovery, and (iii) the necessary measures for the contribution of additional assets to the SPE.

*(iii) Civil contingencies*

**The main discussions in this area, classified as possible loss in the parent company on June 30, 2024, are related to:**

(iii.1) Search and seizure action filed on October 20, 2015 by the National Bank for Economic Development (“BNDES”) against Lupatech S.A. and UEP – Equipamentos e Serviços para Petróleo Ltda, aiming to promote the search and seizure of machines and equipment offered in fiduciary sale on the occasion of financing granted by BNDES to the aforementioned Group companies. Updated case value of R\$ 39,180. Due to the judicial recovery of the Lupatech Group, on February 1, 2017, the court of the 5th Federal Court of São Paulo, in which the action is being processed, ordered the suspension of all expropriation acts and submitted the analysis regarding the essentiality of said machines and equipment for the operations of the Lupatech Group.

In the judicial recovery records, with the exception of the assets belonging to the Macaé unit, the others were declared by the court as essential for the operations of the Lupatech Group, preventing their search and seizure. Subsequently, after the appeal deadlines were exceeded, the BNDES once again demanded the resumption of the search and seizure of assets in the Judicial Recovery. The BNDES' new request, although accepted in the first and second instances, was blocked by the Superior Court of Justice, which determined the indication of other means, other than the seizure of the assets, so that the BNDES' credit can be satisfied.

The BNDES filed an appeal against the decision given by the Minister of the STJ, which is awaiting judgment. On July 12, 2023, BNDES presented a statement informing the delivery of the sentence terminating the judicial recovery and reiterating the request to grant its internal appeal. The appeals are awaited by the STJ.

In December 2021, the São Paulo Court of Justice determined that the value of the BNDES' extra-competitive credit, that arising from the assets that make up the collateral for fiduciary alienation - the object of the search and seizure, is limited to its effective auction settlement value. According to the asset valuation report dated 2018, the value of the assets is R\$ 5,005. The debt is recorded in liabilities (Note 13) for its balance on the date of the request for judicial recovery of R\$ 11,167, which is subdivided into a part subject to Judicial Recovery (class II) and a part not subject (the effective value of the assets).

**The main discussions in this area, classified as possible loss in subsidiaries on June 30, 2024, are related to:**

(iii.1) Ordinary action filed by Weatherford Indústria e Comércio Ltda. And Weus Holding INC on July 14, 2008 against UEP., involving discussion in the sphere of industrial and intellectual property. The process has a risk of loss classification of approximately R\$ 624 as probable, R\$ 2,080 as possible and R\$ 52,024 as remote.

(iii.2) Action promoted by Petrobras against Sotep Sociedade Técnica de Perfuração S.A. for the recognition and collection of contractual penalties. The discussion involves the illegality of the penalty applied by the contractor. The charge is subject to Sotep's Judicial Recovery. The sentencing of the case is awaited. Process subject to possible loss of R\$ 4,448.

### 19.3 Contingent Assets

The statement containing information on unrecorded active contingencies, according to the opinion of its legal advisors, is detailed below with the possibility of gain:

	Parent		Consolidated	
	Gain expectation		Gain expectation	
	Possible	Probable	Possible	Probable
Tax	481	-	1,242	12,207
Labor	-	-	-	-
Civil	7,703	5,563	16,654	8,953
<b>Total on June 30, 2024</b>	<b>8,184</b>	<b>5,563</b>	<b>17,896</b>	<b>21,160</b>
<b>Total on December 31, 2023</b>	<b>7,396</b>	<b>8,286</b>	<b>17,808</b>	<b>20,745</b>

(i) *Tax Contingent Assets*

The Lupatech Group has legal proceedings seeking the refund of ICMS-Import levied on operations covered by a special temporary admission regime, in which there was no transfer of ownership of the asset. As they are still subject to dispute, the accounting treatment of part of the contingent assets remains until the elements are present to recognize the corresponding tax credits.

(ii) *Civil Contingent Assets*

Arbitration procedure filed against CIM Componentes:

This is an arbitration procedure initiated by UEP Equipamentos e Serviços para Petróleo Ltda. against CIM Componentes, current name Quantum Indústria Metalúrgica Ltda., due to the breach of the Purchase and Sale Agreement for Cargo containers for Transport, signed on February 25, 2012, and arbitrary withholding carried out by the latter of the amount advanced by Lupatech throughout the execution of the contract in question, in the historical amount of R\$ 5,563 represented by the amount advanced by Lupatech, less the amount of containers delivered by CIM Componentes. On June 8, 2022, the arbitration award was issued confirming the existence of a credit in favor of Lupatech in the aforementioned historical value, whose criteria for monetary correction and default interest would still be defined in a subsequent settlement phase.

An Arbitration Award was issued, setting the initial terms and settling the financial indices and default interest on the condemnation request filed by Lupatech. Decision became final, without CIM having voluntarily paid the debt. Therefore, legal measures will be taken to recover the amount due.

## 20. Taxes payable

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
<b>Taxes payable - Current</b>				
ICMS installment	724	-	1,529	1,205
INSS installment	43	26	61	44
Ordinary installments	4,996	4,321	8,876	7,690
Exceptional Transaction PGFN	-	1,191	205	1,334
Installment Payment Judicial Recovery	510	455	1,300	1,139
Municipal installments	259	115	396	131
ICMS	49	19	53	49
INSS	1,343	1,560	1,640	1,974
IRRF	453	703	489	776
CSLL	12	21	17	24
COFINS	-	655	285	1,602
PIS	-	107	83	302
IPI	234	259	235	259
FGTS	4,292	4,241	4,884	4,791

Other taxes / installments	93	68	632	1,003
Total	<u>13,008</u>	<u>13,741</u>	<u>20,685</u>	<u>22,323</u>

	<b>Parent</b>		<b>Consolidated</b>	
	<b>06/30/2024</b>	<b>12/31/2023</b>	<b>06/30/2024</b>	<b>12/31/2023</b>
<b>Taxes payable - Non-current</b>				
ICMS installment	6,362	-	10,227	4,151
INSS installment	-	-	28	38
Ordinary Installment	14,052	11,958	24,935	21,948
Exceptional Transaction PGFN	-	-	875	-
Judicial Recovery Installment	547	808	1,743	2,374
ISS installment	44	18	469	305
Other miscellaneous taxes	119	96	368	383
Total	<u>21,124</u>	<u>12,880</u>	<u>38,645</u>	<u>29,199</u>

The company concluded an ICMS dispute with the state of São Paulo. The total amount under discussion amounted to R\$ 35,512, which was reduced to R\$ 7,544, considering the discounts of 100% on interest and 50% to 100% on fines obtained from the transaction. Payment is made with a down payment of 5% of the updated amount and the balance in 119 equal and successive installments. The success achieved by the Company in the negotiation allowed for a reduction of R\$ 27,968, equivalent to 78.75% of the underlying ICMS liabilities, ending tax disputes with the state of São Paulo, which had lasted more than a decade. On March 31, 2024, these tax disputes were mentioned in Note 19.1, classified as a possible loss.

## 21. Shareholders' equity

	<b>06/30/2024</b>	<b>12/31/2023</b>
Share capital	1,921,226	1,920,820
Capital reserves and transactions	144,754	144,754
Asset valuation adjustments	77,511	74,679
Accumulated losses	(2,011,348)	(1,980,690)
<b>Total equity</b>	<u><b>132,143</b></u>	<u><b>159,563</b></u>

### a) Share capital

The current paid-up share capital consists only of ordinary shares, with 100% Tag Along rights:

	<b>Parent Company and Consolidated</b>	
	<b>Number of Shares</b>	<b>Share capital</b>
	<b>Thousand</b>	<b>R\$</b>
<b>Total on December 31, 2023</b>	<u><b>41,038</b></u>	<u><b>1,920,820</b></u>
Meeting Minutes 001/2024 of January 18, 2024	2	2
Meeting Minutes 002/2024 of February 19, 2024	10	11
Meeting Minutes 004/2024 of March 20, 2024	60	55
Meeting Minutes 007/2024 of April 03, 2024	36	39
Meeting Minutes 008/2024 of April 26, 2024	186	225
Meeting Minutes 013/2024 of May 20, 2024	5	3
Meeting Minutes 016/2024 of June 04, 2024	139	71
Issue of new shares - exercise of warrants	438	406
<b>Total on June 30, 2024</b>	<u><b>41,476</b></u>	<u><b>1,921,226</b></u>



## b) Capital reserve to be realized

	<u>06/30/2024</u>	<u>12/31/2023</u>
Issuance of Subscription Warrants (*)	(297,319)	(297,319)
Adjustment to fair value - Subscription Bonus	294,352	294,352
Subscription Bonus - 4th issue	(1,165)	(1,165)
<b>Capital Reserve</b>	<b><u>(4,132)</u></b>	<b><u>(4,132)</u></b>
Fair value of shares - Extrajudicial Recovery	144,754	144,754

(\*) for compliance with the Judicial Recovery Plan

### *Fourth issue of warrants:*

In July 6, 2023, the Board of Directors approved the Company's 4th issue of warrants. The issue follows the Binding Investment Proposal of June 27, 2023.

The details of the 4th issue of warrants are set out below.

Series:	4th Issue
Date of approval:	07/06/2023
Final due date:	08/15/2024(*)
Quantity subscribed:	6,920
Unit value R\$:	810
Total value R\$:	5,605,200

(\*) The exercise period can be extended by up to 180 days under the terms of the issue.

The exercise price of the warrants is set every two weeks, based on the average price of the company's shares weighted by the volume traded in the previous ten trading sessions. The prices are set according to the calendar published by the company, and the right to exercise at the respective price is granted in the subsequent fortnightly window.

By June 30, 2024, 6,825 warrants had been paid in and exercised, with only 95 warrants remaining to be exercised.

## c) Equity valuation adjustments

The Company recognizes under this heading the effect of exchange rate variations on investments in subsidiaries abroad and on goodwill arising on acquisitions of investments abroad, whose functional currency follows that to which the operation abroad is subject. The accumulated effect can only be reversed to the income statement as a gain or loss if the investment is sold or written off.

## d) Dividends

Shareholders are entitled to an annual minimum mandatory dividend corresponding to 25% of adjusted net income, in accordance with corporate legislation and the bylaws. Due to accumulated losses, realized results and its financial situation, the company has not calculated any dividends payable.

## 22. Financial instruments

### 22.1 Financial Risk Management

#### *Financial risk factors*

The Company's activities expose it to various financial risks which are grouped into three main segments, without prejudice to other supervening risks:

- (i) Market Risks: arise from the possibility of losses that may be caused by changes in the behavior of prices in the economy, such as, but not limited to: interest rates, exchange rates, inflation, shares and commodities;
- (ii) Credit Risks: are characterized by the possibility of loss resulting from uncertainty as to the fulfilment of obligations by counterparties, especially the receipt of amounts or the delivery of goods purchased, whether due to their economic and financial incapacity or mere breach of contract;
- (iii) Liquidity Risks: consist of the possibility of the Company not being able to effectively honor its obligations on the due date, or only doing so with high losses.

### **Market risks**

Foreign exchange risk arises from commercial and financial operations, recognized assets and liabilities and net investments in foreign operations. Due to its international operations, the company is exposed to the exchange rate risk of some currencies, mainly the US dollar.

The company and its subsidiaries have assets and liabilities denominated in US dollars, as shown in the tables below:

Items	Amounts in US dollar thousands			
	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Cash and cash equivalents	-	-	-	3
Accounts receivable	-	13	-	13
Other assets	3	-	1,455	7,434
Related parties - Assets	238	2,012	-	-
Loans	(218)	(251)	(14,991)	(15,688)
Related parties - Liabilities	(26,905)	(26,961)	-	-
Other liabilities	-	-	(30)	(81)
Net exposure in US dollars	<u>(26,882)</u>	<u>(25,187)</u>	<u>(13,566)</u>	<u>(8,319)</u>

Fluctuations in interest rates also impose risks on the company, directly due to fluctuations in the value of assets or liabilities, especially debts subject to post-fixed indices, such as the TR, TJLP and CDI.

### **Sensitivity analysis of changes in foreign currency and changes in interest rates:**

The analysis takes into account 3 scenarios of fluctuation in these variables, with their respective probability assessments. These assumptions are judgment exercises made by management for the purposes of this simulation, and may vary significantly from actual results.

#### **Interest rate scenario and parity of the US dollar (US\$) against the Brazilian real (R\$) estimated by Management:**

Interest rate for 2024: 10.5%

US\$: 5.30

#### **Interest rate scenario and parity of the US dollar (US\$) against the Brazilian real (R\$) possible, with a deterioration of 25% (twenty-five percent) in the risk variable considered probable:**

Interest rate for 2024: Increase to 13.1%

US\$: 6.62

#### **Interest rate scenario and parity of the US dollar (US\$) against the Brazilian real (R\$) remote, with a deterioration of 50% (fifty percent) in the risk variable considered probable:**

Interest rate for 2024: Increase to 15.8%

US\$: 7.94

The impact shown in the table below refers to the 1-year projection period:

Scenario as defined above

Operating	Risk	Parent			Consolidated		
		Probable	Possible	Remote	Probable	Possible	Remote
Loans and financing	US\$ hike	62	249	560	1,958	7,915	17,787
Loans and financing	Interest rate hike	(311)	46	55	63	78	94
Mutual contracts	US\$ hike	7,093	28,674	64,441	-	-	-
Total (gain) loss		6,844	28,969	65,056	2,021	7,993	17,881

The credit and cash constraints faced by the company limit the possibilities for managing market risk.

### **Credit risk**

The following are typically exposed to credit risk: cash and cash equivalents, derivative financial instruments, deposits with banks and financial institutions and loans granted to customers for payment and to suppliers for advances.

Credit limits are monitored regularly when they are granted. When there is a default, the applicability of a provision for doubtful accounts is assessed.

Our revenues include amounts involving the client Petrobrás, directly and indirectly, which accounted for around 71% (42% in the same period of 2023) of the company's total revenues on June 30, 2024.

### **Liquidity risk**

Management monitors the Company's liquidity level through projections and by raising funds through committed credit lines, when feasible, and liquidity limitations are a reality imposed by the Company's situation.

## **22.2 Estimating Fair Value**

The fair value of financial assets and liabilities, which have standard terms and conditions and are traded on active markets, is determined based on the prices observed on these markets.

The fair value of other financial assets and liabilities (with the exception of derivative instruments) is determined according to pricing models based on discounted estimated cash flows, based on the prices of similar instruments practiced in transactions carried out in an observable current market.

The fair value of derivative instruments is calculated using quoted prices. When these prices are not available, discounted cash flow analysis using the yield curve is used, applicable according to the duration of the instruments for derivatives without options. Option pricing models are used for derivatives containing options.

The Company's main financial assets and liabilities are described below, as well as the criteria for their valuation/assessment:

### **a) Cash, cash equivalents and marketable securities - restricted**

The cash and cash equivalents and securities balances are similar in value to the accounting balances, considering their turnover and liquidity. The table below shows this comparison:

Items	Parent		Consolidated	
	Book value	Value of market	Book value	Value of market
Cash and cash equivalents	1,295	1,295	9,181	9,181

Marketable securities 44 44 44 44

### b) Loans and financing

The market value was estimated based on the present value of future cash disbursements, using interest rates that are available to the Company, as follows:

Items	Parent		Consolidated	
	Book value	Value of market	Book value	Value of market
Loans and financing not judicial recovery	6,248	5,859	11,167	10,285
Discounted securities with co-obligation	28,082	28,082	28,082	28,082
FGI/Fiduciary Receivables and Credits with fiduciary guarantee of credit rights	7,739	7,739	12,738	12,738
Loans and financing judicial recovery	65,482	65,482	101,526	101,526
Total	107,551	107,162	153,514	152,631

## 22.3 Financial Instruments by Category

	Parent					
	06/30/2024			12/31/2023		
	Amortized cost	Fair Value by Result	Total financial assets	Amortized cost	Fair Value by Result	Total financial assets
<b>Financial Assets</b>						
Securities-restricted	-	44	44	-	44	44
Accounts receivable	30,900	-	30,900	13,340	-	13,340
Cash and cash equivalents	1,295	-	1,295	1,440	-	1,440
Related parties	1,707	-	1,707	10,681	-	10,681
Total	33,902	44	33,946	25,461	44	25,505
<b>Financial Liabilities</b>						
Loans and financing	-	107,551	107,551	-	94,797	94,797
Suppliers	40,465	-	40,465	38,802	-	38,802
Related parties	154,370	-	154,370	134,978	-	134,978
Total	194,835	107,551	302,386	173,780	94,797	268,577
	Consolidated					
	06/30/2024			12/31/2023		
	Amortized cost	Fair Value by Result	Total financial assets	Amortized cost	Fair Value by Result	Total financial assets
<b>Financial Assets</b>						
Securities-restricted	-	44	44	-	44	44
Accounts receivable	35,533	-	35,533	18,140	-	18,140
Cash and cash equivalents	9,181	-	9,181	19,907	-	19,907
Total	44,714	44	44,758	38,047	44	38,091
<b>Financial Liabilities</b>						
Loans and financing	-	153,514	153,514	-	145,660	145,660
Suppliers	43,042	-	43,042	41,721	-	41,721
Total	43,042	153,514	196,556	41,721	145,660	187,381

## 23. Insurance Cover

It is the company's principle to maintain insurance cover for fixed assets and inventories subject to risk, in the “Comprehensive Business” form. It also has general liability and life insurance cover, as shown below:

Insurance Purpose	Amount secured	
	06/30/2024	
- Comprehensive business insurance	R\$	87,125
- Life insurance	R\$	49,974
- General civil responsibility insurance	R\$	6,023
- International transport insurance (*)	US\$	350

(\*) Amounts in US dollar thousands.

In response to the effects of the rains and floods in the state of Rio Grande do Sul, Lupatech informed the market on May 9 and June 25, 2024, that of the units located in the state, the only one that suffered direct damage as a result of the rains was the Feliz unit. The damage suffered was materially covered by the company's insurance policy.

The scope of our auditors' work does not include issuing an opinion on the sufficiency of the insurance coverage, which was contracted by the Company's Management within the prevailing market conditions and the restrictions imposed on the Company, with the aim of ensuring sufficiency to cover possible claims.

## 24. Stock option plan

The Company has Stock Option Plans whose main objectives are to stimulate the Company's performance and retain its key professionals. There are four Stock Option Plans in force:

- (i) Incentive Plan 2017, approved by the AGM of April 12, 2017: All the grants under this plan have already been made, and there are exercises pending.
- (ii) Incentive Plan 2020, approved by the AGM of August 18, 2020: All the grants under this plan have already been made, and there are still exercises pending.
- (iii) Incentive Plan 2023, approved by the AGM of May 18, 2023: Has balances to be granted as well as outstanding exercises.
- (iv) Incentive Plan 2024, approved by the AGM of May 16, 2024: No grant has yet been made, and there is no pending financial year.

The options granted and not exercised are shown in the following table:

Grants	2017 Plan			2020 Plan			2023 Plan		
	Amount	Strike Price	Maximum Exercise Term	Amount	Strike Price	Maximum Exercise Term	Amount	Strike Price	Maximum Exercise Term
<b>Board Members</b>	201,123	1.18	10/28/2025	807,868	1.78	9/2/2025	1,117,121	2.57	2/9/2027
	649,895	1.35	6/24/2027	348,250	2.57	6/9/2025	509,629	2.57	6/9/2025
				100,000	2.74	11/30/2026	1,171,801	1.20	5/10/2027
<b>Other Beneficiaries</b>	60,308	1.18	10/28/2025	337,500	2.19	11/30/2025	167,500	2.57	11/30/2026
				441,250	2.74	11/30/2026	128,949	1.20	11/30/2027
<b>Total</b>	<b>911,326</b>			<b>2,034,868</b>			<b>3,095,000</b>		
- Exercisable	509,177			1,490,493			757,748		
- Non-Exercisable	-			544,375			2,337,252		
- Conditioned	402,149			-			-		

Obtaining the right to exercise the Options is regulated in the respective Plans and Board Meetings that authorized the grants. The Options indicated as “not yet exercisable” correspond to those whose contractual deadline for vesting has not yet been exceeded. Those indicated as “conditional”, in turn, are subject to the occurrence of certain corporate events which increase the share capital and/or ratify a certain grant.

## 25. Net revenue

	<b>Parent</b>			
	<b>Three-month period ending in</b>		<b>Six-month period ending in</b>	
	<b>04/01/2024 to 06/30/2024</b>	<b>04/01/2023 to 06/30/2023</b>	<b>01/01/2024 to 06/30/2024</b>	<b>01/01/2023 to 06/30/2023</b>
<b>Gross sales and/or services</b>				
In Brazil	39,550	18,990	79,425	39,967
Export	43	315	1,069	521
	<u>39,593</u>	<u>19,305</u>	<u>80,494</u>	<u>40,488</u>
<b>Deductions for gross sales</b>				
Taxes on sales	(6,708)	(3,359)	(13,712)	(7,041)
<b>Net sales and/or services</b>	<u><u>32,885</u></u>	<u><u>15,946</u></u>	<u><u>66,782</u></u>	<u><u>33,447</u></u>
	<b>Consolidated</b>			
	<b>Three-month period ending in</b>		<b>Six-month period ending in</b>	
	<b>04/01/2024 to 06/30/2024</b>	<b>04/01/2023 to 06/30/2023</b>	<b>01/01/2024 to 06/30/2024</b>	<b>01/01/2023 to 06/30/2023</b>
<b>Gross sales and/or services</b>				
In Brazil	40,409	23,161	81,430	48,784
Export	408	716	1,639	1,092
	<u>40,817</u>	<u>23,877</u>	<u>83,069</u>	<u>49,876</u>
<b>Deductions for gross sales</b>				
Taxes on sales	(6,881)	(4,205)	(14,128)	(8,812)
<b>Net sales and/or services</b>	<u><u>33,936</u></u>	<u><u>19,672</u></u>	<u><u>68,941</u></u>	<u><u>41,064</u></u>

## 26. Earnings (loss) per share

### *Basic*

Basic earnings (loss) per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of ordinary shares outstanding during the period.

<b>Items</b>	<b>Parent and Consolidated</b>			
	<b>Three-month period ended</b>		<b>Six-month period ended</b>	
	<b>04/01/2024 to 06/30/2024</b>	<b>04/01/2023 to 06/30/2023</b>	<b>01/01/2024 to 06/30/2024</b>	<b>01/01/2023 to 06/30/2023</b>
Net profit for the year	(23,259)	(14,511)	(30,658)	(24,591)
Profit attributable to the Company's shareholders	(23,259)	(14,511)	(30,658)	(24,591)
Weighted average number of ordinary shares issued (thousands)	41,476	32,477	41,476	32,477
<b>Basic profit per share R\$</b>	<u><u>(0.56)</u></u>	<u><u>(0.45)</u></u>	<u><u>(0.74)</u></u>	<u><u>(0.76)</u></u>

## 27. Other operating income and (expenses)

Items	Parent			
	Three-month period ending in		Six-month period ending in	
	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023
Others operating income				
Reversal of estimates for legal proceedings	573	186	1,891	417
Revenue from the sale of fixed assets	1,439	-	1,439	-
Reversal of estimated losses due to non-recoverability of assets	2,341	-	2,341	-
Reversal of estimated losses from inventory obsolescence	-	-	765	-
Other operating income	562	42	562	151
<b>Total other operating income</b>	<b>4,915</b>	<b>228</b>	<b>6,998</b>	<b>568</b>
Others operating expenses				
Estimated losses on legal proceedings	-	(462)	-	(467)
Cost on sale of fixed assets	(3,538)	-	(3,539)	-
Estimated losses on inventory obsolescence	(160)	-	-	-
Production idleness expense	(2,407)	(3,377)	(2,724)	(7,869)
Installments and taxes/contributions	(2,623)	-	(2,733)	-
Other operating expenses	(771)	(692)	(832)	(1,038)
<b>Total other operating expenses</b>	<b>(9,499)</b>	<b>(4,531)</b>	<b>(9,828)</b>	<b>(9,374)</b>
<b>Other operating expenses, net</b>	<b>(4,584)</b>	<b>(4,303)</b>	<b>(2,830)</b>	<b>(8,806)</b>

Items	Consolidated			
	Three-month period ending in		Six-month period ending in	
	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023
Others operating income				
Reversal of estimates for legal proceedings	238	1,012	1,672	6,683
Revenue from the sale of fixed assets	25,258	33	25,258	134
Reversal of estimated losses due to non-recoverability of assets	7,469	-	7,469	418
Reversal of estimated losses from inventory obsolescence	-	-	267	-
Recovery of taxes and contributions	-	-	223	-
Other operating income	629	122	639	135
<b>Total other operating income</b>	<b>33,594</b>	<b>1,167</b>	<b>35,528</b>	<b>7,370</b>
Others operating expenses				
Estimated losses on legal proceedings	-	(625)	-	(1,101)
Cost on sale of fixed assets	(34,705)	-	(34,706)	(427)
Estimated losses on inventory obsolescence	(671)	-	-	-
Production idleness expense	(2,802)	(4,489)	(3,119)	(10,038)
Depreciation "Off-Book"	(530)	-	(1,060)	-
Installments and taxes/contributions	(3,275)	-	(3,520)	-
Other operating expenses	(1,728)	(1,205)	(2,489)	(2,679)
<b>Total other operating expenses</b>	<b>(43,711)</b>	<b>(6,319)</b>	<b>(44,894)</b>	<b>(14,245)</b>
<b>Other operating expenses, net</b>	<b>(10,117)</b>	<b>(5,152)</b>	<b>(9,366)</b>	<b>(6,875)</b>

## 28. Financial Results

Items	Parent			
	Three-month period ending in		Six-month period ending in	
	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023
<b>Financial Income</b>				
Income from financial investments	51	40	98	76
Income from loan contracts	20	12	43	24
Monetary variation	516	680	960	1,152
Other financial income	149	(334)	279	532
<b>Total financial Income</b>	<b>736</b>	<b>398</b>	<b>1,380</b>	<b>1,784</b>
<b>Financial Expenses</b>				
Interest on loans and financing	(2,611)	(2,014)	(4,640)	(3,760)
Interest on loans and financing*	(2,264)	(920)	(3,156)	(1,843)
Interest on loan agreements	(153)	(155)	(306)	(719)
Interest on suppliers and other obligations*	(902)	(844)	(1,798)	(1,649)
Fines, interest and monetary restatement	(5,980)	(1,285)	(7,102)	(2,459)
Outras despesas financeiras	(522)	(669)	(747)	(1,469)
<b>Total financial Income</b>	<b>(13,624)</b>	<b>(8,247)</b>	<b>(21,046)</b>	<b>(16,437)</b>
Active exchange variation	4,053	13,525	4,520	23,014
Passive exchange variation	(18,705)	(4,430)	(23,156)	(9,171)
<b>Net exchange variation</b>	<b>(14,652)</b>	<b>9,095</b>	<b>(18,636)</b>	<b>13,843</b>

(\*) Debts subject to Judicial Recovery

Items	Consolidated			
	Three-month period ending in		Six-month period ending in	
	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023
<b>Financial Income</b>				
Income from financial investments	117	51	267	111
Present value adjustment	3,744	-	3,744	-
Monetary variation	-	1,044	839	1,707
Other financial income	830	(325)	975	1,345
<b>Total financial Income</b>	<b>4,691</b>	<b>770</b>	<b>5,825</b>	<b>3,163</b>
<b>Financial Expenses</b>				
Interest on loans and financing	(2,629)	(2,155)	(4,664)	(4,100)
Interest on loans and financing*	(2,264)	(920)	(3,156)	(1,843)
Interest on Bonds (Judicial Recovery)	2,637	(103)	2,554	(212)
Adjustment to present value	-	(6,737)	-	(11,398)
Interest on suppliers and other obligations*	(902)	(814)	(1,798)	(1,585)
Fines, interest and monetary restatement	(7,463)	(888)	(9,419)	(2,065)
Other financial expenses	(354)	(2,508)	(919)	(5,147)
<b>Total financial Income</b>	<b>(10,975)</b>	<b>(14,125)</b>	<b>(17,402)</b>	<b>(26,350)</b>
Active exchange variation	12,123	14,399	12,525	25,173
Passive exchange variation	(18,729)	(4,122)	(23,184)	(9,793)
<b>Net exchange variation</b>	<b>(6,606)</b>	<b>10,277</b>	<b>(10,659)</b>	<b>15,380</b>

(\*) Debts subject to Judicial Recovery



## 29. (Expenses) by nature

<u>Items</u>	<b>Parent</b>			
	<b>Three-month period ending in</b>		<b>Six-month period ending in</b>	
	<b>04/01/2024 to 06/30/2024</b>	<b>04/01/2023 to 06/30/2023</b>	<b>01/01/2024 to 06/30/2024</b>	<b>01/01/2023 to 06/30/2023</b>
<u>Cost of goods sold</u>	(25,145)	(12,211)	(50,098)	(24,832)
Raw material, materials for use and consumption, labor and third-party services	(24,702)	(11,778)	(49,102)	(23,889)
Depreciation and amortization	(595)	(706)	(1,267)	(1,436)
Others	152	273	271	493
<u>Selling expenses</u>	(3,455)	(2,156)	(5,379)	(4,429)
Third-party labor and services	(1,672)	(1,334)	(1,976)	(2,627)
Depreciation and amortization	(2)	(3)	(5)	(6)
Other commercial expenses	(1,781)	(819)	(3,398)	(1,796)
<u>General and Administrative Expenses</u>	(4,320)	(3,649)	(7,989)	(7,087)
Third-party labor and services	(2,847)	(3,028)	(5,593)	(5,580)
Depreciation and amortization	(49)	(294)	(96)	(648)
Other administrative expenses	(1,424)	(327)	(2,300)	(859)
<u>Management remuneration</u>	(750)	(828)	(1,500)	(1,726)

<u>Items</u>	<b>Consolidated</b>			
	<b>Three-month period ending in</b>		<b>Six-month period ending in</b>	
	<b>04/01/2024 to 06/30/2024</b>	<b>04/01/2023 to 06/30/2023</b>	<b>01/01/2024 to 06/30/2024</b>	<b>01/01/2023 to 06/30/2023</b>
<u>Cost of goods sold</u>	(26,928)	(15,490)	(53,905)	(31,662)
Raw material, materials for use and consumption, labor and third-party services	(26,262)	(14,791)	(52,485)	(30,199)
Depreciation and amortization	(679)	(809)	(1,433)	(1,644)
Others	13	110	13	181
<u>Selling expenses</u>	(3,514)	(2,368)	(5,486)	(4,838)
Third-party labor and services	(1,073)	(1,010)	(1,978)	(1,951)
Depreciation and amortization	(2)	(3)	(5)	(6)
Other commercial expenses	(2,439)	(1,355)	(3,503)	(2,881)
<u>General and Administrative Expenses</u>	(5,445)	(6,223)	(10,557)	(11,777)
Third-party labor and services	(4,065)	(4,707)	(7,829)	(8,793)
Depreciation and amortization	(169)	(400)	(336)	(862)
Other administrative expenses	(1,211)	(1,116)	(2,392)	(2,122)
<u>Management remuneration</u>	(750)	(828)	(1,500)	(1,726)

### 30. Information by business segment and geographical region

The Company has defined the Group's operating segments as follows:

- a) **Products:** producing mainly industrial valves; valves for oil and gas; synthetic fiber cables for anchoring oil platforms and various other applications; and composite material artifacts, such as poles and tubular liners for lining oil pipelines.
- b) **Services:** The company is continuing to demobilize its activities through the sale of equipment, as well as the associated legacy. The revenues that make up this segment arise from the liquidation of inventory balances and do not refer to regular operations.

Geographically, Management assesses the performance of the Brazilian and export markets.

Sales between segments were made as sales between independent parties. The amounts relating to total assets and liabilities are consistent with the balances recorded in the financial statements. These assets or liabilities are allocated based on the segment's operations and the physical location of the asset.

The information by segment is shown below:

	Three-month period ending in					
	Products		Services		Consolidated	
	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023
<b>Net sales</b>	<b>33,783</b>	<b>19,626</b>	<b>153</b>	<b>46</b>	<b>33,936</b>	<b>19,672</b>
Cost of sales	(26,775)	(15,451)	(153)	(39)	(26,928)	(15,490)
<b>Gross Profit (Loss)</b>	<b>7,008</b>	<b>4,175</b>	<b>-</b>	<b>7</b>	<b>7,008</b>	<b>4,182</b>
Selling expenses	(3,514)	(2,368)	-	-	(3,514)	(2,368)
General and administrative expenses	(4,454)	(4,901)	(991)	(1,322)	(5,445)	(6,223)
Management compensation	-	-	(750)	(828)	(750)	(828)
Reversal of estimated losses due to the non-recoverability of assets	-	-	7,469	33	7,469	-
Other operating income (expenses), net	(5,942)	(4,972)	(11,644)	(180)	(17,586)	(5,152)
<b>Operating profit (loss) before financial result</b>	<b>(6,902)</b>	<b>(8,066)</b>	<b>(5,916)</b>	<b>(2,290)</b>	<b>(12,818)</b>	<b>(10,389)</b>
	<b>Products</b>		<b>Services</b>		<b>Consolidated</b>	
	<b>06/30/2024</b>	<b>12/31/2023</b>	<b>06/30/2024</b>	<b>12/31/2023</b>	<b>06/30/2024</b>	<b>12/31/2023</b>
<b>Identifiable assets</b>	<b>158,780</b>	<b>144,693</b>	<b>172,270</b>	<b>187,992</b>	<b>331,050</b>	<b>332,685</b>
<b>Identifiable liabilities</b>	<b>15,773</b>	<b>16,046</b>	<b>175,165</b>	<b>166,140</b>	<b>190,938</b>	<b>182,186</b>
	<b>Products</b>		<b>Services</b>		<b>Consolidated</b>	
	<b>04/01/2024 to 06/30/2024</b>	<b>04/01/2023 to 06/30/2023</b>	<b>04/01/2024 to 06/30/2024</b>	<b>04/01/2023 to 06/30/2023</b>	<b>04/01/2024 to 06/30/2024</b>	<b>04/01/2023 to 06/30/2023</b>
<b>Depreciation and amortization</b>	<b>728</b>	<b>(858)</b>	<b>122</b>	<b>(353)</b>	<b>850</b>	<b>(1,211)</b>
<b>Acquisition of fixed assets</b>	<b>609</b>	<b>297</b>	<b>41</b>	<b>-</b>	<b>650</b>	<b>297</b>

	Six-month period ending in					
	Products		Services		Consolidated	
	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023
Net sales	68,650	40,950	291	114	68,941	41,064
Cost of sales	(53,661)	(31,570)	(243)	(92)	(53,905)	(31,662)
<b>Gross Profit (Loss)</b>	<b>14,988</b>	<b>9,380</b>	<b>48</b>	<b>22</b>	<b>15,036</b>	<b>9,402</b>
Selling expenses	(5,486)	(4,838)	-	-	(5,486)	(4,838)
General and administrative expenses	(8,637)	(9,687)	(1,920)	(2,090)	(10,557)	(11,777)
Management compensation	-	-	(1,500)	(1,726)	(1,500)	(1,726)
Equivalência patrimonial	-	-	-	-	-	-
Reversal of estimated losses due to the non-recoverability of assets	-	-	7,469	134	7,469	134
Other operating income (expenses), net	(5,788)	(10,595)	(11,047)	3,586	(16,835)	(7,009)
<b>Operating profit (loss) before financial result</b>	<b>(4,923)</b>	<b>(15,740)</b>	<b>(6,950)</b>	<b>(74)</b>	<b>(11,873)</b>	<b>(15,814)</b>
	<b>Products</b>		<b>Services</b>		<b>Consolidated</b>	
	<b>06/30/2024</b>	<b>12/31/2023</b>	<b>06/30/2024</b>	<b>12/31/2023</b>	<b>06/30/2024</b>	<b>12/31/2023</b>
Identifiable assets	158,780	144,693	172,270	187,992	331,050	332,685
Identifiable liabilities	15,773	16,046	175,165	166,140	190,938	182,186
	<b>Products</b>		<b>Services</b>		<b>Consolidated</b>	
	<b>01/01/2024 to 06/30/2024</b>	<b>01/01/2023 to 06/30/2023</b>	<b>01/01/2024 to 06/30/2024</b>	<b>01/01/2023 to 06/30/2023</b>	<b>01/01/2024 to 06/30/2024</b>	<b>01/01/2023 to 06/30/2023</b>
Depreciation and amortization	1,532	(1,742)	242	(771)	1,774	(2,513)
Acquisition of fixed assets	609	199	41	-	650	199

The information by geographical region is shown below:

	Three-month period ending in					
	Brazil		Others		Consolidated	
	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023
<b>Net sales</b>	<b>33,936</b>	<b>19,672</b>	-	-	<b>33,936</b>	<b>19,672</b>
Cost of sales	(26,928)	(15,490)	-	-	(26,928)	(15,490)
<b>Gross Profit (Loss)</b>	<b>7,008</b>	<b>4,182</b>	-	-	<b>7,007</b>	<b>4,182</b>
Selling expenses	(3,514)	(2,368)	-	-	(3,514)	(2,368)
General and administrative expenses	(5,445)	(6,223)	-	-	(5,445)	(6,223)
Management compensation	(750)	(828)	-	-	(750)	(828)
Reversal of estimated losses due to the non-recoverability of assets	7,469	-	-	-	7,469	-
Other operating income (expenses), net	(17,586)	(5,152)	-	-	(17,586)	(5,152)
<b>Operating profit (loss) before financial result</b>	<b>(12,818)</b>	<b>(10,389)</b>	-	-	<b>(12,818)</b>	<b>(10,389)</b>
	Brazil		Others		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023	06/30/2024	12/31/2023
<b>Identifiable assets</b>	<b>331,049</b>	<b>332,685</b>	-	-	<b>331,050</b>	<b>332,685</b>
<b>Identifiable liabilities</b>	<b>154,894</b>	<b>146,485</b>	<b>36,044</b>	<b>35,702</b>	<b>190,938</b>	<b>182,186</b>
	Brazil		Others		Consolidated	
	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023
<b>Depreciation and amortization</b>	<b>850</b>	<b>(1,211)</b>	-	-	<b>850</b>	<b>(1,211)</b>
<b>Acquisition of fixed assets</b>	<b>650</b>	<b>297</b>	-	-	<b>650</b>	<b>297</b>

Six-month period ending in

	Brazil		Others		Consolidated	
	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023
Net sales	68,941	41,064	-	-	68,941	41,064
Cost of sales	(53,905)	(31,662)	-	-	(53,905)	(31,662)
<b>Gross Profit (Loss)</b>	<b>15,036</b>	<b>9,402</b>	-	-	<b>15,036</b>	<b>9,402</b>
Selling expenses	(5,486)	(4,838)	-	-	(5,486)	(4,838)
General and administrative expenses	(10,557)	(11,777)	-	-	(10,557)	(11,777)
Management compensation	(1,500)	(1,726)	-	-	(1,500)	(1,726)
Reversal of estimated losses due to the non-recoverability of assets	7,469	134	-	-	7,469	134
Other operating income (expenses), net	(16,835)	(7,009)	-	-	(16,835)	(7,009)
<b>Operating profit (loss) before financial result</b>	<b>(11,873)</b>	<b>(15,814)</b>	-	-	<b>(11,872)</b>	<b>(15,814)</b>

	Brazil		Others		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Identifiable assets	331,050	332,685	-	-	331,050	332,685
Identifiable liabilities	154,894	146,485	36,044	35,702	190,938	182,186

	Brazil		Others		Consolidated	
	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023
Depreciation and amortization	1,774	(2,513)	-	-	1,774	(2,513)
Acquisition of fixed assets	650	199	-	-	650	199

### **31. Subsequent events**

In accordance with Brazilian accounting standards, management reports that there have been no subsequent events to be disclosed between the closing date of the financial statements and the date of their approval.

## Comment on the behavior of business projections

Net Revenues for the 2Q24 reached R\$ 33.9 million, reflecting a 73% increase compared to the same quarter of the previous year. For the semester, an accumulated growth of 68% was achieved compared to 2023. In the 2Q24, the Company successfully maintained the revenue levels observed in the 1Q24. Gross Revenues for the semester totaled R\$ 83.1 million, indicating an annualized gross revenue level of approximately R\$ 170 million.

The order backlog ended the quarter at the same levels as 1Q24, at R\$ 67 million. The backlog of contracts with no purchase obligation ended the quarter at R\$ 143 million, an increase on the previous quarter (R\$ 127 million).

Consolidated net revenue for the period ended June 30, 2024 was R\$ 68.9 million.

The long-term objectives pursued by the company are as follows:

Period	Net Revenue	Ebitda Margin
Between 3 and 5 years <b>Objective</b>	R\$ 550 million (considering the range of R\$ 450 million to R\$ 650 million)	17% to 23%
Between 5 and 10 years <b>Objective</b>	R\$ 1 billion to R\$ 2 billion	NA

The objectives reported are strategic targets pursued by the Company's management for horizons of 3 to 5 years and 5 to 10 years, and do not consist of projections.

Projections, when disclosed, are estimates by the Company's Management and reflect its opinion taking into account factors that may affect its performance, such as general economic conditions, in addition to the dynamics of its markets and operations, in accordance with the information available in the market to date.

Any projections are therefore subject to risks, uncertainties and changes, and do not constitute a promise of performance.





# LUPATECH

## LUPATECH S.A.

CNPJ/ME nº 89.463.822/0001-12

NIRE 35.3.0045756-1

Publicly Traded Company - New Market

## AUDIT COMMITTEE REPORT – 08-12-2024

### I – INTRODUCTION AND COMPOSITION OF THE COMMITTEE:

The AUDIT COMMITTEE, as provided for in the internal regulations, Articles of Association and Legislation, is responsible for advising the Company's Board of Directors on the exercise of its supervisory functions and monitoring the quality of the Company's financial statements, internal controls, compliance and risk management, with a view to ensuring the reliability of the information reflected therein. The AUDIT COMMITTEE is made up of the following members who are in full exercise of their mandates:

1. **Paulo Pinese**, brazilian, married, business administrator and accountant, holder of Identity Card RG No. 8.138.961-9, registered with CPF/MF No. 921.449.938- 15 and CRC SP 134.267/O-6, with business address at Rodovia Anhanguera, km. 119, Distrito Industrial, Nova Odessa (SP), CEP 13388-220, as Coordinator of the Audit Committee,
2. **Carlos Mario Calad Serrano**, colombian, married, engineer, holder of identity card RNE no. V471179-4, registered with the CPF/ME under no. 060.144.487-64, with business address at Rodovia Anhanguera, km. 119, Distrito Industrial, Nova Odessa (SP), CEP 13388-220.
3. **Celso Fernando Lucchesi**, brazilian, married, geologist, holder of ID No. 05220023-5 - IFP-RJ, duly registered with the CPF/MF under No. 117.047.300-82, with business address at Rodovia Anhanguera, km. 119, Distrito Industrial, Nova Odessa (SP), CEP 13388-220.

### II – DUTIES OF THE AUDIT COMMITTEE

The Audit Committee is responsible, in addition to other duties assigned to it by law, regulation or the Bylaws:

II.1. - To give an opinion on the hiring and dismissal of independent auditors;

II.2 - supervising the activities of the independent auditors, assessing their independence, the quality of the services provided and the suitability of such services to the Company's needs;

II.3 - supervising the activities carried out in the areas of internal control, internal auditing and the preparation of the Company's financial statements;

II.4 - monitoring the quality and integrity of the internal control mechanisms, the financial statements and the information and measurements disclosed by the Company;

II.5 - assess and monitor the Company's risk exposures, and may request, among other things, detailed information on policies and procedures relating to: a) management remuneration; b) use of the Company's assets; and c) expenses incurred on behalf of the Company.

II.6 - to assess and monitor, in conjunction with the Company's management and the internal audit department, the adequacy and disclosure of transactions with related parties;

II.7 - prepare an annual report with information on the activities, results, conclusions and recommendations, recording any significant disagreements between management, the independent auditors and the Audit Committee in relation to the financial statements;

II.8 - report to the Board of Directors on the work carried out by the Committee, communicating the main facts by recording them in the minutes of meetings; and

II.9 - perform duties and carry out any other acts necessary to fulfill their responsibilities.

### **III – AUDIT COMMITTEE ACTIVITIES:**

With regard to the 2024 financial year, which is currently underway, the Committee met again on August 12, 2024, at 3 p.m., virtually, via the Teams platform, a meeting which was attended by all three of its members. The Audit Committee has also interacted with the external auditors, with the company's chairman, Mr. Rafael Gorenstein, and with Ms. Vanessa Melo de Souza, the preparer of the financial statements, at the events mentioned above.

At this ordinary meeting held on August 12, 2024, this Audit Committee discussed accounting and tax aspects related to the closing of the interim Financial Statements for the second quarter of 2024, corresponding to the three-month period beginning on April 1 and ending on June 30, 2024. The Board of Directors will accept the recommendation of this Audit Committee to approve the Financial Statements for the 2nd Quarter of 2024, which have been discussed and reviewed by the same Committee.

Independent Accounting Audit: Assessed independence, especially with regard to the provision of other services, and compliance with applicable legal and regulatory provisions, on a permanent basis; Learned about the Independent Auditor's Annual Work Plan; Followed up on the work of the independent accounting audit; Learned about the audit report on the financial statements for the 3-month period ended June 30, 2024.

### **IV – TOPICS DEVELOPED BY JUNE 30, 2024:**

- a) Financial Statements / Financial / Accounting: The Company's financial results for the 2nd Quarter of 2024 were monitored, with regard to the Financial Statements prepared for this period - Balance Sheet, Income Statement for the 2nd Quarter, Statement of Comprehensive Income, Cash Flow Statement, Statement of Changes in

Shareholders' Equity, and Statement of Value Added, all for the 3-month period ending June 30, 2024.

- b) In addition to the financial statements, the notes to the financial statements were reviewed. Evaluated the accounting practices adopted; assessed the process of preparing and disclosing the financial statements for the period; assessed the reasonableness of the criteria for recognizing income and incurring expenses that have a material impact on the financial statements of the Company and its subsidiaries.
- c) Internal controls and compliance: Follow-up and monitoring of the tools used by the COMPANY to assess risks, protect assets and supervise the effectiveness of compliance structures in the fight against fraud, corruption and the prevention of money laundering; Analysis and knowledge of the COMPANY's corporate policies; Follow-up of the procedures relating to the Prevention and Combat of Money Laundering; Follow-up of the procedures relating to the Prevention and Combat of Fraud as well as being aware of the investigation reports and respective results; Follow-up of the dissemination and actions relating to the Anti-Corruption Law (Law 12. 846/2013, Decree 8.420/2015 and CGU Ordinance 909), Code of Ethics and Conduct and Compliance Program; Assessment of risks related to the information technology (IT) environment; Assessment of the process of monitoring lawsuits, deposits and judicial blocks as well as the adequacy of the respective estimates of accounting provisions; Monitoring of controls related to the financial area; Monitoring of third-party contracting management; Monitoring of work related to the implementation of the LGPD; Monitoring and identification and mitigation of the IT environment and cyber risks.
- d) Irregularities and Whistleblowing: Followed up on the development of the process for reporting and monitoring the systems and controls implemented by Management for receiving and handling information about non-compliance with the legal and regulatory provisions applicable to it, as well as its internal regulations and codes, ensuring that they provide for effective mechanisms to protect the provider of the information and its confidentiality;

#### **V – AUDIT COMMITTEE HIGHLIGHTS:**

The members of the Audit Committee, in the exercise of their legal duties and responsibilities, point out that they discussed in detail the accounting and recording procedures for the most relevant transactions recorded in the 3 (three) month period corresponding to the 2nd Quarter of the calendar year 2024, ending June 30, 2024, and their consistency with the procedures adopted at the close of the immediately preceding fiscal year, 2023, as reflected in the minutes of the Audit Committee Meeting of the aforementioned meetings.

Among the topics discussed were:

- (a) positive evolution of net sales revenues, and revenues of Lupatech and its subsidiaries, over the same values of the same period in 2023, including calculation of EBITDA for the period;

- (b) evolution of operating costs; current Inventory position and its probable and possible realization over time,
- (c) constitution of reserves for non-realization of assets such as Inventories, Accounts Receivable, and their provisions (impairment) for possible losses of realization, other credits against third parties (CSL - Cordoaria São Leopoldo),
- (d) Registration of credits recognized on deferred IRPJ and CSLL, and their future realization, and support, and also realization of goodwill on investments in subsidiaries acquired in the past;
- (e) Registration of liabilities related to ICMS - SP, their accounting recognition - interest - as a financial expense.
- (f) Valuation of assets available for sale, no longer used in the operations of the Company and its subsidiaries; their valuation at fair value,
- (g) Capitalization and depreciation policies for fixed assets in use; and
- (h) Analysis of the liabilities reflected in the quarterly financial statements as at 30.06.2024.

With regard to the lifting of the Judicial Reorganization (RJ), which took place in the first quarter of 2023, we discussed its disclosure in the explanatory notes presented here. It should be noted that the emphasis given in the Explanatory Notes derives from the comparability of the period now ended with that of 2023, when the situation of the RJ was still occurring.

Therefore, from now on, the Committee believes that the most relevant aspect of the Financial Statements in the Explanatory Notes needs to be reviewed in 2024 and perhaps reallocated to include notes on liabilities that are still pending future settlement as a result of the RJ. This aspect has been discussed at length with the company's independent auditors, who believe that it should be highlighted, due to the issue of comparability between 2024 and 2023 in the explanatory notes. The disclosure procedure at the opening of the Notes will nevertheless be maintained during 2024. It will be changed from 2025 onwards.

Therefore, mention of the fact that the Company is undergoing Judicial Reorganization will be maintained as it was in previous years, even though in fact the Company has no longer been in Judicial Reorganization since the first quarter of 2023.

Furthermore, the accounting procedures in use by the Company during the quarter under review remained unchanged.

## **VI – RECOMMENDATION ON THE FINANCIAL STATEMENTS AS AT 06/30/2024**

The members of the Audit Committee of Lupatech S.A., in the exercise of their duties and responsibilities, and in accordance with the Internal Regulations of this Committee, have carried out an analysis of the individual and consolidated financial statements and the annual report of Management, including the Notes to the aforementioned financial statements, prepared for the three-month period ended June 30, 2024, and, based on the information provided by Management, this Committee expresses its favorable opinion, and thus recommends that the Board of Directors approve the aforementioned documents.

Nova Odessa (SP) August 12, 2024.

1. **Paulo Pinese**

RG nº 8.138.961-9/CPF/MF nº 921.449.938- 15  
CRC SP 134.267/O-6.

2. **Carlos Mario Calad Serrano**

RNE nº V471179-4/CPF/ME nº 060.144.487-64.

3. **Celso Fernando Lucchesi**

RG nº 05220023-5 IFP-RJ/CPF/MF sob o nº 117.047.300-82.



## **Management's declaration of the financial statements**

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The directors of the Company, pursuant to the provisions of item VI of article 27 of CVM Instruction No. 80, of March 29, 2022, as amended, declare that they have reviewed, discussed and agreed with the Interim Financial Statements for the period ended June 30, 2024.

Nova Odessa, August 14, 2024.

Rafael Gorenstein – Director President and of Investor Relations Officer

Marco Antônio Miola – Director without specific designation



## **Management's declaration of the independent auditor's report**

The directors of the Company, in compliance with the provisions of item V of article 27 of CVM Instruction No. 80, of March 29, 2022, as amended, declare that they have reviewed, discussed and agreed with the independent auditors' report on the Interim Financial Statements for the period ended June 30, 2024.

Nova Odessa, August 14, 2024.

Rafael Gorenstein – Director President and of Investor Relations Officer

Marco Antônio Miola – Director without specific designation