

QUARTERLY INFORMATION 3Q2024

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

We wish to highlight the accumulated growth of more than 50% in our Net Revenue in the nine months of the year, compared to the same period last year, rising from R\$ 66 million to R\$ 100 million. In 3Q24, Net Revenue maintained its positive trajectory, reaching R\$ 31 million, which represents an increase of 22% compared to 3Q23.

Gross Profit in 3Q24 was R\$ 6.5 million, with a margin of 21.1%, slightly higher than the 20.7% recorded in 2Q24. Year to date, Gross Profit was R\$ 21.5 million for the 9 months, with a margin of 22%, compared to R\$ 15.5 million and a margin of 24% in the same period last year.

Despite the increase in revenue, which favors industrial efficiency, our gross margin for the year was lower than the previous year, due to the increase in costs with imported materials, because of the currency devaluation. These cost increases tend to be passed on to prices gradually, either in new sales contracts or in the annual readjustments of supply contracts.

On the other hand, the total Commercial and Administrative Expenses incurred in 9 months decreased by 2%, remaining at R\$ 27 million. Given the significant 50% increase in Net Revenue, the effect of operating leverage is notable.

The growth in sales, combined with the dilution of costs and expenses, resulted in a positive adjusted EBITDA of R\$ 1.8 million in the 9-month period, compared to a negative figure of R\$ 4.5 million in the same period last year. In 3Q24, adjusted EBITDA was also positive, reaching R\$ 173 thousand, compared to the negative figure of R\$ 578 thousand recorded in 3Q23.

During the third quarter, although our plants in Rio Grande do Sul operated under reasonably normal conditions, it was inevitable that we had to deal with the serious problems caused by the tragedy in our vicinities – damaged roads, airport closed, disrupted suppliers and customers. These factors affected our business in 3Q24, despite the gradual improvement.

The firm order backlog ended the quarter at R\$ 58 million in 3Q24 (R\$ 67 million in 2Q24). The backlog of contracts without purchase obligations ended the quarter at R\$ 143 million, the same level as the previous quarter.

Between the end of September and the beginning of October, the company signed contracts to supply fiberglass poles to energy utilities for a total of R\$ 17 million, the result of efforts to consolidate the company's participation in this growing market. The demand arising from these contracts is not included in our order book for 3Q24.

The 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)	3Q23	3Q24	2Q24	3Q24	9M24	9M23
Products	25,136	30,690	33,783	30,690	99,339	66,086
Valves	23,265	29,321	31,966	29,321	92,547	61,503
Ropes and Composites	1,871	1,369	1,817	1,369	6,792	4,583
Services	57	-	153	-	292	171
Oilfield Services	57	-	153	-	292	171
Total	25,193	30,690	33,936	30,690	99,631	66,257

Consolidated net revenue reached R\$ 99.6 million in the 9M24 period, R\$ 33.4 million or 50.3% more than the consolidated net revenue of 9M23.

Products

The increase in net revenue in 3Q24 compared to 3Q23 was driven by the success of the commercial efforts made in the period. However, the retraction seen in 3Q24 compared to 2Q24 is due to lower demand and the difficulties faced due to the floods in Rio Grande do Sul, among others.

Services

The transactions carried out in this segment arise from the liquidation of inventory balances and other activities related to plants that have been demobilized, and do not refer to ordinary operations.

Order Backlog

On September 30, 2024, the Company's order backlog in Brazil totaled R\$ 57.5 million. On the same date, the Company had a balance of supply contracts with no purchase obligation of R\$ 143 million (Note: the figures do not include expired tenders for which the respective orders or contracts have not yet been issued).

Gross Profit and Gross Margin

Gross Profit (R\$ thd)	3Q23	3Q24	2Q24	3Q24	9M24	9M23
Products	6,288	6,492	7,008	6,492	21,480	15,668
<i>Gross Margin - Products</i>	25.0%	21.1%	20.7%	21.1%	21.6%	23.7%
Services	(117)	-	-	-	48	(95)
<i>Gross Margin - Services</i>	n/a	n/a	n/a	n/a	n/a	n/a
Total	6,171	6,492	7,008	6,492	21,528	15,573
<i>Gross Margin - Total</i>	24.5%	21.1%	20.6%	21.1%	21.6%	23.5%
Depreciation	777	679	679	679	2,113	2,421
Depreciation Products	777	679	679	679	2,113	2,421
Gross Profit without depreciation	6,948	7,171	7,687	7,171	23,641	17,994
Gross Profit without depreciation Products	7,065	7,171	7,687	7,171	23,593	18,089

*n/a - not applied

Products

Gross profit in 9M24 reached R\$ 21.5 million, with a margin of 21.6%, compared to R\$ 15.7 million with a margin of 23.7% in 9M23.

In the comparison between 3Q24 and 2Q24, gross profit fell slightly due to the reduction in revenue, despite the slightly higher gross margin.

Services

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

Expenses

Expenses (R\$ thd)	3Q23	3Q24	2Q24	3Q24	9M24	9M23
Total Sales Expenses	3,509	2,910	3,514	2,910	8,396	8,347
Sales Expenses - Products	3,509	2,910	3,514	2,910	8,396	8,347
Sales Expenses - Services	-	-	-	-	-	-
Total Administrative Expenses	4,739	5,335	5,445	5,335	15,892	16,516
Administrative Expenses - Products	2,548	3,247	2,630	3,247	7,795	8,686
Administrative Expenses - Services	2,191	2,088	2,815	2,088	8,097	7,830
Management Fees	767	1,037	750	1,037	2,537	2,493
Total Expenses	9,015	9,282	9,709	9,282	26,825	27,356

Selling and administrative expenses

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

In 3Q24, the company recognized R\$ 5.3 million in administrative expenses, similar to the R\$ 5.4 million in 2Q24 and 12.6% higher than in 3Q23, and in the year to date, administrative expenses are 3.9% lower than in the previous year.

Management Compensation

The amount presented is composed of fixed and variable remuneration.

Other Revenues and Operational (Expenses)

Other Operating (Expenses) (R\$ thd)	3Q23	3Q24	2Q24	3Q24	9M24	9M23
Products	(100)	(133)	(3,140)	(133)	(2,802)	(658)
Expenses with Idleness - Products	(5,105)	(2,956)	(2,802)	(2,956)	(6,075)	(15,141)
Services	(1,298)	1,959	(4,175)	1,959	(1,619)	2,421
Expenses with Idleness - Services	-	-	-	-	-	-
Total	(6,503)	(1,130)	(10,117)	(1,130)	(10,496)	(13,378)

In 3Q24, R\$ 5.3 million of “Other Operating Income” was recorded against R\$ 6.4 million of “Other Operating Expenses”, totaling a net effect of R\$ 1.1 million. The following factors stand out:

- I. R\$ 1.5 million positive net effect on the disposal of fixed assets;
- II. R\$ 2.7 due to reversal of impairment on assets;
- III. R\$ 3.0 million in idle production costs;
- IV. R\$ 1.4 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\$ 0.4 thousand from the recognition of taxes and contributions.

Financial Result

Financial Results (R\$ thd)	3Q23	3Q24	2Q24	3Q24	9M24	9M23
Financial Revenue*	1,917	1,421	4,691	1,421	7,245	5,080
Financial Expense*	(7,924)	(10,742)	(10,975)	(10,742)	(28,143)	(34,274)
Net Financial Results*	(6,007)	(9,321)	(6,284)	(9,321)	(20,898)	(29,194)
Net Exchange Variance	(7,416)	3,093	(6,606)	3,093	(7,566)	7,964
Net Financial Results - Total	(13,423)	(6,228)	(12,890)	(6,228)	(28,464)	(21,230)

* Excluding Exchange Variance

The net financial result for 3Q24 was negative by R\$ 9.3 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.

It is important to remember that exchange rate variations are predominantly the result of their impact on loan 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 transiting through profit and loss accounts.

See the following proforma statement of the net economic effect of exchange rate variations on intercompany loans:

	1Q24	2Q24	3Q24	9M24
Total Exchange Variation Revenue	402	12,123	6,151	18,676
Realized on exchange closing	11	763	125	899
Provision for outstanding securities	80	121	-	201
Provision for intercompany loans	311	11,239	5,671	17,221
Provision for unsecured suppliers	-	-	355	355
Total Exchange Variation Expense	(4,455)	(18,729)	(3,058)	(26,242)
Realized on exchange closing	(20)	(302)	-	(322)
Provision on outstanding securities	-	-	(114)	(114)
Provision on intercompany loan	(4,173)	(15,182)	(2,774)	(22,129)
Realized on payment of intercompany loan	-	(2,292)	-	(2,292)
Provision for unsecured suppliers	(262)	(953)	(170)	(1,385)
Net Exchange Variance	(4,053)	(6,606)	3,093	(7,566)
Counterpart in Shareholders' Equity	(3,862)	(6,235)	2,897	(7,200)
Net Economic Effect of Exchange Variation	(191)	(371)	196	(366)

Adjusted EBITDA from Operations

EBITDA Adjusted (R\$ thd)	3Q23	3Q24	2Q24	3Q24	9M24	9M23
Products	1,861	2,845	2,714	2,845	9,085	2,416
Margin	7.4%	9.3%	8.0%	9.3%	9.1%	3.7%
Services	(2,439)	(2,672)	(2,374)	(2,672)	(7,266)	(6,909)
Margin	n/a	n/a	n/a	n/a	n/a	n/a
Total	(578)	173	340	173	1,819	(4,494)
Margin	-2.3%	0.6%	1.0%	0.6%	1.8%	-6.8%

The Adjusted EBITDA of Products for 3Q24 reflects an improvement on the comparative periods, mainly due to the dilution of fixed costs.

Services Adjusted EBITDA is made up of legacy management costs.

Adjusted Ebitda Reconciliation (R\$ thd)	3Q23	3Q24	2Q24	3Q24	9M24	9M23
Gross Profit	6,171	6,492	7,008	6,492	21,528	15,573
SG&A	(8,248)	(8,245)	(8,959)	(8,245)	(24,288)	(24,863)
Management Compensation	(767)	(1,037)	(750)	(1,037)	(2,537)	(2,493)
Depreciation and Amortization	946	841	850	841	2,615	3,459
Other Operating Expenses	(6,503)	(1,130)	(10,117)	(1,130)	(10,496)	(13,377)
EBITDA from Activities	(8,401)	(3,079)	(11,968)	(3,079)	(13,178)	(21,701)
Result of disposal or write-off of assets	1,295	(4,239)	1,978	(4,239)	(2,257)	1,169
Provisions for Legal Proceedings	(101)	(138)	(238)	(138)	(1,810)	(5,683)
Idle expenses	5,105	2,956	2,802	2,956	6,075	15,141
Extraordinary Expenses	1,524	4,673	7,766	4,673	12,989	6,580
Adjusted EBITDA	(578)	173	340	173	1,819	(4,494)

Reconciliation of Adjusted Ebitda (R\$ thd)	3Q24		
	Products	Services	Total
Gross Profit	6,492	-	6,492
SG&A	(6,157)	(2,088)	(8,245)
Management Compensation	-	(1,037)	(1,037)
Depreciation and Amortization	722	119	841
Other Operating Expenses	(3,089)	1,959	(1,130)
EBITDA from Activities	(2,032)	(1,047)	(3,079)
Result of disposal or write-off of assets	(1,446)	(2,793)	(4,239)
Provisions for Legal Proceedings	6	(144)	(138)
Idle expenses	2,956	-	2,956
Extraordinary Expenses	3,361	1,312	4,673
Adjusted EBITDA	2,845	(2,672)	173

Net Result

Net Result (R\$ thd)	3Q23	3Q24	2Q24	3Q24	9M24	9M23
Result Before Income Tax and Social Contribution	(22,770)	(10,148)	(25,708)	(10,148)	(44,257)	(46,391)
Income Tax and Social Contribution - Current	-	(2)	(2)	(2)	(4)	(1)
Income Tax and Social Contribution - Deferred	1,533	329	2,451	329	3,782	564
Net Profit for the Period	(21,237)	(9,821)	(23,259)	(9,821)	(40,479)	(45,828)
Profit (Loss) per Share	(0.54)	(0.23)	(0.56)	(0.23)	(0.96)	(1.17)

The negative net result obtained in 3Q24 is influenced, in addition to current income and expenses, by the adjustment to present value relating to the tender debt and the net effect of other operating income and expenses.

Working Capital

Working Capital (R\$ thd)	09/30/2024	12/31/2023
Accounts Receivable	34,372	18,140
Inventories	24,521	32,678
Advances of suppliers	3,611	7,522
Recoverable taxes	32,566	40,701
Other Accounts Receivable	6,234	5,612
Total Asset	101,304	104,653
Suppliers	16,315	15,072
Advances from Customers	3,019	1,161
Taxes payable	21,114	22,323
Other Accounts Payable/Other Obligations	4,113	5,783
Payroll and charges	6,610	5,493
Total Liabilities	51,171	49,832
Working Capital Employed	50,133	54,821
Working Capital Variation	(4,688)	

When comparing the balances as of September 30, 2024 with the balance as of December 31, 2023, there is a reduction in the working capital employed. This reduction is mainly due to: (i) variation in accounts receivable and inventories, (ii) reduction in taxes recoverable and taxes payable resulting from the offsetting of tax credits.

Indebtedness

Debts (R\$ thd)	09/30/2024	12/31/2023
Short Term	52,870	50,633
Credits subject to Judicial Recovery	7,647	6,266
Credits not subject to Judicial Recovery	45,223	44,367
Long Term	101,563	95,027
Credits subject to Judicial Recovery	94,776	92,262
Credits not subject to Judicial Recovery	6,787	2,765
Total Debts	154,433	145,660
Cash and Cash Equivalents	9,181	19,907
Net Debt	145,252	125,753

The increase in financial indebtedness when comparing the balances at September 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 due to the taking out of new credits and the updating of the Present Value of the debt subject to Judicial Recovery.

Short-term debt is detailed in the following tables, which show the composition by type and then the guarantee coverage.

Short-term debt - Credits not subject to Judicial Reorganization	09/30/2024
BNDES - Fiduciary Sale of Machinery	11,167
Co-obligation on discounted securities	9,115
Working Capital (various types)	24,941
Total	45,223

Guarantee Coverage - Working Capital (various types)	09/30/2024
CDB and performing credits	12,458
Other*	12,483
Total	24,941

*Performing receivables, FGI, Intra-group guarantee.

Note that most of the short-term debt corresponds to co-obligations on discounted securities (R\$ 9.1 million) or amounts to be self-settled by receivables that have already been performed or CDBs (R\$ 12.5 million). Only R\$ 12.5 million is pending future performance of receivables or is covered by fiduciary guarantees.

Annexes

Annex I - Income Statements (R\$ Thousand)

	2Q24	3Q24
Net Revenue From Sales	33,936	30,690
Cost of Goods and Services Sold	(26,928)	(24,198)
Gross Profit	7,008	6,492
Operating Income/Expenses	(19,826)	(10,412)
Selling	(3,514)	(2,910)
General and Administrative	(5,445)	(5,335)
Management Fees	(750)	(1,037)
Other Operation Income (Expenses)	(10,117)	(1,130)
Net Financial Result	(12,890)	(6,228)
Financial Income	4,691	(610)
Financial Expenses	(10,975)	(8,711)
Net Exchange Variance	(6,606)	3,093
<u>Results Before Income Tax and Social Contribution</u>	<u>(25,708)</u>	<u>(10,148)</u>
Provision Income Tax and Social Contribution - Current	(2)	(2)
Provision Income Tax and Social Contribution - Deferred	2,451	329
<u>Net Loss for the Period</u>	<u>(23,259)</u>	<u>(9,821)</u>

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

	2Q24	3Q24
Adjusted EBITDA from Operations	340	173
Idleness Expenses	(2,802)	(2,956)
Extraordinary expenses	(7,766)	(4,673)
Provisions for Losses, Impairment and Net Result on Disposal of Assets	(1,740)	4,377
<hr/>		
EBITDA from Operations	(11,968)	(3,079)
Depreciation and amortization	(850)	(841)
Net Financial Result	(12,890)	(6,228)
Income Tax and Social Contribution - Current and Deferred	2,449	327
Net Loss	(23,259)	(9,821)

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

	09/30/2024	12/31/2023
Total Asset	459,595	482,769
Current Assets	121,991	145,711
Cash and Cash Equivalents	9,576	19,907
Accounts Receivable	34,372	18,140
Inventories	24,521	32,678
Recoverable Taxes	32,566	40,701
Other Accounts Receivable	6,234	5,612
Prepaid Expenses	940	553
Advances to Suppliers	3,611	7,522
Assets Classified as Held for Sale	10,171	20,598
Non-Current Assets	337,604	337,058
Securities-restricted	44	44
Judicial Deposits	5,155	5,079
Recoverable Taxes	3,768	6,953
Deferred Income Tax and Social Contribution	60,889	56,180
Other Accounts Receivable	33,643	34,502
Investments	19,685	19,685
Fixed Assets	131,159	131,405
Intangible Assets	83,261	83,210
Total Liabilities and Shareholders Equity	459,595	482,769
Current Liabilities	106,875	102,918
Suppliers - not subject to Judicial Recovery	10,629	9,876
Suppliers - subject to Judicial Recovery	5,686	5,196
Loans and Financing - not subject to Judicial Recovery	45,223	44,367
Loans and Financing - subject to Judicial Recovery	7,647	6,266
Provisions Payroll and Payroll Payable	6,610	5,493
Taxes Payable	21,114	22,323
Obligations and Provisions for Labor Risks - subject to Judicial Recovery	106	315
Advances from Customers	3,019	1,161
Other Accounts Payable	4,113	5,783
Other obligations - subject to Judicial Recovery	2,728	2,138
Non-Current Liabilities	232,565	220,288
Suppliers - subject to Judicial Recovery	27,720	26,649
Loans and Financing - not Subject to Judicial Recovery	6,787	2,765
Loans and Financing - subject to Judicial Recovery	94,776	92,262
Taxes Payable	37,352	29,199
Provision for Contingencies	24,490	27,591
Obligations and Provisions Labor Risks - subject to Judicial Recovery	1,915	2,238
Other Accounts Payable	1,694	3,350
Other obligations - subject to judicial recovery	37,831	36,234
Shareholders' Equity	120,155	159,563
Capital Stock	1,922,339	1,920,820
Reserves and capital transactions	144,754	144,754
Equity valuation adjustment	74,231	74,679
Accumulated Losses	(2,021,169)	(1,980,690)

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

	2Q24	3Q24
Cash Flow from Operating Activities		
Loss for the periods	(23,259)	(9,821)
Adjustments:		
Depreciation and Amortization	1,380	1,370
Income from sale of property, plant and equipment	(7,221)	2,135
Financial charges and exchange variation on financing	18,773	3,779
Reversal (Provision) for loss due to non-recoverability of assets	(8,313)	(3,649)
Deferred Income Tax and Social Contribution	(2,451)	(1,256)
Inventory obsolescence	386	96
(Reversal) Estimated losses for doubtful accounts	35	(49)
Actual losses with doubtful accounts	14	19
Adjust to present value	(3,928)	4,042
Exchange variation on investments abroad	1,248	(4,113)
Changes in Assets & Liabilities		
(Increase) Decrease in Accounts Receivable	(2,947)	1,191
(Increase) Decrease in Inventories	2,359	6,113
(Increase) Decrease in Recoverable Taxes	3,202	5,210
(Increase) Decrease in Other Assets	2,171	1,879
(Increase) Decrease in Suppliers	(2,227)	(529)
(Increase) Decrease in Taxes Payable	1,547	(2,551)
(Increase) Decrease in Others Accounts Payable	(2,107)	(632)
Net Cash Flow from Operating Activities	(21,338)	3,234
Cash Flow from Investment Activities		
Bonds and securities - restricted account	80	117
Resources from the sale of fixed assets	25,258	1,543
Acquisition of fixed assets	(388)	(1,801)
Aquisition of Intangible Assets	(232)	(1)
Net Cash Flow from (Used in) Investment Activities	24,755	(179)
Cash Flow from Financing Activities		
Borrowing and financing	28,406	35,249
Capital increase	338	1,113
Payment of loans and financing	(38,578)	(39,022)
Net Cash Flow from Financing Activities	(9,834)	(2,660)
Net Increase (Decrease) in Cash and Cash Equivalents	(6,417)	395
At the Beginning of the Period	15,598	9,181
At the End of the Period	9,181	9,576

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.

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INDIVIDUAL AND CONSOLIDATED BALANCE SHEETS
(In R\$ Thousands)

CURRENT ASSETS	Note	Parent		Consolidated	
		09/30/2024	12/31/2023	09/30/2024	12/31/2023
CURRENT					
Cash and cash equivalents	3	1,690	1,440	9,576	19,907
Trade accounts receivable	4	30,310	13,340	34,372	18,140
Inventories	5	22,709	26,931	24,521	32,678
Recoverable taxes	6	21,174	26,479	32,566	40,701
Advances to suppliers		3,400	7,260	3,611	7,522
Other receivables	7	2,448	1,814	6,234	5,612
Prepaid expenses		804	469	940	553
Related companies	14.1	184	939	-	-
Assets classified as held for sale	8	-	896	10,171	20,598
Total current assets		82,719	79,568	121,991	145,711
NON-CURRENT					
Judicial deposits	18.1	1,575	1,489	5,155	5,079
Securities	3	44	44	44	44
Recoverable taxes	6	3,768	6,238	3,768	6,953
Deferred income tax and social contribution	16	59,825	55,156	60,889	56,180
Related companies	14.1	1,300	9,742	-	-
Other receivables	7	33,341	33,663	33,643	34,502
Investments					
Investments in subsidiaries and associates	9.1	260,387	256,555	-	-
Investment property	9.2	-	-	19,685	19,685
Fixed assets	10	19,974	20,081	131,159	131,405
Intangible assets					
Goodwill on acquisition of investments	11	61,479	61,479	82,166	82,166
Other intangibles	11	816	760	1,095	1,044
Total non-current assets		442,509	445,207	337,604	337,058
TOTAL ASSETS		525,228	524,775	459,595	482,769

The notes are an integral part of the financial statements.

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INDIVIDUAL AND CONSOLIDATED BALANCE SHEETS
(In R\$ Thousands)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	Parent		Consolidated	
		09/30/2024	12/31/2023	09/30/2024	12/31/2023
CURRENT					
Suppliers - not subject to judicial reorganization	12	8,736	6,957	10,629	9,876
Suppliers - subject to judicial reorganization	12	5,686	5,196	5,686	5,196
Loans and financing - not subject to judicial reorganization	13	34,310	29,206	45,223	44,367
Loans and financing - subject to judicial reorganization	13	5,743	4,770	7,647	6,266
Salaries, provisions and social contributions		5,595	4,766	6,610	5,493
Taxes payable	19	13,199	13,742	21,114	22,323
Labor obligations and provisions - subject to judicial reorganization		106	315	106	315
Advances from customers		2,578	731	3,019	1,161
Other accounts payable	17	3,576	5,125	4,113	5,783
Other liabilities - subject to judicial reorganization	17	2,728	2,138	2,728	2,138
Related companies	14.1	10,748	4,454	-	-
Total current liabilities		93,005	77,400	106,875	102,918
NON-CURRENT					
Suppliers - subject to judicial reorganization	12	27,720	26,649	27,720	26,649
Loans and financing - not subject to judicial reorganization	13	3,690	2,765	6,787	2,765
Loans and financing - subject to judicial reorganization	13	60,530	58,056	94,776	92,262
Taxes payable	19	20,781	12,880	37,352	29,199
Provision for tax, labor and civil risks	18.2	15,829	18,466	24,490	27,591
Labor obligations and provisions - subject to judicial reorganization		1,915	2,238	1,915	2,238
Other accounts payable	17	-	-	1,694	3,350
Other liabilities - subject to judicial reorganization	17	37,831	36,234	37,831	36,234
Related companies	14.1	143,772	130,524	-	-
Total non-current liabilities		312,068	287,812	232,565	220,288
SHAREHOLDERS' EQUITY					
Share capital	20	1,922,339	1,920,820	1,922,339	1,920,820
Reserves and capital transactions		144,754	144,754	144,754	144,754
Equity valuation adjustments		74,231	74,679	74,231	74,679
Accumulated losses		(2,021,169)	(1,980,690)	(2,021,169)	(1,980,690)
Attributable to the Company's shareholders		120,155	159,563	120,155	159,563
Total shareholders' equity		120,155	159,563	120,155	159,563
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		525,228	524,775	459,595	482,769

The notes are an integral part of the financial statements.

LUPATECH S/A

INDIVIDUAL AND CONSOLIDATED INTERIM INCOME STATEMENTS
FOR THE PERIODS ENDED SEPTEMBER 30, 2024 AND 2023
(In thousands of Reais except loss per share, or when indicated)

	Note	Parent		Consolidated	
		09/30/2024	09/30/2023	09/30/2024	09/30/2023
NET OPERATING REVENUE	24	96,578	55,276	99,631	66,257
COST OF GOODS SOLD	28	(72,791)	(40,679)	(78,103)	(50,684)
Gross profit		23,787	14,597	21,528	15,573
OPERATING EXPENSES					
Sales	28	(8,295)	(7,688)	(8,396)	(8,347)
General and administrative	28	(12,213)	(11,495)	(15,892)	(16,516)
Management remuneration	15 / 28	(2,537)	(2,493)	(2,537)	(2,493)
Equity income	9.1	1,417	(12,276)	-	-
Other operating income (expenses)	26	(5,769)	(11,921)	(10,496)	(13,378)
OPERATING LOSS BEFORE FINANCIAL RESULT		(3,610)	(31,276)	(15,793)	(25,161)
FINANCIAL RESULT					
Financial income	27	2,542	3,442	5,215	5,080
Financial expenses	27	(28,513)	(24,766)	(26,113)	(34,274)
Exchange variation, net	27	(15,567)	7,255	(7,566)	7,964
LOSS BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		(45,148)	(45,345)	(44,257)	(46,391)
INCOME TAX AND SOCIAL CONTRIBUTION					
Current	16	-	-	(4)	(1)
Deferred	16	4,669	(483)	3,782	564
LOSSES FOR THE PERIOD		(40,479)	(45,828)	(40,479)	(45,828)
LOSS ATTRIBUTABLE TO:					
Participation of the Company's shareholders		(40,479)	(45,828)	(40,479)	(45,828)
LOSS PER SHARE					
Basic per share	25	(0.96082)	(1.16683)	(0.96082)	(1.16683)
Diluted per share	25	(0.96082)	(1.16683)	(0.96082)	(1.16683)

The notes are an integral part of the financial statements.

LUPATECH S/A

INDIVIDUAL AND CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED SEPTEMBER 30, 2024 AND 2023
(In R\$ Thousands)

	Parent		Consolidated	
	<u>09/30/2024</u>	<u>09/30/2023</u>	<u>09/30/2024</u>	<u>09/30/2023</u>
LOSS FOR THE YEAR	(40,479)	(45,828)	(40,479)	(45,828)
OTHER COMPREHENSIVE INCOME FOR THE YEAR				
Exchange variation on investments abroad	(448)	(6,344)	(448)	(6,344)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(40,927)</u>	<u>(52,172)</u>	<u>(40,927)</u>	<u>(52,172)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Share of the Company's shareholders	(40,927)	(52,172)	(40,927)	(52,172)

The notes are an integral part of the financial statements.

INDIVIDUAL AND CONSOLIDATED INTERIM CASH FLOW STATEMENTS
FOR THE PERIODS ENDED SEPTEMBER 30, 2024 AND 2023
(In R\$ Thousands)

	Parent		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
CASH FLOW FROM OPERATING ACTIVITIES				
Loss for the period	(40,479)	(45,828)	(40,479)	(45,828)
Depreciation and amortization	2,016	2,820		5,049
Reversal (Estimate) for loss on non-recoverability of assets	(358)	-	(11,962)	(597)
Equity equivalence	(1,417)	12,276	-	-
Result on write-off of fixed assets	-	(134)	(5,087)	1,768
Financial charges and exchange variation on financing	36,836	9,073	30,613	6,835
Deferred income tax and social contribution	(4,669)	483	(4,709)	(564)
Inventory obsolescence	885	(482)	1,420	924
(Reversal) Estimated losses on bad debts	(24)	(1,285)	(111)	(1,245)
Actual losses on doubtful debtors	33	1,188	33	1,271
Present value adjustment	5,308	7,357	298	11,758
Exchange variation on investments abroad	1,208	4,439	(750)	(1,905)
(Increase) decrease in operating assets	-			
Trade accounts receivable	(16,979)	(3,748)	(16,154)	2,011
Inventories	3,337	4,547	6,737	4,578
Recoverable taxes	7,775	1,454	11,320	2,541
Other assets	3,126	3,602	3,864	3,266
(Increase) decrease in operating liabilities:				
Suppliers	(1,718)	(3,977)	(2,744)	(4,321)
Taxes payable	(820)	(3,110)	(4,162)	1,365
Other liabilities and accounts payable	145	5,805	(2,325)	6,358
Net cash used in operating activities	(5,795)	(5,520)	(29,993)	(6,736)
CASH FLOW FROM INVESTING ACTIVITIES				
Capitalization of subsidiary	(4,069)	(2,740)	-	-
Securities - restricted account	112	121	347	165
Proceeds from loans received - related parties				
Proceeds from the sale of fixed assets	1,571	227	26,801	347
Acquisition of fixed assets	(2,052)	(332)	(2,452)	(464)
Additions to intangible assets	(231)	-	(233)	-
Net cash provided by (used in) investing activities	5,609	(2,724)	24,463	48
CASH FLOW FROM FINANCING ACTIVITIES				
Borrowing of loans and financing	81,376	49,768	100,760	59,743
Borrowing (payment) of loans - related parties	2,852	(2,872)	-	-
Capital increase	1,519	19,235	1,519	19,235
Payment of loans and financing	(85,311)	(57,475)	(107,080)	(81,011)
Net cash provided by (used in) financing activities	436	8,656	(4,801)	(2,033)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	250	412	(10,331)	(8,721)
Cash and cash equivalents at the beginning of the period	1,440	2,734	19,907	13,171
Cash and cash equivalents at the end of the period	1,690	3,146	9,576	4,450

The notes are an integral part of the financial statements.

LUPATECH S.A.

INDIVIDUAL AND CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED SEPTEMBER 30, 2024 AND 2023

(In R\$ Thousands)

	Share capital	Capital reserves, options granted	Accumulated losses	Equity valuation adjustments	Total shareholding of the Company's shareholders	Total shareholders' equity
BALANCES AS AT DECEMBER 31, 2022	1,898,871	139,150	(2,041,877)	191,562	187,706	187,706
Capital increase	19,235	-	-	-	19,235	19,235
Loss for the period	-	-	(45,828)	-	(45,828)	(45,828)
Exchange variation on investments abroad	-	-	-	(6,344)	(6,344)	(6,344)
Capital reserve	-	4,439	-	-	4,439	4,439
BALANCES AT SEPTEMBER 30, 2023	1,918,106	143,589	(2,087,705)	185,218	159,208	159,208
BALANCES AT DECEMBER 31, 2023	1,920,820	144,754	(1,980,690)	74,679	159,563	159,563
Capital increase	1,519	-	-	-	1,519	1,519
Loss for the period	-	-	(40,479)	-	(40,479)	(40,479)
Exchange variation on investments abroad	-	-	-	(448)	(448)	(448)
BALANCES AT SEPTEMBER 30, 2024	1,922,339	144,754	(2,021,169)	74,231	120,155	120,155

The notes are an integral part of the financial statements.

LUPATECH S.A.

INDIVIDUAL AND CONSOLIDATED INTERIM STATEMENTS OF VALUE ADDED
FOR THE PERIODS ENDED SEPTEMBER 30, 2024 AND 2023
(In R\$ Thousands)

	Parent		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
REVENUES				
Sales of goods, products and services (including IPI)	117,321	66,799	120,941	80,342
Revenue from the sale of fixed assets	1,571	-	26,801	126
Reversal of estimated losses due to non-recoverability of assets	2,341	-	10,978	-
Other income	3,200	1,735	1,864	9,417
Reversal (estimate) of losses on bad debts	24	1,285	69	1,245
Effective losses on bad debts	(33)	(1,188)	(33)	(1,271)
	124,424	68,631	160,620	89,859
INPUTS PURCHASED FROM THIRD PARTIES				
Cost of products, goods and services sold	(52,090)	(20,819)	(47,690)	(16,445)
Materials, energy, third-party services and others	(10,279)	(10,701)	(15,335)	(18,674)
Loss on disposal of fixed assets	-	-	-	(90)
Other expenses	(12,882)	(13,656)	(50,138)	(22,831)
	(75,251)	(45,176)	(113,163)	(58,040)
GROSS VALUE ADDED	49,173	23,455	47,457	31,819
DEPRECIATION AND AMORTIZATION	(2,016)	(2,820)	(4,206)	(5,049)
NET ADDED VALUE PRODUCED BY THE COMPANY	47,157	20,635	43,251	26,770
ADDED VALUE RECEIVED IN TRANSFER				
Equity income	1,417	(12,276)	-	-
Financial income	13,188	29,965	22,178	38,019
	14,605	17,689	22,178	38,019
TOTAL ADDED VALUE TO BE DISTRIBUTED	61,762	38,324	65,429	64,789
DISTRIBUTION OF ADDED VALUE				
	61,762	38,324	65,429	64,789
Personnel:	26,488	25,867	31,853	31,673
Direct remuneration	18,827	18,926	22,567	23,028
Benefits	6,217	5,562	7,413	6,921
FGTS	1,444	1,379	1,873	1,724
Taxes, fees and contributions:	20,800	14,017	23,090	19,350
Federal and state	9,044	7,591	10,929	11,320
State	11,463	6,130	11,807	7,671
Municipal	293	296	354	359
Remuneration of third-party capital:	54,953	44,268	50,965	59,594
Interest and other financial expenses	54,726	44,034	50,641	59,249
Rent	227	234	324	345
Remuneration (losses) on own capital:	(40,479)	(45,828)	(40,479)	(45,828)
Loss for the year	(40,479)	(45,828)	(40,479)	(45,828)

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 September 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 public limited company headquartered in Nova Odessa, São Paulo State, 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 platforms and various other applications; and composite material artifacts, such as posts and tubular liners for lining oil pipelines.

Until 2017, the company operated in the oil services business (**Services segment**), of which there are still various assets in the process of being demobilized, as well as the associated legacy. These assets are classified as assets held for sale and represent R\$ 10,171.

1.1 Operational continuity

The interim accounting information for the period ended September 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 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 November 14, 2024.

The accounting practices used in the preparation of this individual and consolidated interim accounting information are the same as those adopted in the preparation of the annual audited individual and consolidated financial statements of the Company and its subsidiary for the year ended December 31, 2023. Therefore, the individual and consolidated interim accounting information should be read in conjunction with the annual individual and consolidated financial statements of the Company and its subsidiary for the year ended December 31, 2023, issued on March 22, 2024, which include the complete set of explanatory notes.

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 under the historical cost convention, 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:

Direct and indirect subsidiaries	Direct and Indirect participation (%)	
	09/30/2024	12/31/2023
Direct participation		
Mípel 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
Ilno Administradora de Bens e Direitos Ltda. - (Brazil)	100.00	100.00
Indirect participation		
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>09/30/2024</u>	<u>12/31/2023</u>
<u>CURRENT ASSETS</u>		
CURRENT		
Assets classified as held for sale	997	886
Total current assets	<u>997</u>	<u>886</u>
NON-CURRENT		
Total non-current assets	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>997</u>	<u>886</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
CURRENT		
Total current liabilities	<u>-</u>	<u>-</u>
NON-CURRENT		
Related companies	<u>-</u>	<u>-</u>
Total non-current liabilities	<u>-</u>	<u>-</u>
SHAREHOLDERS' EQUITY		
Share capital	31	28
Reserves and capital transactions	4,696	4,173
Accumulated losses	<u>(3,730)</u>	<u>(3,315)</u>
Total shareholders' equity	<u>997</u>	<u>886</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>997</u>	<u>886</u>

INCOME STATEMENT

(In thousands of Reais)

	<u>09/30/2024</u>	<u>09/30/2023</u>
NET OPERATING REVENUE	-	-
OPERATING EXPENSES	-	-
Gross profit		
OPERATING EXPENSES		
General and administrative	-	(105)
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	-	(135)
INCOME TAX AND SOCIAL CONTRIBUTION	-	-

Current	-	-
Deferred	-	-
LOSS FOR THE YEAR	-	(135)

3. Cash and cash equivalents and marketable securities

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Cash and cash equivalents				
<u>Cash and banks</u>				
Brazil	987	885	1,161	2,823
Abroad	-	-	19	66
Total	987	885	1,180	2,889
<u>Financial Applications - BCD</u>				
Bank deposit certificate	703	555	8,396	17,018
Total	1,690	1,440	9,576	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 September 30, 2024, the balance linked to guarantees is R\$ 7,384.

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

4. Accounts receivable from customers

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Local market	30,976	13,997	35,230	19,155
Export	6	39	85	39
	30,982	14,036	35,315	19,194
Less: allowance for doubtful accounts	(672)	(696)	(943)	(1,054)
	30,310	13,340	34,372	18,140
Current	30,310	13,340	34,372	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	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
To profit	12,383	-	12,383	-
To win	14,360	11,762	16,950	15,358
Due to 30 days	2,691	1,040	2,169	1,104
Due from 31 to 90 days	581	191	1,218	191
Due from 91 to 180 days	253	32	566	32
Due from 181 a 360 days	16	212	16	350
Due more than 180 days	698	799	2,013	2,159
	30,982	14,036	35,315	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	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Finished goods	6,833	4,399	7,848	5,711
Goods for resale	647	802	3,766	2,237
Products in development	14,086	12,095	18,799	19,704
Raw material	8,549	17,926	18,003	30,341
Losses on inventory obsolescence	(7,406)	(8,291)	(23,895)	(25,315)
Total	22,709	26,931	24,521	32,678

Inventory obsolescence losses consist of management estimates based on inventory turnover, the order backlog and the prospect of 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	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Opening balance for the period	(8,291)	(7,848)	(25,315)	(26,260)
Loss estimate	-	(563)	(109)	(563)
Reversal	885	120	1,529	1,508
Final balance	(7,406)	(8,291)	(23,895)	(25,315)

6. Recoverable taxes

Recoverable Taxes	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
ICMS recoverable	5,413	8,373	5,565	8,526

ICMS about PIS and COFINS	15,678	21,212	19,375	25,561
IPI to be recovered	1,171	1,193	1,347	1,375
PIS to be recovered	234	79	311	148
COFINS recoverable	1,061	360	1,186	451
IRRF to be recovered	22	103	38	107
IRPJ to be recovered	721	744	6,994	9,150
CSLL to be recovered	573	591	1,417	2,242
Others	69	62	101	94
Total	<u>24,942</u>	<u>32,717</u>	<u>36,334</u>	<u>47,654</u>
Current	21,174	26,479	32,566	40,701
Non Current	3,768	6,238	3,768	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 a reduced ICMS tax base, as well as credits on purchases of inputs used in the manufacture of products intended for export.
- **ICMS on PIS and COFINS** – refers to the amount calculated by the Company as a result of a final and unappealable decision to exclude ICMS from the PIS and COFINS calculation basis.

Actions have been taken to use these accumulated tax credits, either by using them in the operation, offsetting them against debts or refunding them in cash. On June 19, 2023, a request was made for a partial refund of the amounts, which is still pending assessment at the administrative level.

- **IPI, PIS and COFINS recoverable** – credits on purchases of raw materials. These credits have been realized through offsetting 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	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Other accounts receivable - Current				
Debentures convertible into shares	748	1,673	1,142	2,067
Other accounts receivable	1,700	141	5,092	3,545
Total	<u>2,448</u>	<u>1,814</u>	<u>6,234</u>	<u>5,612</u>
Other accounts receivable - Non-current				
Arbitration Procedure CSL	33,341	33,341	33,341	33,341
Other accounts receivable	-	322	302	1,161
Total	<u>33,341</u>	<u>33,663</u>	<u>33,643</u>	<u>34,502</u>

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

“Other accounts receivable” are mainly composed of credits assigned for payment arising from forward loans made to 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 takes more than a year, the specialty and the geographical difficulty result in a factor that reduces the liquidity of the assets, and which are 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.

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

Assets classified as held for sale	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Machinery and equipment	-	896	8,775	19,184
Industrial tools	-	-	1,396	1,412
Vehicles	-	-	-	2
Total	-	896	10,171	20,598

Summary of movement of assets held for sale:

Cost of Assets – Net of Impairment	Parent			
	Machinery and equipment	Industrial Tools	Vehicles	Total
Balance on December 31, 2023	896	-	-	896
Disposal	(3,237)	-	-	(3,237)
Reversal/Estimate due to non-recoverability of assets	2,341	-	-	2,341
Balance on September 30, 2024	-	-	-	-

Cost of Assets – Net of Impairment	Consolidated			
	Machinery and equipment	Industrial Tools	Vehicles	Total
Balance on December 31, 2023	19,184	1,412	2	20,598
Disposal	(20,585)	(16)	(58)	(20,659)
Reversal/Estimate due to non-recoverability of assets	9,383	-	56	9,439
Effect of converting foreign subsidiaries	793	-	-	793
Balance on September 30, 2024	8,775	1,396	-	10,171

9. Investments

9.1 Investments in subsidiaries and affiliates

	Mipel	Recu	UEP	Finance	LO&G	Lochness	Ilnó	Parent	
								09/30/2024	12/31/2023
Investment									
Amount of share or quotas									
Ordinary shares (thd)	-	3,000	-	-	-	734,613	-		
Capital stock quotas (thd)	47,343	-	395,119	50	31	-	97,765		
Participation %	100%	95%	100%	100%	5%	100%	100%		
Shareholders' equity	796	-	32,569	104,351	997	33,305	97,602		
Income for the period	(6,656)	(22)	150	(83)	-	14,889	(159)		
Unrealized profits	(530)	-	-	-	-	-	-		
Movement of investments									
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	-	-	-	-	-	-	-	-	160
Capital increase	4,069	-	-	-	-	-	-	4,069	6,078
Equity in earnings	(6,654)	(22)	150	3,735	-	5,956	(1,748)	1,417	53,626
Equity valuation adjustment	-	(1)	106	8,116	6	(9,881)	-	(1,654)	(108,345)
Final balance in the period	266	-	32,569	104,351	50	33,305	89,846	260,387	256,555

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 Ilnó Administradora de Bens e Direito Ltda.

9.2 Investment Property

It currently consists of land and a built-up 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 Direitos SPE S.A., which was set up to give the property in payment to the creditors of Class I of the judicial reorganization of the Lupatech group, under the terms of item XVI of Article 50 of Law 11.101/2005, in accordance with the judicial authorization granted within the scope of the judicial reorganization process. Investment property is measured at fair value. According to a technical report by an independent company, the fair value of the investment property is R\$ 19,685.

	Consolidated		
	Land	Building and construction	Total
Balance on December 31, 2023	18,819	866	19,685
Additions	-	-	-
Disposal	-	-	-
Balance on September 30, 2024	18,819	866	19,685

10. Fixed assets

	Weighted average rate of depreciation % p.p.	Parent		Consolidated	
		09/30/2024	12/31/2023	09/30/2024	12/31/2023
		net fixed assets	net fixed assets	net fixed assets	net fixed assets
Land	-	3,751	3,751	48,670	48,670
Building and construction	3%	5,364	5,496	60,767	62,626
Machinery and equipment	12%	8,106	7,764	11,391	9,348
Molds and matrixes	21%	730	801	763	867
Industrial installations	7%	76	82	1,323	1,375
Furniture and fixtures	9%	552	536	629	711
Data processing equipment	34%	173	209	267	350
Improvements	8%	420	285	975	851
Vehicles	12%	59	12	59	12
Advances for fixed assets acquisitions	-	100	100	5,420	5,419
Construction in progress	-	643	1,045	895	1,176
Total		19,974	20,081	131,159	131,405

Summary of asset movement:

	Parent								
	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
Gross Cost									
Balance on December 31, 2023	3,751	8,269	89,363	2,068	3,911	4,157	1,045	563	113,127
Additions	-	-	1,755	6	39	16	179	57	2,052
Disposal	-	-	(303)	-	(15)	(185)	(235)	(36)	(774)
Transfer	-	-	158	202	1	(10)	(344)	(7)	-
Capitalized financial effect	-	-	-	-	-	-	(2)	-	(2)
Balance on September 30, 2024	3,751	8,269	90,973	2,276	3,936	3,978	643	577	114,403
Accumulated depreciation									
Balance on December 31, 2023	-	(2,773)	(80,798)	(1,701)	(3,375)	(3,948)	-	(451)	(93,046)
Additions	-	(132)	(1,558)	(79)	(24)	(45)	-	(3)	(1,841)
Disposal	-	-	223	-	15	184	-	36	458
Transfer	-	-	(4)	-	-	4	-	-	-
Balance on September 30, 2024	-	(2,905)	(82,137)	(1,780)	(3,384)	(3,805)	-	(418)	(94,429)
Net fixed assets									
Balance on December 31, 2023	3,751	5,496	8,565	367	536	209	1,045	112	20,081
Balance on September 30, 2024	3,751	5,364	8,836	496	552	173	643	159	19,974

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
Gross Cost									
Balance on December 31, 2023	48,670	78,212	103,987	5,783	5,680	7,024	1,176	13,355	263,887
Additions	-	-	1,945	5	41	19	384	58	2,452
Disposal	-	-	(3,403)	(217)	(227)	(390)	(235)	(254)	(4,726)
Transfer	-	11	304	213	(75)	(18)	(428)	(7)	-
Reversal/estimate for non-recoverability of assets	-	165	2,301	-	1	-	-	56	2,523
Capitalized financial effect	-	-	(141)	-	-	-	(2)	-	(143)
Balance on September 30, 2024	48,670	78,388	104,993	5,784	5,420	6,635	895	13,208	263,993
Accumulated depreciation									
Balance on December 31, 2023	-	(15,586)	(93,772)	(3,557)	(4,969)	(6,674)	-	(7,924)	(132,482)
Additions	-	(2,035)	(1,719)	(138)	(45)	(83)	-	(3)	(4,023)
Disposal	-	-	2,656	209	223	385	-	198	3,671
Transfer	-	-	(4)	-	-	4	-	-	-
Balance on September 30, 2024	-	(17,621)	(92,839)	(3,486)	(4,791)	(6,368)	-	(7,729)	(132,834)
Net fixed assets									
Balance on December 31, 2023	48,670	62,626	10,215	2,226	711	350	1,176	5,431	131,405
Balance on September 30, 2024	48,670	60,767	12,154	2,298	629	267	895	5,479	131,159

Certain fixed assets are encumbered by mortgages, which guarantee loans or guarantee loans, or pledged in certain tax contingencies. A table below shows the amounts of assets encumbered, according to their book value current:

Goods burdened by	Parent	Consolidated
Taxation (Tax executions)	8,971	9,687
Loans and financing	6,129	98,777
Total	15,100	108,464

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

11. Intangibles

	Weighted amortization rate % per year	Parent		Consolidated	
		09/30/2024	12/31/2023	09/30/2024	12/31/2023
		Net intangible assets		Net intangible assets	
Goodwill on acquisition of investments (*)	-	61,479	61,479	82,166	82,166
Software and other licenses	20% a.a.	10	15	29	41
Development of new products	20% a.a.	806	745	1,066	1,003
Total		62,295	62,239	83,261	83,210

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

Synthesis of movement of intangible assets:

	Parent			
	Goodwill on acquisition of investments	Softwares and other licenses	Development of new products	Total
Gross intangible cost				
Balance on December 31, 2023	61,479	13,270	10,233	84,982
Additions	-	-	231	231
Balance on September 30, 2024	61,479	13,270	10,464	85,213
Accumulated Amortization				
Balance on December 31, 2023	-	(13,255)	(9,488)	(22,743)
Additions	-	(5)	(170)	(175)
Balance on September 30, 2024	-	(13,260)	(9,658)	(22,918)
Net Intangible Assets				
Balance on December 31, 2023	61,479	15	745	62,239
Balance on September 30, 2024	61,479	10	806	62,295

12. Suppliers

	09/30/2024						12/31/2023					
	Parent			Consolidated			Parent			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Suppliers Subject to Judicial Recovery												
National Suppliers	5,686	39,357	45,043	5,686	39,357	45,043	5,196	39,666	44,862	5,196	39,666	44,862
Export Suppliers	-	9,266	9,266	-	9,266	9,266	-	8,267	8,267	-	8,267	8,267
(-) Adjustment to present value	-	(20,903)	(20,903)	-	(20,903)	(20,903)	-	(21,284)	(21,284)	-	(21,284)	(21,284)
	5,686	27,720	33,406	5,686	27,720	33,406	5,196	26,649	31,845	5,196	26,649	31,845
Suppliers Not Subject to Judicial Recovery												
National Suppliers	8,660	-	8,660	10,553	-	10,553	6,795	-	6,795	9,714	-	9,714
Export Suppliers	76	-	76	76	-	76	162	-	162	162	-	162
	8,736	-	8,736	10,629	-	10,629	6,957	-	6,957	9,876	-	9,876
Total of Suppliers	14,422	27,720	42,142	16,315	27,720	44,035	12,153	26,649	38,802	15,072	26,649	41,721

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

Parent and Consolidated	
Maturity	09/30/2024
2025	1,487
2026	1,884
2027	2,280
2028	3,040
From 2029	19,029
	27,720

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

Parent and Consolidated	
Current and Non-current	
Suppliers	Total domestic and export suppliers
Subject to Judicial Recovery	
Balance on December 31, 2023	31,845
Interest update	1,268
Exchange rate variation update	963
Payments	(1,051)
(-) Adjustment to present value	381
Balance on September 30, 2024	33,406

13. Loans and financing

Description	Indexer	Fees weighted interest	09/30/2024						12/31/2023					
			Parent			Consolidated			Parent			Consolidated		
			Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Subject to Judicial Recovery														
Local currency														
Creditors with collateral (Class II)	FIXED	3,00% p.a. + TR	2,990	37,758	40,748	2,990	37,758	40,748	2,616	37,630	40,246	2,616	37,630	40,246
(-) Adjustment to present value			-	(15,804)	(15,804)	-	(15,804)	(15,804)	-	(16,468)	(16,815)	-	(16,468)	(16,815)
Unsecured creditors (Class III)	FIXED	3,3% p.a. + TR	2,753	72,378	75,131	2,753	72,378	75,131	2,154	72,786	74,940	2,154	72,786	74,940
(-) Adjustment to present value			-	(33,802)	(33,802)	-	(33,802)	(33,802)	-	(35,893)	(35,545)	-	(35,893)	(35,545)
Foreign currency														
Unsecured creditors (Class III)	FIXED	0,4% p.a	-	-	-	1,904	76,984	78,888	-	-	-	1,496	71,933	73,429
(-) Adjustment to present value			-	-	-	-	(42,738)	(42,738)	-	-	-	-	(37,727)	(37,727)
			5,743	60,530	66,273	7,647	94,776	102,423	4,770	58,056	62,826	6,266	92,262	98,528
Not subject to Judicial Recovery														
Local currency														
Expansion - BNDES*	TJLP	6,91% p.a.	5,034	-	5,034	8,648	-	8,648	5,034	-	5,034	8,648	-	8,648
Discounted securities with co-obligation, fiduciary assignment of receivables and credits with fiduciary guarantee	FIXED	1,85% a.m.	18,206	475	18,681	18,251	475	18,726	17,581	-	17,581	17,834	-	17,834
Working Capital and GIF**	FIXED	1,68% a.m.	9,856	3,215	13,071	15,805	6,312	22,117	5,377	2,765	8,142	15,366	2,765	18,131
Foreign currency														
Capital de giro / expansão - BNDES*	DOLLA	5,27% p.a.	1,214	-	1,214	2,519	-	2,519	1,214	-	1,214	2,519	-	2,519
			34,310	3,690	38,000	45,223	6,787	52,010	29,206	2,765	31,971	44,367	2,765	47,132
			40,053	64,220	104,273	52,870	101,563	154,433	33,976	60,821	94,797	50,633	95,027	145,660

*The credits for “Working Capital/Expansion” granted by the BNDES are the subject of litigation (Note 18) which involves, among other things, the classification of the credits. The amounts indicated in the table correspond to the total amount under discussion, and are subdivided into a part subject to Judicial Recovery and a part not subject. The non-subject part is limited to the value of the assets subject to fiduciary sale, a value that could only be assessed at a public auction, according to a decision by the São Paulo Court of Justice - according to appraisal 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	
	09/30/2024		09/30/2024	
2025		7,776		9,403
2026		4,755		6,815
2027		5,784		8,278
2028		3,326		10,368
From 2029		42,579		66,699
		64,220		101,563

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
Balance on December 31, 2023	62,826	98,528
Interest update	4,061	1,593
Payments	(3,369)	(4,457)
Equity valuation adjustment*	-	9,016
Asset valuation adjustments	2,755	(2,257)
Balance on September 30, 2024	66,273	102,423

(*) 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	09/30/2024		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	92,650	2,659	94,256	
	Machinery and equipment	642	3,282	783	3,422	
	FGI	2,845	2,845	5,516	5,516	
		6,129	98,777	8,958	103,194	

According to independent appraisal reports, the market value corresponding to the balances of mortgages, buildings, machinery and equipment totals R\$ 141,855.

14. Related Companies

14.1 Controller

The balances and transactions between the Company and its subsidiaries, which are its related parties, were eliminated on consolidation. Details of the transactions between the parent company and its subsidiaries are as follows:

	Parent				09/30/2024	12/31/2023
	Lochness	Mipel	Lupatech Finance	UEP Equipamentos		
Current						
Accounts receivable	184	-	-	-	184	939
Non-current						
Mutual and loans	-	-	1,300	-	1,300	9,742
	<u>184</u>	<u>-</u>	<u>1,300</u>	<u>-</u>	<u>1,484</u>	<u>10,681</u>
Current Liabilities						
Other accounts payable	5,452	1,538	1,251	1,652	9,893	4,454
Non-current						
Mutual and loans	-	-	143,772	-	143,772	130,524
	<u>5,452</u>	<u>2,393</u>	<u>145,023</u>	<u>1,652</u>	<u>154,520</u>	<u>134,978</u>
Result for the year						
Product sales	-	8,175	-	-	8,175	-
Product purchases	-	-	-	-	-	7,505
Financial income	-	-	-	-	-	1,076
Exchange variation	-	-	-	-	-	(18,245)
	<u>-</u>	<u>8,175</u>	<u>-</u>	<u>-</u>	<u>8,175</u>	<u>(9,664)</u>

	Parent						
	Transaction date	Duration	Interest rate	Amount R\$	Balance US\$	09/30/2024	12/31/2023
Assets mutual							
Foreign currency							
Contract 1	Jul-14	Undetermined	105% do DI-Cetip	19,820	239	1,300	9,320
Contract 2	Dec-14	Undetermined	12,0% p.a.	288	-	-	422
				<u>20,108</u>	<u>239</u>	<u>1,300</u>	<u>9,742</u>
Liabilities mutual							
Foreign currency							
Contract 3	Jan-18	Undetermined	0,4% p.a.	227,331	26,744	143,772	130,524
				<u>227,331</u>	<u>26,744</u>	<u>143,772</u>	<u>130,524</u>

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

Guarantees granted

Transactions with related parties do not have guarantees attached to the operation, and are limited to 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 their composition.

15. Key Administration Personnel

Management Remuneration

Every year, the shareholders at the Annual General Meeting determine the remuneration limits for the management bodies. Management remuneration is made up of a fixed part and, in the case of the Executive Board, also includes a variable part.

The following table details the remuneration of the Administration bodies:

Management compensation	Parent Company and Consolidated			Parent Company and Consolidated		
	Fixed	Variable	09/30/2024	Fixed	Variable	09/30/2023
Direction	(1,408)	(287)	(1,695)	(1,395)	(290)	(1,685)
Board of Directors	(842)	-	(842)	(808)	-	(808)
Total	<u>(2,250)</u>	<u>(287)</u>	<u>(2,537)</u>	<u>(2,203)</u>	<u>(290)</u>	<u>(2,493)</u>

The company does not remunerate its directors shares. Furthermore, it offers key people the possibility of participation in stock option plans issued by the Company. These plans give the beneficiaries the right, but not the obligation, to acquire shares at a previously agreed price within defined timeframes, upon payment of the price. It is therefore a commercial transaction between the parties.

16. 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 set up. According to the technical analyses prepared, the Company estimates the realization of tax credits as follows:

IRPJ and CSLL - Tax Credits	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
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
Total	<u>90,550</u>	<u>90,550</u>	<u>103,000</u>	<u>103,000</u>

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

IRPJ and CSLL - Temporary Differences	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Adjustment to present value of suppliers, fines, loans and debentures	(24,610)	(25,873)	(34,782)	(34,852)
Assigned Cost	-	-	(1,214)	(2,447)
Others	(6,115)	(9,521)	(6,115)	(9,521)
	<u>(30,725)</u>	<u>(35,394)</u>	<u>(42,111)</u>	<u>(46,820)</u>

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

IRPJ and CSLL - Non-Current Assets	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Tax Credits	90,550	90,550	103,000	103,000
Temporary Differences	(30,725)	(35,394)	(42,111)	(46,820)
	<u>59,825</u>	<u>55,156</u>	<u>60,889</u>	<u>56,180</u>

b) Reconciliation of income tax and social contribution expenses

	Parent			
	Three-month period ended		Nine-month period ended	
	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Loss before tax	(9,667)	(23,356)	(45,148)	(45,345)
Addition and Exclusions				
Equity	(2,418)	4,530	1,417	(12,276)
Stock obsolescence	118	(34)	1,420	(8,330)
(Reversal) Estimate of losses due to non-recoverability of assets	-	-	2,341	-
(Reversal) Estimate of losses for bad debts	(24)	(1,327)	(111)	(1,284)
Estimates for losses from lawsuits	52	(520)	1,943	(570)
Non deductible expenses	-	-	(149)	-
Present value adjustment	-	2,819	(5,308)	7,357
Provision of interest on suppliers	80	20	425	(44)
Provision for exchange rate variation	(3,069)	6,588	15,567	(7,255)
Others	4,653	(578)	(10,691)	31,277
Calculation basis	(10,275)	(11,858)	(38,294)	(36,470)
Current income tax and social contribution	-	-	-	-
Deferred income tax and social contribution	(154)	2,119	4,669	(483)

	Consolidated			
	Three-month period ended		Nine-month period ended	
	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Loss before tax	(10,148)	(22,770)	(44,257)	(46,391)
Addition and Exclusions				
Stock obsolescence	(938)	1,368	(1,420)	924
(Reversal) Estimate of losses due to non-recoverability of assets	3,509	180	10,978	598
(Reversal) Estimate of losses for bad debts	49	(1,214)	(111)	(1,245)
Estimates for losses from lawsuits	138	63	1,810	5,645
Non deductible expenses	(149)	2	(409)	(39)
Present value adjustment	(4,041)	2,819	(297)	7,357
Provision of interest on suppliers	(219)	10	(425)	(92)
Provision for exchange rate variation	(3,093)	7,416	8,335	(7,964)
Others	2,285	(13,026)	(24,760)	(17,206)
Calculation basis	(12,607)	(25,152)	(50,556)	(58,413)
Current income tax and social contribution	(2)	-	(4)	(1)
Deferred income tax and social contribution	329	1,533	3,782	564

17. Other accounts payable

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Others payable - Current Liabilities				
Provision of fees	928	17	928	67
Labor contingencies payable	399	442	483	587
Miscellaneous provisions	301	437	305	437
Other obligations (*)	2,728	2,138	2,728	2,138
Contractual Fines	1,156	3,072	1,156	3,072
Other bills to pay	792	1,157	1,241	1,620
Total	6,304	7,263	6,841	7,921

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Others payable - Non-current				
Labor contingencies payable	-	-	1,694	1,849
Other obligations (*)	37,831	36,234	37,831	36,234
Other bills to pay	-	-	-	1,501
Total	37,831	36,234	39,525	39,584

(*) Debts subject to Judicial Recovery

The maturities of the installments of other obligations - subject to Judicial Reorganization allocated to non-current are as follows:

Parent company and Consolidated		09/30/2024
Maturity		
2025		1,825
2026		2,312
2027		2,799
2028		3,731
From 2029		27,164
		37,831

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

Current Liabilities and non-current		Parent and Consolidated
Other obligations - subject to Judicial Recovery		
Balance on December 31, 2023		38,372
Interest update		1,238
Delayed credit approval		331
Payments		(1,555)
(-) Adjustment to present value		2,173
Balance on September 30, 2024		40,559

18. Contingent processes and judicial deposits

18.1 Judicial Deposits

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

	Judicial deposits	
	Parent	Consolidated
Tax contingencies	306	460
Labor contingencies	1,250	4,141
Civil contingencies	19	554
Total on September 30, 2024	1,575	5,155
Total on December 31, 2023	1,489	5,079

18.2 Provision for tax, labor and civil risks

The Company is discussing tax, labor and civil issues in court. The provision for tax, labor and civil risks was calculated by management based on available information and supported by the opinion of its lawyers as to the

expected outcome, in an amount considered sufficient to cover losses considered probable that may occur as a result of unfavorable court decisions.

		Parent		Consolidated	
		Expectation of loss		Expectation of loss	
		Possible	Probable	Possible	Probable
Tax (i)					
ICMS - Tax on Circulation of Goods and Services	(i.1)	82,004	-	82,431	-
CSLL - Social Contribution on Net Profit		2,368	-	7,257	-
IRPJ - Corporate Income Tax	(i.2)	21,807	-	59,965	-
IRRF - Withholding Income Tax	(i.3)	61,976	-	61,976	-
IPI - Tax on Industrialized Products		998	-	998	-
COFINS - Contribution to Social Security Financing		-	-	286	-
ISS - Tax on Services	(i.4)	-	-	7,918	-
CIDE - Contribution for Intervention in the Economic Domain		-	-	1,770	-
Customs duties	(i.5)	-	-	26,154	-
Other tax provisions		1,373	-	10,571	-
		<u>170,526</u>	<u>-</u>	<u>259,326</u>	<u>-</u>
Labor (ii)		3,509	15,474	9,091	20,630
Civil (iii)		7,922	355	18,780	3,860
Total on September 30, 2024		<u>181,957</u>	<u>15,829</u>	<u>287,197</u>	<u>24,490</u>
Total on December 31, 2023		<u>200,141</u>	<u>18,466</u>	<u>315,736</u>	<u>27,591</u>

These amounts cover all of the Group's companies and include amounts 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 the lawsuits 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 in view of the matter discussed, the judgments in each lawsuit 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
Balance on December 31, 2023	-	16,930	1,536	18,466	-	22,291	5,300	27,591
Additions	-	-	1	1	-	-	155	155
Write-offs	-	(1,456)	(1,182)	(2,638)	-	(1,661)	(1,595)	(3,256)
Balance on September 30, 2024	-	15,474	355	15,829	-	20,630	3,860	24,490

Legal demands are divided into three spheres, namely:

(i) *Tax contingencies*

Discussions involving state and federal taxes, including IRPJ, PIS, COFINS, INSS, ICMS and IPI. There are cases at all procedural stages, from the initial instance to the higher courts, STJ and STF. The main processes and amounts are as follows:

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

(i.1) Annulment action brought by the State of Rio Grande do Sul seeking to set aside an ICMS tax credit, due to the company's failure to pay the tax on the fictitious export of goods under REPETRO, given that this operation is immune from its incidence. Case distributed on April 28, 2017, subject to a possible loss of R\$ 82,004.

(i.2) Statement of to have the negative IRPJ balance recognized. Case distributed on May 30, 2014, subject to a possible loss of R\$ 9,083.

Annulment action seeking to have the tax credit (IRPJ and CSLL for the 2009 and 2010 calendar years) annulled. Lawsuit filed on April 15, 2020, subject to a possible loss of R\$ 6,808.

Notice of infraction from the Brazilian Federal Revenue Service, issued as a result of the Manifestation of Non-Compliance filed against the decision. Process distributed on July 23, 2014, subject to possible loss of R\$ 5,916.

(i.3) Tax enforcement by the National Treasury, regarding the collection of IRRF debts. The discussion on the merits is being held in a writ of mandamus, in which a ruling was handed down recognizing that a substantial portion of the tax credits arising from the administrative process are unfounded. Case distributed on January 21, 2016, subject to a possible loss of R\$ 61,976.

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

(i.2) Notice of infraction issued by the Brazilian Federal Revenue Service, due to alleged irregularities in the calculation of IRPJ, CSLL, PIS and COFINS in 2013. Case distributed on October 6, 2016, subject to a possible loss of R\$ 13,367.

Notice of infraction from the Brazilian Federal Revenue Service, issued as a result of the arbitration of profit in calendar year 2010. Process distributed on November 10, 2014, subject to a possible loss of R\$ 16,332.

Administrative proceeding seeking to offset debts against a tax credit corresponding to a negative IRPJ balance for the 2010 calendar year. Lawsuit filed on April 30, 2013, subject to a possible loss of R\$ 6,243

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

(i.5) Infraction notices issued by the Brazilian Federal Revenue Service, for the collection of fines due to alleged non-compliance with the special customs regime for temporary admission. Processes subject to possible loss of R\$ 16,477.

Infraction notices issued by the Brazilian Federal Revenue Service to collect the remaining balance of II, IPI, PIS and COFINS levied on declared imports. Proceedings subject to a possible loss of R\$ 3,810.

Notice of infraction issued by the Brazilian Federal Revenue Service regarding the collection of fines levied as a result of alleged non-compliance with the special customs regime for temporary admission. Case distributed on January 22, 2010. Process subject to possible loss of R\$ 3,111.

(ii) Labor contingencies

The company and its subsidiaries are parties to labor lawsuits, mainly involving claims for overtime, material and moral damages, health and safety risks, among others.

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

Obligations linked to labor contingencies	Balance Sheet	Subject to Judicial Reorganization	Not Subject to Judicial Reorganization	Total on 09/30/2024
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	10,169	7,740	17,909
Labor contingencies assessed as possible	Not provisioned in the balance sheet	1,029	2,204	3,233

Obligations linked to labor contingencies	Balance Sheet	Total on 09/30/2024
Other Accounts Receivable/Convertible Debentures (Note 7)	Current assets	1,142
Judicial Deposits - Labor Contingencies (Note 19.1)	Non-Current Assets	4,141
Property for Investment (Note 9.2)	Non-Current Assets	19,685

During the judicial reorganization, the company took steps to pay all contingent labor credits subject to judicial reorganization. These measures include: (i) the payment in kind 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 issue 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 reorganization; and (iii) the necessary measures for the contribution of supplementary assets to the SPE.

(iii) Civil contingencies

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

(iii.1) Search and seizure lawsuit filed on October 20, 2015 by Banco Nacional do Desenvolvimento Econômico (“BNDES”) against Lupatech S.A. and UEP - Equipamentos e Serviços para Petróleo Ltda, aiming to promote the search and seizure of machinery and equipment offered in fiduciary alienation on the occasion of financing granted by BNDES to these Group companies. Due to the judicial reorganization of the Lupatech Group, on February 1, 2017 the court of the 5th Federal Court of São Paulo, where the lawsuit is being processed, ordered the suspension of all expropriatory acts and submitted to the judicial reorganization court the analysis of the essentiality of said machinery and equipment for the operations of the Lupatech Group.

In the judicial reorganization proceedings, with the exception of the assets belonging to the Macaé unit, the others were declared by the court to be essential to the Lupatech Group's operations, preventing their search and seizure. Subsequently, after the appeal periods had expired, the BNDES again demanded that the search and seizure of the assets in the Judicial Recovery be resumed. The new request, although accepted in the first and second instances, was blocked by the Superior Court of Justice, which determined that other means than seizure of the assets should be used to satisfy the BNDES' claim.

The BNDES filed an appeal against the decision handed down by the STJ Minister, which is awaiting judgment. On July 12, 2023, the BNDES submitted a statement informing the court of the decision to close the judicial reorganization and reiterating its request for the granting of its interlocutory appeal. The appeals are awaiting judgment by the STJ.

In December 2021, the São Paulo Court of Justice ruled that the value of the BNDES' out-of-court credit, that arising from the assets that make up the fiduciary alienation guarantee - the object of the search and seizure, is limited to its effective liquidation value at auction. According to the asset appraisal report dated 2018, the value of the assets is R\$5,005. The debt is recorded in liabilities (Note 13) at its balance on the date of the request for judicial reorganization of R\$11,167, which is subdivided into a part subject to Judicial Reorganization (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 September 30, 2024, are related to:

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

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

18.3 Contingent Assets

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

	Parent		Consolidated	
	Gain expectation		Gain expectation	
	Possible	Probable	Possible	Probable
Tax	481	-	1,242	12,207
Civil	12,598	5,563	16,602	8,953
Total on September 30, 2024	13,079	5,563	17,844	21,160
Total on December 31, 2023	7,396	8,286	17,808	20,745

(i) Tax Contingent Assets

The Lupatech Group has legal claims for the refund of ICMS-Import on operations covered by a special temporary admission regime, in which there was no transfer of ownership of the goods. As they are still the subject of dispute, the accounting treatment of part of the contingent assets is maintained 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 proceeding initiated by UEP Equipamentos e Serviços para Petróleo Ltda. against CIM Componentes, currently known as Quantum Indústria Metalúrgica Ltda., due to the default of the Contract for the Purchase and Sale of Cargo Containers for Transport, signed on February 25, 2012, and the arbitrary withholding 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, an arbitration award was handed down confirming the existence of a claim in favor of Lupatech in the aforementioned historical amount, whose criteria for monetary correction and default interest would still be defined in a later settlement phase.

An Arbitration Award was handed down setting the initial terms and settling the financial indices and default interest of the claim brought by Lupatech. The decision became final, without CIM having voluntarily paid the debt. Therefore, judicial measures will be taken to recover the amount owed.

19. Taxes payable

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Taxes payable - Current				
ICMS installment	724	-	1,384	1,205
INSS installment	42	26	60	44
Ordinary installments	5,971	4,321	9,990	7,690
Exceptional Transaction PGFN	-	1,191	212	1,334
Installment Payment Judicial Recovery	520	455	1,328	1,139
Municipal installments	201	115	388	131
ICMS	47	19	57	49
INSS	580	1,560	1,110	1,974
IRRF	455	703	485	776
CSLL	19	21	22	24
COFINS	101	655	376	1,602
PIS	21	107	102	302
IPI	237	259	237	259
FGTS	4,209	4,241	4,778	4,791
Other taxes / installments	72	68	585	1,003
Total	13,199	13,741	21,114	22,323

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Taxes payable - Non-current				
ICMS installment	6,181	-	9,947	4,151
INSS installment	-	-	23	38
Ordinary Installment	14,066	11,958	24,136	21,948
Exceptional Transaction PGFN	-	-	850	-
Judicial Recovery Installment	423	808	1,445	2,374
ISS installment	6	18	636	305
Other miscellaneous taxes	105	96	315	383
Total	20,781	12,880	37,352	29,199

In the second quarter of 2024, the Company concluded an ICMS litigation transaction 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 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 been going on for more than a decade.

20. Shareholders' equity

	09/30/2024	12/31/2023
Share capital	1,922,339	1,920,820
Capital reserves and transactions	144,754	144,754
Asset valuation adjustments	74,231	74,679
Accumulated losses	(2,021,169)	(1,980,690)
Total equity	120,155	159,563

a) Share capital

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

	Parent Company and Consolidated	
	Number of Shares	Share capital
	Thousand	R\$
Total on December 31, 2023	41,038	1,920,820
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	187	225
Meeting Minutes 013/2024 of May 20, 2024	5	3
Meeting Minutes 016/2024 of June 04, 2024	139	71
Meeting Minutes 018/2024 of July 16, 2024	38	23
Meeting Minutes 019/2024 of July 23, 2024	610	1,086
Meeting Minutes 020/2024 of August 02, 2024	4	3
Meeting Minutes 025/2024 of September 02, 2024	1	1
Issue of new shares - exercise of warrants	1,092	1,519
Total on September 30, 2024	42,130	1,922,339

b) Capital reserve to be realized

	09/30/2024	12/31/2023
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)
Capital Reserve	(4,132)	(4,132)
Fair value of shares - Extrajudicial Recovery	144,754	144,754

(*) for compliance with the Judicial Recovery Plan

c) Subscription Bonus
Third Issue of Subscription Bonuses - (Additional Advantage of the 4th Issue of Debentures)

At a meeting held on March 24, 2023, the Board of Directors approved the Company's 4th issue of Debentures Convertible into Shares. 250 Debentures were issued in a single series, for a nominal value of R\$ 100,000, in the amount of up to R\$ 25 million, with a Subscription Bonus as an additional benefit. 101 Debentures were subscribed, amounting to R\$ 10.1 billion, and the remaining 149 that were not subscribed were canceled.

For each Debenture subscribed and paid up in the Issue, 175,600 Subscription Bonuses were delivered free of charge as an additional benefit, which granted their holders the right to subscribe and pay up shares, in the proportion of one Share for each Bonus exercised, under the terms and conditions of the respective issue of Subscription Bonuses, carried out in conjunction with the 4th Debenture Issue. In the final homologation, 17,735,600 Subscription Bonuses were issued.

The Subscription Bonuses have an exercise period of up to March 24, 2025, which may be extended to March 24, 2026, in accordance with the issue rules.

Fourth issue of subscription warrants:

On 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:	02/15/2025(*)

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 September 30, 2024, 6,868 warrants had been paid in and exercised, with only 52 warrants remaining to be exercised.

d) 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.

e) 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.

21. Financial instruments

21.1 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 dollarMarket risk.

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	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Cash and cash equivalents	-	-	3	3
Accounts receivable	-	13	-	13
Other assets	3	-	1,455	7,434

Related parties - Assets	239	2,012	-	-
Loans	(223)	(251)	(14,942)	(15,688)
Related parties - Liabilities	(26,744)	(26,961)	-	-
Other liabilities	-	-	(21)	(81)
Net exposure in US dollars	<u>(26,725)</u>	<u>(25,187)</u>	<u>(13,505)</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: 11.3%

US\$: 5.32

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 14.1%

US\$: 6.65

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 16.9%

US\$: 7.98

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

Operating	Risk	Scenario as defined above					
		Parent			Consolidated		
		Probable	Possible	Remote	Probable	Possible	Remote
Loans and financing	US\$ hike	31	288	607	1,376	12,995	27,365
Loans and financing	Interest rate hike	(309)	49	59	72	90	108
Mutual contracts	US\$ hike	3,421	32,295	68,011	-	-	-
Total (gain) loss		<u>3,143</u>	<u>32,632</u>	<u>68,677</u>	<u>1,448</u>	<u>13,085</u>	<u>27,473</u>

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 and advances to customers and suppliers.

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 72% (42% in the same period of 2023) of the Company's total revenues as at September 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.

21.2 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	1,690	1,690	9,576	9,576
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	6,046	11,167	9,210
Discounted securities with co-obligation	18,681	18,681	18,726	20,114
FGI/Fiduciary Receivables and Credits with fiduciary guarantee of credit rights	13,071	13,073	22,117	22,118
Loans and financing judicial recovery	66,273	66,273	102,423	102,423
Total	104,273	104,073	154,433	153,865

21.3 Financial Instruments by Category

	Parent					
	09/30/2024			12/31/2023		
	Amortized cost	Fair Value by Result	Total financial assets	Amortized cost	Fair Value by Result	Total financial assets
Financial Assets						
Securities-restricted	-	44	44	-	44	44

Accounts receivable	30,310	-	30,310	13,340	-	13,340
Cash and cash equivalents	1,690	-	1,690	1,440	-	1,440
Related parties	1,484	-	1,484	10,681	-	10,681
Total	33,484	44	33,528	25,461	44	25,505
Financial Liabilities						
Loans and financing	-	104,273	104,273	-	94,797	94,797
Suppliers	42,142	-	42,142	38,802	-	38,802
Related parties	154,520	-	154,520	134,978	-	134,978
Total	196,662	104,273	300,935	173,780	94,797	268,577

Consolidated

	09/30/2024			12/31/2023		
	Amortized cost	Fair Value by Result	Total financial assets	Amortized cost	Fair Value by Result	Total financial assets
Financial Assets						
Securities-restricted	-	44	44	-	44	44
Accounts receivable	34,372	-	34,372	18,140	-	18,140
Cash and cash equivalents	9,576	-	9,576	19,907	-	19,907
Total	43,948	44	43,992	38,047	44	38,091
Financial Liabilities						
Loans and financing	-	154,434	154,434	-	145,660	145,660
Suppliers	44,035	-	44,035	41,721	-	41,721
Total	44,035	154,434	198,469	41,721	145,660	187,381

22. 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	
	09/30/2024	
- Comprehensive business insurance	R\$	50,600
- Life insurance	R\$	50,801
- General civil responsibility insurance	R\$	10,029
- International transport insurance (*)	US\$	350

(*) Amounts in US dollar thousands.

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 that it is sufficient to cover any claims.

23. 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: All the grants under this plan have already been made, but there are still exercises pending.

(iv) Incentive Plan 2024, approved by the AGM of May 16, 2024: No grant has yet been made and there are no outstanding exercises.

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
Board Members	201,022	1.18	10/28/2025	197,548	1.78	09/02/2025	1,117,121	2.57	02/09/2027
	649,895	1.35	06/24/2027	348,250	2.57	06/09/2025	509,629	2.57	06/09/2025
				100,000	2.74	11/30/2026	1,171,801	1.20	05/10/2027
							45,000	1.29	07/16/2027
Other Beneficiaries	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
Total	911,225			1,424,548			3,140,000		
- Exercisable	509,177			880,173			757,748		
- Non-Exercisable	-			544,375			2,382,252		
- Conditioned	402,048								

Obtaining the right to exercise the Options is regulated in the respective Plans and Board Meetings that authorized the grants. The Options indicated as “non-exercisable” correspond to those whose contractual vesting period 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 given grant.

24. Net revenue

	Parent			
	Three-month period ending in		Nine-month period ending in	
	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Gross sales and/or services				
In Brazil	36,790	25,872	116,215	65,840
Export	37	438	1,106	959
	<u>36,827</u>	<u>26,310</u>	<u>117,321</u>	<u>66,799</u>
Deductions for gross sales				
Taxes on sales	(7,031)	(4,481)	(20,743)	(11,523)
Net sales and/or services	<u>29,796</u>	<u>21,829</u>	<u>96,578</u>	<u>55,276</u>

	Consolidated			
	Three-month period ending in		Nine-month period ending in	
	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Gross sales and/or services				
In Brazil	37,544	29,823	118,974	78,608
Export	328	643	1,967	1,735
	<u>37,872</u>	<u>30,466</u>	<u>120,941</u>	<u>80,343</u>
Deductions for gross sales				
Taxes on sales	(7,182)	(5,273)	(21,310)	(14,086)
Net sales and/or services	<u>30,690</u>	<u>25,193</u>	<u>99,631</u>	<u>66,257</u>

25. Earnings (loss) per share

Basic

The basic loss per share is calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of ordinary shares outstanding during the period.

Items	Parent and Consolidated			
	Three-month period ended		Nine-month period ended	
	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Net profit for the year	(9,821)	(21,237)	(40,479)	(45,828)
Profit attributable to the Company's shareholders	(9,821)	(21,237)	(40,479)	(45,828)
Weighted average number of ordinary shares issued (thousands)	42,130	39,276	42,130	39,276
Basic profit per share R\$	(0.2331)	(0.5407)	(0.9608)	(1.1668)

26. Other operating income and (expenses)

Items	Parent			
	Three-month period ending in		Nine-month period ending in	
	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Others operating income				
Reversal of estimates for legal proceedings	52	26	1,943	443
Revenue from the sale of fixed assets	132	126	1,571	227
Reversal of estimated losses due to non-recoverability of assets	-	-	2,341	-
Reversal of estimated losses from inventory obsolescence	-	-	324	-
Recovery of taxes and contributions	-	1,014	-	1,014
Other operating income	2	1	564	51
Total other operating income	186	1,167	6,743	1,735
Others operating expenses				
Estimated losses on legal proceedings	-	(546)	-	(1,013)
Cost on sale of fixed assets	(14)	(90)	(3,553)	(93)
Estimated losses on inventory obsolescence	(441)	(481)	-	(481)
Production idleness expense	(2,400)	(3,976)	(5,124)	(11,845)
Installments and taxes/contributions	(147)	-	(2,880)	-
Other operating expenses	(123)	811	(955)	(224)
Total other operating expenses	(3,125)	(4,282)	(12,512)	(13,656)
Other operating expenses, net	(2,939)	(3,115)	(5,769)	(11,921)

Items	Consolidated			
	Three-month period ending in		Nine-month period ending in	
	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Others operating income				
Reversal of estimates for legal proceedings	138	716	1,810	7,399
Revenue from the sale of fixed assets	1,543	213	26,801	347
Reversal of estimated losses due to non-recoverability of assets	3,509	180	10,978	598
Reversal of estimated losses from inventory obsolescence	-	1,014	-	1,014

Other operating income	105	50	967	185
Total other operating income	5,295	2,173	40,556	9,543
Others operating expenses				
Estimated losses on legal proceedings	-	(653)	-	(1,754)
Cost on sale of fixed assets	(813)	(1,688)	(35,519)	(2,115)
Estimated losses on inventory obsolescence	(476)	(505)	-	(505)
Production idleness expense	(2,955)	(5,105)	(6,074)	(15,143)
Expenses with eventual losses	-	(1,382)	-	(1,382)
Depreciation "Off-Book"	(529)	(529)	(1,589)	(1,589)
Installments and taxes/contributions	(439)	-	(3,959)	-
Other operating expenses	(1,213)	1,186	(3,911)	(433)
Total other operating expenses	(6,425)	(8,676)	(51,052)	(22,921)
Other operating expenses, net	(1,130)	(6,503)	(10,496)	(13,378)

27. Financial Results

Items	Parent			
	Three-month period ending in		Nine-month period ending in	
	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Financial Income				
Income from financial investments	14	45	112	121
Income from loan contracts	1	13	44	37
Monetary variation	1,036	1,854	1,996	3,006
Other financial income	111	(254)	390	278
Total financial Income	1,162	1,658	2,542	3,442
Financial Expenses				
Interest on loans and financing	(1,956)	(1,404)	(6,596)	(5,164)
Interest on loans and financing*	(905)	(922)	(4,061)	(2,765)
Adjustment to present value	(2,011)	(2,819)	(5,308)	(7,357)
Interest on loan agreements	(146)	(154)	(452)	(873)
Interest on suppliers and other obligations*	(707)	(976)	(2,505)	(2,625)
Fines, interest and monetary restatement	(1,076)	(1,077)	(8,178)	(3,536)
Outras despesas financeiras	(666)	(977)	(1,413)	(2,446)
Total financial Expenses	(7,467)	(8,329)	(28,513)	(24,766)
Active exchange variation	6,126	3,509	10,646	26,523
Passive exchange variation	(3,057)	(10,097)	(26,213)	(19,268)
Net exchange variation	3,069	(6,588)	(15,567)	7,255

(*) Debts subject to Judicial Recovery

Items	Consolidated			
	Three-month period ending in		Nine-month period ending in	
	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Financial Income				
Income from financial investments	80	54	347	165
Monetary variation	1,194	2,109	2,033	3,816
Other financial income	147	(246)	1,122	1,099
Total financial Income	1,421	1,917	3,502	5,080
Financial Expenses				
Interest on loans and financing	(2,078)	(1,552)	(6,742)	(5,652)
Interest on loans and financing*	(991)	(1,021)	(1,593)	(3,076)

Adjustment to present value	(4,041)	(360)	(297)	(11,758)
Interest on suppliers and other obligations*	(707)	(986)	(2,505)	(2,673)
Fines, interest and monetary restatement	(1,687)	(1,640)	(11,106)	(3,564)
Other financial expenses	(1,238)	(2,365)	(2,157)	(7,551)
Total financial Income	(10,742)	(7,924)	(24,400)	(34,274)
Active exchange variation	6,151	7,766	18,676	32,939
Passive exchange variation	(3,058)	(15,182)	(26,242)	(24,975)
Net exchange variation	3,093	(7,416)	(7,566)	7,964

(*) Debts subject to Judicial Recovery

28. (Expenses) by nature

Items	Parent			
	Three-month period ending in		Nine-month period ending in	
	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
<u>Cost of goods sold</u>	(22,693)	(15,847)	(72,791)	(40,679)
Raw material, materials for use and consumption, labor and third-party services	(22,250)	(15,290)	(71,352)	(39,179)
Depreciation and amortization	(596)	(680)	(1,863)	(2,117)
Others	153	123	424	617
<u>Selling expenses</u>	(2,916)	(3,259)	(8,295)	(7,688)
Third-party labor and services	(1,557)	(1,334)	(3,020)	(3,961)
Depreciation and amortization	(3)	(3)	(7)	(9)
Other commercial expenses	(1,356)	(1,922)	(5,268)	(3,718)
<u>General and Administrative Expenses</u>	(4,224)	(4,408)	(12,213)	(11,495)
Third-party labor and services	(2,794)	(2,608)	(8,387)	(8,189)
Depreciation and amortization	(49)	(46)	(145)	(694)
Other administrative expenses	(1,381)	(1,754)	(3,681)	(2,612)
<u>Management remuneration</u>	(1,037)	(767)	(2,537)	(2,493)
Items	Consolidated			
	Three-month period ending in		Nine-month period ending in	
	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
<u>Cost of goods sold</u>	(24,198)	(19,022)	(78,103)	(50,684)
Raw material, materials for use and consumption, labor and third-party services	(23,515)	(18,242)	(76,000)	(48,440)
Depreciation and amortization	(679)	(777)	(2,113)	(2,421)
Others	(4)	(3)	10	177
<u>Selling expenses</u>	(2,910)	(3,509)	(8,396)	(8,347)
Third-party labor and services	(1,044)	(977)	(3,022)	(2,928)
Depreciation and amortization	(3)	(3)	(7)	(9)
Other commercial expenses	(1,863)	(2,529)	(5,367)	(5,410)
<u>General and Administrative Expenses</u>	(5,335)	(4,739)	(15,892)	(16,516)
Third-party labor and services	(4,139)	(3,504)	(11,968)	(12,297)
Depreciation and amortization	(159)	(166)	(495)	(1,029)
Other administrative expenses	(1,037)	(1,069)	(3,429)	(3,190)
<u>Management remuneration</u>	(1,037)	(767)	(2,537)	(2,493)

29. 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 with the demobilization of 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 evaluates 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	
	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023
Net sales	30,690	25,136	-	57	30,690	25,193
Cost of sales	(24,198)	(18,848)	-	(174)	(24,198)	(19,022)
Gross Profit (Loss)	6,492	6,288	-	(117)	6,492	6,171
Selling expenses	(2,910)	(3,509)	-	-	(2,910)	(3,509)
General and administrative expenses	(5,947)	(3,922)	612	(817)	(5,335)	(4,739)
Management compensation	-	-	(1,037)	(767)	(1,037)	(767)
Reversal of estimated losses due to the non-recoverability of assets	-	-	3,509	180	3,509	180
Other operating income (expenses), net	(3,089)	(5,205)	(1,550)	(1,478)	(4,639)	(6,682)
Operating profit (loss) before financial result	(5,454)	(6,348)	1,534	(2,999)	(3,920)	(9,347)
	Products		Services		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Identifiable assets	150,915	144,693	167,851	187,992	318,766	332,685
Identifiable liabilities	19,220	16,046	173,562	166,140	192,781	182,186
	Products		Services		Consolidated	
	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023
Depreciation and amortization	722	(823)	119	(120)	841	(943)
Acquisition of fixed assets	2,403	464	49	689	2,452	1,153

	Nine-month period ending in					
	Products		Services		Consolidated	
	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Net sales	99,340	66,086	291	171	99,631	66,257
Cost of sales	(77,860)	(50,417)	(243)	(267)	(78,103)	(50,684)
Gross Profit (Loss)	21,480	15,669	48	(96)	21,528	15,573
Selling expenses	(8,396)	(8,347)	-	-	(8,396)	(8,347)
General and administrative expenses	(14,584)	(13,610)	(1,308)	(2,906)	(15,892)	(16,516)
Management compensation	-	-	(2,537)	(2,493)	(2,537)	(2,493)
Reversal of estimated losses due to the non-recoverability of assets	-	-	7,469	598	7,469	598
Other operating income (expenses), net	(8,876)	(15,800)	(9,089)	1,824	(17,965)	(13,975)
Operating profit (loss) before financial result	(10,375)	(22,088)	(5,417)	(3,073)	(15,793)	(25,161)

	Products		Services		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Identifiable assets	150,915	144,693	167,851	187,992	318,766	332,685
Identifiable liabilities	19,220	16,046	173,562	166,140	192,782	182,186

	Products		Services		Consolidated	
	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
	Depreciation and amortization	2,253	(2,568)	362	(891)	2,615
Acquisition of fixed assets	2,403	464	49	689	2,452	1,153

The information by geographical region is shown below:

	Three-month period ending in					
	Brazil		Others		Consolidated	
	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023
Net sales	30,690	25,193	-	-	30,690	25,193
Cost of sales	(24,198)	(19,022)	-	-	(24,198)	(19,022)
Gross Profit (Loss)	6,492	6,171	-	-	6,492	6,171
Selling expenses	(2,910)	(3,509)	-	-	(2,910)	(3,509)
General and administrative expenses	(5,335)	(4,739)	-	-	(5,335)	(4,739)
Management compensation	(1,037)	(767)	-	-	(1,037)	(767)
Reversal of estimated losses due to the non-recoverability of assets	3,509	180	-	-	3,509	180
Other operating income (expenses), net	(4,639)	(6,682)	-	-	(4,639)	(6,683)
Operating profit (loss) before financial result	(3,920)	(9,347)	-	-	(3,920)	(9,347)

	Brazil		Others		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Identifiable assets	318,765	332,685	-	-	318,766	332,685
Identifiable liabilities	156,737	146,485	36,044	35,702	192,781	182,186

	Brazil		Others		Consolidated	
	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023
Depreciation and amortization	841	(943)	-	-	841	(943)
Acquisition of fixed assets	2,452	1,153	-	-	2,452	1,153

	Nine-month period ending in					
	Brazil		Others		Consolidated	
	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Net sales	99,631	66,257	-	-	99,631	66,257
Cost of sales	(78,103)	(50,684)	-	-	(78,103)	(50,684)
Gross Profit (Loss)	21,528	15,573	-	-	21,528	15,573
Selling expenses	(8,396)	(8,347)	-	-	(8,396)	(8,347)
General and administrative expenses	(15,892)	(16,516)	-	-	(15,892)	(16,516)
Management compensation	(2,537)	(2,493)	-	-	(2,537)	(2,493)
Reversal of estimated losses due to the non-recoverability of assets	7,469	598	-	-	7,469	598
Other operating income (expenses), net	(17,965)	(13,975)	-	-	(17,965)	(13,975)
Operating profit (loss) before financial result	(15,794)	(25,161)	-	-	(15,793)	(25,161)
	Brazil		Others		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Identifiable assets	318,766	332,685	-	-	318,766	332,685
Identifiable liabilities	156,738	146,485	36,044	35,702	192,782	182,186
	Brazil		Others		Consolidated	
	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Depreciation and amortization	2,615	(3,459)	-	-	2,615	(3,459)
Acquisition of fixed assets	2,452	1,153	-	-	2,452	1,153

30. 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, which became final on June 21, 2023, 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	09/30/2024	12/31/2023
Accounting Balance Liabilities RJ	2,382	40,748	180,122	88,154	13,145	324,551	317,735
Adjustment to Present Value *	-	(15,804)	(80,237)	(45,785)	(4,316)	(146,142)	(146,436)
Net Accounting Balance	2,382	24,944	99,885	42,368	8,829	178,409	171,298
Maturities of the accounting balance:							
2024	467	747	1,355	423	162	3,154	11,207
2025	-	2,990	6,760	2,117	644	12,511	13,756
2026	-	2,990	8,542	2,682	637	14,851	16,051
2027	-	3,861	10,330	3,246	817	18,254	19,551
2028	-	4,485	13,765	4,329	951	23,530	25,098
2029	-	4,485	16,753	5,270	969	27,477	29,226
2030	-	4,485	21,240	6,681	954	33,360	35,443
2031	-	4,485	22,732	7,152	961	35,330	37,446
2032	-	12,220	29,018	9,126	7,050	57,414	54,831
2033	-	-	49,627	9,121	-	58,748	47,327
From 2034 onwards	1,915	-	-	38,007	-	39,922	27,799
Total	2,382	40,748	180,122	88,154	13,145	324,551	317,735
Litigation (dates and amounts undetermined)	10,169	-	2,809	-	330	13,308	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.

31. Subsequent events

Company in liquidation

On October 29, 2024, the Dutch District Court issued a declaration of non-objection regarding the liquidation of Lupatech Oil & Gas Coöperatief U.A. and on November 5, 2024, the final liquidation of the company was signed, in accordance with the balance sheet in Note 2.4. In view of the above, Coöperatief ceased to exist on November 5, 2024.

Comment on the behavior of business projections

Net Revenue for 3Q24 reached R\$ 30.7 million, representing an increase of 22% compared to the same quarter last year. In the 9-month period, we have accumulated growth of 50% compared to 2023.

The backlog of firm orders ended the quarter at R\$ 58 million, a reduction compared to 2Q24 (R\$ 67 million). The backlog of contracts without purchase obligations ended the quarter at R\$ 143 million, the same level as the previous quarter.

Consolidated net revenue for the period ended September 30, 2024 was R\$ 99.6 million.

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

Period	Net Revenue	Ebitda Margin
Between 3 and 5 years Objective	R\$ 550 million (considering the range of R\$ 450 million to R\$ 650 million)	17% to 23%
Between 5 and 10 years Objective	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 – 11-11-2024

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, bearer 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. Vacant - third member.

II – DUTIES OF THE AUDIT COMMITTEE:

The Audit Committee is responsible for, 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 - evaluate 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 itself in relation to the financial statements;

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

II.9 - perform the duties and carry out the other acts necessary to fulfill its responsibilities.

III – AUDIT COMMITTEE ACTIVITIES:

With regard to the current 2024 fiscal year, the Committee met again on November 11, 2024, at 10:30 a.m., virtually, via the Teams platform, where its two members were present, and its third member submitted his resignation, thus leaving his position temporarily vacant. 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 November 11, 2024, this Audit Committee discussed accounting and tax aspects related to the closing of the interim Financial Statements for the third quarter of 2024, corresponding to the three-month period beginning on July 1 and ending on September 30, 2024. The Board of Directors will accept the recommendation of this Audit Committee to approve the Financial Statements for the third 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 September 30, 2024.

IV – TOPICS DEVELOPED BY September 30, 2024:

- a. Financial Statements / Financial / Accounting: The Company's financial results for the 3rd Quarter of 2024 were monitored, with regard to the Financial Statements prepared for this period - Balance Sheet, 3rd Quarter Income Statement, Statement of Comprehensive Income, Cash Flow Statement, Statement of Changes in Shareholders' Equity, and Statement of Value Added for the 3-month period ending September 30, 2024;
- b. In addition to the financial statements, we also reviewed their explanatory notes. Assessed the accounting practices adopted; assessed the process for 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 Combating of Money Laundering; Follow-up of the procedures relating to the Prevention and Combating 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 90. 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 processing 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 3rd Quarter of the calendar year 2024, ending September 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, other assets - goods available for sale 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. Valuation of assets available for sale, no longer used in the operations of the Company and its subsidiaries; their valuation at fair value,
- f. Capitalization and depreciation policies for property, plant and equipment in use; and
- g. Analysis of the liabilities reflected in the quarterly financial statements as at September 30, 2024.

We discussed the lifting of the Judicial Recovery (RJ), carried out in the first quarter of 2023, and its disclosure in the notes to the financial statements presented here. Suggestion to re-discuss the positioning of this event and its disclosure in the notes to the financial statements to be presented with an independent audit, as a result of the disclosure for the purposes of comparing this current period, 2024, with the previous year, 2023, when the RJ situation was still occurring.

Therefore, from now on, this Committee believes that the most relevant aspect of the financial statements in the Notes to the Financial Statements 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 will be further discussed 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.

Otherwise, the accounting procedures in use by the company during the quarter under review remained unchanged.

VI – RECOMMENDATION ON THE FINANCIAL STATEMENTS AS AT 09/30/2024:

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 September 30, 2024, and, based on the information provided by Management, this Committee expresses its favor, and thus recommends, to the Board of Directors, its approval of the aforementioned documents.

Nova Odessa (SP), November 11, 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.



Management's declaration of the financial statements

The directors of the Company, in compliance with 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 Accounting Information for the period ended September 30, 2024.

Nova Odessa, November 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, pursuant to 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 Accounting Information for the period ended September 30, 2024.

Nova Odessa, November 14, 2024.

Rafael Gorenstein – Director President and of Investor Relations Officer

Marco Antônio Miola – Director without specific designation